



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS OF INSTITUTE OF SOCIAL WORK (ISW) FOR THE
FINANCIAL YEAR ENDED 30TH JUNE, 2020**

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March, 2021

AR/PA/ISW/2019/20

Mandate

The statutory mandate and responsibilities of the Controller and Auditor General are provided for under Article 143 of the Constitution of the URT of 1977 (as amended from time to time) and in Section 10 (1) of the Public Audit Act, 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 organization, offering services to our clients in an objectives and 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 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, and 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 adequate working tools and facilities that promote independence.

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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

ABBREVIATIONS

AIDS	Acquired Immunodeficiency Syndrome
CAG	Controller and Auditor General
EIR	Effective interest rate
HESLB	Higher Education Students Loan Board
HIV	Human Immunodeficiency Virus
ICT	Information Communication Technology
IRC	Information Resource Centre
ISW	Institute of Social Work
ISWOSO	Institute of Social Work Student Organization
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
MOHCDGEC	Ministry of Health, Community Development, Gender, Elderly and Children
MVC	Most Vulnerable Children
NAO	National Audit Office
NACTE	National Council for Technical Education
NCPA	National Costed Plan of Action for MVC
NCD's	Non-Communicable Diseases
PPE	Property, Plant and Equipment
SIMS	Student Information Management Systems
TASWO	Tanzania Association of Social Workers
TCU	Tanzania Commission for Universities
UNICEF	United Nation Children's Fund

1.0 BOARD OF GOVERNOR'S REPORT FOR THE YEAR ENDED 30TH JUNE 2020

1.1 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 objective 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, 2020 which sets out the state of affairs of the Institute.

1.2 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 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.
- f) To sponsor and arrange facilities for conferences and seminars to discuss matters relating to welfare and social development.
- g) To conduct examination and to grant diploma, certificates, and other awards of the Institute.
- h) To arrange for the publication and general dissemination of materials produced in connection with the work and activities of the Institute.

1.3 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.

1.4 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”.

1.5 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.

1.6 Membership of The Board of Governors

The Board members for the year ended 30th June, 2020 is provided under **Table 1** below:

Table 1: List of Board Members

S/N	Name	Position	Age	Appointed	Expire of tenure	No of meetings	Qualification
1.	Hon. Sophia M. Simba	Chairperson	71	05-11-2018	01/11/2021	3	Masters of Community Development
2.	Dr. Joyce E. Nyoni	Secretary	52	29-03-2019	11/11/2024	4	PhD in Sociology
3.	Dr. Theresa J. Kaijage	Member	73	12-11-2018	11/11/2021	4	PhD in Social Work
4.	Dr. Rose I. Mbwete	Member	46	12-11-2018	11/11/2021	4	PhD in Sociology
5.	Dr. Naftali Ng'ondi	Member	52	12-11-2018	11/11/2021	4	PhD in Social Work
6.	Dr. Fidelice M. S. Mafumiko	Member	57	12-11-2018	11/11/2021	2	PhD in Science Education
7.	Ms. Agnes I. Ndumbati	Member	43	12-11-2018	11/11/2021	3	Masters in Constitution Administration Law
8.	Ms. Regina L. Kikuli	Member	59	12-11-2018	11/11/2021	3	MA in Health Planning Management and Policy
9.	Dr. Adolf B. Rutayuga	Member	56	12-11-2018	11/11/2021	2	PhD in Education
10	Mr. Andrew B. kirumbi	Member	24	17-06-2019	17/07/2020	4	Student Bachelor Degree Social Work

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

All members of the Governing Board were Tanzanians as at 30th June, 2020.

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, 2020 is as shown in Table 2.

Table 2: Members of the Academic Committee of the Board

S/N	Name	Position	Qualification	Responsibilities
1.	Dr. Fidelice M.S. Mafumiko	Chairperson	PhD Science in 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. Joyce E. Nyoni	Secretary	PhD in Sociology	
3.	Dr. Thereza J. Kaijage	Member	PhD in Social Work	
4.	Dr. Rose I. Mbwete	Member	PhD in Sociology	
5.	Mr. Andrew B Kirumbi	Member	Student- Bachelor's Degree in Social Work	

The Committee met five times during the year and discussed academic issues relating to technical, regulations and compliance. It approved admission of students for the academic year 2019/20, examination regulations and academic prospectus for the year 2018/19 - 2019/20 and appointment of the external examiners.

It also reviewed, deliberated, and recommended for approval of examination results for the year 2019/20 including appeals, postponements, deferred and special examinations.

b) Audit Committee

The list of Audit Committee members as at 30th June, 2020 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	Dr. Neema K. Mssusa	Secretary	PhD in Accounting, CPA(T)	
3	Ms. Regina L. Kikuli	Member	M. A in Health Planning Management and Policy	
4	Dr. Rose I. Mbwete	Member	PhD in Sociology	
5	Mr. Ahadi M. Chacha	Member	MBA International Banking and Finance, CPA(T)	

The Committee met seven (7) times during the year and discussed quarterly internal audit reports which assess internal controls, risk management, and good governance of the Institute, it also approved Internal Audit annual plan 2019/20. The committee received and discussed Audit Report for the year 2018/19 from CAG and commended

the Management for obtaining a clean audit opinion and for emerging the first 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, 2020 is as shown in Table 4.

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. Joyce E. Nyoni	Secretary	PhD in Sociology	
3	Dr. Theresa J. Kaijage	Member	PhD in Social Work	
4	Dr. Adolf B. Rutayuga	Member	PhD in Education	

The Committee met four (4) times during the year and discussed procurement, budget and financial management issues. It reviewed and approved various implementation reports (including Annual Procurement Plan 2019/20, Annual and quarterly implementation Reports of Procurement Plan 2019/20, Statement of Financial Performance for 2019/20, and quarterly financial performance report for 2019/20), revised financial regulations, proposal to writing off outstanding irrecoverable debts, marketing strategy, Strategic Plan Review and 2019/20 budget review, Fee Structure for Masters in Strategic Human Resource Management, guideline for renting ISW premises, list of assets recommended for disposal, Performance contracts for 2019/20, Quarterly Strategic Plan implementations reports for 2019/20 and annual Strategic Plan implementation report for 2019/20.

d) Staff Employment, Development and Disciplinary Committee

The list of Staff Employment, Development and Disciplinary Committee members as at 30th June, 2020 is as shown in Table 5.

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	

2	Dr. Joyce E. Nyoni	Secretary	PhD in Sociology	Responsible for advising the Board on all matters concerning with staffing, employment, discipline and human resources development.
3	Dr. Fidelice M.S Mafuniko	Member	PhD in Science Education	
4	Ms. Agnes I. Ndumbati	Member	Masters in Constitution Administration Law	
5	Ms. Regina L. Kikuli	Member	M. A in Health Planning Management and Policy	

The Committee met four (4) times during the year and discussed employee matters and policies. It approved promotion and confirmation of employees, transfers, long-term training and verification of academic certificates. The documents which were approved are client service charter and Housing Policy.

1.7 Corporate Governance Statement

The Board of Governors of the Institute consists of ten (10) Governors. Apart from Rector, no other Governors hold executive position in the Institute. The Board takes overall responsibility for the Institute, including responsibility for identifying key risk areas, considering and monitoring academic matters, considering significant financial matters, and reviewing the performance of management. The Board is also responsible for ensuring that a comprehensive system of internal control, policies and procedures is operative, and for compliance with sound corporate governance principles.

The Board is scheduled to meet quarterly. The Board delegates the day to day management of the business to the Rector assisted by Deputy Rectors and management team. Management team are invited to attend Board meetings and facilitates the effective control of all the Institute's operational activities, acting as a medium of communication and coordination between departments and units. The Institute is committed to the principles of effective corporate governance. The Governors also recognize the importance of integrity, transparency and accountability. During the year the Board had sub-committees to ensure a high standard of corporate governance throughout the Institute. These are Audit, Academic, Planning and Finance and Staff Development.

1.8 Review of Institute's Performance

1.8.1 Financial Performance

Revenue and expenses

During the period under review, the Institute reported total revenue of TZS 6,752,613,480 (2018/19: TZS 6,990,174,909) against total expenses of TZS 7,295,671,217 (2018/19: TZS 7,472,932,684) resulting into a deficit of TZS (543,057,737) (2018/19: TZS (482,757,775)). The deficit has increased by 12.5 per cent when compared to previous financial year deficit of TZS 482,757,775.

