



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



REPORT OF THE CONTROLLER AND AUDITOR GENERAL

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS AND COMPLIANCE AUDIT OF INSTITUTE OF
SOCIAL WORK FOR THE FINANCIAL YEAR ENDED
30 JUNE 2021

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AR/PA/ISW/2020/21

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 and in Section 10 (1) of the Public Audit Act, Cap 418.

Vision

A credible and modern Supreme Audit Institution with high-quality audit services for enhancing public confidence.

Mission

To provide high-quality audit services through modernization of functions that enhances accountability and transparency in the management of public resources.

Motto: “Modernizing External Audit for Stronger Public Confidence”

Core values

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

- i. Independence and objectivity
- ii. Professional competence
- iii. Integrity
- iv. Creativity and Innovation
- v. Results-Oriented
- vi. Teamwork Spirit

I 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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TABLE OF CONTENTS

ABBREVIATIONS..... iv

1.0 BOARD OF GOVERNOR’S REPORT FOR THE YEAR ENDED 30 JUNE 2021 5

2.0 STATEMENT OF THE BOARD OF GOVERNORS’ RESPONSIBILITY 30

3.0 DECLARATION OF HEAD OF FINANCE FOR THE YEAR ENDED 30 JUNE 2021..... 31

4.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL 32

5.0 FINANCIAL STATEMENTS FOR THE YEAR END 30 JUNE 2021 36

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
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 30 JUNE 2021

1.1 Introduction

The Institute of Social Work (ISW) was established by the National Social Welfare Training Institute Act, 1973, which received Presidential assent on 6 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, 2002 which received Presidential assent on 14 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 30 June 2021 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, 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 30 June 2021 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	72	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	47	12-11-2018	11-11-2021	4	PhD in Sociology

INSTITUTE OF SOCIAL WORK (ISW)

S/N	Name	Position	Age	Appointed	Expire of tenure	No of meetings	Qualification
5.	Dr. Naftali Ng'ondi	Member	53	12-11-2018	11-11-2021	4	PhD in Social Work
6.	Dr. Fidelice M. S. Mafumiko	Member	58	12-11-2018	11-11-2021	2	PhD in Science Education
7.	Ms. Agnes I. Ndumbati	Member	44	12-11-2018	11-11-2021	3	Masters in Constitution Administration Law
8.	Ms. Regina L. Kikuli	Member	60	12-11-2018	11-11-2021	3	MA in Health Planning Management and Policy
9.	Dr. Adolf B. Rutayuga	Member	57	12-11-2018	11-11-2021	2	PhD in Education
10	Mr. Andrew B. kirumbi	Member	27	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. These matters were in respect of, approval of examination results, general academic matters, quarterly institute's progress reports from Rector, planning and financial reports, audit reports (external and internal audit from audit committee) and matters relating to employment, disciplinary and staff development as well as students' welfare matters.

All members of the Governing Board were Tanzanians as at 30 June 2021.

All the Directors (with exception to Dr Joyce E. Nyoni, Rector and Secretary to the Board) who served the Institute in 2020/21 their tenure expired on the dates indicated above.

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 30 June 2021 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
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	

INSTITUTE OF SOCIAL WORK (ISW)

5.	Mr. Andrew B Kirumbi	Member	Student- Bachelor's Degree in Social Work	compliance to Government, NACTE and TCU standards and directives.
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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 2020/21, examination regulations and academic prospectus for the year 2020/21 -2021/22 and appointment of the external examiners.

It also reviewed, deliberated, and recommended for approval of examination results for the year 2020/21 including appeals, postponements, deferred and special examinations.

b) Audit Committee

The list of Audit Committee members as at 30 June 2021 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 five 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 2020/21. The Committee received and discussed Audit Report for the year 2019/20 from CAG and commended the Management for obtaining a clean audit opinion and for emerging the third 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 30 June 2021 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	Responsible for advising the Board on all financial and

INSTITUTE OF SOCIAL WORK (ISW)

S/N	Name	Position	Qualification	Responsibilities
			Management and Policy	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 times during the year and discussed procurement, budget and financial management issues. It reviewed and approved various implementation reports (including Annual Procurement Plan 2020/21 and its review, Annual and quarterly implementation reports, Statement of Financial Performance for 2020/21, and quarterly financial performance report for 2020/21), revised ICT policy, report of implementation of the court award of Elia Kasalile and 20 others, project proposal for construction of students hostel and lecture theatre, budget for financial year 2021/22 and budget review for 2020/21, Performance contracts for 2020/21, Quarterly Strategic Plan implementations reports for 2020/21 and annual Strategic Plan implementation report for 2020/21.

d) Staff Employment, Development and Disciplinary Committee

The list of Staff Employment, Development and Disciplinary Committee members as at 30 June 2021 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	Responsible for advising the Board on all matters concerning with staffing, employment, discipline and human resources development.
2	Dr. Joyce E. Nyoni	Secretary	PhD in Sociology	
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 five 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 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 11,366,823,417 (2020/21): TZS 6,752,613,480 (2019/20) against total expenses of TZS 8,337,204,963 (2020/21): TZS 7,295,671,217 (2019/20) resulting into a surplus of TZS 3,029,618,454 (2020/21): TZS (543,057,737) 2019/20. The resulted surplus was due to:

- i. Outbreak of COVID 19 during 2019/20 which necessitated the revenue amounting to TZS 1,113,928,000 which was initially expected to be recognized during year 2019/20 to be recognized in the year 2020/21.
- ii. Increase in enrollment of 598 students.
- iii. Recognition of Government Grants amounting to TZS 738,967,000 from acquisition of Kisangara Institute of Social Work as ISW Campus

Financial Position

The Net Asset of the Institute increased from TZS 43,934,549,228 (2019/20) to TZS 46,935,366,804 (2020/21). The increase in Net Asset was due to increase in

accumulated surplus from TZS 4,813,726,572 (2019/20) to TZS 7,814,544,148 (2020/21) resulted from increase in surplus for the year under review.

Budget performance

During the year under review, the Institute earned budget surplus of TZS 2,102,652,220. The surplus was mainly caused by three factors as explained under 1.8.1 above.

