



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

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON
THE FINANCIAL STATEMENTS AND COMPLIANCE AUDIT OF
INSTITUTE OF SOCIAL WORK
FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2019**

Controller and Auditor General,
National Audit Office,
Audit House,
4 Ukaguzi Road,
P.O. Box 950,
41101 Tambukareli,
Dodoma, Tanzania.
Tel: 255 (026) 2321759,
Fax: 255 (026) 2117527,
E-mail: ocag@nao.go.tz
Website: www.nao.go.tz

November, 2019

AR/ISPW PA/2018/19

TABLE OF CONTENTS

ORGANIZATION INFORMATION	1
ABBREVIATION AND DEFINITIONS OF TERMS:	2
GENERAL INFORMATION	3
BOARD OF GOVERNORS' REPORT	6
STATEMENT OF THE BOARD OF GOVERNORS' RESPONSIBILITY	35
DECLARATION OF HEAD OF FINANCE	36
INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL	37
STATEMENT OF FINANCIAL POSITION	40
STATEMENT OF FINANCIAL PERFORMANCE.....	41
STATEMENT OF CHANGES IN NET ASSETS	42
STATEMENT OF CASH FLOW	43
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	44
NOTES TO THE FINANCIAL STATEMENTS	47

INSTITUTE OF SOCIAL WORK

**ORGANIZATION INFORMATION
AUDITORS**

Controller and Auditor General,
National Audit Office,
Audit House,4 Ukaguzi Road,
P.O. Box 950,
41101 Tambukareli,
Dodoma, Tanzania.

MAIN BANKERS

Bank of Tanzania,
Head Office,
P.O. Box 2939,
Dar es Salaam.

CRDB Bank Plc,
Kijitonyama Branch,
P.O. Box 2302,
Dar es Salaam.

National Microfinance Bank Plc,
Bank House Branch,
P.O. Box 9031,
Dar es Salaam.

NBC Ltd,
Samora Branch,
P.O. Box 1863,
Dar es Salaam.

REGISTERED OFFICE

Institute of Social Work,
Kijitonyama, Plot No 684, Block 44
P. O. Box 3375,
Dar es Salaam.

**SECRETARY TO THE BOARD
OF GOVERNOR**

Dr. Joyce Nyoni,
Kijitonyama, Plot No 684,Block 44,
P. O. Box 3375,
Dar es Salaam.

INSTITUTE OF SOCIAL WORK

ABBREVIATION AND DEFINITIONS OF TERMS:

BG	Board of Governors
CWCY	Community Work with Children and Youth
CBET	Competence-BASED Education and Training
CAG	Controller and Auditor General
ICT	Information Communication Technology
IRC	Information Resource Centre
ISW	Institute of Social Work
ISWOSO	Institute of Social Work Student Organization
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
ISA	International Standards on Auditing
MDAs	Ministries, Departments and Agencies
NAO	National Audit Office
NACTE	National Council for Technical Education
OC	Other Charges
PPE	Property, Plant and Equipment
PAC	Public Accounts Committee
PAA	Public Audit Act No.11 of 2008
PAR	Public Audit Regulation, 2009
PFA	Public Finance Regulations, 2009
PPA	Public Procurement Act, 2011(Amended 2016)
PPR	Public Procurement Regulations, 2013 (Amended 2016)
TASWO	Tanzania Association of Social Workers
TCU	Tanzania Commission for Universities
TUCTA	Trade Union Congress of Tanzania
URT	United Republic of Tanzania
VAT	Value Added Tax

INSTITUTE OF SOCIAL WORK

GENERAL INFORMATION

Mandate

The statutory duties and responsibilities of the Controller and Auditor General are given under Article 143 of the Constitution of the URT of 1977 (revised 2005) and in Sect. 10 (1) of the Public Audit Act No.11 of 2008.

Vision

To be a highly regarded Institution that excels in Public Sector Auditing.

Mission

To provide high quality audit services that improves public sector performance, accountability and transparency in the management of public resources.

Core Values

In providing quality services, NAO is guided by the following Core Values:

- ✓ **Objectivity:** We are an impartial public institution, offering audit services to our clients in unbiased manner.
- ✓ **Excellence:** We are professionals providing high quality audit services based on standards and best practices.
- ✓ **Integrity:** We observe and maintain high standards of ethical behaviour, rule of law and a strong sense of purpose.
- ✓ **People focus:** We value, respect and recognize interest of our stakeholders.
- ✓ **Innovation:** We are a learning and creative public institution that promotes value added ideas within and outside the institution.
- ✓ **Results Oriented:** We are an organization that focuses on achievement based on performance targets.
- ✓ **Team work Spirit:** We work together as a team, interact professionally, share knowledge, ideas and experiences.

We do this by:-

- Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- Helping to improve the quality of public services by supporting innovation on the use of public resources;
- Providing technical advice to our clients on operational gaps in their operating systems;
- Systematically involve our clients in the audit process and audit cycles; and
- Providing audit staff with appropriate training, adequate working tools and facilities that promote their independence.

INSTITUTE OF SOCIAL WORK

GENERAL INFORMATION (CONTINUED)

Audit Objectives

To obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and are prepared in accordance with an applicable financial reporting framework; and whether laws and regulations have been complied with.

To obtain reasonable assurance about whether the procuring entity has complied with the provisions of the Public Procurement Act of 2011 and its regulations of 2013 as amended in 2016.

Audit Scope

The audit was carried out in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and other audit procedures as were deemed appropriate under the circumstances. This covered the evaluation of the effectiveness of the financial accounting system, internal controls relating to the subject matter on procurement as well as various activities of the Institute of Social Work.

The audit was conducted on a sample basis; therefore, the findings are confined to the extent that records, documents and information requested for the purpose of the audit were made available to me. Audit findings and recommendations arising from the examination of the accounting records, appraisal of the activities as well as evaluation of the Internal Control System which requires management's attention and actions, are set out in the management letter issued separately to the Institute of Social Work.

As auditor, I am not required to specifically search for fraud and therefore, my audit cannot be relied upon to disclose all such matters. However, my audit was planned in such a way that I would have reasonable expectations of detecting material errors and misstatement in the financial statements resulting from irregularities including fraud. The responsibility for detection, prevention of irregularities and the maintenance of an effective and adequate system of internal control rests with the management of the Institute of Social Work.

INSTITUTE OF SOCIAL WORK

GENERAL INFORMATION (CONTINUED)

Audit Methodology

My audit approach included tests of the accounting records and other procedures in order to satisfy the audit objectives. My audit procedures included the following:

- Planning the audit to identify and assess risks of material misstatement and material non-compliance with procurement procedures whether due to fraud or error, based on an understanding of the entity and its environment, including the entity's internal controls relating to financial statements and procurement.
- Obtain sufficient appropriate audit evidence about whether material misstatements and non-compliance on procurement exist, through designing and implementing appropriate responses to the assessed risks.
- Follow up on the implementation of the previous year's audit findings and recommendations and directives issued by PAC to ensure that proper action has been taken in respect of all matters raised.
- Formulate audit questions focusing on the scope and objective of this audit, of which conclusions on each audit question will be used to formulate general conclusion on procurement of goods, works and services as a subject matter.
- Form an opinion on the financial statements based on conclusions drawn from the audit evidence obtained.

INSTITUTE OF SOCIAL WORK

BOARD OF GOVERNORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

1.0 INTRODUCTION

The Institute of Social Work (ISW) was established by the National Social Welfare Training Institute Act No. 26 of 1973, which received Presidential assent on 6th December, 1973. The main objectives of the Institute is to provide facilities for training, research and consultancy in the principles, procedures and techniques of community development, social welfare and such other related subjects as the Board may from time to time decide.

The Institute was renamed the Institute of Social Work by the Written Laws (Miscellaneous Amendments) Act No. 3 of 2002 which received Presidential assent on 14th December, 2002. The Institute is operating under the Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDGEC).

The overall Governance of the Institute is vested to the Board of Governors (hereinafter the Board), while the day to day activities are under the direction of the Rector.

The Board of Governors presents its report and the Financial Statements for the year ended 30th June, 2019 which sets out the state of affairs of the Institute.

2.0 OBJECTIVES AND FUNCTIONS (PRINCIPAL ACTIVITIES) OF THE INSTITUTE

The principal objectives and functions of the Institute of Social Work as per Section 4 of the Act No. 26 of 1973 include: -

- a) To provide facilities for study of, and for training in, the principles, procedures and techniques of community development, and social welfare and such other related subjects as the Board may from time to time decide.
- b) To conduct training programs leading to professional qualification in generic and multifunctional, social practice and development and such other related subjects as the Board may from time to time decide.
- c) To stimulate and promote the pursuit of students of specialized and higher professional course of study in social work in accordance with national policies and development requirements.
- d) To create a sense of responsibility in the student and to prepare them to work with the people of Tanzania for the benefit of the nation.
- e) To create a sense of responsibility in the student and to prepare them to work with the people of Tanzania for the benefit of the nation.

INSTITUTE OF SOCIAL WORK

BOARD OF GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

2.0 OBJECTIVES AND FUNCTIONS (PRINCIPAL ACTIVITIES) (CONTINUED)

- f) To co-operate with Government of the United Republic of Tanzania and other persons or organizations in the carrying out any of the purposes for which the Institute was established.
- g) To sponsor and arrange facilities for conferences and seminars to discuss matters relating to welfare and social development.
- h) To conduct examination and to grant diploma, certificates, and other awards of the Institute.
- i) To arrange for the publication and general dissemination of materials produced in connection with the work and activities of the Institute.

3.0 SOLVENCY

The Board has reviewed the current financial position of the Institute. On the basis of the review, the members of the Governing Board are of the opinion that the Institute's position is as expressed in the Financial Statements and that it has been prepared on an ongoing concern basis. The Institute has enough resources to enable it to run its operations for the foreseeable future.

4.0 VISION OF THE INSTITUTE

Leading provider of high quality training, research and consultancy services in Social Work and all responsive to societal and global needs

5.0 MISSION OF THE INSTITUTE

To transform individuals` and community`s life by conducting high quality training programs, research and consultancy services that lead to socio-economic development of the country.

6.0 MEMBERSHIP OF THE BOARD OF GOVERNORS

The Board members for the year ended 30th June, 2019 is provided under table 1 below:

INSTITUTE OF SOCIAL WORK

**BOARD OF GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

6.0 MEMBERSHIP OF THE BOARD OF GOVERNORS (CONTINUED)

Table 1: List of Board Members

S/N	Name	Position	Age	Appointed	Expire of tenure	No of meetings	Qualification
1.	Prof. Lucian A. Msambichaka	Chairperson	76	25-10-2014	21-10-2018	1	PhD in Agricultural Economics
2.	Dr. Zena M. Mabeyo	Secretary	51	25-10-2014	21-10-2018	1	PhD in psychology
3.	Prof. Tumsifu J. Nnkya	Member	63	25-10-2014	21-10-2018	1	PhD in Urban Planning
4.	Prof. Godwin D. Mjema	Member	63	25-10-2014	21-10-2018	1	PhD in Economics
5.	Dr. Herman O. Moshi	Member	73	25-10-2014	21-10-2018	1	PhD in Economics
6.	Eng. Leoni G. Msimbe	Member	66	25-10-2014	21-10-2018	1	MSc in Civil Engineering
7.	Mr. Rabikira Mushi	Member	59	25-10-2014	21-10-2018	1	Advanced Diploma in Social Work
8.	Mr. Sauli Kinemela	Member	63	25-10-2014	21-10-2018	1	LLB
9.	Mrs. Monica Nkhoma	Member	64	25-10-2014	21-10-2018	1	MA in education
10.	Hon. Sophia M. Simba	Chairperson	69	22-10-2018	N/A	2	Masters of Community Development
11.	Mr. Afrael M. Mollel	Member	32	05-11-2018	N/A	2	Bachelor Degree in Social Work
12.	Dr. Theresa J. Kaijage	Member	72	05-11-2018	N/A	2	PhD in Social Work
13.	Dr. Rose I. Mbwete	Member	45	05-11-2018	N/A	2	PhD in Sociology
14.	Dr. Naftali Ng'ondi	Member	51	05-11-2018	N/A	3	PhD in Social Work
15.	Dr. Fidelice M. S. Mafumiko	Member	56	05-11-2018	N/A	2	PhD in Science Education

INSTITUTE OF SOCIAL WORK

BOARD OF GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

6.0 MEMBERSHIP OF THE BOARD OF GOVERNORS (CONTINUED)

Table 1: List of Board Members

S/N	Name	Position	Age	Appointed	Expire of tenure	No of meetings	Qualification
16.	Ms. Agnes I. Ndumbati	Member	42	05-11-2018	N/A	2	Masters in Constitution Administration Law
17.	Ms. Regina L. Kikuli	Member	58	05-11-2018	N/A	2	M. A in Health Planning Management and Policy
18.	Dr. Adolf B. Rutayuga	Member	55	05-11-2018	N/A	2	PhD in Education
19.	Dr. Joyce E. Nyoni	Secretary	51	05-11-2018	N/A	3	PhD in Sociology

The Board met three times during the reporting year and endorsed matters discussed by its committees.¹

All members of the Governing Board were Tanzanians as at 30th June, 2019.