The increase in deficit was due to outbreak of COVID 19 which necessitated the closure of all schools and higher learning Institutions by the government.

As a result, the revenue amounting to TZS 1,300,000,000, which was initially expected to be recognized in the year 2019/20 will be recognized in the year 2020/21 so as to match with the shifted of academic year.

Financial Position

The Net Asset of the Institute decreased from TZS 44,477,606,965 (2019) to TZS 43,934,549,228 (2020). The decrease in Net Asset was due to decrease of accumulated surplus from TZS 5,356,784,309 (2019) to TZS 4,813,726,572 (2020) resulted from deficit for the year under review.

Budget performance

During the year under review, the Institute experienced budget deficit of TZS 916,188,059. The deficit was mainly caused by closure of the Institute as a result of outbreak of corona virus pandemic COVID 19 which necessitated government to close schools and all higher learning institution on an effort to curb the spread of the disease. Following the budget deficit, the core operations of the Institute were affected including non-implementation of activities worth TZS 916,188,059.

Ratio analysis

The ratio of total assets to total liabilities was 6.3, which indicated strong solvency. The current ratio was 0.73, which showed slight liquidity, indicating that the Institute can handle its short-term commitments as at 30th June, 2020. The current ratio indicates decline as compared to previous year while the asset ratios have shown a slight improvement as compared to previous year. The Institute remains in a very comfortable and solvent position. The financial ratios of the Institute over the past two years are set out in **Table 6** below;

Table 6: The Financial Ratios of the Institute over the past three years

Description of ratio	2019/20	2018/19	2017/18
Current ratio	0.74:1	1.61:1	1.81:1
Total assets/total liabilities	6.3:1	6.18:1	6.42:1

The current ratio has decreased below 1 during the year under review. However, the institute's going concern is not in doubt due to the fact that; -

- a) Some of the liabilities are not claimed immediately e.g.
 - Caution money are refunded on request after completion of their studies.

- Loan from HESLB for staff undertaking PhD courses are repaid after completion of their studies
 - Terminal benefit are accrued to all staff but paid on retirement
- b) Revenue amounting to 1,300,000,000 which was recognized in current year were shifted to financial year 2020/21 as a result of COVID19.

1.9 Strategies and Key Performance Indicators

1.9.1 Strategies

The Institute strategies as per ISW Strategic Plan 2017/18 - 2021/22 are listed below and details are provided under section 8.2

- a) To sensitize, implement and support HIV/AIDS and NCDs programs to the community.
- b) To ensure adherence to good governance principles;
- c) To increase the number of demand-driven academic programs;
- d) To improve quality of academic programs;
- e) To strengthen links and partnership in the core Institute activities;
- f) To mainstream ICT in teaching and learning;
- g) To improve Institute physical infrastructure;
- h) To improve the quality of library services;
- i) To enhance student's welfare;
- j) To build capacity for research, consultancy and short courses;
- k) To conduct demand-driven research, consultancy and short courses;
- l) To identify different sources of funds;
- m) To strengthen internal control mechanisms;
- n) To enhance marketing of Institute brands;
- o) To enhance Institute human resource capacity; and
- p) To ensure satisfaction and motivation of employees.

1.9.2 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 7** below:

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Table 7: Key Performance Indicators

Objective	Strategy	Target	Performance Indicators	2019/20	2018/19
Improved quality of academic programs	To increase the number of demand-driven academic programs	Establish demand-driven academic programs	Curriculums for NTA Level 4, 5, 6, 7 and 8 prepared and reviewed	The Institute finalize and obtained approval for Master degree in Human Resource Management, developed and tabled to the stakeholders the curriculum for Master Degree in Labour Relations and Public Management and Completed review of curriculum for Master Degree in Social Work	Curriculum review for NTA Level 4, 5, 6, 7 and 8 were done; situational analysis is being conducted for Master programme in labor Relation and Public Management. The curriculum for Master degree Human Resource Management and that of Ordinary Diploma Community Work with children and Youth is waiting for approval from NACTE.
Improved quality of academic programs	To increase the number of demand-driven academic programs	Increase enrolment	2,000 students enrolled	The Institute enrolled a total of 2,179 students which is 109% of the annual target of 2,000 students. This is an increase of 87% from the 1,164 students enrolled in 2018/2019. The increase was attributed to the increase in capacity from 110 to 220 and increase in enrolment of March intake.	The Institute enrolled 1,164 students which is 90% of the annual target of 1,300 students. Failure to meet the target was attributed to delay in approving the enrolment capacity of student from 110 to 220.
Improved organizational governance	To ensure adherence to good governance principles.	Institution's operational policies and regulations reviewed by June, 2020.	Five (5) policies/ documents reviewed/prepared	The Institute finalized the development of seven (7) policies/documents which are Client Service Charter, Board Charter, Students welfare, Staff housing, research policy and consultancy policy, quality assurance policy.	The Institute developed two (2) documents which are Risk Management Framework 2019 and Procurement and Stores Manual. Also prepared draft documents for research and Consultancy Policy, Housing Policy and Business Continuity Plan.

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Objective	Strategy	Target	Performance Indicators	2019/20	2018/19
Enhance Human Resource Management Capacity	To enhance Institute human resource capacity	To achieve NACTE's Teacher-Student Ratio (1:25) Standard by June, 2020	Teacher Student ratio reduced to 1:25	The Institute recruited two staff Ms Itika Ngwakwa as (Assistant Lecturer) and Julieth Muchunguzi (Tutorial Assistant). In addition, the Institute received 4 transferred staff from other Public Institutions/organizations. The ratio at 1:42. The Institute has used of part-time teachers to reduce the gap while waiting for recruitment permits from the government.	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 at 1:35. The Institute use part-time teachers to reduce the gap.
	To ensure satisfaction and motivation of employees	Provide essential working tools and facilities by June, 2020.	Furniture and equipment for staff and students purchased TZS 178,200,000	The Institute procured furniture worth TZS 91,627,000 for students and staff which is 51% of the target.	Institutes procured furniture worth TZS 172,000,000 for students and staff which is 96.5% of the target.
Enhanced Teaching and learning environment	To improve ICT applications and infrastructure by June 2021	Improved Physical Infrastructure by June, 2020.	IRC phase VII constructed	The Institute continued with the construction of phase VII. Activities that have been implemented include installation of ICT infrastructures and installation of electrical and fire detection systems. Installation of the passenger lift is in the final stage.	The Institute continued with construction of phase VII which was completed by 87%.
Enhanced Teaching and learning environment	To Mainstream ICT in teaching and learning environment	Ensure accessibility of computers for staff and students by June, 2020	21 Computers purchased	The Institute procured twenty-one (21) computers for staff and students' activities. Among them 6 laptops.	Six laptops and 60 N-computing technologies were procured and configured to computer library.

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Objective	Strategy	Target	Performance Indicators	2019/20	2018/19
	To improve Institute physical infrastructure	Renovate buildings by June, 2020.	Hostel buildings and classrooms renovated	Procurement processes of building materials have already been completed and letters of award have been issued to approved renovator of the Hostel building	Minor maintenance and repair was done in the hostel building. The Institute also maintained and repaired six (6) classrooms building were repaired.
Strengthened Research, Consultancy and Short Courses	To build capacity for research, consultancy and short courses	Conduct capacity building program, conference, research and consultancy by June, 2020.	One (1) conference conducted	International conference was not conducted due to COVID 19 pandemic.	The Institute conducted one International Conference with the theme “contribution of social work profession in inclusive economy” in May, 2019
	To conduct demand-driven research, consultancy and short courses.	Conduct five (5) research projects by June 2022	Four (4) research projects conducted	Three research proposals were reviewed by the Institute staff and were chosen for funding. The reports are expected in the year 2020/21	The Institute conducted tracer study on the employability of the Institute graduates and submitted the report for dissemination.
			Research findings disseminated	Dissemination is awaiting the final reports of the research.	Dissemination of research findings on the tracer study was conducted once (1)
		Publish Journal and Books by June, 2020.	One (1) Journal published	Seven (7) manuscripts have been submitted prior to external review. Authors were given comments from the departments. But also six (6) papers prepared by the Institute staff were published in different international journals.	One (1) journal issue was published, and seven papers were published.
Strengthened Research, Consultancy	Conduct demand-driven research, consultancy, and short courses.	Publish Journal and books by June, 2020.	Two (2) books produced	One book manuscript entitled “effective social administration” was submitted for review while	Two books were published, and staff contributed further to two chapters in other books.