Ratio analysis

The ratio of total assets to total liabilities was 6.9, which indicated strong solvency. The current ratio was 2.03:1 which showed normal liquidity indicating that the Institute can handle its short-term commitments as at 30 June 2021. The Asset ratio has increased from 6.3:1 to 6.9:1 during the year under review. 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	2020/21	2019/20	2018/19
Current ratio	2.03:1	0.74:1	1.61:1
Total assets/total liabilities	6.9:1	6.3:1	6.18:1

The current ratio has increase above 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

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:

Table 7: Key Performance Indicators

Objective	Strategy	Target	Performance Indicators	2020/21	2019/20
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 8,9 prepared and reviewed	The Institute developed and obtained approval of Master degree in Law, mediation and Arbitration. It also conducted curriculum review of all its 22 academic programs and submitted the	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

INSTITUTE OF SOCIAL WORK (ISW)

Objective	Strategy	Target	Performance Indicators	2020/21	2019/20
				reports to NACTE for subsequent approval.	Labour Relations and Public Management and Completed review of curriculum for Master Degree in Social Work.
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 2,505 students which is 125% of the annual target of 2,000 students. This is an increase of 15% from the 2,179 students enrolled in 2019/20.	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.
Improved organizational governance	To ensure adherence to good governance principles	Institution's operational policies and regulations reviewed by June, 2021	Five policies/ documents reviewed/prepared	During the period under review the Institute prepared Audit Charter, two project proposals for construction of hostel and lecture theater and reviewed its ICT and gender policies	The Institute finalized the development of seven policies/documents which are Client Service Charter, Board Charter, Student's welfare, Staff housing, research policy and consultancy policy, quality assurance policy.
Enhance Human Resource Management Capacity	To enhance Institute human resource capacity	To achieve NACTE's Teacher-Student Ratio (1:25) Standard by June 2021	Teacher Student ratio reduced to 1:25	A total of five staff has been recruited in 2020/21. The low performance was due to delay in approval of recruitment permits.	The Institute recruited two staff as (Assistant Lecturer) and (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

INSTITUTE OF SOCIAL WORK (ISW)

Objective	Strategy	Target	Performance Indicators	2020/21	2019/20
					reduce the gap while waiting for recruitment permits from the government.
	To ensure satisfaction and motivation of employees	Provide essential working tools and facilities by June 2021	Furniture and equipment for staff and students purchased TZS 178,200,000	The Institute Procured 700 units of student chairs and desk. The procurement cost the Institute a total of TZS 274 million. The procured chairs and desks were fixed in the new classrooms located in IRC building in floor number three and four	The Institute procured furniture worth TZS 91,627,000 for students and staff which is 51% of the target.
Enhanced Teaching and learning environment	To improve ICT applications and infrastructure by June 2021	Improved Physical Infrastructure by June 2021	IRC phase VIII constructed	The construction of phase VIII of IRC building was still in process. The procurement was late due to lack of bidder's participation.	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.
Enhanced Teaching and learning environment	To Mainstream ICT in teaching and learning environment	Ensure accessibility of computers for staff and students by June 2021	Four Computers purchased	The Institute managed to procure four computers and accessories (WAN, LAN, UPS Batteries, CCTV and projectors) with a value of TZS 58,100,000 and installation of automatic attendance register was done.	The Institute procured twenty-one (21) computers for staff and students' activities. Among them 6 laptops.
	To improve Institute physical infrastructure	Renovate buildings by June 2021	Hostel buildings and classrooms renovated	The Institute completed rehabilitation of its hostel building at a cost of TZS. 301 million where	Procurement processes of building materials have already been completed and letters of award

INSTITUTE OF SOCIAL WORK (ISW)

Objective	Strategy	Target	Performance Indicators	2020/21	2019/20
				plumbing, electrical, doors, windows, painting were maintained. Staff quarters rehabilitation was not rehabilitated due to inadequate budget.	have been issued to approved renovator of the Hostel building
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 2021	One conference conducted	The Institute was unable to conduct international conference due to COVID -19 pandemic. It is planned in the financial year 2021/22.	International conference was not conducted due to COVID 19 pandemic.
	To conduct demand-driven research, consultancy and short courses.	Conduct five research projects by June 2022	Four research projects conducted	The Institute was still in process of conducting research. Two of the three developed research proposals that obtained clearance from COSTECH are in data collection stage. The delay in research implementation was due to delay in obtaining research clearance.	Three research proposals were reviewed by the Institute staff and were chosen for funding. The reports are expected in the year 2020/21
			Research findings disseminated	Dissemination is awaiting the final reports of the research.	Dissemination is awaiting the final reports of the research.
		Publish Journal and Books by June 2021	One Journal published	Five articles/Manuscripts were submitted for review prior to publishing in the ISW journal which was registered electronically with number ISSN 2738-9057 during the period under review.	Seven manuscripts have been submitted prior to external review. Authors were given comments from the departments. But also six papers prepared by the Institute staff were published in different international journals.

INSTITUTE OF SOCIAL WORK (ISW)

Objective	Strategy	Target	Performance Indicators	2020/21	2019/20
Strengthened Research, Consultancy and Short Courses	Conduct demand-driven research, consultancy, and short courses.	Publish Journal and books by June 2021	Two books produced	A total of three books were published. The titles of the books are: A guide to Social Administration and Comprehensive Communication Skills for Colleges and Universities.	One book manuscript entitled "effective social administration" was submitted for review while the book on "Community work with diverse population" is being finalized.
		To conduct short term training programs annually	Ten short term training programs established annually	Eight short courses were conducted on Child Welfare and Protection, Alternative Dispute resolution to water and Energy sector, Employees Coaching and Mentoring, increasing efficiency at work place, guidance and counseling to the deans of students and risk management at workplace.	Seven short courses were conducted in the areas of Social Work, Human Resource Management and Labor Relations.
Enhanced teaching and learning environment Enhanced Teaching and learning environment	Strengthened library service Strengthened Library Service	Training of librarians conducted by June 2021	Six librarians facilitated for training	Five library staffs were trained as planned.	Six library staffs were trained as planned.
		Increase number of Books in the library	1,000 books purchased	The Institute procured a total of 1,282 books for students use. The books that were procured cover modules that are taught at the Institute for all three academic departments.	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

INSTITUTE OF SOCIAL WORK (ISW)