COMMITTEES OF THE BOARD OF GOVERNORS

There were four Committees of the Board. The composition and responsibilities of each committee were as hereunder:

a) Academic Committee

The list of Academic Committee members as at 30th June, 2019 is as shown in Table 2.

¹ The tenure of the Board of Governor expired in November 2018 and new Board was formed thereafter

INSTITUTE OF SOCIAL WORK

BOARD OF GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

COMMITTEES OF THE BOARD OF GOVERNORS (CONTINUED)

a) Academic Committee (Continued)

Table 2: Members of the Academic Committee of the Board

S/N	Name	Position	Qualification	Responsibilities
1.	Dr. Fidelice M.S. Mafuniko	Chairperson	PhD in Science Education	Responsible for advising the Board on academic issues relating to technical, regulation and compliance to Government, NACTE and TCU standards and directives.
2.	Dr. Thereza J. Kaijage	Member	PhD in Social Work	
3.	Dr. Joyce E. Nyoni	Secretary	PhD in Sociology	
4.	Dr. Rose I. Mbwete	Member	PhD in Sociology	
5.	Mr. Afrael M. Mollel	Member	Bachelor Degree in Social Work	

The Committee met three times during the year and discussed academic issues relating to technical, regulations and compliance. It approved admission of students for the academic year 2018/2019, examination regulations and academic prospectus for the year 2018/2019-2019/2020 and appointment of the external examiners.

It also reviewed, deliberated and recommended for approval of examination results for the year 2018/2019 including appeals, postponements, deferred and special examinations.

INSTITUTE OF SOCIAL WORK

BOARD OF GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

COMMITTEES OF THE BOARD OF GOVERNORS (CONTINUED)

b) Audit Committee

The list of Audit Committee members as at 30th June, 2019 is as shown in Table 3.

Table 3: Members of the Audit Committee of the Board

S/N	Name	Position	Qualification	Responsibilities
1	Ms. Agnes I. Ndumbati	Chairperson	Masters in Constitution Administration Law	Responsible for advising the Board on all matters on the internal controls, risk management and good governance.
2	Ms. Regina L. Kikuli	Member	M. A in Health Planning Management and Policy	
3	Dr. Rose I. Mbwete	Member	PhD in Sociology	
4	Mr. Ahadi M. Chacha	Member	MBA International Banking and Finance, CPA	
5	Ms. Neema K. Mssusa	Secretary	MBA -Finance, CPA	

The Committee met two (2) times during the year and discussed quarterly internal audit reports which assess internal controls, risk management, and good governance of the Institute. The committee received and discussed Audit Report for the year 2017/2018 from CAG and commended the Management for obtaining a clean audit report for seventh consecutive years and for emerging the second winner in best presented Financial Statements awards under Universities and Higher Learning Institutions category issued by NBAA.

c) Finance and Planning Committee

The list of Planning and Finance Committee members as at 30th June, 2019 is as shown in Table 4.

INSTITUTE OF SOCIAL WORK

BOARD OF GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

COMMITTEES OF THE BOARD OF GOVERNORS (CONTINUED)

c) Finance and Planning Committee (Continued)

Table 4: Members of the Planning and Finance Committee of the Board

S/N	Name	Position	Qualification	Responsibilities
1	Ms. Regina L. Kikuli	Chairperson	M. A in Health Planning Management and Policy	Responsible for advising the Board on all financial and planning issues to ensure financial sustainability and the highest standards of financial management controls.
2	Dr. Theresa J. Kaijage	Member	PhD in Social Work	
3	Dr. Adolf B. Rutayunga	Member	PhD in Education	
4	Dr. Joyce E. Nyoni	Secretary	PhD in Sociology	

The Committee met three (3) times during the year and discussed procurement, budget and financial management issues. It reviewed and approved various implementation reports (including Annual Procurement Plan Report 2018/19, Annual Procurement Plan and quarterly Reports of 2018/19, Statement of Financial Performance for 2017/18, and quarterly financial performance report for 2018/19), Procurement and Stores manual, Quarterly Strategic Plan implementations reports for 2018/19 and annual Strategic Plan implementation report for 2017/18.

d) Staff Employment, Development and Disciplinary Committee

The list of Staff Employment, Development and Disciplinary Committee members as at 30th June, 2019 is as shown in Table 5.

INSTITUTE OF SOCIAL WORK

BOARD OF GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

COMMITTEES OF THE BOARD OF GOVERNORS (CONTINUED)

d) Staff Employment, Development and Disciplinary Committee (Continued)

Table 5: Members of the Staff Employment, Development and Disciplinary Committee of the Board

S/N	Name	Position	Qualification	Responsibilities
1	Dr. Naftali Ng'ondi	Chairperson	PhD in Social Work	Responsible for advising the Board on all matters concerning with staffing, employment, discipline and human resources development.
2	Dr. Fidelice M.S Mafuniko	Member	PhD in Science Education	
3	Ms. Agnes I. Ndumbati	Member	Masters in Constitution Administration Law	
4	Dr. Joyce E. Nyoni	Secretary	PhD in Sociology	

The Committee met two (2) times during the year and discussed employee matters and Strategic Plan. It approved promotion and confirmation of employees, transfers, long-term training and verification of academic certificates.

7.0 REVIEW OF INSTITUTE'S PERFORMANCE

FINANCIAL PERFORMANCE

Revenue and expenses

During the period under review, the Institute reported total revenue of TZS 6,990,174,909 (2017/2018: TZS 7,190,291,678) against total expenses of TZS 7,472,932,684 (2017/2018: TZS 7,115,608,566) resulting into a deficit of TZS 482,757,775 2019(2017/2018: Surplus TZS 74,683,112). The reported deficit reflects a decline in performance by 746 per cent when compared to previous surplus of TZS 74,683,112.

The decrease in surplus was due to the increase of depreciation expenses, salaries and staff benefits (compensation to terminated staff) as well as administrative expenses the reasons may include; slight decline in revenue by TZS 213,046,769, (3%) caused by low students enrollment and non-receipt of government grant. Comparative revenue and expenses trend for past three years are shown in table 6 below:

INSTITUTE OF SOCIAL WORK

BOARD OF GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

FINANCIAL PERFORMANCE (CONTINUED)

Revenue and expenses (Continued)

Table 6: Revenue and expenses comparative trend for past three years

FINANCIAL YEAR	REVENUE TZS	EXPENSES TZS	SURPLUS/(DEFICIT) TZS
2018/2019	6,990,174,909	7,472,932,684	(482,757,775)
2017/2018	7,190,291,678	7,115,608,566	74,683,112
2016/2017	6,527,020,084	6,563,863,512	(36,843,428)
2015/2016	6,476,888,884	6,466,675,579	10,213,305

Financial Position

The Net Asset of the Institute decreased from TZS 44,960,364,740 (2018) to TZS 44,477,606,965 (2019). The decrease in Net Asset was due to decrease of accumulated surplus from TZS 5,839,542,084 (2018) to TZS 5,356,784,309 (2019) resulted from deficit for the year under review.

Budget performance

During the year under review, Institute of Social Work experienced financial pressure and ended-up with a budget deficit of TZS 1,663,498,990 as at 30th June 2019. The deficit was mainly caused by non-release of TZS 500,000,000 from the Treasury coupled with under collection of own source revenue of TZS 1,163,498,990. Following the budget deficit, the core operations of the Institute were affected including non-implementation of projects worth TZS 1,163,498,990.

Ratio analysis

The ratio of total assets to total liabilities was 6.18, which indicated strong solvency. The current ratio was 1.27, which showed strong liquidity, indicating that Institute of Social work was in a comfortable position with regard to its short-term commitments as at the year end, of 30th June, 2019. Even though all the important ratios have shown a slight decline as compared to prior year Institute of Social work remains in a very comfortable and solvent position. The financial ratios of Institute of Social Work over the past two years are set out in table 7 below;

INSTITUTE OF SOCIAL WORK

BOARD OF GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

FINANCIAL PERFORMANCE (CONTINUED)

Ratio analysis (Continued)

Table 7: The financial ratios of Institute of Social Work over the past two years

Description of ratio	2018/19	2017/18	2016/17
Current ratio	1.27:1	1.81:1	2.59:1
Quick ratio	1.24:1	1.79:1	2.57:1
Total assets/total liabilities	6.18:1	6.42:1	6.58:1

8.0 STRATEGIES AND KEY PERFORMANCE INDICATORS

8.1 Strategies

The Institute has sixteen (16) strategies as per ISW Strategic Plan 2017/2018-2021/2022, the details are provided under section 8.2 below

8.2 Key Performance Indicators

Key Performance indicators (both financial and non-financial) were used by the Institute to assess the Institute's performance. The indicators derived from the Institute's Strategic Plan were used to assess actual performance against strategic objectives. A brief analysis of the performance indicators is shown in table 8 below:

Table 8: Key Performance Indicators

OBJECTIVE	TARGET	PERFORMANCE INDICATORS	2018/19	2017/18
Improve quality of academic programs	Establish demand-driven academic programs	Curriculums for NTA Level 4, 5, 6, 7 and 8 prepared and reviewed	Curriculum review for NTA Level 4, 5, 6, 7 and 8 were done, situational analysis is being conducted for Master programme in Labour Relation and Public Management. The curriculum for Master degree Human Resource Management and that of	One (1) situation analysis was conducted.

OBJECTIVE	TARGET	PERFORMANCE INDICATORS	2018/19	2017/18
			ordinary diploma Community work with youth and children is waiting for approval from NACTE.	
	Increase enrolment	1,300 students enrolled	The Institute enrolled 1,164 students which is 90% of the annual target of 1,300 students. This is a 2% decrease from the enrolment in 2017/19 where a total of 1,185 students were enrolled. The decrease was attributed to delay in approving the enrolment capacity of student from 110 to 220.	1,185 students were admitted
Improved organizational governance	Institution's operational policies and regulations reviewed by JUNE 2019.	Five (5) policies/ documents reviewed	The Institute developed four (4) policies which are Business Continuity policy 2018, housing policy, 2018, Risk Management Framework 2019 and research & consultancy Policy 2019, (1) Procurement and Stores Manual. Of these documents housing and business continuity policies are awaiting for approval of the Board.	Four (4) policies which are Field Work Manual, ICT Policy, Links and Cooperation Policy and Library Policy were approved for use by the Board of Governors

OBJECTIVE	TARGET	PERFORMANCE INDICATORS	2018/19	2017/18
Enhanced Teaching and learning environment	To achieve NACTE'S Teacher-Student Ratio (1:25) Standard by 2019	Teacher Student ratio reduced to 1:25	Four (4) academic staffs were recruited; Delay in obtaining recruitment permits lead to the delay in the process of bridging the gap in the teacher-student ratio. The ratio remained steady at 1:35. The Institute use part-time teachers to reduce the gap.	The target of 1:25 ratio was not achieved due to Government directive to freeze the recruitment. The ratio for the academic year 2018/2019 was 1:35
	Improved Physical Infrastructure by June, 2019.	IRC phase VII constructed	The Institute continued with construction of phase VII and completed by 87%.	Construction of Information Resource Center (IRC) building phase VII is in progress.
	Provide essential working tools and facilities by JUNE 2019.	Furniture and equipment for staff and students purchased TZS 178,200,000	Institutes procured furniture worth TZS 172,000,000 for students and staff which is 96.5% of the target.	The Institute procured furniture worth TZS 120,621,471 and received grant furniture and office equipment from University Research Co LLC USAID worth TZS 61,722,007.
	Mainstream ICT in working, teaching and learning	Sixty (60) Computers purchased	Six laptops and 60 N-computing technologies procured and configured to computer library.	120N-Computing units were procured and configured in the computer lab. In addition, 15 laptops, 1 printer and 1 photocopier were procured for staff.