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Objective	Strategy	Target	Performance Indicators	2019/20	2018/19
and Short Courses				the book on “Community work with diverse population” is being finalized.	
		To conduct short term training programs annually	Ten (10) short term training programs established annually	Seven (7) short courses were conducted in the areas of Social Work, Human Resource Management and Labour Relations.	Six (6) short courses on guidance and counselling were conducted and two others in human resource and labour relations.
Enhanced teaching and learning environment Enhanced Teaching and learning environment	Strengthened library service Strengthened Library Service	Training of librarians conducted by JUNE 2020.	Six (6) librarians facilitated for training	Six (6) library staff were trained as planned.	Six (6) library staff were trained.
		Increase number of Books in the library	1,000 books purchased	Procurement process was conducted and finalized. However, signing of contract did not take place due to anomalies revealed during contract vetting process. The winning bidder offered books that were not in the tender documents hence the tender was cancelled. New tender is planned for re-advertisement in the financial year 2020/21	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.
HIV/AIDS intervention programs developed and implemented	HIV/AIDS intervention programs developed	Conduct awareness campaign by June, 2020.	Awareness campaigns conducted	HIV/AIDS testing and counselling for students, ISW and neighbouring community was conducted in collaboration with OASIS Health Center where 162 people including members of	The Institute conducted seven (7) HIV testing programs in partnership with DKT, WAMATA, Mwananyamala Hospital, Oasis Polyclinic, Marie Stopes Hospital, “Damu

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Objective	Strategy	Target	Performance Indicators	2019/20	2018/19
				the neighbouring society, students and street children were tested. In its' awareness campaign it facilitated purchase of 3,500 pieces of condoms and distributed some to more than 50 participants who attended the HIV/AIDS sensitization meeting. Other condoms were placed into the newly acquired 22 dispensers designated in the ISW campus toilets.	Salama" and Muhimbili National Hospital where 405 community members were voluntarily tested and counselled on HIV/AIDS.
Enhance Human Resource Management Capacity	Ensure optimal number of qualified staff	Recruit staff by June, 2020	Twenty (20) staff recruited	In total six (6) staff were recruited. Two (2) were newly recruited and 4 transferred from other Public Institutions/organizations.	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 increase of 4% from 135 in the previous year.
		Strengthen capacity of staff through long term training by June, 2020.	Staff facilitated in training	The Institute continued to support 30 staff in PhD trainings and 5 staff in Master's Degree 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.

1.10 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.

1.10.1 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: -

a) 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 in the labor market.

b) 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 construction of two classrooms at Kisangara branch. 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.

c) Human Resources Management

The Institute human resource management Policies emphasize on the employment of optimum number of employees with the required skills. Currently, the Institute has 138 staff, among them 68 are academicians and 70 are non-academic staff. The standard teacher student ratio is 1:25 while the Institute is still operating under 1:42. 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.

d) 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 has also embarked in the use of electronic procurement through use of Tanzania National Electronic Procurement System (TANEPS) and installed library management system KOHA in order to ensure efficient and effective use of the Library. 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.

1.10.2 External Environment Scanning

The external environmental scanning was done in order to identify and analyse 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:

a) 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) 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 enrolment.

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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 enrolment.

b) 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.

c) 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.

d) 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 fulfil the vision and mission.

1.11 Political and Charitable Donations

During this year the Institute donated TZS 5,650,000 of which TZS 5,000,000 to Msoga community to support the construction of Teachers' house, TZS 500,000 to support people with albinisms and TZS 150,000 to support TASWO.

1.12 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).

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 which amounted to TZS 1,318,738,240 (TZS 1,187,612,340: 2018/19). The personnel include both permanent employed and board members. During the year there were 20 permanent employees and ten (10) Board Members.

Payments to Management personnel, Board members and executives were paid in accordance with the Government Standing Orders and the approved Human Resources Management Policy and Incentive Scheme of the Institute of Social Work. Related party transactions are disclosed in note 30 of the financial statements.

1.13 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 2020 is as shown in Table 9 below:

Table 9: Number of Employees per gender

Gender	Year	Percentage	Year	Percentage
	2020	%	2019	%
Male	72	52	72	53
Female	66	48	63	47
Total	138	100	135	100

1.14 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: -

- a) Counselling services on matrimonial problems, child protection and maintenance, divorce, family counselling and drug abuse to 122 clients;
- b) HIV testing in partnership with OASIS Health Centre to 162 community members;
- c) Continued with construction of IRC phase VII which is completed except testing for the lift;
- d) Recruited and transferred two (2) and four (4) staff respectively;
- e) Facilitated twenty-four (24) staff on PhD studies and two (2) on Master’s degree training.

- f) Finalized and obtained approval for Master degree in Human Resource Management, developed and tabled to the stake holders the curriculum for Master degree in Labour Relations and Public Management and Completed review of curriculum for Master degree in Social Work;
- g) Finalized the development of six (6) policies/documents which are Client Service Charter, Board Charter, Student’s welfare, Staff Housing, Research Policy and Consultancy Policy;
- h) The Institute is in the process of publishing two books. One book manuscript titled “effective social administration” was submitted for review while the book on “Community work with diverse population” is being finalized;
- i) Published six (6) articles in Journals;
- j) Conducted seven (7) short courses on guidance and counselling and two others in the area of Human Resource and Labour Relations;
- k) 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;
- l) Procured and configured 21 of computer laboratory for staff.

Challenges

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

- a) Delay in obtaining recruitment permits thus delaying the process of bridging the gap in the teacher-student ratio;
- b) Inadequate teaching space (lecture theatres) and accommodation for students;
- c) Inadequate fund to finance ongoing construction of IRC building, rehabilitation of hostels and staff quarters.
- d) Outbreak of Corona virus disease COVID 19 which affected timely implementation of a number of activities.

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 degree in Labour Relations and Public Management; and Master degree in Law, Mediation and Arbitration;
- b) Continue with the construction of Information Resource Centre 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) Develop zonal campuses starting with Kisangara in the North 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.

Factors that might affect future Development and Performance of the Business

a) **Unforeseen events**

The occurrence/outbreak of events such as pandemic diseases (COVID 19, Ebola, Surs), fire and floods may hinder effective implementation of future plans.

b) **Inadequate enrolment 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.

c) **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.

d) **Employees/Labour turnover**

Implementation of organization plan depends on motivated and satisfied human resources. If some of employees become unsatisfied and opt to shift to other organizations may result into high employee turnover which might affect implementation of the plan.

1.15 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 enrolment 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.

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;
- e) Business sustainability under normal as well as under adverse conditions;
- f) Responsible behaviours to all stakeholders.

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:

a) 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.

b) 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 in June 2018.

c) 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.

d) 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.

1.16 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 categories 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 e.g., good quality and spacious lecture rooms, spacious modern Library, computer laboratory, seminar rooms etc. 	<ul style="list-style-type: none"> • Decline of number of student’s enrolment • Decline of the Institute income from course fees
2	Suppliers	<ul style="list-style-type: none"> • Transparency in tender/jobs award • Prompt settlement of claims • 	<ul style="list-style-type: none"> • Poor service delivery i.e., untimely deliveries • Low reputation of the Institute • uncalled for complaints from bidders
3	Employees	<ul style="list-style-type: none"> • Conducive, safe and comfortable working conditions • Training ad career development 	<ul style="list-style-type: none"> • High labor turnover • Increased resentment. • Job dissatisfaction • Low morale
4	Regulators	<ul style="list-style-type: none"> • Provision of quality and competence -based training • Compliance with NACTE and other professional standards 	<ul style="list-style-type: none"> • Lack of recognition and acceptance of the Institute graduates • Shortage of recognition of the Institute programs

			<ul style="list-style-type: none"> • Lowering the credibility of the Institute • Closure of programs
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1.17 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 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.

1.18 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 39 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	Level of Study	Academic	Administration	Total
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		F	M	F	M	
1	PhD	13	17	-	-	30
2	Master	2	-	2	1	5
3	Degree	-	-	3	-	3
4	CIA	-	-	-	1	1
5	CPA	-	-	-	-	-
Total		15	17	5	2	39

1.19 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.

1.20 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 2020, the Institute had 138 staff (2019: 139 staff) in various operational areas among them 72 (52%) are male while 66 (48%) females. 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).

1.21 Events after Reporting Period

There were no material event adjusting or non-adjusting, which have occurred between the reporting date and the date when financial statements were authorized for issue. However, the occurrence of COVID 19 pandemic has affected Institute performance. The closure of the Institute during the period resulted into revenue decline by TZS 1,300,000,000.