Objective	Strategy	Target	Performance Indicators	2020/21	2019/20
					tender documents hence the tender was cancelled. New tender is planned for re-advertisement in the financial year 2020/21
HIV/AIDS intervention programs developed and implemented	HIV/AIDS intervention programs developed	Conduct awareness campaign by June 2021	Awareness campaigns conducted	The Institute conducted various awareness campaigns where a total of 1,131 members of Institute that include students, staff and neighboring community tested for HIV/AIDs.	HIV/AIDS testing and counseling for students, ISW and neighboring community was conducted in collaboration with OASIS Health Center where 162 people including members of the neighboring 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.
Enhance Human Resource Management Capacity	Ensure optimal number of qualified staff	Recruit staff by June 2021	Twenty (20) staff recruited	A total of three staff has been recruited in 2020/21. The low performance was due to delay in approval of recruitment permits.	In total six staff were recruited. Two were newly recruited and four transferred from other Public Institutions/organizations.
		Recurrent running costs	Recurrent running costs provided by	Institute covered utility bills, salary expenses, leave	Institute covered utility bills, salary expenses, leave

INSTITUTE OF SOCIAL WORK (ISW)

Objective	Strategy	Target	Performance Indicators	2020/21	2019/20
		provided	100%	pay, other staff allowances, legal fees, settlement of Appeal Case 187/18 of 2018 Elia Kasalile and 20 others and other recurrent costs as by 100%.	pay, other staff allowances and legal fees.
		Strengthen capacity of staff through long term training by June 2021	Staff facilitated in training	The Institute supported 17 staff to pursue PhD and two in Masters training. Also a total of 88 staff were facilitated to attend short course trainings on accounting, auditing, CBET, tax issues, MUSE, confidential record management and customer care and MDEA	The Institute continued to support 30 staff in PhD trainings and five staff in Master's Degree training.

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 labour 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 labour market.

b) Physical Infrastructure Development

The analysis shows that the 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 Campus. It also plans to embark on improving infrastructure through soliciting funds from government and partners to facilitate construction of students' hostel and lecture theatres, 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 140 staff, among them 72 are academicians and 68 are non-academic staff. The standard teacher student ratio is 1:50 which the Institute is still operating under. 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 installed the government network and increased bandwidth in order to facilitate new developed systems of planning (PLANREP) and accounting (MUSE) that will replace the PASTEL in the financial year 2021/22. The Institute will continue with its efforts of mainstreaming ICT in its operations especially in Kisangara campus where there are limited ICT infrastructural facilities.

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 sixth 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) provides 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) provides opportunity for the Institutions to increase enrolment.

b) Economic Environment

Tanzania intends to industrialize her economy and transform itself 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, labour 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, 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 the year the Institute donated TZS 500,000 to TASWO

1.12 Related Party Transactions

The Institute 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 1,398,150,820 (TZS 1,318,738,240: 2019/20). The personnel include both permanent employed and board members. During the year there were 20 permanent employees and ten 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 30 June 2021 is as shown in Table 9 below:

Table 9: Number of Employees per gender

Gender	Year	Percentage	Year	Percentage
	2021	%	2019	%
Male	74	52	72	53
Female	66	48	63	47
Total	140	100	135	100

1.14 Implementation of the ISW plans

The future plans of the Institute are derived from the Strategic Plan. During the reporting period, the Institute conducted the following: -

- a) HIV testing in partnership with OASIS Health Centre to 1,131 members of Institute that include students, staff and neighbouring community tested for HIV/AIDs;
- b) Completed construction of IRC phase VII;
- c) Recruited and transferred five staff;
- d) Completed review of curriculum for Master degree in Social Work and finalized and obtained approval for Master degree in Labour Law, Mediation and Arbitration;
- e) Provided Personnel Emolument (PE), annual recurrent running costs and facilitated recruitment of three new employees;
- f) Procured 700 units of student chairs and desk for a cost of 274 million which were fixed in the IRC new classrooms;
- g) Supported 17 staff to pursue PhD and two in Masters training;
- h) Conducted eight short course training;
- i) Implemented apprenticeship program to 94 students who were attached to various Institutions to gain working skills;
- j) Rehabilitated the hostel facility for a total cost of 273 million where plumbing, electrical, doors, windows, painting were maintained;
- k) Conducted teaching, examination, invigilation, marking, moderations and printing of examination answer books for the year;
- l) Facilitating Board of Governors, Workers' Council, and Tender Board meetings;
- m) Procured a total of 1,282 books and published of three books.
- n) Expanded wireless networks in such a way that students can share documents quickly and easily, edit presentations in real-time, store project files in the cloud/e-learning platform and improve their teamwork skills.

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, and staff quarters.

Future plans of the Institute

The Institute plans to: -

- a) Increase students' enrolment by introducing/establishing four additional programs, namely Community work with Children and youth (NTA Level 5&6), Early Childhood Development (NTA Level 4, 5 &6), Health Records Management
- b) Continue with the construction of Information Resource Centre building phase VIII, rehabilitation of staff quarters, classrooms and other facilities in order to improve learning environment;
- c) Solicit funds from government and partners to finance the construction of lecture theatres and students' hostels;
- d) Develop zonal campuses starting with Kisangara in the North Zone where infrastructural facilities including classrooms, library, offices, canteen, model day care centre and ECD laboratory will be constructed in collaboration with partners;
- 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;

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, SARS), 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.

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 behaviors 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 30 June, 2021 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 	<ul style="list-style-type: none"> • High labor turnover • Increased resentment.

Sn	Stakeholder	Expectation	Potential Effect
		<ul style="list-style-type: none"> • Training ad career development 	<ul style="list-style-type: none"> • 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 • Lowering the credibility of the Institute • Closure of programs

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 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
		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 30 June 2021, the Institute had 140 staff (2020: 138 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), Student Information Management System (SIMS), Government electronic

payment gateway (GePG), Library Management system (KOHA) and it is in the process of adopting Mfumo wa Uhasibu Serikalini (MUSE).

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.

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, Cap 418. However, in accordance with section 33(1) of the Public Audit Act, Cap 418, 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 30 June 2021.

By order of the Board

Chairman of the Board

Date _____

Rector

2.0 STATEMENT OF THE BOARD OF GOVERNORS' RESPONSIBILITY FOR THE YEAR ENDED 30 JUNE 2021

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 30 June 2021. 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 30 June 2021. 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 30 JUNE 2021

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act, 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 Governors as under Statement of the Board of Governors' Responsibility on an earlier page.