OBJECTIVE	TARGET	PERFORMANCE INDICATORS	2018/19	2017/18
	environment by JUNE 2019.			
	Renovate buildings by June 2019	Hostel and six (6) Classrooms buildings renovated	Minor maintenance and repair was done in the hostel building. The Institute also maintained and repaired six (6) classrooms building were repaired.	A total of six (6) classes were worked on. Three (3) classrooms were renovated and the former offices were transformed to three (3) classrooms.
Strengthened Research, Consultancy and Short Courses	Conduct capacity building program, conference, research and consultancy by JUNE 2019.	One conference conducted (1)	The Institute conducted one International Conference with the theme “contribution of social work profession in inclusive economy” in May, 2019	One joint International conference was conducted in March 2018 where 6 conference papers were presented and also 1 paper on vulnerable children protection was presented in a conference held in Tanga in June 2019.
		Four research projects conducted (4)	The Institute conducted tracer study on the employability of the Institute graduates and submitted report for dissemination.	NIL
		Research findings disseminated	Dissemination of research findings on the tracer study was conducted once (1)	One research finding for one study was disseminated.

OBJECTIVE	TARGET	PERFORMANCE INDICATORS	2018/19	2017/18
	Publish Journal and Books by JUNE 2019	One (1) Journal published	One (1) journal issue was published and seven papers were published. Papers which were published in the ISW journal are:- protecting children's rights and welfare in Tanzania: where is a community, Analysis of resolution of clients - Advocate disputes under advocates act, Social entrepreneurial organizations and Youth male micro - loans accessibility in Tanzania and the role of case management in preventing teenage pregnancy in Tanzania.	Six (6) papers were published in International Journal of Social Work, International Journal of Humanities and Social Studies and the International Journal of Business and Management.
		Two (2) books produced	Two books were published and staff contributed further to two chapters in other books	NIL
	Innovate, establish and conduct short term training programs annually	Ten (10) short term training programs established annually	Six (6) short courses on guidance and counselling were conducted and two others in human resource and labour relations.	Five (5) short courses on guidance and counselling, improved productivity and life after retirement were conducted.
Strengthened	Training of	Six (6) librarians	Six (6) library staff were trained	Five (5) library staff were trained

OBJECTIVE	TARGET	PERFORMANCE INDICATORS	2018/19	2017/18
Library Service	librarians conducted by June 2019.	facilitated for training		
	Increase number of Books in the library	1,000 books purchased	The procurement of library books was not done due to high prices tendered by bidders as compared to budget due to increases in the prices of books. The tender was rejected and retendering will be done in 2019/2020 budget and fund was carried forward to that effect.	Institute procured and placed in the library the 602 books and various library materials
HIV/AIDS intervention programs developed and implemented	HIV/AIDS intervention programs developed by June, 2019	Seven (7) awareness campaigns conducted	The Institute conducted seven (7) HIV Testing programs in partnership with DKT, WAMATA, Mwananyamala Hospital, Oasis Polyclinic, Marie Stopes Hospital, "Damu Salama" and Muhimbili National Hospital where 405 community members were voluntarily tested and counseled on HIV/AIDS.	The Institute conducted seven (7) awareness campaigns on Reproductive health HIV/AIDS testing canceling services. Also HIV/AIDS day was celebrated in partnership with Royal Green Dispensary and JHPIEGO where 200 community members were voluntarily tested and counseled on HIV/AIDS
Enhance Human Resource Management Capacity	Ensure optimal number of qualified staff by 2019.	Twenty (20) staff recruited	In total eight (8) staff were recruited. Six (6) newly recruited, two (02) transfers in and three transferred out. The Institute has a total of 140 staff. This is an	The number of staff decreased from 144 to 135 staff. This was attributed to by Four (4) staff who were transferred to the Institute whereas

OBJECTIVE	TARGET	PERFORMANCE INDICATORS	2018/19	2017/18
			increase of 4% from 135 in the previous year.	eleven (11) staff departed due to either transfers, lack of authentic certificates or retirement.
	Strengthen capacity of staff through long term training by JUNE 2019	Forty (40) staff facilitated in training	The Institute supported 33 staff to pursue PhD; seven (7) on Master degrees; one staff (1) on CIA; and, one staff (1) on CPA.	Thirty one (31) staff were supported on PhD trainings and nine (9) on Master studies.

INSTITUTE OF SOCIAL WORK

BOARD OF GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

8.0 ENVIRONMENTAL SCANNING

The internal environmental analysis assessed the status of the Institute's main operations. The external environmental scanning assessed Political, Economic, Social, Technological and Legal (PESTEL) environment and its influence on realization of the Institute's vision and mission.

9.0 ENVIRONMENTAL SCANNING (Continued)

Internal Environment

The internal environmental scanning was done on the provision of academic training programs, research, consultancy and short courses, physical infrastructure development, links and cooperation, Institute financial resource mobilization, marketing of Institute services, human resource management, and Information and Communication Technology (ICT). The outcome of internal environmental scanning was as follows: -

Academic Training Programs

Currently, the labor market needs graduates who are job creators and not job seekers. The main focus of the Institute was to design academic programs that produce job creators and not job seekers. Also, the Institute ensured the graduates acquire relevant and practical skills to enable them to excel in their careers and labor market.

Physical Infrastructure Development

The analysis shows that available infrastructures are inadequate to cope with the changing Institute's operating environment. In order to address the challenge, the Institute has focused on improving physical infrastructures by continuing with the construction of the Information Resource Centre (IRC) and renovation of eleven (11) classrooms. It also plans to embark on improving infrastructures through Public Private Partnership (PPP), diversification of sources of funds and proper use of internally generated funds to implement development activities.

INSTITUTE OF SOCIAL WORK

BOARD OF GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

9.0 ENVIRONMENTAL SCANNING (Continued)

Internal Environment (Continued)

Human Resources Management

The Institute HRM Policies emphasize on the employment of optimum number of employees with the required skills. Currently the Institute has 140 staff, among them 69 are academicians and 71 are non-academic staff. The standard teacher student ratio is 1:25 while the Institute is still operating under 1:35. To bridge the gap the Institute is using part time lecturers in order to ensure smooth operations while making close follow up to secure employment permits from relevant authorities.

Capacity and Application of ICT

For improvement of operations of the Institute efficient ICT application in both academic and administrative purposes is inevitable. The Institute is faced with a challenge of integrating ICT into its operations. To overcome this, the Institute has installed reliable Internet services for students, academic and administrative staff.

The Institute has integrated Accounting Package/software (PASTEL) with the Student Information Management System (SIMS) that simplified the management of students' records and accounting operations. The Institute will continue with its efforts of mainstreaming ICT in its operations as it plans to implement intranet services, Elimu-First and Computer laboratory using E-technology which will smoothen the Institute's operations.

External Environment Scanning

The external environmental scanning was done in order to identify and analyze issues that may influence the realization of Institute vision and mission. A summary of the analysis of the Political, Economic, Social, Technological and Legal environment is provided in the subsections below:

Political Environment

Tanzania experiences peace and harmonious environment that creates an avenue for the Institute to achieve its Vision and Mission. The fifth phase Government is actively committed towards improving the education sector in terms of quality and quantity (National Five-Year Development Plan 2016/17-2020/21).

The focus of the Government on improving the education sector increases the relevance and recognition of the Competence-based Education and Training (CBET)

INSTITUTE OF SOCIAL WORK

BOARD OF GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

9.0 ENVIRONMENTAL SCANNING (Continued)

which creates more recognition of the technical higher learning institution such as ISW and their relevance in the industrialization initiatives process. Therefore, the Institute will take advantage of the calm political environment to realize its vision and mission. Furthermore, the implementation of President's directive to decentralize admission procedures to the Institutions from the regulatory authorities (TCU and NACTE) provide opportunity for the Institutions to increase enrollment.

The focus of the Government on improving the education sector increases the relevance and recognition of the Competence-based Education and Training (CBET) which creates more recognition of the technical higher learning institution such as ISW and their relevance in the industrialization initiatives process.

Therefore, the Institute will take advantage of the calm political environment to realize its vision and mission. Furthermore, the implementation of President's directive to decentralize admission procedures to the Institutions from the regulatory authorities (TCU and NACTE) provide opportunity for the Institutions to increase enrollment.

Economic Environment

Tanzania intends to industrialize her economy and transform it to the middle-income level. The Tanzania Development Vision 2025 and Sustainable Development Goals (SDG's) clearly stipulates the need for having an educated population in order to foster the industrialization process. Therefore, the Institute's role is more recognized in the current macro-economic environment which provides an opportunity for the Institute to grow by conducting training programs, research and consultancy which fit into the nation economic activities.

Social environment

Tanzania is now embarking on the industrial transformation including the extraction and exploitation of oil and gas. The transformation may result into several social challenges such as HIV/AIDS transmission, labor mobility and cultural changes. This increases the demand for psycho-social care and support services, social work professionals, and research and consultancy in the social work areas. ISW has significant role by conducting research, short courses and consultancy services that address challenges facing the Community, Ministry and the Government.

INSTITUTE OF SOCIAL WORK

BOARD OF GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

9.0 ENVIRONMENTAL SCANNING (Continued)

Legal Environment

The Institute's academic programs are well supported by laws and guidelines. Tanzania has introduced several Laws and guidelines to promote the society's well-being which include; the National Guideline for Improving Quality of Care, National employment policy, Support and Protection for Most Vulnerable Children (MVC) of 2009 (NCPA II) and National Coasted Plan of Action for MVC, 2013-2017.

Furthermore, Child Act of 2009, the Guideline for Child Protection for Approved Schools and Retention Homes of 2013; the Guide to Rehabilitation and Reintegration Services and Programs for Approved Schools of 2013; the National Guideline for Economic Strengthening of Most Vulnerable Households of 2014 and the National Poverty Eradication Strategy II support on the improvement of society's wellbeing.

Tanzania has also introduced the National Economic Empowerment Policy of 2004, National Entrepreneurship Training and Education Framework that support the

Existence of Institute academic programs. The Institute will use these laws and regulations in order to amplify its ability to fulfill the vision and mission.

9.0 POLITICAL AND CHARITABLE DONATIONS

During this year the Institute donated TZS 1,500,000 to the public following the sinking of MV Nyerere.

10.0 RELATED PARTY TRANSACTIONS

The entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the entity, or vice versa. ISW is an academic Institution owned by the Government and operates under the Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDGEC). Furthermore, the Institute received subvention from the Government amounting to TZS 3,549,050,395 in respect of salaries and employers' contribution to social security funds as per Note 16.

INSTITUTE OF SOCIAL WORK

BOARD OF GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

11.0 RELATED PARTY TRANSACTIONS (Continued)

Key Management Personnel and Board Remunerations

During the year under review the Institute did not conduct any business with key management personnel and Board members as well as their associates and companies.

Key management short term benefits which were paid during the year included salaries, allowances and social security contributions as shown in Table 9 below. The personnel include both permanent employed and board members. During the year there were 20 permanent employees and nine (9) Board Members

Table 9: Key Management Personnel and Board Remunerations

	30 JUNE 2019	30 June 2018
	TZS	TZS
Key Management remuneration		
Salaries	723,741,000	637,835,000
Allowances	238,320,000	222,337,000
Social security contribution	144,748,200	140,931,200
Gratuity	-	60,861,966
Sub total	1,106,809,200	1,061,965,166
Board of Governors remuneration		
Board fees	53,150,000	49,000,000
Board allowances	27,653,140	40,356,493
Subtotal	80,803,140	89,356,493
Grand Total	1,187,612,340	1,151,321,659

Payments to Management personnel, Board members and executives were paid in accordance with the Government Standing Orders, circulars and the approved Human Resources Management Policy and Incentive Scheme of the Institute of Social Work.

11.0 GENDER PARITY

The Institute is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the qualified person is appointed to any given position without discrimination of any kind. The number of employees as at 30th June 2019 is as shown in Table 10 below:

Table 10: Number of Employees per gender

Gender	Year	Percentage	Year	Percentage
	2019	%	2018	%
Male	73	52.1	72	53.3
Female	67	47.9	63	46.7
Total	140	100	135	100

INSTITUTE OF SOCIAL WORK

BOARD OF GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

12.0 IMPLEMENTATION OF THE ISW PLANS

The future plans of the Institute are derived from the Strategic Plan. The implementation of previous year plan is presented hereunder:

Implementation analysis of the previous year.