1.22 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 (IPSAS).

1.23 Auditors

The Controller and Auditor General is the Statutory Auditor of the Institute of Social Work (ISW) by virtue of Article 143 of the Constitution of the United Republic of Tanzania as amplified under Section 10(1) of the Public Audit Act No. 11 of 2008. However, in accordance with section 33(1) of the Public Audit Act No 11 of 2008 M/s KEPLER Consultant was authorized by the Controller and Auditor General to be an auditor of the Institute of Social Work for the financial year ended on 30th June 2020.

By order of the Board

Chairman of the Board

Rector

Date _____

2.0 STATEMENT OF THE BOARD OF GOVERNORS' RESPONSIBILITY FOR THE YEAR ENDED 30TH JUNE, 2020

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, 2020. The Board also confirms that International Public Sector Accounting Standards (IPSAS) Accrual basis have been complied with and that the financial statements have been prepared on the going concern basis hence gives a true and fair view presentation of the Institute.

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, 2020. We accept responsibility for the integrity of the Financial Statements, the information they contain and their compliance with IPSAS Accrual basis.

By order of the Board

Chairman of the Board

Rector

Date _____

3.0 DECLARATION OF HEAD OF FINANCE FOR THE YEAR ENDED 30TH JUNE 2020

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 (IPSAS) 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, **CPA Athman Shaaban Senzota**, being the Chief Accountant of the Institute of Social Work hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th June 2020 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.

Signature: _____

Signed by: CPA Athman Shaaban Senzota

Position: Chief Accountant

NBAA Membership No.: ACPA 2460

Date: _____

4.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

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

4.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

I have audited the financial statements of Institute of Social Work (ISW), which comprise the statement of financial position as at 30th June, 2020, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Institute of Social Work (ISW) as at 30th June, 2020, 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 (ISSAIs). My responsibilities under those standards are further described in section below entitled “Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements”. I am independent of Institute of Social Work (ISW), in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

Other Information

Management is responsible for the other information. The other information comprises the Governors’ Report and the Declaration by the Head of Finance but does not include the financial statements and my 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. 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 I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

In addition, Section 10 (2) of the Public Audit Act, 2008 requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, 2011 (as amended in 2016) requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

4.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

Compliance with the Public Procurement Act, No.7 of 2011 (as amended in 2016)

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, Institute of Social Work (ISW) transactions and processes have generally complied with the requirements of the Public Procurement Act No.7 of 2011(as amended in 2016) and its underlying Regulations of 2013 (as amended in 2016).

Charles E. Kichere
Controller and Auditor General
Dodoma, United Republic of Tanzania
March, 2021

5.0 FINANCIAL STATEMENTS FOR THE YEAR END 30TH JUNE, 2020

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2020

	Notes	30 June 2020 TZS	30 June 2019 TZS
Assets			
Current Assets			
Cash and Cash Equivalents	9	403,035,764	1,469,622,444
Receivables from exchange transactions	10-A	44,166,160	339,139,646
Receivables from non-exchange transactions	10-B	438,881,147	328,429,241
Inventories	11	43,827,405	42,692,518
		<u>929,910,476</u>	<u>2,179,883,849</u>
Non-Current Assets			
Property, Plant and Equipment	7	51,302,958,386	50,844,320,062
Intangible Assets	8	12,735,510	36,198,961
		<u>51,315,693,896</u>	<u>50,880,519,023</u>
Total Assets		<u><u>52,245,604,372</u></u>	<u><u>53,060,402,872</u></u>
Net Assets and Liabilities			
Current Liabilities			
Payables from exchange transactions	13-A	353,701,470	372,047,079
Payables from non-exchange transactions	13-B	602,058,249	681,363,757
Provisions	14	301,115,976	302,649,992
		<u>1,256,875,695</u>	<u>1,356,060,828</u>
Non-Current Liabilities			
From Non-exchange transactions			
Capital grants	12	6,720,472,572	6,864,912,579
HESLB loan	33	333,706,877	361,822,500
		<u>7,054,179,449</u>	<u>7,226,735,079</u>
Total Liabilities		<u><u>8,311,055,144</u></u>	<u><u>8,582,795,907</u></u>
Net assets			
Taxpayer`s Fund		39,120,822,656	39,120,822,656
Accumulated Surplus		4,813,726,572	5,356,784,309
		<u>43,934,549,228</u>	<u>44,477,606,965</u>
Total Net assets and Liabilities		<u><u>52,245,604,372</u></u>	<u><u>53,060,402,872</u></u>

The Financial Statements were approved for issue by the Board on _____ and were signed on its behalf by:

Chairman of the Board

Rector

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE, 2020

	Notes	30 th June 2020 TZS	30 th June 2019 TZS
Revenue from non-exchange transaction			
Government Grants	16	3,899,602,641	3,549,050,395
Amortization of Grant	12	144,440,007	141,310,807
		4,044,042,648	3,690,361,202
Revenue from exchange transaction			
Course Fee	15	2,254,674,322	2,644,416,500
Other Income	17	453,896,510	655,397,207
		2,708,570,832	3,299,813,707
Total Revenue		6,752,613,480	6,990,174,909
Expenses			
Salaries and Staff Benefits	18	4,442,494,236	4,322,954,407
Administrative Expenses	19	1,757,666,258	1,931,841,119
Operating Expenses	20	364,725,380	444,375,964
Other Expenses	21	202,388,359	222,355,725
Depreciation	7	528,396,985	551,405,469
Total expense		7,295,671,217	7,472,932,684
(Deficit)/Surplus for the year		(543,057,737)	(482,757,775)

The Financial Statements were approved for issue by the Board on _____
and were signed on its behalf by:

Chairman of the Board

Rector

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30THJUNE, 2020

	Taxpayer's Fund TZS	Accumulated Surplus /(Loss) TZS	Total TZS
At 01 July 2019	39,120,822,656	5,356,784,309	44,477,606,965
Deficit for the year	-	(543,057,737)	(543,057,737)
As at 30 June 2020	39,120,822,656	4,813,726,572	43,934,549,228
At 01 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	39,120,822,656	5,356,784,309	44,477,606,965

The Financial Statements were approved for issue by the Board on _____
and were signed on its behalf by:

Chairman of the Board

Rector

CASHFLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2020

	Note	30 th June 2020 TZS	30 th June 2019 TZS
Cash Flows from Operating Activities			
Receipts			
Government Grants	16	3,899,602,641	3,518,051,630
Course Fee	32-B	2,529,768,183	2,611,491,010
Other Income	32-C	329,484,604	528,073,098
Partnership Project-UNICEF		13,960,000	111,920,000
		6,772,815,428	6,769,535,738
Payments			
Salaries and Staff Benefit	18	(4,442,494,236)	(3,518,051,630)
Payments to Suppliers	32-D	(2,351,737,740)	(3,227,168,802)
Partnership Project-UNICEF Expenditure	17	(13,960,000)	(111,920,000)
Cash Flows Used in Operating Activities		(6,808,191,976)	(6,857,140,432)
Net cash outflow to Operating activities		(35,376,548)	(87,604,694)
Cash Flows from Investing Activities			
Acquisition of Property, Plant and Equipment	7	(1,003,158,409)	(553,680,283)
Disposal of assets	7	63,900	-
Acquisition of Intangible Assets	8	-	(37,493,266)
Net cash outflow to Investing Activities		(1,003,094,509)	(591,173,549)
Cash Flows from Financing Activities			
Loan From HESLB	33	143,813,500	139,518,500
Repayment of HESLB loan	33	(171,929,123)	(50,373,750)
Net Cash (outflow)/inflow (to)/from financing activities		(28,115,623)	89,144,750
(Decrease)/Increase in Cash and Cash Equivalents		(1,066,586,680)	(589,633,493)
Cash and Cash Equivalent at 01 July		1,469,622,444	2,050,301,694
Gain in Exchange Fluctuation		-	8,954,243
Cash and Cash Equivalent at 30 June	9	403,035,764	1,469,622,444

The Financial Statements were approved for issue by the Board on _____ and were signed on its behalf by:

Chairman of the Board

Rector

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE, 2020
(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	5,133,631,000	3,607,494,000	3,300,489,600.0	(307,004,400)
Government Development	500,000,000	-	-	-
Subtotal	5,633,631,000	3,607,494,000.0	3,300,489,600.0	(307,004,400)
Partnership Project				
UNICEF	101,630,000	13,960,000.0	13,960,000.0	-
Subtotal	101,630,000	13,960,000.0	13,960,000.0	-
Loan From HESLB				
Loan From HESLB	150,000,000	150,000,000	143,813,500.0	(6,186,500)
Subtotal	150,000,000	150,000,000.0	143,813,500.0	(6,186,500)