I, **CPA Athman Shaaban Sensota**, being the Chief Accountant of the Institute of Social Work hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2021 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 Sensota
 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, which comprise the statement of financial position as at 30 June 2021, 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 as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting.

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 the below section entitled “Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements”. I am independent of Institute of Social Work, in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

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 audit 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, Cap 418 requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, 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 Laws in Tanzania.

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

I performed a compliance audit on procurement of works, goods and services in the Institute of Social Work (ISW) for the financial year 2020/21 as per the Public Procurement Laws in Tanzania.

Conclusion

Based on the audit work performed, I state that procurement of works, goods and services of Institute of Social Work (ISW) is generally in compliance with the requirements of the Public Procurement Laws in Tanzania.

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

March 2022

5.0 FINANCIAL STATEMENTS FOR THE YEAR END 30 JUNE 2021

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	30 June 2021 TZS	30 June 2020 TZS
Assets			
Current Assets			
Cash and Cash Equivalents	9	1,115,979,102	403,035,764
Receivables from exchange transactions	10-A	705,497,100	44,166,160
Receivables from non-exchange transactions	10-B	356,770,144	438,881,147
Inventories	11	86,319,691	43,827,405
		<u>2,264,566,037</u>	<u>929,910,476</u>
Non-Current Assets			
Property, Plant and Equipment	7	52,691,910,167	51,302,958,386
Intangible Assets	8	41,021,509	12,735,510
		<u>52,732,931,676</u>	<u>51,315,693,896</u>
Total Assets		<u>54,997,497,713</u>	<u>52,245,604,372</u>
Net Assets and Liabilities			
Current Liabilities			
Payables from exchange transactions	13-A	398,670,810	353,701,470
Payables from non-exchange transactions	13-B	404,174,961	602,058,249
Provisions	14	313,582,369	301,115,976
		<u>1,116,428,140</u>	<u>1,256,875,695</u>
Non-Current Liabilities			
From Non-exchange transactions			
Capital grants	12	6,591,899,765	6,720,472,572
HESLB loan	32	325,002,126	333,706,877
		<u>6,916,901,891</u>	<u>7,054,179,449</u>
Total Liabilities		<u>8,033,330,031</u>	<u>8,311,055,144</u>
Net assets			
Taxpayer`s Fund		39,120,822,656	39,120,822,656
Accumulated Surplus		7,843,345,026	4,813,726,572
		<u>46,964,167,682</u>	<u>43,934,549,228</u>
Total Net assets and Liabilities		<u>54,997,497,713</u>	<u>52,245,604,372</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 30 JUNE 2021

	Notes	30 June 2021 TZS	30 June 2020 TZS
Revenue from non-exchange transaction			
Government Grants	16	5,101,833,601	3,899,602,641
Amortization of Grant	12	128,572,807	144,440,007
		<u>5,230,406,408</u>	<u>4,044,042,648</u>
Revenue from exchange transaction			
Course Fee	15	5,615,648,936	2,254,674,322
Other Revenue	17	520,768,073	453,896,510
		<u>6,136,417,009</u>	<u>2,708,570,832</u>
Total Revenue		<u>11,366,823,417</u>	<u>6,752,613,480</u>
Expenses			
Salaries and Staff Benefits	18	4,693,709,966	4,442,494,236
Administrative Expenses	19	2,331,671,838	1,757,666,258
Operating Expenses	20	617,304,867	364,725,380
Other Expenses	21	206,972,200	202,388,358
Depreciation	7	487,546,092	528,396,985
Total expense		<u>8,337,204,963</u>	<u>7,295,671,217</u>
Surplus (Deficit) for the year		<u>3,029,618,454</u>	<u>(543,057,737)</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 CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021

	Taxpayer's Fund	Accumulated Surplus /(Loss)	Total
	TZS	TZS	TZS
At 01 July 2021	39,120,822,656	4,813,726,572	43,934,549,228
Surplus for the year	-	3,029,618,454	3,029,618,454
As at 30 June 2021	<u>39,120,822,656</u>	<u>7,843,345,026</u>	<u>46,964,167,682</u>
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	<u>39,120,822,656</u>	<u>4,813,726,572</u>	<u>43,934,549,228</u>

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 30 JUNE 2021

	Note	30 June 2021 TZS	30 June 2020 TZS
Cash Flows from Operating Activities			
Receipts			
Government Grants	31-E	4,454,851,601	3,899,602,641
Course Fee	31-B	4,841,252,555	2,529,768,183
Other Income	31-C	554,934,114	329,484,604
Partnership Project-UNICEF		-	13,960,000
Student Liabilities received with fees		361,442,000	-
Training payable		11,550,000	-
Deduction Received from the Government		392,929,173	-
HESLB (For meal & accommodation)		730,869,777	-
		11,347,829,220	6,772,815,428
Payments			
Salaries and Staff Benefit	31-F	(4,851,247,603)	(4,442,494,236)
Payments to Suppliers	31-D	(909,897,650)	(2,351,737,740)
Partnership Project-UNICEF Expenditure		-	(13,960,000)
Payments to other administration expenses		(2,129,174,114)	-
Students Liabilities paid out		(327,923,100)	-
Deductions paid out		(364,799,016)	-
HESLB Meals and Accommodation (Students)		(754,878,778)	-
Cash Flows Used in Operating Activities		(9,337,920,260)	(6,808,191,976)
Net cash outflow to Operating activities		2,009,908,960	(35,376,548)
Cash Flows from Investing Activities			
Acquisition of PPE	7	(1,229,515,872)	(1,003,158,409)
Disposal of assets	7	-	63,900
Acquisition of Intangible Assets	8	(58,745,000)	-
Net cash outflow to Investing Activities		(1,288,260,872)	(1,003,094,509)
Cash Flows from Financing Activities			
Loan From HESLB	32	67,100,000	143,813,500
Repayment of HESLB loan	32	(75,804,750)	(171,929,123)
Net Cash outflow from financing activities		(8,704,750)	(28,115,623)
(Decrease)/Increase in Cash and Cash Equivalents		712,943,338	(1,066,586,680)
Cash and Cash Equivalent at 01 July		403,035,764	1,469,622,444
Gain in Exchange Fluctuation		-	-
Cash and Cash Equivalent at 30 June	9	1,115,979,102	403,035,764