During the reporting period, the Institute conducted the following: -

- (i) Counseling services on matrimonial problems, child protection and maintenance, divorce, family counseling and drug abuse to 20 clients;
- (ii) HIV Testing in partnership with Driver Knowledge Test (DKT), WAMATA, Mwananyamala Hospital, Oasis Polyclinic, Marie Stopes Hospital, "Damu Salama" and Muhimbili National Hospital to 405 community members;
- (iii) Facilitated thirty-three (33) staff on PhD studies; seven (7) on Master's degree; one (1) staff on CIA; and, one (1) staff on CPA.
- (iv) Prepared curricular for Masters Degree in Human Resource Management and that of Ordinary Diploma Community work with youth and children that are waiting for approval from NACTE.
- (v) Conducted an International Conference with the theme "contribution of social work profession in inclusive economy" in May, 2019;
- (vi) Published two books and staff contributed further to two chapters in other books;
- (vii) Published seven journal manuscripts in the Institute of Social Work Journal;
- (viii) Conducted six (6) short courses on guidance and counselling and two others in the area of Human Resource and Labour Relations;
- (ix) Continued to ensure protection of data, website connection, and security of information, maintenance and repair of computer, website hosting, SIMS capacity building, information backup, and security support for offsite backup for ISW data;
- (x) Procured furniture worth TZS 177,608,685 for students and staff;
- (xi) Procured and configured 60 N-computing units in the computer laboratory and also procured 6 laptops.

INSTITUTE OF SOCIAL WORK

BOARD OF GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

IMPLEMENTATION OF THE ISW PLANS (CONTINUED)

Challenges

In the course of implementation of its activities the Institute encountered a number of challenges that included the following;

- (i) Delay in obtaining recruitment permits thus delaying the process of bridging the gap in the teacher-student ratio;
- (ii) Inadequate teaching space (lecture theatres) and accommodation for students;
- (iii) Inadequate fund to finance ongoing construction of IRC building, rehabilitation of hostels and staff quarters.

Future plans of the Institute

The Institute plans to: -

- a) Increase students' enrolment by introducing/ establishing three additional programs, namely Community Development (NTA Level 4), Early Childhood Education (NTA Level 4), and Master's degree in Human Resources Management;
- b) Continue with the construction of Information Resource Center building phase VIII, rehabilitation of hostels, staff quarters, classrooms and other facilities in order to improve learning environment;
- c) Engage in PPP projects in order to finance the construction of lecture theatres and students' hostels;
- d) Open zonal campuses starting with lake zone;
- e) Continue diversifying sources of funds by further strengthening research and consultancy activities through PhD trainings and capacity building programs;
- f) Continue mainstreaming ICT into teaching and learning activities by implementing intranet services and E-Technology e.g. online registration and N - computing Technology;
- g) Enhance welfare of employees as a retention strategy by provision of transport facilities to staff.

INSTITUTE OF SOCIAL WORK

BOARD OF GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

Factors that might affect future Development and Performance of the Business are as follows:

- a) Inadequate enrollment of the students
Inadequate number of students who qualify for admission may affect collection of revenues/Cash flow. Low cash-flow collection hinders implementation of planned activities.
- b) Software malfunctioning and hardware problems
Software malfunctioning or corrupt and hardware problems which may be caused by virus, hackers or heavy rains may affect systems and ICT infrastructure which in turn affect implementation of the future plan.
- c) Employees/Labor turnover
Implementation of organization plan depends on motivated and satisfied human resources. If some of employees become unsatisfied

13.0 RISK MANAGEMENT AND INTERNAL CONTROLS

The Board accepts final responsibility for risk management and internal control systems of the Institute.

Risk Management

The Board uses Risk Management Framework and Risk Register to guide risk management of the Institute. The evaluation of Institute operation indicates that the Institute may face three types of risks which are categorized into the following categories: -

a. Strategic Risks

The Institute is managing its strategic risks in order to achieve its set objectives. The following risks from the register are closely managed by the institute; Possibility of change in market demand, students cheating in examinations and plagiarism in research and projects, low enrollment of students and skills in research and consultancy

b. Compliance risks

The Institute complies with guidelines from the governing bodies such as PPRA, NACTE, TCU and government directives. In its register the risk of selecting a supplier who has no capacity of delivering the required output is closely monitored.

c. Financial Risks

The Institute categorizes financial risks into three groups which are

- (i) Credit risk;
- (ii) Currency risk;
- (iii) Liquidity risks

The financial risks are detailed in NOTE 25.

INSTITUTE OF SOCIAL WORK

BOARD OF GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

Internal Controls

It is the task of the Management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance on:

- a) Effectiveness and efficiency of operations;
- b) Safeguarding of the Institute's assets;
- c) Compliance with applicable laws and regulations;
- d) Reliability of accounting records;

Efficiency of any internal control system is dependent on the strict observance of prescribed rules and regulations. There is always a risk of non-compliance of such rules and regulations by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the internal control system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively. The Board assessed the internal control systems throughout the financial year ended 30th June, 2020 and is of

The opinion that they met accepted standards. The Board conducts risk and internal control assessment through the Audit Committee.

Key elements of the system of internal control are as follows:

(i) Delegation

The overall objectives of the Institute are approved by the Board of Governors, which delegates the day-to-day operations to Management for execution. There was a clear organization structure, detailing lines of authority.

(ii) Budgets

Detailed annual budget emanated from the Institute's Strategic Plan was prepared by the Management for review and approved by the Board of Governors and Parliament of United Republic of Tanzania on June 2018.

(iii) Competence

Staff skills were maintained both by a formal recruitment process and a performance appraisal system. Training needs of ISW were identified and necessary training both in house and external helps to strengthened staff skills and competences.

INSTITUTE OF SOCIAL WORK

BOARD OF GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

RISK MANAGEMENT AND INTERNAL CONTROLS (CONTINUED)

(iv) Internal Audit

An Internal Audit Unit was in place and performed its functions as per requirement. The Unit assessed risk and reviews controls. The Unit ensured that recommendations to improve controls are followed up by the Management. The Head of Internal Audit reports functionally to the Audit Committee and administratively to the Rector

14.0 STAKEHOLDER RELATIONSHIPS

The Institute conducted the stakeholders' analysis in order to identify their needs. The results of the analysis identified 14 categories of stakeholders. The list of category of the stakeholder with their expectation/interests and their influence against their interest of the Institute are provided in table 10

Table 10: Analysis of stakeholders Expectation

SN	STAKEHOLDER	EXPECTATION	POTENTIAL EFFECT
1	Customers	<ul style="list-style-type: none">• Good and conducive learning environment	<ul style="list-style-type: none">• Decline of the Institute income from course fees
2	Employees	<ul style="list-style-type: none">• Conducive, safe and comfortable working conditions• Training and career development	<ul style="list-style-type: none">• High labor turnover• Increased resentment.• Job dissatisfaction• Low morale
3	Regulators	<ul style="list-style-type: none">• Provision of quality and competence -based training	<ul style="list-style-type: none">• Lack of recognition and acceptance of the Institute graduates• Lowering the credibility of the Institute• Closure of programs

15.0 STAFF WELFARE

a) Staff relationship

Good relationship between employees and Management of the ISW was observed through feedback mechanism regarding staff complains. During the period under review there was no crisis reported.

b) Staff medical benefits

The Institute does not have any separate medical scheme. The Institute's employees subscribe to the National Health Insurance Fund which is taking

INSTITUTE OF SOCIAL WORK

BOARD OF GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

16.0 STAFF WELFARE (CONTINUED)

Care of medical consultation and treatment for all employees and their immediate dependants as per the Government regulations.

c) Defined employee benefits plan

The Institute has an incentive policy to pay retiring employees who have served for ten (10) years and above, an amount of TZS 40,000,000. In complying with IPSAS 25, the ISW has determined entitled employees as per the policy and provided for their benefit during the year under review.

d) Persons with disabilities

The Institute gives equal opportunities to all persons irrespective of their disabilities experienced prior or during the course of their employment. Among the available opportunities are employment, training and promotion.

e) Gender equity and equality

The Institute gives equal opportunities to persons irrespective of their gender in both employment and training.

17.0 STAFF TRAINING

The Institute offers sponsorship to its employees both for short and long-term courses within and outside the country on the basis of staff training programme.

It also facilitates and/or encourages its employees to acquaint with professional seminars and various workshops that are undertaken within and outside the Institute and the Country.

For the year under review, a total of 42 staff were sponsored to undertake further training at different level as indicated in the table 11 below:

Table 11: Number of staff sponsored for further studies during the year

S/N	Programme	Academic		Administration		Total
		F	M	F	M	
1	PhD	13	20	-	-	33
2	Master	3	1	1	2	7
3	CIA	-	-	-	1	1
4	CPA	-	-	-	1	1
Total		16	21	1	4	42

INSTITUTE OF SOCIAL WORK

BOARD OF GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

STAFF TRAINING (CONTINUED)

18.0 HIV AND AIDS POLICY

HIV and AIDS is a potential challenge to the Institute and possess operational and health risk. ISW has adopted the following core principles as a basis for its HIV AND AIDS policy:

- a) It has HIV/AIDS sensitization programs aimed at providing preventive strategies against new infections among employees and students;
- b) Ensure employees and students living with HIV and AIDS are aware of their rights and that the rights are respected and protected;
- c) Provide care and support to employees and students living with HIV and AIDS.

19.0 KEY STRENGTH AND RESOURCES

The Institute continues to give its top priority to key resources which are people and technology which gives strength in service delivery, productivity and financial strength. The Institute has skilled and experienced employees who are considered as a key resource in pursuing its business objectives and continues to encourage open and honest communication in decision making. As at 30th June 2019, the Institute had 140 staff (2018: 135 staff) in various operational areas among them 73 (53%) are male while 67(47%) female. The Institute continues to invest in advanced technology so as to realize operational excellence and better service delivery to our customers. Most of the Institute's operations have been automated by acquisition of Accounting system (Pastel) and Student Information Management System (SIMS).

20.0 EVENTS AFTER REPORTING PERIOD

There was an outcome of the ruling case in favour of the ex-employees in which the Institute is required to pay ex-employees a sum of TZS 459,000,000. This has been adjusted into the current accounts.

21.0 ACCOUNTING POLICIES

The accounting policies used in preparing the financial statements have been disclosed in Note 4 to the financial statements. These policies are all considered to be critical to an understanding of the performance and financial position of the Institute and are subject to annual review to ensure continuing compliance with International Public Sector Accounting Standards (IPSASs).

INSTITUTE OF SOCIAL WORK

**BOARD OF GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

22.0 AUDITORS

By virtue of the provisions of Article 143 of the Constitution of the United Republic of Tanzania, the Public Audit Act No.11 of 2008, the Controller and Auditor General is the appointed statutory Auditor of all Government revenue and expenditure including the accounts of the Institute of Social Work (ISW). According to section 33 (1) of the Public Audit Act No.11 of 2008, the Controller and Auditor General has powers to appoint any eligible person to conduct an audit of accounts of any entity on his behalf. Accordingly, M/s ABA Alliance was appointed by the Controller and Auditor General to be an auditor of the Institute of Social Work for the fiscal year ended on 30th June 2019. The Controller and Auditor General shall perform quality review of the work done and reports produced.

BY ORDER OF THE BOARD

Name: _____ Title: _____ Signature: _____

Name: _____ Title: _____ Signature: _____

INSTITUTE OF SOCIAL WORK

STATEMENT OF THE BOARD OF GOVERNORS' RESPONSIBILITY FOR THE YEAR ENDED 30 JUNE 2019

These Financial Statements have been prepared by the Management of the Institute of Social Work in accordance with requirement of the International Public Sector Accounting Standards (IPSAs) The Board is responsible for establishing and maintaining a system of effective internal control designed to give reasonable assurance that the transactions recorded in the accounts are within the statutory requirement and that they contain the receipts and use of resources by the ISW.

The Board of ISW is responsible for keeping proper accounting records which at any time disclose with reasonable accuracy the financial position of the Institute and enabled them to ensure that the financial statements comply with the IPSAs The Board is also responsible for safeguarding the assets and taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Board confirms that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year ended 30th June, 2019. The Board also confirms that International Public Sector Accounting Standards (IPSAS) Accrual basis have been followed and that the financial statements have been prepared on the going concern basis.

To the best of Board's knowledge, the internal control system has operated adequately throughout the reporting period and the accounting and underlying records provide a reasonable basis for the preparation of the financial statements for the year ended 30th June, 2019. We accept responsibility for the integrity of the Financial Statements, the information they contain and their compliance with IPSAS Accrual basis.

Name: _____ Title: _____ Signature: _____

Name: _____ Title: _____ Signature: _____

INSTITUTE OF SOCIAL WORK

DECLARATION OF HEAD OF FINANCE FOR THE YEAR ENDED 30 JUNE 2019

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 Board of Directors/Governing Body/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 International Public Sector Accounting Standards (IPSASs) 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, ATHMAN SHAABAN SENZOTA, being the Head of Finance of the Institute of Social Work hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th June 2019 have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) and statutory requirements.