Revenue from Exchange Transaction				
Fees				
Master's Program	176,845,000	160,000,000	135,649,950.0	(24,350,050)
Bachelor Program	2,534,214,000	2,410,000,000	1,713,199,145.2	(696,800,855)
Postgraduate Diploma	69,758,000	49,923,000	44,952,454.0	(4,970,546)
Ordinary Diploma	1,231,281,000	1,157,670,000	588,785,458	(568,884,542)
Certificates	661,247,000	570,000,000	349,416,070.0	(220,583,930)
Subtotal	4,673,345,000	4,347,593,000	2,832,003,077	(1,515,589,923)
Other Revenue				
Other Revenue	737,903,000	650,352,000	496,358,084	(153,993,916)
Subtotal	737,903,000	650,352,000.0	496,358,084	(153,993,916)
Total Revenue	11,296,509,000	8,769,399,000.0	6,786,624,261	(1,982,774,739)

Expenditure	Original Budget	Final Budget	Actual on Comparable basis	Difference
	TZS	TZS	TZS	TZS
Salaries and Staff Benefit	5,133,631,000	4,007,494,000	3,861,381,195	(146,112,805)
Partnership Project-UNICEF	101,630,000	101,630,000	13,960,000	(87,670,000)
HESLB loan repayment	60,000,000	60,000,000	171,929,123	111,929,123
HIV AID Intervention Programs developed	4,300,000	4,300,000	220,000	(4,080,000)
Improved organizational governance & transparency	313,080,000	313,080,000	364,725,380	51,645,380
Improved Quality of Academic Programs	618,890,000	318,890,000	284,265,380	(34,624,620)
Enhanced teaching and learning environment	54,252,000	54,252,000	50,112,000	(4,140,000)
Strengthened sponsored research and consultancy	111,160,000	111,160,000	24,677,506	(86,482,494)
Financial Sustainability Improved	44,500,000	44,500,000	26,772,000	(17,728,000)
Enhanced Human Resource Management Capacity	2,101,240,000	1,807,520,000	1,600,912,884	(206,607,116)
Infrastructures and Facilities Improved	1,866,500,000	1,066,500,000	1,003,158,408	(63,341,592)
Mainstream ICT in teaching & learning environment	251,100,000	251,100,000	30,105,600	(220,994,400)
Provide Essential working tools and Facilities	391,000,000	391,000,000	213,930,652	(177,069,348)
Governing Board Costs	142,976,000	142,976,000	146,055,070	3,079,070
Audit Costs	57,600,000	57,600,000	57,964,743	364,743
Settlements for Legal cases	44,650,000	37,397,000	3,041,000	(34,356,000)
Total Expenditure	11,296,509,000	8,769,399,000.0	7,853,210,941	(916,188,059)
Net increase/(decrease) in cash and cash equivalents			(1,066,586,680)	
Cash and cash equivalents at beginning of period			1,469,622,444	
Effect of foreign currency changes			-	
Cash and cash equivalents at end of period			403,035,764	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2020

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

a) 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.

b) 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.

Revenue recognition

a) 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.

b) 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.

c) Rental Income

Rental income is recognized on accrual basis. The collection from rental income is apportioned accordingly and the unpaid amount recognized as receivable.

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:

Table 12: Property, Plant and Equipment

Asset Description	Depreciation Rates
Motor vehicles	20.00%
Furniture and equipment	20.00%
Buildings-School	1.333%
Buildings-Residential	2%
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 recognized and derecognized 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 derecognized.

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 16,059,200 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	4,980,000	6,431,200	6,431,200	16,059,200

Budget Information

a) Budget approval

The Institute's budget for the year 2019/20 was approved by the National Assembly on June 2019. 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

a) 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.

b) 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.

c) 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 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 assets 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 inflows that 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 cost¹. 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.

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 recognize Provisions when the following conditions are met;

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

¹Current replacement cost is the cost to be incurred to acquire inventory at the reporting date.

- 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	2020	2019
Provision for untaken leave	27,327,317	125,013,310
Provision for audit fees	63,435,257	57,600,000
Provision for gratuity and other employees' benefit	210,569,402	120,000,000
Total	301,331,976	302,613,310

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. The carrying values of the Plant, property and Equipment shown on note No 7. During the period, the Institute reviewed useful life of Library books by increasing its useful life from five (5) years to ten (10) years due to the fact that the carrying value of the Library books could have been zero if charged during the year without a review.

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:

- (i) IPSAS 41 Financial Instruments effective from 1st January 2022
- (ii) IPSAS 42 Social benefits effective from 1st January 2022

7. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings - Resident & office	School Building	Office furniture & equipment	Library Books	Motor vehicles	Cement slabs	Fence	Graduation gowns	Water well	Capital Work-In-Progress	Generator	Electronic Equipments	Total
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Cost														
At 1st 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 30th 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
At 1st July 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
Additions	0		0	95,550,501	0	0	0	0	63,366,000	0	547,465,752	238,494,556	58,281,600	1,003,158,409
Impairment loss		(16,059,200)												(16,059,200)
Disposal					(63,900)									(63,900)
At 30th June 2020	36,447,684,500	3,717,117,800	4,112,335,562	1,347,893,834	378,871,690	295,065,871	16,362,140	296,175,077	96,387,000	13,126,883	6,783,805,235	265,494,556	476,090,335	54,246,410,483
Accumulated Depreciation														
At 1st July 2018	0	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	0	4,950,000	47,844,964	1,892,149,643
Prior years' adjustment						(28,500,000)								(28,500,000)
Charge for the year	0	75,274,140	55,451,409	235,513,537	75,787,118	40,513,174	0	11,847,003	0	875,125	0	1,800,000	54,343,963	551,405,469
At 30th June 2019	0	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	0	6,750,000	102,188,927	2,415,055,112
At 1st July 2019	0	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	0	6,750,000	102,188,927	2,415,055,112
Charge for the year	0	53,106,667	75,274,140	253,915,250	9,470,186	50,013,174	0	11,847,003	3,696,350	875,126	0	4,449,940	65,749,149	528,396,985
At 30th June 2020	0	494,845,631	487,144,339	1,088,072,462	341,054,824	197,297,256	16,362,140	98,269,426	36,717,350	4,550,653	0	11,199,940	167,938,076	2,943,452,097
Carrying Value														
At 30th June 2019	36,447,684,500	3,291,438,036	3,700,465,363	418,186,121	47,350,952	147,781,789	0	209,752,654	0	9,451,356	6,236,339,483	20,250,000	315,619,808	50,844,320,062
At 30th June 2020	36,447,684,500	3,222,272,169	3,625,191,223	259,821,372	37,816,866	97,768,615	0	197,905,651	59,669,650	8,576,230	6,783,805,235	254,294,616	308,152,259	51,302,958,386

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30th JUNE 2020**

Land	Residential-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
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	30 June 2020 TZS	30 June 2019 TZS
8 INTANGIBLE ASSETS		
Cost		
As at 1 July	164,194,897	139,042,897
Additions	-	25,152,000
At 30 June	164,194,897	164,194,897
As at 1 July	127,995,936	95,976,156
Charge for the year	23,463,451	32,019,780
At 30 June	151,459,387	127,995,936
Carrying value	<u>12,735,510</u>	<u>36,198,961</u>

9 CASH AND CASH EQUIVALENTS

Bank of Tanzania (BOT)USD	173,629,162	710,084,864
Bank of Tanzania (BOT)TZS	141,627,156	608,617,014
National Bank of Commerce	823,907	582,154
CRDB 01J1013365500 Student Fees	34,380,915	3,022,330
CRDB 01J1013365501 General Payment	(42,962,894)	77,479,269
CRDB 01J1013365502 Student Allowance	44,941,316	13,667,134
CRDB 01J1013365505 UNICEF	102,234	22,761
CRDB 02J1013365501 Jane Adam Project	8,354,480	1,309,394
National Micro-Finance Bank	42,013,492	54,837,524
Petty cash	126,000	-
	<u>403,035,766</u>	<u>1,469,622,444</u>

NB

The negative balance of cash book was caused by delay to transfer fund from BOT to CRDB account 01J1013365501. The actual bank balance of this account was TZS 34,380,914.54