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 30 JUNE 2021
(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	3,607,494,000	3,607,494,000	4,192,376,351	584,882,351
Government Development	1,800,000,000			
Government Other Charges	250,000,000	250,000,000	262,475,250	12,475,250
Subtotal	5,657,494,000	3,857,494,000	4,454,851,601	597,357,601
Partnership Project				
UNICEF	-	-	-	-
Subtotal	-	-	-	-
Loan From HESLB				
Loan From HESLB	100,000,000	100,000,000	67,100,000	(32,900,000)
Subtotal	100,000,000	100,000,000	67,100,000	(32,900,000)
Receipts from Exchange Transaction				
Fees				
Master's Program	160,290,000	160,290,000	250,915,925	90,625,925
Bachelor Program	2,509,398,000	2,390,451,000	2,412,748,736	22,297,736
Postgraduate Diploma	36,980,000	36,980,000	51,283,132	14,303,132
Ordinary Diploma	1,132,584,000	1,329,876,000	1,276,613,405	(53,262,595)
Certificates	597,560,000	804,207,000	849,691,357	45,484,357
Net Fees liability & deductions	62,000,000	62,000,000	61,649,057	(350,943)
Subtotal	4,498,812,000	4,783,804,000	4,902,901,612	119,097,612
Other Receipts				
Other Revenue	504,113,000	503,879,000	554,934,114	(153,993,916)
Subtotal	504,113,000	503,879,000	554,934,114	(153,993,916)
Total Receipts	10,760,419,000	9,245,177,000	9,979,787,326	529,561,297
Expenditure				
Salaries and Staff Benefit	4,433,204,000	4,433,204,000	4,851,247,603	(418,043,603)
HESLB loan repayment	120,000,000	120,000,000	89,966,990	30,033,010
HIV AID Intervention Programs developed	5,600,000	5,600,000	2,450,000	3,150,000
Improved organizational governance &	297,180,000	297,180,000	126,816,000	170,364,000

INSTITUTE OF SOCIAL WORK (ISW)

Budget Item	Original Budget	Final Budget	Actual on Comparable basis	Difference
	TZS	TZS	TZS	TZS
transparency				
Improved Quality of Academic Programs	764,770,000	764,770,000	538,752,644	226,017,356
Enhanced teaching and learning environment	67,402,000	67,402,000	34,692,000	32,710,000
Strengthened sponsored research and consultancy	112,560,000	112,560,000	24,861,170	87,698,830
Financial Sustainability Improved	76,920,000	76,920,000	65,078,500	11,841,500
Enhanced Human Resource Management Capacity	2,704,010,680	2,204,010,680	1,425,607,124	778,403,556
Infrastructures and Facilities Improved	1,802,700,000	1,367,100,000	1,288,260,872	78,839,128
Mainstream ICT in teaching & learning environment	134,600,000	134,600,000	158,234,000	(23,634,000)
Provide Essential working tools and Facilities	225,500,000	225,500,000	276,155,417	(50,655,417)
Governing Board Costs	198,156,000	198,156,000	119,067,100	79,088,900
Audit Costs	63,000,000	63,000,000	55,527,580	7,472,420
Settlements for Legal cases	280,000,000	220,000,000	210,126,988	9,873,012
Total Expenditure	11,285,602,680	10,290,002,680	9,266,843,988	1,023,158,692
Net increase in cash and cash equivalents			712,943,338	
Cash and cash equivalents at beginning of period			403,035,764	
Cash and cash equivalents at end of period			1,115,979,102	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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%

Asset Description	Depreciation Rates
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 did not confirm that the identified buildings have been further impaired as compared to last financial year due to physical damage, idleness, deteriorations and obsolescence. The management is satisfied that the impairment status remains the same as previous year.

Budget Information

a) Budget approval

The Institute's budget for the year 2020/21 was approved by the National Assembly on June 2020. 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 accrual 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 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,
- 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	2021 TZS	2020 TZS
Provision for untaken leave	50,506,000	27,327,317
Provision for audit fees	70,308,857	63,435,257
Provision for gratuity and other employees' benefit	192,767,512	210,569,402
Total	313,582,369	301,331,976

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

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

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 years to ten 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 1 January 2022
- (ii) IPSAS 42 Social benefits effective from 1 January 2022

7. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings - Resident & office	School Buildings	Office furniture & equipment	Library Books	Motor vehicles	Cement slabs	Fence	Graduation gowns	Water well	Capital Work-In-Progress	Generator	Electronic Equipment	Total
	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'
Cost														
At 1st July 2020	36,447,685	4,112,336	3,717,118	1,347,894	378,872	295,066	16,362	296,175	96,387	13,127	6,783,805	265,495	476,090	54,246,410
Additions (Monetary)	-	625,458	-	290,754	975	128,069	-	-	-	-	-	-	184,260	1,229,515.87
Additions (Non-Monetary)	81,000	342,000	109,000	83,991	-	-	-	-	-	-	-	-	30,991	646,982
Transfers	-	3,499,236	3,284,569	-	-	-	-	-	-	-	(6,783,805)	-	-	-
At 30th June 2021	36,528,685	8,579,030	7,110,687	1,722,639	379,847	423,135	16,362	296,175	96,387	13,127	-	265,495	691,341	56,122,908
Accumulated Depreciation														
At 1st July 2020	-	487,144	494,846	1,088,072	341,055	197,297	16,362	98,269	36,717	4,551	-	11,200	167,938	2,943,452
Charge for the year	-	90,180	128,403	79,651	9,584	16,880	-	11,847	6,337	875	-	17,700	126,091	487,546
At 30th June 2021	-	577,324	623,249	1,167,723	350,639	214,177	16,362	110,116	43,054	5,426	-	28,900	294,029	3,430,998
Carrying Value														
At 30th June 2021	36,528,685	8,001,706	6,487,438	554,916	29,208	208,958	-	186,059	53,333	7,701	-	236,595	397,313	52,691,910
At 30th June 2020	36,447,685	3,222,272	3,625,191	259,821	37,817	97,769	-	197,906	59,670	8,576	6,783,805	254,295	308,152	51,302,958