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

Signed by: _____

Position: _____

NBAA Membership No.: _____

Date: _____

INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL FOR THE YEAR ENDED 30 JUNE 2019

The Chairperson
Board of Governors
Institute of Social Work,
P.O. Box 3375,
DAR ES SALAAM

Report on the audit of financial statements for the financial year ended 30th June, 2019

Unqualified Opinion

I have audited the accompanying financial statements of the Institute of Social Work, which comprise the statement of financial position as at 30th June, 2019 and the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, and notes to the financial statements, including a summary of significant accounting policies set out from page 40 to 75.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of the Institute of Social Work as at 30th June, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis.

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAI). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of my report. I am independent of Institute of Social Work 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.

Other Information

Management is responsible for the other information. The other information comprises of the Governors' Report and the Declaration by the Head of Finance but does not include the financial statements and our auditor's report thereon.

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

INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

Other Information (Continued)

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 there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. I have determined that there are no key audit matters to communicate in my report.

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 IPSASs, 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.

Auditor's Responsibilities 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 auditor's 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.

**INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)**

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

In addition, Sect. 10 (2) of the Public Audit Act No.11 of 2008 requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Sect. 48(3) of the Public Procurement Act No.7 of 2011 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, 2011 (as amended in 2016) and its Regulations of 2013 (as amended in 2016).

Report on Other Legal and Regulatory Requirements

Compliance with the Public Procurement Act, 2011

In view of my responsibility on the procurement legislation and taking into consideration the procurement transactions and processes I have reviewed as part of this audit, I state that, the Institute of social Work (ISW) procurement transactions and processes have generally complied with the requirements of the Public Procurement Act No.7 of 2011 (as amended 2016) and its underlying Regulations of 2013 (as amended in 2016).

Charles E. Kichere,
Controller and Auditor General
23rd February 2020

National Audit Office,
Audit House,
4 Ukaguzi Road,
P.O. Box 950,
41101 Tambukareli,
DODOMA - TANZANIA.

INSTITUTE OF SOCIAL WORK

**STATEMENT OF FINANCIAL POSITION
AS AT 30th JUNE 2019**

	<u>Notes</u>	<u>30th June 2019</u> TZS	<u>30th June 2018</u> TZS
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	9	1,469,622,444	2,050,301,694
Trade and Other Receivables	11	667,568,887	274,169,935
Inventories	10	42,692,518	16,542,470
		<u>2,179,883,849</u>	<u>2,341,014,099</u>
NON - CURRENT ASSETS			
Property, Plant and Equipment	7	50,844,320,062	50,878,123,967
Intangible Assets	8	36,198,961	43,066,741
		<u>50,880,519,023</u>	<u>50,921,190,708</u>
TOTAL ASSETS		<u>53,060,402,872</u>	<u>53,262,204,807</u>
NET ASSETS AND LIABILITIES			
CURRENT LIABILITIES			
Payables	13	1,415,233,336	1,030,429,281
Provisions	14	302,649,992	265,187,400
		<u>1,717,883,328</u>	<u>1,295,616,681</u>
NON CURRENT LIABILITIES			
Capital grants	12	6,864,912,579	7,006,223,386
Total Liabilities		<u>8,582,795,907</u>	<u>8,301,840,067</u>
NET ASSETS			
Tax Payer`s Fund		39,120,822,656	39,120,822,656
Accumulated Surplus		5,356,784,309	5,839,542,084
		<u>44,477,606,965</u>	<u>44,960,364,740</u>
TOTAL NET ASSETS AND LIABILITIES		<u>53,060,402,872</u>	<u>53,262,204,807</u>

These financial statements were approved for issue by the Board on _____
and were signed on its behalf by:

Name: _____ Title: _____ Signature: _____

Name: _____ Title: _____ Signature: _____

INSTITUTE OF SOCIAL WORK

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE**

	<u>Notes</u>	<u>30th June 2019</u> TZS	<u>30th June 2018</u> TZS
Revenue from non-exchange transaction			
Government Grants	16	3,549,050,395	3,510,112,467
Development grant		-	300,000,000
Amortization of Grant	12	<u>141,310,807</u>	<u>128,380,807</u>
Total Revenue		<u>3,690,361,202</u>	<u>3,938,493,274</u>
Revenue from exchange transaction			
Course Fee	15	2,644,416,500	2,763,619,500
Other Income	17	<u>655,397,207</u>	<u>488,178,904</u>
Total Revenue		<u>3,299,813,707</u>	<u>3,251,798,404</u>
Total Revenue		<u>6,990,174,909</u>	<u>7,190,291,678</u>
Expenses			
Depreciation	7	551,405,469	473,098,825
Provision for Impairment of Receivables	11	-	47,646,350
Salaries and Staff Benefits	18	4,322,954,407	4,117,956,130
Administrative Expenses	19	2,043,401,119	1,691,632,284
Operating Expenses	20	332,815,964	575,815,000
Other Expenses	21	<u>222,355,725</u>	<u>209,459,977</u>
Total expense		<u>7,472,932,684</u>	<u>7,115,608,566</u>
(Deficit)/Surplus for the year		<u>(482,757,775)</u>	<u>74,683,112</u>

INSTITUTE OF SOCIAL WORK

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 30th JUNE 2019

	TAX PAYER'S FUND TZS	ACCUMULATED SURPLUS TZS	TOTAL TZS
At 1 July 2018	39,120,822,656	5,839,542,084	44,960,364,740
Deficit for the year	-	(482,757,775)	(482,757,775)
As at 30 June 2019	<u>39,120,822,656</u>	<u>5,356,784,309</u>	<u>44,477,606,965</u>
At 1 July 2017	46,555,426,849	5,736,358,972	52,291,785,821
Release	(300,000,000)	-	(300,000,000)
Surplus for the year	-	74,683,112	74,683,112
Amortization	(128,380,807)	-	(128,380,807)
Prior year's adjustment (Note 33)	-	28,500,000	28,500,000
Reclassification (Note 12)	(7,006,223,386)	-	(7,006,223,386)
As at 30 June 2018	<u>39,120,822,656</u>	<u>5,839,542,084</u>	<u>44,977,964,740</u>

INSTITUTE OF SOCIAL WORK

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30th JUNE 2019

	Note	<u>30th June 2019</u> TZS	<u>30th June 2018</u> TZS
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Government Grants		3,518,051,630	3,000,296,067
Course Fee		2,611,491,010	3,313,259,316
Other Income		528,073,098	394,663,554
Partnership Project-UNICEF		<u>111,920,000</u>	-
		6,769,535,738	6,708,218,937
Payments			
Salaries and Staff Benefit		(3,518,051,630)	(3,523,752,124)
Payments to Suppliers		(3,227,168,802)	(2,258,794,398)
Partnership Project-UNICEF Expenditure		<u>(111,920,000)</u>	-
Cash Flows Used in Operating Activities		(6,857,140,432)	(5,782,546,522)
Net cash Flow (to)/from Operating activities		<u>(87,604,694)</u>	<u>925,672,415</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of Property, Plant and Equipment	7	(553,680,283)	(502,133,602)
Acquisition of Intangible Assets	8	<u>(37,493,266)</u>	<u>(33,036,000)</u>
Cash flows used in Investing Activities		<u>(591,173,549)</u>	<u>(535,169,602)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan From HESLB		139,518,500	-
Repayment of HESLB loan		<u>(50,373,750)</u>	-
Cash flows (to)/from financing activities		<u>89,144,750</u>	-
(Decrease)/Increase in Cash and Cash Equivalents		(589,633,493)	390,502,813
Cash and Cash Equivalent at 01 July		2,050,301,694	1,643,699,008
Gain in Exchange Fluctuation		8,954,243	16,099,873
Cash and Cash Equivalent at 30 June	9	<u>1,469,622,444</u>	<u>2,050,301,694</u>

INSTITUTE OF SOCIAL WORK

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 30th JUNE 2019

(Budget Prepared on Cash Basis)

Budget Item	Original Budget	Final Budget	Actual on Comparable basis	Difference
	TZS	TZS	TZS	TZS
Revenue From Non exchange Transaction				
Government Personnel Emoluments	5,054,574,423	5,054,574,423	3,518,051,630	(1,536,522,793)
Government Development	500,000,000	500,000,000	-	(500,000,000)
Subtotal	5,554,574,423	5,554,574,423	3,518,051,630	(2,036,522,793)
Partnership Project				
UNICEF	121,900,000	121,900,000	111,920,000	(9,980,000)
Subtotal	121,900,000	121,900,000	111,920,000	9,980,000
Loan From HESLB				
Loan From HESLB	150,000,000	150,000,000	139,518,500	(10,481,500)
Subtotal	150,000,000	150,000,000	139,518,500	(10,481,500)
Revenue From Exchange Transaction				
Fees				
Masters Program	133,900,000	133,900,000	112,001,700	(21,898,300)
Bachelor Program	1,893,180,000	1,893,180,000	1,201,951,200	(691,228,800)
Postgraduate Diploma	106,700,000	106,700,000	58,621,000	(48,079,000)
Ordinary Diploma	1,056,210,000	1,056,210,000	839,337,100	(216,872,900)
Certificates	585,000,000	585,000,000	399,580,010	(185,419,990)
Subtotal	3,774,990,000	3,774,990,000	2,611,491,010	(1,163,498,990)

INSTITUTE OF SOCIAL WORK

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (CONTINUED)

FOR THE YEAR ENDED 30th JUNE 2019

Budget Item	Original Budget	Final Budget	Actual on Comparable basis	Difference
Other Revenue				
Other Revenue	452,520,000	452,520,000	528,073,098	75,553,098
Subtotal	452,520,000	452,520,000	528,073,098	75,553,098
Total Revenue	10,053,984,423	10,053,984,423	6,909,054,238	(3,124,970,185)
Expenditure				
Salaries and Staff Benefit	(5,054,574,423)	(5,054,574,423)	(3,518,051,630)	1,536,522,793
Partnership Project-UNICEF	(121,900,000)	(121,900,000)	(111,920,000)	9,980,000
Repayment of HESLB loan	60,000,000	(60,000,000)	(50,373,750)	9,626,250
HIV AIDS Intervention Programs developed	(6,300,000)	(6,300,000)	(1,520,000)	4,780,000
Improved organization governance and transparency	(305,014,000)	(305,014,000)	(105,564,400)	199,449,600
Improve Quality of Academic Programs	(643,872,000)	(643,872,000)	(286,678,324)	357,193,676
Enhanced teaching and learning environment	(82,290,000)	(82,290,000)	(64,259,700)	18,030,300
Strengthened sponsored research and consultancy services	(144,330,000)	(144,330,000)	(34,649,785)	109,680,215
Financial Sustainability Improved	(57,708,000)	(57,708,000)	(44,212,870)	13,495,130

INSTITUTE OF SOCIAL WORK

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (CONTINUED)
FOR THE YEAR ENDED 30th JUNE 2019**

Budget Item	Original Budget	Final Budget	Actual on Comparable basis	Difference
Enhanced Human Resource Management Capacity	(2,410,740,000)	(2,410,740,000)	(2,209,809,604)	200,930,396
Infrastructures and Facilities Improved	(1,331,250,000)	(1,331,250,000)	(591,173,549)	740,076,451
Mainstream ICT in working, teaching and learning environment	(419,600,000)	(419,600,000)	(102,226,667)	317,373,333
Provide Essential working tools and Facilities	(307,500,000)	(307,500,000)	(269,302,097)	38,197,903
Governing Board Costs	(124,956,000)	(124,956,000)	(56,216,640)	68,739,360
Audit Costs	(57,600,000)	(57,600,000)	(52,728,715)	4,871,285
Settlements for Legal cases	(400,000,000)	(400,000,000)	-	400,000,000
Total Expenditure	(11,407,634,423)	(11,527,634,423)	(7,498,687,731)	4,028,946,692
Net increase/(decrease) in cash and cash equivalents			(589,633,493)	
Cash and cash equivalents at beginning of period			2,050,301,694	
Effect of foreign currency changes			8,954,243	
Cash and cash equivalents at end of period			1,469,622,444	

**The explanations on material variances are found on NOTE No.22 Page No 65-67*

INSTITUTE OF SOCIAL WORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2019

1. INSTITUTE INFORMATION

The Institute of Social Work is a higher learning public Institution under the Ministry of Health, Community Development Gender Elderly and Children. It was established under an Act of Parliament No. 26 of 1973 as subsequently amended underwritten laws (Miscellaneous Amendment) No. 25 Act 2002. The Institute is located at Kijitonyama Plot No. 684, Block 44, along New Bagamoyo/Shekilango roads, Dar es Salaam.