	30 th June 2020 TZS	30 th June 2019 TZS
10 TRADE AND OTHER RECEIVABLES		
10-A Receivable from exchange transactions		
Student Receivables	44,166,160	519,656,750
Less: Provision for impairment of receivables	-	(180,517,104)
Net receivable from exchange transactions	<u>44,166,160</u>	<u>339,139,646</u>
10-B Receivable from non-exchange transactions		
Staff Receivables	351,243,714	44,139,361
Other Receivables	-	269,826,835
Prepayments and other deposits	149,658,570	14,463,045
	500,902,284	328,429,241
Less: Provision for impairment of receivables	(62,021,137)	-
Net receivable from non-exchange transactions	<u>438,881,147</u>	<u>328,429,241</u>
Movement of provision for impairment of receivables		
At 01 July	180,517,104	180,517,104
Addition	-	-
Write-offs	(118,495,967)	-
At 30 June	<u>62,021,137</u>	<u>180,517,104</u>

11	INVENTORIES		
	Stationery Stocks	35,771,032	42,499,572
	Spare Parts stock	162,440	108,128
	Cleaning Materials stock & Spare parts	1,571,738	84,818
	Fuel	6,322,194	
		<u>43,827,405</u>	<u>42,692,518</u>
	Inventory Expensed		
	The amount of Inventories in respect of Stationery expensed during the year amounted to TZS 23,759,217 while cleaning supplies amounted to TZS 4,501,351 and fuel TZS 23,558,849		
12	CAPITAL GRANTS		
	Capital grants relates to residential and school buildings acquired from the Government which were previously categorized under taxpayer's fund (equity component) in prior years. However, during the year ended 30 th June 2020 the management has reclassified these assets to capital grants account as shown in the movement schedule below:		
	Capital Grants		
		30 June 2020	30 June 2019
		TZS	TZS
	At 01 July	6,864,912,579	7,006,223,386
	Impairment of Asset (Note 7)	(16,059,200)	(12,930,000)
	Amortization of Capital Grant	(128,380,807)	(128,380,807)
		<u>6,720,472,572</u>	<u>6,864,912,579</u>
13	PAYABLES		
13-A	Payables from exchange transactions		
	Students account payables	248,750,450	166,284,375
	Supplies of goods and services (trade creditors)	104,951,020	205,762,704
		<u>353,701,470</u>	<u>372,047,079</u>
13-B	Payables from non-exchange transactions		
	Other Payables	<u>602,058,249</u>	<u>681,363,757</u>
	Total Payables	<u>955,759,719</u>	<u>1,053,410,836</u>
14	PROVISIONS		
	Provision for untaken leave	27,327,317	25,124,400
	Provision for audit fees	63,219,257	58,400,000
	Provision for Gratuity and other employees' benefit	210,569,402	219,125,592
	Total	<u>301,115,976</u>	<u>302,649,992</u>

Movement of Provisions

(i) Untaken Leave		
Year ended 30 June 2020		
At start of year	25,124,400	125,013,310
Addition provision raised	35,000,000	-
Provision utilized	(32,797,083)	(99,888,910)
At end of year	<u>27,327,317</u>	<u>25,124,400</u>
(ii) Audit Fees		
Year ended 30 June 2020		
At start of year	58,400,000	52,000,000
Addition provision raised	62,784,000	59,128,715
Provision utilized	(57,964,743)	(52,728,715)
At end of year	<u>63,219,257</u>	<u>58,400,000</u>
(iii) Gratuity and Employee Benefit		
Year ended 30 June 2020		
At start of year	219,125,592	88,174,090
Addition provision raised	81,970,608	223,662,402
Provision utilized	(90,526,799)	(92,710,900)
At end of year	<u>210,569,401</u>	<u>219,125,592</u>
15	COURSE FEE	30 June 2020
		30 June 2019
		TZS
		TZS
	Master's degree Program	127,446,675
	Bachelor's degree	1,176,254,126
	Ordinary Diploma	591,630,000
	Postgraduate Diploma	29,584,009
	Certificate	329,759,512
		<u>2,254,674,322</u>
		<u>2,644,416,500</u>
16	GOVERNMENT GRANTS	
	Personnel Emolument (P/E) Grant	3,300,489,600
	Employer Social Security contribution	599,113,041
		<u>3,899,602,641</u>
		<u>3,549,050,395</u>
17	OTHER INCOME	

Carry forward Module Fees	950,000	5,340,000
Classroom& Conference Hire	5,800,000	3,200,000
Student refund	262,720	563,385
Miscellaneous Income	154,700	207,678,068
Playground Hire	3,400,000	2,500,000
Rent investors container	5,580,000	7,440,000
Rent posters and other advert	95,181,143	74,197,093
Rent Residential External	12,700,000	4,800,000
Rent Hostel	9,500,000	88,226,000
Salary in lieu of notice	-	564,000
Sale of Prospectus	41,280,000	27,860,000
Sale of Tender Documents	-	2,900,000
Admission Fees	36,681,218	35,334,918
Receipt from Short courses	1,200,000	1,130,000
Receipt from Consultancy Fees	7,436,089	-
Penalty Income	221,500	239,400
Academic Transcript	4,795,000	5,366,100
Rental Income -Residential Internal Staff	89,873,640	76,283,900
Appeal Fee	240,000	700,000
Postponement Fees	5,250,000	5,550,000
Graduation Gown Hire	18,700,000	20,800,000
Penalty on book lost and card lost	205,000	155,000
Bad debt recovery	-	720,000
Provisional result	12,000	25,500
charges of duplication of certificates	150,000	300,000
Registration fee	48,305,000	37,405,000
Gain in exchange Fluctuation	-	8,954,243
Library fees	30,880,000	24,364,600
Late Submission of Dissertation	50,000	150,000
Student Identity	31,517,500	12,292,500
Masters HR Degree Defense Logistic	3,150,000	-
Sale of research book	-	165,500
Short term Hostel	421,000	192,000
	453,896,510	655,397,207

18 SALARIES AND STAFF BENEFITS

30 June 2020

30 June 2019

INSTITUTE OF SOCIAL WORK (ISW)

	TZS	TZS
Basic salaries	3,300,489,600	3,002,843,000
Employers' Social security contribution	485,691,390	443,611,900
National Health Insurance Schemes (NHIF)	97,218,558	87,581,280
Workers Compensation Fund	16,203,093	15,014,215
Leave Travel Expenses	35,000,000	26,469,000
Outfit Allowance	300,000	1,767,745
Subsistence Allowance	8,100,000	2,520,000
Hardship & Occupational Hazard allowance	10,415,000	19,766,000
Sporting Supplies	19,797,000	15,320,000
Gratuity and employee's terminal benefits	81,970,609	223,662,402
Housing allowance house rent	131,546,500	120,281,300
Moving Expenses	-	6,153,600
Residential electricity allowances	53,083,989	44,656,000
Food and Refreshment	79,946,397	79,066,300
Telephone allowance-TEL&SPEC	45,000,000	44,518,500
Temporary Employee Casual	1,271,000	550,000
Employee's Severance cost		189,173,165
staff debts	72,795,000	-
Uniforms	3,666,100	-
	4,442,494,236	4,322,954,407