	2020/21 TZS	2019/20 TZS
8 INTANGIBLE ASSETS		
Cost		
As at 1 July	164,194,897	164,194,897
Additions	58,745,000	-
At 30 June	222,939,897	164,194,897
As at 1 July	(151,459,387)	(127,995,936)
Charge for the year	(30,459,001)	(23,463,451)
At 30 June	(181,918,388)	(151,459,387)
Carrying value	<u>41,021,509</u>	<u>12,735,510</u>
9 CASH AND CASH EQUIVALENTS		
Bank of Tanzania (BOT)USD	687,627,035	173,629,160
Bank of Tanzania (BOT)TZS	93,749,204	141,627,156
National Bank of Commerce	2,486,264	823,907
CRDB 01J1013365500 Student Fees	20,186,650	34,380,915
CRDB 01J1013365501 General Payment	180,634,004	(42,962,894)
CRDB 01J1013365502 Student Allowance	59,681,077	44,941,316
CRDB 01J1013365505 UNICEF	10,235	102,232
CRDB 02J1013365501 Jane Adam Project	131,291	8,354,480
National Micro-Finance Bank	66,958,309	42,013,492
National Microfinance Bank Kisangara	2,604,733	-
Petty Cash-HQ	910,300	126,000
Petty cash -Kisangara	1,000,000	-
	<u>1,115,979,102</u>	<u>403,035,764</u>
10 TRADE AND OTHER RECEIVABLES		
10-A Receivable from exchange transactions		
Student Receivables	782,048,937	44,166,160
Less: Provision for impairment of receivables	(76,551,837)	-
Net receivable from exchange transactions	<u>705,497,100</u>	<u>44,166,160</u>
10-B Receivable from non-exchange transactions	2020/21 TZS	2019/20 TZS
Staff Receivables	316,533,772	351,243,714
Other Receivables	10,852,358	-
Prepayments and other deposits	29,384,014	149,658,570
	<u>356,770,144</u>	500,902,284
Less: Provision for impairment of receivables	-	(62,021,137)
Net receivable from non-exchange transactions	<u>356,770,144</u>	<u>438,881,147</u>
Movement of provision for impairment of receivables		
At 01 July	62,021,137	180,517,104
Addition	14,530,700	-
Write-offs	-	(118,495,967)
At 30 June	<u>76,551,837</u>	<u>62,021,137</u>

	30 June 2021 TZS	30 June 2020 TZS
11 INVENTORIES		
Stationery Stocks	81,823,107	35,771,033
Spare Parts stock	112,751	162,440
Cleaning Materials stock & Spare parts	1,540,033	1,571,738
Building Materials	2,843,800	-
Fuel	-	6,322,194
	86,319,691	43,827,405
 Inventory Expensed		
The number of Inventories in respect of Learning Material expensed during the year amounted to TZS 188,878,736 while cleaning supplies amounted to TZS 5,345,416 and fuel TZS 41,590,281		
 12 CAPITAL GRANTS		
At 01 July	6,720,472,572	6,864,912,579
Impairment of Asset (Note 7)	-	(16,059,200)
Amortization of Capital Grant	(128,572,807)	(128,380,807)
	6,591,899,765	6,720,472,572
 13 PAYABLES		
13-A Payables from exchange transactions		
Students account payables	268,019,600	248,750,450
Supplies of goods and services (trade creditors)	130,651,210	104,951,020
	398,670,810	353,701,470
 13-B Payables from non-exchange transactions		
Other Payables	404,174,961	602,058,249
Total Payables	802,845,771	955,759,719
 14 PROVISIONS		
Provision for untaken leave	50,506,000	27,327,317
Provision for audit fees	70,308,857	63,219,257
Provision for Gratuity and other employees' benefit	192,767,512	210,569,402
Total	313,582,369	301,115,976

Movement of Provisions			
(i) Untaken Leave			
		30 June 2021	30 June 2020
		TZS	TZS
Year ended 30 June 2021			
		27,327,317	25,124,400
	At start of year	26,423,683	35,000,000
	Addition provision raised	(3,245,000)	(32,797,083)
	Provision utilized	<u>50,506,000</u>	<u>27,327,317</u>
	At end of year		
(ii) Audit Fees			
Year ended 30 June 2021			
		63,219,257	58,400,000
	At start of year	63,000,000	62,784,000
	Addition provision raised	(70,000,000)	(57,964,743)
	Provision utilized	<u>56,219,257</u>	<u>63,219,257</u>
	At end of year		
(iii) Gratuity and Employee Benefit			
Year ended 30 June 2021			
		210,569,401	219,125,592
	At start of year	66,797,520	81,970,608
	Addition provision raised	(84,599,409)	(90,526,799)
	Provision utilized	<u>192,767,512</u>	<u>210,569,401</u>
	At end of year		
15	COURSE FEE	30 June 2021	30 June 2020
		TZS	TZS
	Master's degree Program	266,443,325	127,446,675
	Bachelor's degree	2,766,762,874	1,176,254,126
	Ordinary Diploma	1,461,301,250	591,630,000
	Postgraduate Diploma	61,941,491	29,584,009
	Certificate	1,059,199,996	329,759,512
		<u>5,615,648,936</u>	<u>2,254,674,322</u>
16	GOVERNMENT GRANTS		
	Personnel Emolument (P/E) Grant	3,539,427,300	3,300,489,600
	Employer Social Security contribution	652,949,051	599,113,041
	Other Charges	250,000,000	-
	Other Grants	659,457,250	-
		<u>5,101,833,601</u>	<u>3,899,602,641</u>
16B	GOVERNMENT GRANTS		
	Personnel Emolument (P/E) Grant	3,539,427,300	3,300,489,600
	Employer Social Security contribution	652,949,051	599,113,041
	Other Charges	250,000,000	-
	Other Grants	12,475,250	-
		<u>4,454,851,601</u>	<u>3,899,602,641</u>