2. BASIS OF PREPARATION

The Financial Statements have been prepared on the historical cost basis, except for certain financial instruments which are stated at fair value. The financial statements have been prepared in accordance with International Public Sector Accounting Standard (IPSAS) Accrual basis.

3. CHANGES IN ACCOUNTING POLICIES

There were no changes in accounting policies during the year. The accounting policies which were used during the year were consistent with previous years.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Foreign currency translation

(i) Functional and presentation currency

Items included in the Financial Statements of the Institute are measured using the currency of the primary economic environment in which the Institute operates (“the functional currency”). The Financial Statements are presented in Tanzanian Shilling, which is the Institute’s functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets (bid price) and liabilities (offer price) denominated in foreign currencies are recognized in the statement of financial performance.

INSTITUTE OF SOCIAL WORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

(i) Revenue from non-exchange transactions

Transfers from other Government entities

Revenues from non-exchange transactions with other Government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions, but if there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

(ii) Revenue from exchange transaction

Fees

The institute recognizes revenues from fees when the event occurs and the asset recognition criteria are met, to the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue.

(iii) Rental Income

Rental income is recognised on straight line basis over the period of the lease.

Property, Plant and Equipment

Plant and equipment are initially recorded at cost and thereafter stated at historical cost less accumulated depreciation, and accumulated impairment loss, if any. Such cost, includes the cost of replacing part of the plant and equipment if the recognition criteria are met.

The depreciation rates were calculated on a straight-line basis at annual rates adopted from Accountant General as per Accounting Circular No 1 & 2 of 2017/18 on testing for impairment and charging for depreciation as per standards. The depreciation rates used during the year under review are the same as previous year as shown in table 12 below:

INSTITUTE OF SOCIAL WORK

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2019**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Plant and Equipment (Continued)

Table 12: Property, Plant and Equipment

Asset Description	Depreciation Rates
Motor vehicles	20.00%
Furniture and equipment	20.00%
Buildings	2% & 1.333%
Software/electronic equipment	14.29%
Library books	20.00%
Fence	4.00%
Water well	6.67%
Generator	6.67%

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Financial Performance when the asset is derecognised.

The assets' residual values and useful lives and methods of depreciation of property, plant and equipment are reviewed and adjusted if appropriate, at each balance sheet date.

Impairment of Property, Plant and Equipment

Three residential building were identified to have indicators for impairments. The assessment confirmed that the identified buildings have been impaired due to physical damage, idleness, deteriorations and obsolescence. The impairment amount for both buildings amounted to TZS. 12,930,000.00 as calculated using restoring method as shown in table 13 below.

Table 13: Value of Impairment

ITEM	Rector's House	Counseling Center	House One	Total Impairments Loss
Impairment loss	410,000	5,920,000	6,600,000	12,930,000

INSTITUTE OF SOCIAL WORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget Information

a) Budget approval

The Institute's budget for the year 2018/2019 was approved by the National Assembly on June 2018. It was prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Institute. Explanatory comments are provided in the notes to the annual financial statements; first, the reasons for overall growth or decline in the budget are stated in the statement of comparison of budget and actual amount, followed by details of overspending or under spending on line items.

b) Basis and classification budget

The Institute budget was prepared on cash basis and the classification of the budget items were done based on the Institute objectives except for the few items such as Audit fee, Legal cases, Salary and staff benefits which were separately disclosed.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method (EIR) less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of Financial Performance. The losses arising from impairment are recognised in the statement of Financial Performance in finance costs.

Employee's benefits

(i) Retirement benefit obligation

The Institute's employees are members of state owned pension scheme Public Service Social Security Fund (PSSSF). These schemes will bear all pension obligations. Both employer and employees contribute the statutory fee to the pension fund and the amounts are charged to the statement of comprehensive income when due.

(ii) Defined Employee Benefit Plan

The institute has a policy to pay retiring employees who have served for at least ten years an amount of TZS 40,000,000. In complying IPSAS 25, the ISW has determined entitled employees as per the policy and provided for their benefit during the year under review.

INSTITUTE OF SOCIAL WORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(iii) Other entitlements

The estimated monetary liability for employees' accrued annual leave entitlement at the balance sheet date is recognized as an expense accrual. The Institute also accrues and pays gratuity of 25% of basic salary to its employees who employed in contract terms. Termination benefits are payable when employment is terminated before the normal retirement/contract expiry date or whenever an employee accepts voluntary redundancy in exchange for these benefits.

Cash and cash equivalent

Cash and cash equivalents are carried in the balance sheet at face value. For the purpose of cash flow statements cash and cash equivalents, comprise cash at bank.

Intangible assets - Computer software costs

The policy for the recognition of intangible assets when the following criteria are met; -

- It is probable that the expected future economic benefits attributable to the assets will flow to the institute.
- The cost of the assets can be measured reliably

Costs incurred on computer software are initially accounted for at costs as intangible assets and subsequently at cost less any accumulated amortization and accumulated impairment losses. Amortization is calculated on a straight-line basis over the estimated useful lives. The Institute's intangible assets have finite useful life of five (5) years. The residual value and expected useful lives are reassessed annually.

Impairment on Non-Financial Assets

Basis of separating cash and non-cash generating assets

The basis of categorizing ISW assets into non cash generating assets was due to the fact that they are primary held for service delivery and not for generating commercial return. In accordance with IPSAS 21, these assets are categorized as non-cash generating assets.

Impairment of Cash-Generating Assets

At each reporting date, the entity assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash

INSTITUTE OF SOCIAL WORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment on Non-Financial Assets (Continued)

Inflows those are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or the cash-generating unit (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of financial performance in those expense categories consistent with the nature of the impaired asset.

Inventories

Inventories are stated at the lower of cost and current replacement cost². Costs comprise purchase price, direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

Inventory Expenses

During the year, the amount of Inventories in respect of cleaning supplies, Stationery and fuel are expensed in NOTE 19.

Accounts Payables

Accounts payables are non-interest bearing and are stated at their nominal value.

Comparative figures

Where necessary, the comparative figures have been reclassified to conform to changes in presentation in the current year.

Provisions

The institute policy is to recognized Provisions when the following conditions are met; -

- It has a present obligation (legal or constructive) as a result of a past event,

² Current replacement cost is the cost to be incurred to acquire inventory at the reporting date.

INSTITUTE OF SOCIAL WORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Provisions (Continued)

- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and
- Reliable estimate can be made of the amount of the obligation.

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement. Table 14 indicates the total provision during the year.

Table 14: Summary of Provision

DESCRIPTION	2019	2018
Provision for untaken leave	125,013,310	125,013,310
Provision for audit fees	57,600,000	52,000,000
Provision for gratuity and other employees' benefit	120,000,000	88,174,090
Total	302,613,310	265,189,418

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Institute's Financial Statement requires the Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the reporting date. Uncertainty about these assumptions and estimates could require a material adjustment to carrying amount of the asset or liability affected in the future periods.

Judgments

In the process of applying the Institute's accounting policies, no significant judgments were made by management.

Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Asset Useful Lives

The useful lives of items of Property Plant and equipment are estimated annually and are in line with the rate at which they are depreciated.

INSTITUTE OF SOCIAL WORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2019

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Impairment of Non-Financial Assets

The Institute assessed and observed that some of the Institute's assets have indicators for impairment. The method used to measure impairment was a cost of replacement method. It was noted that there was an impairment loss on some of the assets reviewed. The identified impairment loss was recognized in the Financial Statements under Note 7.

Impairment of Financial Assets

The Institute assesses annually whether there are any indicators of impairment for all financial assets at each reporting date. If indicators exist, an impairment test is done and any identified impairment loss is recognized in the Financial Statements. No impairment loss has been recognized during the year.

6. FUTURE CHANGES IN ACCOUNTING POLICIES

The following IPSAS were issued a couple of years ago and become effective in the dates mentioned below, there is no impact to the institute for not adopting these IPSAS

- IPSAS 40 Public Sector Combinations effective from 1st January 2019
- IPSAS 41 Financial Instruments effective from 1st January 2022
- IPSAS 42 Social Benefits

INSTITUTE OF SOCIAL WORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2019

7. PROPERTY, PLANT AND EQUIPMENT

Land	Residencial-Buildings	School-Building	Office Furniture & Equipment	Library Books	Motor Vehicles	Cement slabs	Fence	Graduation Gowns	Water Well	Capital Work-In-Progress	Generator	Electronic Equipment	Total
TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS

Cost

At 1 st July, 2018	36,447,684,500	3,746,107,000	3,983,000,000	1,074,734,648	378,935,590	295,065,871	16,362,140	296,175,077	33,021,000	13,126,883	6,125,650,166	27,000,000	304,910,735	52,741,773,610
Additions	-	-	129,335,562	177,608,685	-	-	-	-	-	-	110,689,317	-	112,898,000	530,531,564
Impairment loss	-	(12,930,000)	-	-	-	-	-	-	-	-	-	-	-	(12,930,000)
At 30 June 2019	36,447,684,500	3,733,177,000	4,112,335,562	1,252,343,333	378,935,590	295,065,871	16,362,140	296,175,077	33,021,000	13,126,883	6,236,339,483	27,000,000	417,808,735	53,259,375,174

Accumulated depreciation

At 1 st July, 2018	-	366,464,824	356,418,790	598,643,675	255,797,520	135,270,908	16,362,140	74,575,420	33,021,000	2,800,402	-	4,950,000	47,844,964	1,892,149,643
Prior years' adjustment	-	-	-	-	-	(28,500,000)	-	-	-	-	-	-	-	(28,500,000)
Charge for the Year	-	75,274,140	55,451,409	235,513,537	75,787,118	40,513,174	-	11,847,003	-	875,125	-	1,800,000	54,343,963	551,405,469
At 30 June 2019	-	441,738,964	411,870,199	834,157,212	331,584,638	147,284,082	16,362,140	86,422,423	33,021,000	3,675,527	-	6,750,000	102,188,927	2,415,055,112

Carrying Value

At 30 June 2019	36,447,684,500	3,291,438,036	3,700,465,363	418,186,121	47,350,952	147,781,789	-	209,752,654	-	9,451,356	6,236,339,483	20,250,000	315,619,808	50,844,320,062
-----------------	----------------	---------------	---------------	-------------	------------	-------------	---	-------------	---	-----------	---------------	------------	-------------	----------------

INSTITUTE OF SOCIAL WORK

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2019

7. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Land	Residencial-Buildings	School-Building	Office Furniture & Equipment	Library Books	Motor Vehicles	Cement slabs	Fence	Graduation Gowns	Water Well	Capital Work-In-Progress	Generator	Electronic Equipment	Total
TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS

Cost

At 1 st July, 2017	36,447,684,500	3,763,707,000	3,983,000,000	978,435,184	315,673,840	295,065,871	16,362,140	296,175,077	33,021,000	13,126,883	5,896,151,778	27,000,000	154,436,735	52,219,840,008
Additions	-	-	-	96,299,464	63,261,750	-	-	-	-	-	229,498,388	-	150,474,000	539,533,602
Impairment loss	-	(17,600,000)	-	-	-	-	-	-	-	-	-	-	-	(17,600,000)
At 30 June 2018	<u>36,447,684,500</u>	<u>3,746,107,000</u>	<u>3,983,000,000</u>	<u>1,074,734,648</u>	<u>378,935,590</u>	<u>295,065,871</u>	<u>16,362,140</u>	<u>296,175,077</u>	<u>33,021,000</u>	<u>13,126,883</u>	<u>6,125,650,166</u>	<u>27,000,000</u>	<u>304,910,735</u>	<u>52,741,773,610</u>

Accumulated depreciation

At 1 st July, 2017	-	291,190,684	303,312,122	394,863,455	189,499,664	104,257,734	16,342,374	62,728,417	33,021,000	1,925,277	-	3,150,000	18,760,091	1,419,050,818
Charge for the Year	-	75,274,140	53,106,668	203,780,220	66,297,856	31,013,174	19,766	11,847,003	-	875,125	-	1,800,000	29,084,873	473,098,825
At 30 June 2018	<u>-</u>	<u>366,464,824</u>	<u>356,418,790</u>	<u>598,643,675</u>	<u>255,797,520</u>	<u>135,270,908</u>	<u>16,362,140</u>	<u>74,575,420</u>	<u>33,021,000</u>	<u>2,800,402</u>	<u>-</u>	<u>4,950,000</u>	<u>47,844,964</u>	<u>1,892,149,643</u>