30 June 2020

30 June 2019

19	ADMINISTRATIVE EXPENSES	TZS	TZS
	Audit Fees	62,784,000	59,128,715
	Advertising and Publication	30,449,000	50,825,650
	Bank charges	29,383,186	28,020,043
	Technical Service Fees (Board Fees)	61,500,000	53,150,000
	Textbooks	1,008,900	11,239,375
	Entertainment	13,900,000	9,931,000
	Burial Expenses	11,380,000	8,589,000
	Honoraria (expert Opinion)	33,046,000	53,705,000
	Outsourcing Costs (includes cleaning and security services)	94,750,178	101,943,113
	Water Charges	41,639,040	34,557,183
	Water and Waste & Waste disposal	34,224,300	31,162,308
	Electricity expenses	88,742,881	84,584,559
	Furniture and appliance	18,000,000	-
	Impairment loss	16,059,200	12,930,000
	Extra Duty Expenses	150,874,023	215,794,823
	Fumigation Expenses	-	6,980,880
	Outsource Maintenance Contract	22,786,700	107,952,029
	Machinery and Equipment		
	Outsource Maintenance Contract Water and Electricity	443,700	-
	Consultancy work expenses	3,770,000	40,186,922
	Petrol	2,758,285	4,896,040
	Diesel	23,558,849	31,559,669
	Insurance Expenses	32,195,250	5,906,993
	Legal Fees	1,800,000	-
	Newspapers and periodicals	6,545,000	7,425,000
	Computers, Printers Scanner & Scanner & another computer related Eqpt (Maintenance)	19,452,400	9,005,300
	Internet & E mail connections	23,662,000	20,435,550
	Printing and Photocopy cost	11,884,500	79,853,930
	Printing and Photocopy paper	108,497,374	-
	Office consumables (papers, pencils, pens & stationeries)	23,759,217	3,625,000
	Repair and Maintenance-Buildings	14,734,159	82,389,876
	Motor Vehicles and Watercraft (Maintenance)	49,734,293	36,446,468
	Responsibility Allowance	75,900,000	74,128,000
	Honoraria	16,630,000	17,400,000
	Posts and Telegraphs	2,047,200	1,350,000
	Telephone Charges (Land Lines)	528,679	344,238
	Special Needs	6,535,000	13,000,000
	Conference Facilities	3,485,000	1,900,000
	Tuition Fees (Training Domestic)	97,896,984	157,399,500
	Hiring of Training Facilities	1,200,000	1,415,000
	Contract based training services	-	400,000
	Training Materials	-	815,000
	Tuition fees (Training Foreign)	-	270,130

Ground travel (bus railway taxi etc)	190,141,256	181,617,115
Air Travel Tickets (In country)	6,411,900	571,100
Per Diem - Domestic	145,204,500	166,539,940
Air Travel Tickets (Out of the Country)	-	522,407
Per Diem - Foreign	6,538,571	4,235,697
Computer Software	8,795,000	11,227,511
Cleaning Supplies	4,501,351	10,819,811
Acting Allowance	10,571,400	13,146,700
Computer supplies & Accessories	6,085,048	45,236,117
Subscription Fees	8,586,500	2,922,200
Amortization - Software	23,463,451	32,019,779
Air conditioners Maintenance	1,888,000	-
Fire Protection Equipment	70,000	-
Gift and Prizes	280,000	-
Taxes levied by another level of Government	6,345,750	-
Professional Allowances	12,850,000	-
Vehicle Insurance	7,970,900	2,336,448
Parastatal Pension Fund	751,086	-
Transfer contribution to Treasury Registrar	79,666,248	-
Total	<u>1,757,666,258</u>	<u>1,931,841,119</u>

20	OPERATING EXPENSES	30 June 2020	30 June 2019
		TZS	TZS
	Research and Dissertation supervision	13,755,000	64,014,800
	Remuneration of Instructors	143,011,380	184,213,664
	Educational Radio and TV broadcasting programming	8,608,000	210,000
	Agency fee	4,185,000	18,075,000
	Education allowance	76,275,000	93,485,000
	Education supervision	-	8,470,000
	Examination & Admission Expenses	118,891,000	75,907,500
		<u>364,725,380</u>	<u>444,375,964</u>
21	OTHER EXPENSES		
	Discontinuing student	727,500	12,550,000
	Sitting Allowance	47,280,000	33,036,200
	Higher Education Student's Loan Board (HESLB)	-	2,398,750
	Relief Assistance	5,650,000	1,500,000
	Exhibition Festivals and Celebrations	27,371,300	62,248,280
	Foreign Exchange Equalization (gain or loss on exchange)	419,859	1,983,495
	Special duty allowance	120,939,700	108,639,000
		<u>202,388,359</u>	<u>222,355,725</u>

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 Transaction	TZS	TZS	TZS	
Government Personnel Emoluments	3,607,494,000.0	3,300,489,600.0	(307,004,400.0)	The difference between actual salary payments was caused by delay in recruitment process.
UNICEF	13,960,000	13,960,000.0	-	The project partner decided to postpone the financing after budget approval.
Revenue from Exchange Transaction				
Fees	4,347,593,000.0	2,832,003,077.2	(1,515,589,923.0)	The difference between actual revenue collection and budget was mainly caused by the outbreak of pandemic disease COVID 19 that resulted in closure of schools and higher learning institution in order to curb its spread.
Other Revenue				
Other Revenue	650,352,000	496,358,084	(153,993,916)	The difference between actual and budget was a result of closure of the institute for three months due to outbreak of corona virus disease-COVID 19.
Expenditure				
Salaries and Staff Benefit	(4,007,494,000)	(3,861,381,195)	146,112,805	The difference between actual salary payments was caused by delay in recruitment process.
HESLB loan repayment	(60,000,000)	(171,929,123)	(111,929,123)	The difference between actual and budget was caused by HESLB when they decided to withhold the fees payable to institute to repay the loan for students who were considered to have completed the study as per agreement between ISW and HESLB.
HIV AID Intervention Programs developed	(4,300,000.0)	(220,000)	4,780,000	The activities were conducted in partnership with other organization like OASIS Health Centre and Royal hospital.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2020(CONTINUED)

22. Explanation of Variation between Budget and Actual Expenditure (Continued)

Budget Item	Final Budget	Actual on Comparable basis	Difference	Explanations/comments/Reasons
Improved Quality of Academic Programs	(318,890,000)	(284,265,380)	34,624,620	Due to closure of the Institute caused by COVID 19 pandemic most of the activities were equally affected.
Enhanced teaching and learning environment	(54,252,000)	(50,112,000)	4,140,000	Due to closure of the Institute caused by COVID 19 pandemic most of the activities were equally affected.
Strengthened sponsored research and consultancy services	(111,160,000)	(24,677,506)	86,482,494	Due to closure of the Institute caused by COVID 19 pandemic most of the activities were equally affected.
Financial Sustainability Improved	(44,500,000)	(26,772,000)	17,728,000	Due to low revenue collection caused the COVID 19 pandemic some activities were not implemented because of inadequate funds.
Enhanced Human Resource Management Capacity	(1,807,520,000)	(1,600,912,884)	206,607,116	Due to low revenue collection caused the COVID 19 pandemic some activities were not implemented because of inadequate funds
Infrastructure and facilities improved	(1,066,500,000)	(1,003,158,408)	63,341,592	Due to low revenue collection caused the COVID 19 pandemic some activities were not implemented because of inadequate funds
Mainstream ICT working, teaching and learning environment	(251,100,000)	(30,105,600)	220,994,400	Due to low revenue collection caused the COVID 19 pandemic some activities were not implemented because of inadequate funds
Provide Essential working tools & Facilities	(391,000,000)	(213,930,652)	177,069,348	Due to low revenue collection caused the COVID 19 pandemic some activities were not implemented because of inadequate funds
Governing Board Costs	(142,976,000)	(146,055,070)	3,079,070	
Audit costs	(57,600,000)	(57,964,743)	(364,743)	
Settlement for legal cases	(37,397,000)	(3,041,000)	34,356,000	Due to low revenue collection caused the COVID 19 pandemic some activities were not implemented because of inadequate funds

23. CAPITAL MAINTENANCE

The equity of the Institute is made up of and accumulated surplus and taxpayer's fund. The Board monitors the growth of capital to ensure growth of the Institute. As at 30thJUNE 2020 the capital balance stood at: -

Description	<u>30 June 2020</u> TZS	<u>30 June 2019</u> TZS
Accumulated Surplus	4,813,726,572	5,356,784,309
Taxpayers fund	39,120,822,656	39,120,822,656
Total	<u>43,934,549,228</u>	<u>44,477,606,965</u>

24. NUMBER OF EMPLOYEES

The number of employees during the year was 138 (2019: 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.

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

	3 - 6 months TZS	Total TZS
<u>30 June 2020</u>		
Trade and other receivables	333,419,137	333,419,137
<u>30 June 2019</u>		
Trade and other receivables	653,105,842	653,105,842

The maximum exposure to credit risk is as shown below:

	<u>30 June 2020</u>	<u>30 June 2019</u>
	TZS	TZS
Cash and Cash Equivalents	403,035,764	1,469,622,444
Trade and Other Receivables	333,419,137	<u>653,105,842</u>
	<u>736,454,901</u>	<u>2,122,728,286</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.

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 15** below summarizes the maturity profile of financial liabilities:

	1 to 3 months	3 to 12 months	Over 1 year	Total
	TZS	TZS	TZS	TZS
<u>30 June 2020</u>				
Payables	-	1,289,496,996	-	1,289,496,996
<u>30 June 2019</u>				
Payables	-	1,717,883,328	-	1,717,883,328

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.