17 OTHER INCOME	30 June 2021 TZS	30 June 2020 TZS
Carry forward Module Fees	11,070,000	950,000
Classroom& Conference Hire	2,100,000	5,800,000
Student refund	171,955	262,720
Miscellaneous Income	1,882,546	154,700
Playground Hire	1,190,000	3,400,000
Rent investors container	-	5,580,000
Rent posters and other advert	71,896,132	95,181,143
Rent Residential External	-	12,700,000
Rent Hostel	84,890,000	9,500,000
Salary in lieu of notices	3,700,000	-
Sale of Prospectus	49,660,000	41,280,000
Sale of Tender Documents	-	-
Admission Fees	40,487,488	36,681,218
Receipt from Short courses	-	1,200,000
Receipt from Consultancy Fees	4,611,252	7,436,089
Penalty Income	147,500	221,500
Academic Transcript	6,760,000	4,795,000
Rental Income -Residential Internal Staff	73,012,200	89,873,640
Appeal Fee	1,240,000	240,000
Postponement Fees	6,750,000	5,250,000
Graduation Gown Hire	15,180,000	18,700,000
Penalty on book lost and card lost	140,000	205,000
Bad debt recovery	-	-
Provisional result	18,000	12,000
charges of duplication of certificates	300,000	150,000
Registration fee	62,385,000	48,305,000
Gain in exchange Fluctuation	-	-
Library fees	40,710,000	30,880,000
Late Submission of Dissertation	150,000	50,000
Student Identity	41,960,000	31,517,500
Masters HR Degree Defense Logistic	150,000	3,150,000
Sale of research book	-	-
Short term Hostel	206,000	421,000
	<u>520,768,073</u>	<u>453,896,510</u>
18 SALARIES AND STAFF BENEFITS	30 June 2021 TZS	30 June 2020 TZS
Basic salaries	3,539,427,300	3,300,489,600
Employers' Social security contribution	531,295,359	485,691,390
National Health Insurance Schemes (NHIF)	104,337,819	97,218,558
Workers Compensation Fund	17,697,137	16,203,093
Leave Travel Expenses	52,021,483	35,000,000
Outfit Allowance	-	300,000
Subsistence Allowance	10,698,900	8,100,000
Hardship & Occupational Hazard allowance	-	10,415,000
Sporting Supplies	5,481,100	19,797,000
Gratuity and employee's terminal benefits	90,067,920	81,970,609
Housing allowance house rent	129,951,700	131,546,500
Moving Expenses	-	-
Residential electricity allowances	56,843,200	53,083,989
Food and Refreshment	105,455,548	79,946,397

Telephone allowance-TEL&SPEC	45,862,500	45,000,000
Temporary Employee Casual	2,572,000	1,271,000
staff debts	-	72,795,000
Uniforms	1,998,000	3,666,100
	<u>4,693,709,966</u>	<u>4,442,494,236</u>
19 ADMINISTRATIVE EXPENSES	30 June 2021	30 June 2020
	TZS	TZS
Audit Fees	70,000,000	62,784,000
Advertising and Publication	40,329,600	30,449,000
Bank charges	29,813,125	29,383,186
Technical Service Fees (Board Fees)	27,850,000	61,500,000
Textbooks	-	1,008,900
Staff debts	14,530,700	-
Entertainment	17,350,000	13,900,000
Burial Expenses	7,870,000	11,380,000
Honoraria (expert Opinion)	-	33,046,000
Outsourcing Costs (includes cleaning and security services)	99,999,639	94,750,178
Water Charges	76,873,725	41,639,040
Water and Waste & Waste disposal	1,660,000	34,224,300
Electricity expenses	106,274,508	88,742,881
Furniture and appliance	29,500,000	18,000,000
Impairment loss	-	16,059,200
Extra Duty Expenses	193,008,175	150,874,023
Fumigation Expenses	1,176,000	-
Outsource Maintenance Contract Machinery and Equipment	41,505,792	22,786,700
Outsource Maintenance Contract Water and Electricity	1,216,000	443,700
Consultancy work expenses	104,879,785	3,770,000
Petrol	8,147,140	2,758,285
Diesel	33,443,141	23,558,849
Insurance Expenses	2,070,280	32,195,250
Legal Fees	-	1,800,000
Newspapers and periodicals	7,016,000	6,545,000
Computers, Printers Scanner & Scanner & another computer related Eqpt (Maintenance)	4,645,760	19,452,400
Internet & E mail connections	49,034,904	23,662,000
Printing and Photocopy cost	39,579,511	11,884,500
Printing and Photocopy paper	177,453,010	108,497,374
Office consumables (papers, pencils, pens & stationeries)	11,425,736	23,759,217
Repair and Maintenance-Buildings	925,500	14,734,159
Motor Vehicles and Watercraft (Maintenance)	36,634,800	49,734,293
Responsibility Allowance	88,785,000	75,900,000
Honoraria	41,221,000	16,630,000
Posts and Telegraphs	1,997,200	2,047,200
Telephone Charges (Land Lines)	923,881	528,679
Special Needs	12,754,000	6,535,000
Conference Facilities	4,500,000	3,485,000

19	ADMINISTRATIVE EXPENSES (Continued)	30 June 2021	30 June 2020
		TZS	TZS
	Tuition Fees (Training Domestic)	82,717,500	97,896,984
	Hiring of Training Facilities	310,000	1,200,000
	Ground travel (bus railway taxi etc)	258,682,292	190,141,256
	Air Travel Tickets (In country)	-	6,411,900
	Per Diem - Domestic	311,436,940	145,204,500
	Air Travel Tickets (Out of the Country)	5,925,350	-
	Per Diem - Foreign	-	6,538,570
	Computer Software	34,775,600	8,795,000
	Cleaning Supplies	5,345,415	4,501,351
	Acting Allowance	2,536,000	10,571,400
	Computer supplies & Accessories	9,532,600	6,085,048
	Subscription Fees	11,376,800	8,586,500
	Amortization - Software	30,459,001	23,463,451
	Air conditioners Maintenance	48,787,100	1,888,000
	Fire Protection Equipment	2,225,000	70,000
	Gift and Prizes	-	280,000
	Taxes levied by another level of Government	13,879,061	6,345,750
	Professional Allowances	76,000,000	12,850,000
	Vehicle Insurance	5,289,267	7,970,900
	Parastatal Pension Fund	-	751,086
	Transfer contribution to Treasury Registrar	48,000,000	79,666,248
	Total	<u>2,331,671,838</u>	<u>1,757,666,258</u>
20	OPERATING EXPENSES	30 June 2021	30 June 2020
		TZS	TZS
	Research and Dissertation supervision	45,599,189	13,755,000
	Remuneration of Instructors	338,200,978	143,011,380
	Educational Radio and TV broadcasting programming	10,990,000	8,608,000
	Agency fee	23,397,200	4,185,000
	Education allowance	51,080,000	76,275,000
	Education supervision	-	-
	Examination & Admission Expenses	148,037,500	118,891,000
		<u>617,304,867</u>	<u>364,725,380</u>
21	OTHER EXPENSES	30 June 2021	30 June 2020
		TZS	TZS
	Discontinuing student	-	727,500
	Sitting Allowance	44,750,000	47,280,000
	Higher Education Student's Loan Board (HESLB)	-	-
	Relief Assistance	500,000	5,650,000
	Exhibition Festivals and Celebrations	48,235,000	27,371,300
	Foreign Exchange Equalization (gain or loss on exchange)	-	419,858
	Special duty allowance	113,487,200	120,939,700
		<u>206,972,200</u>	<u>202,388,358</u>