Carrying Value

At 30 June 2018	<u>36,447,684,500</u>	<u>3,379,642,176</u>	<u>3,626,581,210</u>	<u>476,090,973</u>	<u>123,138,070</u>	<u>159,794,963</u>	<u>-</u>	<u>221,599,657</u>	<u>-</u>	<u>10,326,481</u>	<u>6,125,650,166</u>	<u>22,050,000</u>	<u>257,065,771</u>	<u>50,849,623,967</u>
-----------------	-----------------------	----------------------	----------------------	--------------------	--------------------	--------------------	----------	--------------------	----------	-------------------	----------------------	-------------------	--------------------	-----------------------

INSTITUTE OF SOCIAL WORK

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2019

	30 th June 2019 TZS	30 th June 2018 TZS
8. INTANGIBLE ASSETS		
Cost		
As at 1 July	139,042,897	106,006,897
Additions	<u>25,152,000</u>	<u>33,036,000</u>
At 30 June	164,194,897	139,042,897
Accumulated amortization		
As at 1 July	95,976,156	100,547,203
Opening balance adjustment	-	(13,717,157)
Charge for the year	<u>32,019,780</u>	<u>9,146,110</u>
At 30 June	<u>127,995,936</u>	<u>95,976,156</u>
Carrying value	<u>36,198,961</u>	<u>43,066,741</u>
9. CASH AND CASH EQUIVALENTS		
BOT FOREX	710,084,864	604,222,306
BOT	608,617,014	981,618,689
NBC	582,154	13,695,152
CRDB	95,500,888	430,446,599
NMB	54,837,524	20,318,948
Petty Cash	-	-
	<u>1,469,622,444</u>	<u>2,050,301,694</u>
10. INVENTORIES		
Stationery stocks	42,499,572	16,447,132
Spare parts stocks	108,128	43,200
Cleaning materials stocks	<u>84,818</u>	<u>52,138</u>
	<u>42,692,518</u>	<u>16,542,470</u>

INSTITUTE OF SOCIAL WORK

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2019

	30 th June 2019	30 th June 2018
	TZS	TZS
11. TRADE AND OTHER RECEIVABLES		
Student receivables	519,656,750	379,737,050
Staff receivables	44,139,361	20,820,006
Other receivables	<u>269,826,835</u>	<u>54,129,983</u>
	833,622,946	454,687,039
Less: Provision for impairment of receivables	<u>(180,517,104)</u>	<u>(180,517,104)</u>
Net receivables	653,105,842	274,169,935
Prepayments	<u>14,463,045</u>	-
Total trade and other receivables	<u>667,568,887</u>	<u>274,169,935</u>
Movement of provision for impairment of receivables		
At 1 July	180,517,104	184,251,654
Addition	-	47,646,350
Write-offs	-	<u>(51,380,900)</u>
At 30 June	<u>180,517,104</u>	<u>180,517,104</u>

12. CAPITAL GRANTS

Capital grants relates to residential and school buildings acquired from the Government which were previously categorized under tax payer's fund (equity component) in prior years. However, during the year ended 30 June 2019 the management has reclassified these assets to capital grants account as shown in the movement schedule below;

	30 th June 2019	30 th June 2018
	TZS	TZS
At start of year	7,006,223,386	7,152,204,193
Impairment of assets (Note 7)	(12,930,000)	(17,600,000)
Amortization of capital grant	<u>(128,380,807)</u>	<u>(128,380,807)</u>
At end of year	<u>6,864,912,579</u>	<u>7,006,223,386</u>

INSTITUTE OF SOCIAL WORK

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30th JUNE 2019

	30th June 2019	30th June 2018
13. PAYABLES	TZS	TZS
Accounts payable	205,762,704	165,185,274
Other payables	<u>1,209,470,632</u>	<u>865,244,007</u>
	<u>1,415,233,336</u>	<u>1,030,429,281</u>
14. PROVISIONS		
Provision for untaken leave	25,124,400	125,013,310
Provision for audit fees	58,400,000	52,000,000
Provision for Gratuity	<u>219,125,592</u>	<u>88,174,090</u>
	<u>302,649,992</u>	<u>265,187,400</u>
Movement of provision for untaken leave and gratuity		
YEAR ENDED 30 JUNE 2019	Leave	Gratuity
At start of year	125,013,310	88,174,090
Addition provision raised	-	223,662,402
Provision utilized	<u>(99,888,910)</u>	<u>(92,710,900)</u>
At end of year	<u>25,124,400</u>	<u>219,125,592</u>
YEAR ENDED 30 JUNE 2018		
At start of year	52,240,960	180,193,454
Addition provision raised	83,107,000	122,434,045
Provision utilized	<u>(10,334,650)</u>	<u>(214,453,409)</u>
At end of year	<u>125,013,310</u>	<u>88,174,090</u>
	30th June 2019	30th June 2018
15. COURSE FEE	TZS	TZS
Master's degree program	94,480,000	155,305,000
Bachelor's degree	1,326,962,500	1,477,953,500
Ordinary diploma	787,200,000	746,300,000
Post graduate diploma	66,564,000	51,772,000
Certificate	<u>369,210,000</u>	<u>332,289,000</u>
	<u>2,644,416,500</u>	<u>2,763,619,500</u>
16. GOVERNMENT GRANTS		
Employers social security contribution	546,207,395	509,816,400
Personnel Emolument (P/E) grant	<u>3,002,843,000</u>	<u>3,000,296,067</u>
	<u>3,549,050,395</u>	<u>3,510,112,467</u>

INSTITUTE OF SOCIAL WORK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th JUNE 2019

	30 th June 2019	30 th June 2018
	TZS	TZS
17. OTHER INCOME		
Other grants	-	37,400,000
Carry forward module fees	5,340,000	2,400,000
Class room and conference hire	3,200,000	1,400,000
Student refund	563,385	120,400
Miscellaneous income	207,678,068	42,218,046
Playground hire	2,500,000	7,280,000
Rent investors container	7,440,000	7,688,000
Rent posters and other advert	74,197,093	67,357,735
Rent residential external	4,800,000	8,632,500
Rent hostel	88,226,000	78,370,000
Salary in lieu of notice	564,000	430,000
Sale of prospectus	27,860,000	24,020,000
Sale of tender documents	2,900,000	-
Admission fees	35,334,918	34,224,900
Receipt from consultancy fees/short courses	1,130,000	3,555,000
Penalty income	239,400	660,600
Academic transcript	5,366,100	5,040,500
Rental income -residential internal staff	76,283,900	72,896,350
Appeal fee	700,000	870,000
Postponement fees	5,550,000	5,450,000
Graduation gown hire	20,800,000	17,050,000
Penalty on book lost and card lost	155,000	320,000
Bad debt recovery	720,000	160,000
Provisional result	25,500	978,000
Charges of duplication of certificates	300,000	250,000
Registration fee	37,405,000	33,231,000
Gain in exchange Fluctuation	8,954,243	16,099,873
Library fees	24,364,600	19,420,000
Late submission of dissertation	<u>150,000</u>	-
Student identity cards	12,292,500	-
Sale of research book	165,500	10,000
Short term hostel fee	<u>192,000</u>	<u>646,000</u>
Total - A+B	<u>655,397,207</u>	<u>488,178,904</u>

INSTITUTE OF SOCIAL WORK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th JUNE 2019

18. SALARIES AND STAFF BENEFITS

Basic Salaries	3,002,843,000	3,000,296,067
Employers social security contribution	443,611,900	421,724,909
National Health Insurance Schemes(NHIF)	87,581,280	88,091,492
Workers compensation Fund	15,014,215	-
Leave Travel	26,469,000	97,830,550
Outfit Allowance	1,767,745	408,253
Subsistence Allowance	2,520,000	-
Hardship Allowance	19,766,000	116,957,400
Sporting Supplies	15,320,000	22,614,050
Gratuity and employees terminal benefits	223,662,402	93,303,202
Housing allowance	120,281,300	119,170,250
Moving expenses	6,153,600	-
Residential electricity allowance	44,656,000	65,265,440
Food and Refreshment	79,066,300	55,422,518
Telephone allowance-TEL&SPEC	44,518,500	35,237,000
Casual labour	550,000	1,635,000
Employee's Severance cost	189,173,165	-
	<u>4,322,954,407</u>	<u>4,117,956,130</u>

INSTITUTE OF SOCIAL WORK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th JUNE 2019

	30 th June 2019	30 th June 2018
	TZS	TZS
19. ADMINISTRATIVE EXPENSES		
Audit fees	59,128,715	52,487,700
Advertisement	50,825,650	18,459,600
Bank charges	28,020,043	24,511,987
Technical service fees (Board fees)	53,150,000	92,557,073
Text books	11,239,375	-
Entertainment	9,931,000	-
Burial expenses	8,589,000	8,475,000
Honoraria (expert Opinion)	53,705,000	69,471,000
Cleaning and security services	101,943,113	85,837,773
Water charges	34,557,183	-
Water and waste disposal	31,162,308	23,466,287
Electricity expenses	84,584,559	95,701,907
Impairment loss	12,930,000	17,600,000
Extra duty expenses	215,794,823	168,560,461
Fumigation	6,980,880	-
Outsource maintenance contract	107,952,029	24,928,398
Agency fees	18,075,000	-
Consultancy work expenses	40,186,921	48,006,360
Petrol	4,896,040	-
Diesel	31,559,669	27,530,091
Insurance expenses	5,906,993	12,384,100
Legal Fees	-	40,880,000
Newspapers and periodicals	7,425,000	6,788,800
Computers and other related equipment	9,005,300	-
Internet and e-mail connections	20,435,550	10,671,128
Printing and photocopy paper	79,853,930	115,605,095
Office consumables	3,625,000	-
Repair and maintenance-buildings	82,389,876	196,325,229
Motor vehicles maintenance	36,446,468	43,314,976
Responsibility allowance	74,128,000	83,482,270
Honoraria	17,400,000	-
Posts and Telegraphs	1,350,000	-
Telephone charges (land Lines)	344,237	1,816,969
Special needs	<u>13,000,000</u>	<u>-</u>
Subtotal A	<u>1,316,521,662</u>	<u>1,268,862,204</u>

INSTITUTE OF SOCIAL WORK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th JUNE 2019

	30 th June 2019	30 th June 2018
	TZS	TZS
19. ADMINISTRATIVE EXPENSES (CONTINUED)		
Conference facilities	1,900,000	-
Tuition fees (training domestic)	157,399,500	196,409,125
Hiring of training facilities	1,415,000	-
Contract based training services	400,000	-
Training materials	815,000	-
Tuition fees (foreign)	270,130	-
Ground travel	181,617,115	74,525,700
Air travel tickets (in country)	571,100	-
Per diem - domestic	166,539,940	54,693,850
Air travel tickets (out of the country)	522,407	19,617,201
Per diem - foreign	4,235,697	-
Computer software	11,227,511	1,551,250
Cleaning supplies	10,819,811	-
Acting allowance	13,146,700	29,941,874
Computer supplies and accessories	45,236,117	29,620,813
Amortization - software	32,019,779	9,146,109
Subscription fees	2,922,200	7,264,158
Education allowances	93,485,000	-
Vehicle insurance	2,336,448	-
Sub-total-B	<u>726,879,455</u>	<u>422,770,080</u>
Total -A+B	<u>2,043,401,119</u>	<u>1,691,632,284</u>

INSTITUTE OF SOCIAL WORK

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th JUNE 2019**

	30th June 2019	30th June 2018
	TZS	TZS
20. OPERATING EXPENSES		
Research and dissertation supervision	64,014,800	176,326,500
Remuneration of instructors	184,213,664	242,874,500
Educational radio and TV broadcasting	210,000	-
Education supervision	8,470,000	11,808,000
Examination and admission expenses	<u>75,907,500</u>	<u>144,806,000</u>
	<u>332,815,964</u>	<u>575,815,000</u>
21. OTHER EXPENSES		
Discontinuing student	12,550,000	41,932,800
Sitting Allowance (Workers Council and Tender Board)	33,036,200	33,609,000
Higher Education Student's Loan Board (HESLB)	2,398,750	-
Relief assistance	1,500,000	2,911,300
Exhibition festivals and celebrations	62,248,280	62,810,373
Foreign exchange loss	1,983,495	1,232,674
Special duty allowance	<u>108,639,000</u>	<u>66,963,830</u>
	<u>222,355,725</u>	<u>209,459,977</u>

INSTITUTE OF SOCIAL WORK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th JUNE 2019

22. EXPLANATION OF VARIATION BETWEEN BUDGET AND ACTUAL EXPENDITURE

Budget Item	Final Budget	Actual on Comparable basis	Difference	Explanations/comments/Reasons
Revenue from Non-exchange Transactions	TZS	TZS	TZS	
Government Personnel Emoluments	5,054,574,423	3,518,051,630	(1,536,522,793)	The recruitment of new employee was delayed up to fourth quarter and the approved employment was low as compared to request for employment permit
Government Development	500,000,000	-	(500,000,000)	The development funds were not released
Fees	3,774,990,000	2,611,491,010	(1,163,498,990)	The decrease was attributed by government directives to postpone evening programmes for Bachelor Degree.
Other Revenue	452,520,000	528,073,098	75,553,098	The increase was attributed by increase of other revenue such as Rent of billboards, Identity cards and Rent of hostels.