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 16: Fair value of financial instruments

	Carrying Value TZS	Level I TZS	Fair Value Level II TZS
<u>30 June 2020</u>			
Assets			
Cash and Cash Equivalents	403,035,764	-	403,035,764
Trade and other receivables	333,419,137		333,419,137
Liabilities			
Payables	1,289,496,996	-	1,289,496,996
<u>30 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

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) Property, plant and equipment are maintained at cost.

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 TZS	Held to maturity TZS	Loans and receivables TZS
<u>30 June 2020</u>			
Financial Assets			
Cash and Cash Equivalents	403,035,764	403,035,764	-
Trade and other receivables	333,419,137	-	333,419,137
	736,454,901	403,035,764	333,419,137

<u>30 June 2019</u>			
Financial Assets			
Cash and Cash Equivalents	1,469,622,444	1,469,622,444	-
Trade and other receivables	653,105,842	-	653,105,842
	2,122,728,286	1,469,622,444	653,105,842

	Carrying Value TZS	Other financial liabilities TZS	Total TZS
<u>30 June 2020</u>			
Financial Liabilities			
Trade payables	104,951,020	-	104,951,020
Other payables	-	1,184,545,976	1,184,545,976
	104,951,020	1,184,545,976	1,289,496,996
<u>30 June 2019</u>			
Financial Liabilities			
Trade payables	205,762,704	-	205,762,704
Other payables	-	1,512,120,624	1,512,120,624
	205,762,704	1,512,120,624	1,717,883,328

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 were no material event adjusting or non-adjusting, which have occurred between the reporting date and the date when financial statements were authorized for issue. However, the occurrence of COVID 19 pandemic has affected Institute performance. The

closure of the Institute during the period resulted into revenue decline by TZS 1,300,000,000.

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.

Key Management Personnel and Board Remunerations

Key management short term benefits which were paid included salaries, allowances, and social security contributions as Table 17 indicates: -

Table 17: key Management Personnel and Board Remunerations

	30June 2020 TZS	30June 2019 TZS
Key Management remuneration		
Salaries	802,860,000	723,741,000
Allowances	226,530,000	238,320,000
Social security contribution	155,671,200	144,748,200
Sub total	1,185,061,200	1,106,809,200
Board of Governors remuneration		
Board fees	61,500,000	53,150,000
Board allowances	72,177,040	27,653,140
Subtotal	133,677,040	80,803,140
Grand Total	1,318,738,240	1,187,612,340

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, 2020 the Institute committed TZS. 300,000,000.00 for construction of IRC building.

	30June 2020 TZS	30June 2019 TZS
Capital expenditure		
Contracted and authorized	846,000,000	846,000,000

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.

<u>Lease commitments</u>	30 June 2020 TZS	30 June 2019 TZS
<u><i>(Institute as Lessor - Operating Lease)</i></u>	52,969,000	81,637,093
Rental income: Within one year		

32. CASHFLOW RECONCILIATIONS

32-A: Reconciliation of Net Cash flow from operating activities to Surplus/(Deficit)

	Note	30 June 2020 (543,057,737)	30 June 2019 (482,757,775)
Surplus/(deficit) from ordinary activities			
Adjustments for:			
Depreciation	7	528,396,985	551,405,469
Amortization of software	8	23,463,451	32,019,779
Impairment of buildings	7	16,059,200	12,930,000
Amortization of Grant		(144,440,007)	(141,310,807)
Prior period errors in cashflows		-	(25,146,415)
Changes in working capital			
Increase in receivables from exchange transactions	10-A	294,973,486	(393,398,952)
Increase in receivables from non-exchange transactions	10-B	(110,451,906)	-
Increase in inventory	11	(1,134,887)	(26,150,048)
Increase in payables from exchange transactions	13-A	(19,879,625)	384,804,055
Decrease in payables from non-exchange transactions	13-B	(79,305,508)	-
Net cash flows from operating activities		(35,376,548)	(87,604,694)

32-B: Reconciliation of course fees

	Note	30 June 2020 TZS	30 June 2019 TZS
Course fees for the year	15	2,254,674,322	2,644,416,500
Prior year fees received	10-A	294,973,486	-
Repayments made	13-A	(19,879,625)	(32,925,490)
Closing Balance		2,529,768,183	2,611,491,010

NB: Prior year accounts receivables and payables were not split into exchange and non-exchange transactions and therefore movements in these two accounts have been added together into repayments line.

32-C: Reconciliation of other income

	Note	30 June 2020 TZS	30 June 2019 TZS
Other income	17	453,896,510	655,397,207
Adjustments for UNICEF funds to be disclosed separately		(13,960,000)	(111,920,000)
Prior year receivables from non-exchange transactions	10-B	(110,451,906)	(15,404,109)
Closing Balance		<u>329,484,604</u>	<u>528,073,098</u>

32-D: Reconciliation of payments to suppliers

	Note	30 June 2020 TZS	30 June 2019 TZS
Administrative expenses	19	1,757,666,258	1,931,841,119
Other expenses	21	202,388,358	222,355,725
Operating expenses	20	364,725,380	444,375,964
Adjustments for UNICEF Funds		(13,960,000)	(111,920,000)
Adjustments for Impairments of office buildings	7	(16,059,200)	(12,930,000)
Amortisation of Software in administrative expenses	8	(23,463,451)	(32,019,779)
Movements in payables from non-exchange transactions	14-B	79,305,508	759,315,725
Movements in inventories payments	12	1,134,887	26,150,048
Closing Balance		<u>2,351,737,740</u>	<u>3,227,168,802</u>

33. HESLB LOAN MOVEMENTS

	30 June 2020 TZS	30 June 2019 TZS
Opening Balance	361,822,500	272,677,750
Additional loans received during the year	143,813,500	139,518,500
Payments to HESLB during the year	(171,929,123)	(50,373,750)
Closing Balance	<u>333,706,877</u>	<u>361,822,500</u>

34. PRIOR YEARS' ADJUSTMENTS

No prior year adjustment was done during the year.

35. CONTINGENT LIABILITIES

As of the reporting date, no contingent liability that was reported.

36. CONTINGENT ASSETS

As of the reporting date, no contingent assets that was reported.

37. ASSET HELD FOR SALE

During the year under review, the Institute had two (2) Motor vehicles held for sale with the value of TZS 45,000,000. This amount was not included in calculation for motor vehicles. The motor vehicle held for sale are in **Table 18** below: -

Table 18 Motor vehicles held for sale

S/N	Model	Registration Number	Value at Cost
1	Nissan Station Wagon	SU 36936	30,000,000.00
2	Nissan Pickup single cabin	SU 36467	15,000,000.00
Total			45,000,000.00

30. TRANSFERS

During the year under review the Institute paid a total of TZS 1,344,591,038.45 to various Government Institutions as per **Table 19** below.

Table 19: Government Transfers 2019/20

S/N	Organisation	Amount (TZS)
1	Tanzania Standard Newspaper (TSN)	8,673,000.00
2	Commission for Science and Technology (COSTECH)	4,300,000.00
3	National Nursing Training -Bagamoyo	5,050,000.00
4	Tanzania Electrical Supply Company (TANESCO)	88,642,880.74
5	Tanzania Telecommunication Company Limited (TTCL)	231,426.98
6	Dar Es Salaam Water and Sewerage Authority (DAWASA)	41,880,598.53
7	National Board of Accountants and Auditors (NBAA)	5,110,000.00
8	Tanzania Public Service College	1,000,000.00
9	National Health Insurance Fund (NHIF)	91,627,200.00
10	Tanzania Broadcast Corporation (TBC)	4,130,000.00
11	Government Procurement Service Agency (GPSA)	154,744,410.95
12	National Institute of Productivity (NIP)	2,725,000.00
13	National Printing Company (NPC)	51,604,221.00
14	Tanzania Electrical, Mechanical and Electronics Services Agency (TEMESA)	83,051,467.50
15	Tanzania Education and Research Network	17,340,000.00
16	National Insurance Corporation (NIC)	42,458,300.46
17	National Service (Suma JKT)	601,231,541.29
18	University of Dar Es Salaam (UDSM)	12,915,000.00
19	Tanzania People's Defence Force (TPDF)	1,000,000.00
20	National Council for Technical Education (NACTE)	41,895,000.00
21	Public Procurement Regulatory Authority (PPRA)	1,250,000.00
22	Controller and Auditor General (CAG)	4,064,743.00
23	Treasury Registrar (TR)	79,666,248.00
Total		1,344,591,038.45