INSTITUTE OF SOCIAL WORK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th JUNE 2019

22. EXPLANATION OF VARIATION BETWEEN BUDGET AND ACTUAL EXPENDITURE (CONTINUED)

Budget Item	Final Budget	Actual on Comparable basis	Difference	Explanations/comments/Reasons
	TZS	TZS	TZS	
Salaries and Staff Benefit	(5,054,574,423)	(3,508,274,180)	1,536,522,793	The decrease was as a result of the government froze both recruitments annual salary increments and promotions during the period.
HIV AID Intervention Programs developed	(6,300,000)	(1,520,000)	4,780,000	The budgeted amount include subsidy to people living with HIV/AIDS. During the reporting period there was no staff reported/registered for subsidy.
Enhanced Human Resource Management Capacity	(2,410,740,000)	(2,209,809,604)	200,930,396	The decrease in revenue collection necessitated management to reduce cost and postpone some of the activities to the next financial year
Mainstream ICT in working, teaching and learning environment	(419,600,000)	(102,226,667)	317,373,333	The ICT activities (Implementation of COHA was rolled over to the year 2018/19

INSTITUTE OF SOCIAL WORK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th JUNE 2019

22. EXPLANATION OF VARIATION BETWEEN BUDGET AND ACTUAL EXPENDITURE (CONTINUED)

Budget Item	Final Budget	Actual on Comparable basis	Difference	Explanations/comments/Reasons
	TZS	TZS	TZS	
Financial Sustainability Improved	(57,708,000)	(44,212,870)	13,495,130	Cost-cutting measures taken by the Management due to decrease in revenue collection
Improved Quality of Academic Programs	(643,872,000)	(286,678,324)	357,193,676	More effort was directed to build capacity of academic staff.
Infrastructures and Facilities Improved	(1,331,250,000)	(591,173,549)	740,076,451	The construction of IRC phase VII, purchases of generator were rolled over the 2019/2020 financial year
Governing Board Costs	(124,956,000)	(56,216,640)	68,739,360	The Board's tenure expired during the year and appointment of the new board took more than six months
Settlements for Legal cases	(400,000,000)	-	400,000,000	No case concluded during the year, The amount was set aside as provision to meet the cost in case the ruling of the case was not in the favor of the Institute. The ruling came after the reporting date.
Strengthened sponsored research and consultancy services	(144,330,000)	(34,649,785)	109,680,215	Few researches started and are in progress

INSTITUTE OF SOCIAL WORK

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30th JUNE 2019

23. CAPITAL MAINTENANCE

The equity of the Institute is made up of and accumulated surplus and tax payer's fund. The Board monitors the growth of capital to ensure growth of the Institute. As at 30th June 2019 the capital balance stood at

Description	<u>30th June 2019</u>	<u>30th June 2018</u>
	TZS	TZS
Accumulated Surplus	5,356,784,309	5,839,542,084
Tax payers fund	<u>39,120,822,656</u>	<u>39,120,822,656</u>
	<u>44,477,606,965</u>	<u>44,960,364,740</u>

24. NUMBER OF EMPLOYEES

The number of employees during the year was 140 (2018: 135).

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Institute operations are exposed to financial risks as explained hereunder. Financial risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on The Institute's financial performance. The main risks arising from the Institute's operations are credit risk, liquidity risk and currency risk. The Institute reviewed risk register to enable management of risks. Some of the risks are summarized below: -

i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Institute is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. However, The Institute does not regard that there is significant concentration of credit risk. The Institute mitigates the credit risk by maintaining cash and cash equivalents with reputable financial institutions; and recovering staff debts in terms of the applicable regulations directly from the employee's salary.

INSTITUTE OF SOCIAL WORK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th JUNE 2019

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

i) Credit risk (Continued)

The age analysis of trade and other receivables is as shown below: (Amounts in TZS)

	3 - 6 months TZS	Total TZS
<u>30 June 2019</u>		
Trade and other receivables	653,105,842	653,105,842
<u>30 June 2018</u>		
Trade and other receivables	274,169,935	274,169,935

The maximum exposure to credit risk is as shown below:

	<u>30th June 2019</u> TZS	<u>30th June 2018</u> TZS
Cash and Cash Equivalents	1,469,622,444	2,050,301,694
Trade and Other Receivables	<u>653,105,842</u>	<u>274,169,935</u>
	<u>2,122,728,286</u>	<u>2,324,471,629</u>

ii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet obligations associated with financial instruments. The Institute manages its liquidity risk to ensure it is able to meet estimated expenditure requirements. This is achieved through prudent liquidity risk management which includes maintaining sufficient cash and cash equivalents.

INSTITUTE OF SOCIAL WORK

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30th JUNE 2019

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

The Institute's main sources of income are the annual budget allocation from the Ministry of Finance and Planning and other sources of income. The income is used to fund The Institute's operational and capital requirements. The annual budget is allocated by the Ministry in accordance with the provisions governing the Medium-Term Expenditure Framework (MTEF). The Institute uses Activity Based Budgeting approach with an extensive planning and governance process focused on the Strategic Plan to determine its operational and capital requirements. This is considered to be adequate mitigation for liquidity risk.

The table below summarizes the maturity profile of financial liabilities:

	1 to 3 months TZS	3 to 12 months TZS	Over 1 year TZS	Total TZS
<u>30th June 2019</u>				
Payables	-	1,717,883,328	-	1,717,883,328
<u>30th June 2018</u>				
Payables	-	1,295,616,681	-	1,295,616,681

iii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. Some of the Institute's operations utilize various foreign currencies and consequently, are exposed to exchange rate fluctuations that have an impact on cash flows and financing activities. Currency exposure arising from liabilities denominated in foreign currencies is managed primarily through the holding of bank balances in the relevant foreign currencies and accepting the local currency invoices only. The loss on foreign currency fluctuation during the year arose from the translation of bank balances.

INSTITUTE OF SOCIAL WORK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th JUNE 2019

26. FAIR VALUE OF FINANCIAL INSTRUMENTS

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- a) Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities
- b) Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- c) Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

Table 13: Fair value of financial instruments

	Carrying Value		Fair Value
		Level I	Level II
	TZS	TZS	TZS
<u>30th June 2019</u>			
Assets			
Cash and Cash Equivalents	1,469,622,444	-	1,469,622,444
Trade and other receivables	653,105,842		653,105,842
Liabilities			
Payables	1,717,883,328	-	1,717,883,328
<u>30th June 2018</u>			
Assets			
Cash and Cash Equivalents	2,050,301,694	-	2,050,301,694
Trade and other receivables	274,169,935	-	274,169,935
Liabilities			
Payables	1,295,616,681	-	1,295,616,681

INSTITUTE OF SOCIAL WORK

NOTES TO FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30th JUNE 2019

26. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

The fair value of the assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- a) Cash and cash equivalents, fixed deposits, trade and other receivables, and payables approximate their carrying amounts largely due to the short-term maturities of these instruments.
- b) Fair value of property, plant and equipment is based on independent valuers' valuation.

27. CATEGORIES OF FINANCIAL INSTRUMENTS

The categorization of financial instruments as per IPSAS 41 Financial Instruments

Recognition and Measurement - is as shown below:

	Carrying Value	Held to maturity	Loans and receivables
	TZS	TZS	TZS
<u>30th June 2019</u>			
Financial Assets			
Cash and Cash Equivalents	1,469,622,444	1,469,622,444	-
Trade and other receivables	<u>653,105,842</u>	-	<u>653,105,842</u>
	<u>2,122,728,286</u>	<u>1,469,622,444</u>	<u>653,105,842</u>
<u>30th June 2018</u>			
Financial Assets			
Cash and Cash Equivalents	2,050,301,694	2,050,301,694	-
Trade and other receivables	<u>274,169,935</u>	-	<u>274,169,935</u>
	<u>2,324,471,629</u>	<u>2,050,301,694</u>	<u>274,169,935</u>

INSTITUTE OF SOCIAL WORK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th JUNE 2019

27. CATEGORIES OF FINANCIAL INSTRUMENTS (CONTINUED)

	Carrying Value	Other financial liabilities	Total
	TZS	TZS	TZS
<u>30th June 2019</u>			
Financial Liabilities			
Trade payables	205,762,704	-	205,762,704
Other payables	-	<u>1,512,120,624</u>	1,512,120,624
	<u>205,762,704</u>	<u>1,512,120,624</u>	<u>1,717,883,328</u>
<u>30th June 2018</u>			
Financial Liabilities			
Trade payables	265,821,078	-	265,821,078
Other payables	-	<u>1,029,795,604</u>	1,029,795,604
	<u>265,821,078</u>	<u>1,029,795,604</u>	<u>1,295,616,682</u>

28. ASSETS PLEDGED AS SECURITY FOR LIABILITIES

None of the Institute's assets have been pledged as security for liabilities.

29. EVENTS AFTER THE REPORTING PERIOD

There was a ruling for the case of ex-employee in favor of the later, adjustment of the payment for the case has been incorporated in the current financial statement.

30. RELATED PARTY TRANSACTIONS

The entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the entity, or vice versa. Members of key Management are regarded as related parties and comprise the Rector, two Deputy Rectors, Heads of Academic and administration departments and independent units.

INSTITUTE OF SOCIAL WORK

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th JUNE 2019**

30. RELATED PARTY TRANSACTIONS (CONTINUED)

Key Management Personnel and Board Remunerations

Key management short term benefits which were paid included salaries, allowances and social security contributions as table 15 indicates: -

Table 15: key Management Personnel and Board Remunerations

	30th June 2019	30th June 2018
	TZS	TZS
Key Management remuneration		
Salaries	723,741,000	637,835,000
Allowances	238,320,000	222,337,000
Social security contribution	144,748,200	140,931,200
Gratuity	-	60,861,966
Sub total	1,106,809,200	1,061,965,166
Board of Governors remuneration		
Board fees	53,150,000	49,000,000
Board allowances	27,653,140	40,356,493
Subtotal	80,803,140	89,356,493
Grand Total	1,187,612,340	1,151,321,659

Payments to Board members and executives are paid in accordance with the Government Standing Orders and the approved human resources management policy and incentive scheme of the Institute of Social Work.

31. COMMITMENTS

Capital expenditure

This is a total amount expected for execution of development activities in the Institute. Currently, the Institute is under commitment to finalize the construction of Information Resource Center (IRC). As at 30th June, 2019 the Institute committed TZS. 846,000,000 for construction of IRC building.

	2019	2018
	TZS	TZS
<u>Capital expenditure</u>		
Contracted and authorized	846,000,000	750,000,000

INSTITUTE OF SOCIAL WORK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th JUNE 2019

31 COMMITMENTS (CONTINUED)

Lease

The Institute entered into operating leases with tenants. The Institute sublets unutilized space (Land and building) to earn rental income. The leases cover a period of one year with an option to renew after expiry. Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Financial Performance due to its operating nature. During the year under review there was no unexpired lease for existing contracts.

	2019	2018
	TZS	TZS
<u>Lease commitments</u>		
<u>(Institute as Lessor - Operating Lease)</u>		
Rental income: Within one year	81,637,093	75,045,735

32. PRIOR YEARS' ADJUSTMENTS

During the year ended 30 June 2019 the management had reviewed useful life of fully depreciated assets (two motor vehicle) which are still in use and noted the useful life of the said assets have been extended to eight (8) years from five (5) years approved earlier which resulted to increase in both accumulated depreciation accumulated surplus by TZS 28,500,000. The adjustment was retrospectively passed in the books of accounts for the year ended 30 June 2018 in accordance with the item (v (a)) of the Accounting Circular No. 6 on the preparation of the preparation of financial reports and closure of the financial year 2018/2019.