22. EXPLANATION OF VARIATION BETWEEN BUDGET AND ACTUAL EXPENDITURE

Budget Item	Final Budget	Actual on Comparable basis	Difference	Explanations/comments/Reasons for material differences
Revenue from Non exchange Transaction	TZS	TZS	TZS	
Loan from HESLB	100,000,000	67,100,000	(32,900,000)	The loan is for training of staff to acquire post graduate study. The Institute has now limited number of staff to only 4 per year
Revenue from Exchange Transaction				
Fees	4,721,804,000	5,501,515,883	779,711,883	The differences were due to impact of Covid19 in which collections which were to be collected during 2019/2020 was shifted to the 2020/21 academic year
Other Revenue				
Other Revenue	503,879,000	617,746,831	113,867,831	Both increased in enrolment and acquisition of Kisangara college as campus contributed to increased other revenue
Expenditure				
HESLB loan repayment	120,000,000	89,966,990	120,000,000	The repayment of loan becomes due once the beneficiary completes his/her studies. The amount paid during the year was the one which became due.
HIV AID Intervention Programs developed	5,600,000	2,450,000	5,600,000	The activities/programs accomplished in collaboration with partners/other stakeholders and resulted into budget saving.
Improved organizational governance & transparency	297,180,000	126,816,000	170,364,000	Activities that involved policy development were not completed by June 30 2021 and were carried over and implemented on July 2021
Improved Quality of Academic Programs	764,770,000	593,507,000	171,263,000	The academic year slightly defer from financial year as such some of activities which were planned for the year 2020/2021 were implemented after the end of financial year (Examination processing & field supervision)
Enhanced teaching and learning environment	67,402,000	34,692,000	32,710,000	The academic year slightly defer from financial year as such some of activities which were planned for the year 2020/21 were implemented after the end of financial year (Examination processing & field supervision)
Strengthened sponsored research and consultancy services	112,560,000	24,861,170	87,698,830	There was delay in obtaining research permits from regulatory authority.
Financial Sustainability	76,920,000	65,078,500	11,841,500	The activities that involved procurement process were

INSTITUTE OF SOCIAL WORK (ISW)

Budget Item	Final Budget	Actual on Comparable basis	Difference	Explanations/comments/Reasons for material differences
Improved				carried over to the financial year 2021/22
Enhanced Human Resource Management Capacity	2,204,010,680	1,575,607,124	628,403,556	The activities that involved procurement process were carried over to the financial year 2021/22
Infrastructure and facilities improved	1,367,100,000	1,288,260,872	78,839,128	The implementation of activities under this target were carried over to the financial year 2021/22 due to incomplete procurement process
Governing Board Costs	198,156,000	119,067,100	79,088,900	Most of committee meetings were conducted on the same day and reduced most of board costs (such as per diem, transport and sitting allowances)

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 30 JUNE 2021 the capital balance stood at: -

Description	30 June 2021	30 June 2020
	TZS	TZS
Accumulated Surplus	7,935,330,026	4,813,726,572
Taxpayer's fund	39,120,822,656	39,120,822,656
Total	47,056,152,682	43,934,549,228

24. NUMBER OF EMPLOYEES

The number of employees during the year was 140 (2020: 138).

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 2021</u>		
Trade and other receivables	1,022,030,872	1,022,030,872
<u>30 June 2020</u>		
Trade and other receivables	333,419,137	333,419,137

The maximum exposure to credit risk is as shown below:

	<u>30 June 2021</u>	<u>30 June 2020</u>
	TZS	TZS
Cash and Cash Equivalents	1,115,979,102	403,035,764
Trade and Other Receivables	1,022,030,872	333,419,137
	2,138,009,974	736,454,901

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 TZS	3 to 12 months TZS	Over 1 year TZS	Total TZS
<u>30 June 2021</u>				
Payables	-	1,116,428,139	-	1,116,428,139
<u>30 June 2020</u>				
Payables	-	1,289,496,996	-	1,289,496,996

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. 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
30 June 2021			
Financial Assets			
Cash and Cash Equivalents	1,115,979,102	1,115,979,102	-
Trade and other receivables	1,062,267,244	-	1,062,267,244
	2,178,246,346	1,115,979,102	1,062,267,244
30 June 2020			
Financial Assets			
Cash and Cash Equivalents	403,035,764	403,035,764	-
Trade and other receivables	483,047,307	-	483,047,307
	886,083,071	403,035,764	483,047,307

	Carrying Value TZS	Other financial liabilities TZS	Total TZS
30 June 2021			
Financial Liabilities			
Trade payables	130,651,210	-	130,651,210
Other payables	-	985,776,929	985,776,929
	130,651,210	985,776,929	1,116,428,139
30 June 2020			
Financial Liabilities			
Trade payables	104,951,020	-	104,951,020
Other payables	-	1,151,924,675	1,151,924,675
	104,951,020	1,151,924,675	1,256,875,695

27. ASSETS PLEDGED AS SECURITY FOR LIABILITIES

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

28. 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 during 2019/20 resulted into unearned revenue of 1,113,928,000 be recognized as revenue during the current financial year.

29. 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 2021 TZS	30June 2020 TZS
Key Management remuneration		
Salaries	848,916,000	802,860,000
Allowances	226,530,000	226,530,000
Social security contribution	174,027,780	155,671,200
Sub total	1,249,473,780	1,185,061,200
Board of Governors remuneration		
Board fees	76,500,000	61,500,000
Board allowances	72,177,040	72,177,040
Subtotal	148,677,040	133,677,040
Grand Total	1,398,150,820	1,318,738,240

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.

30. 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, 2021 the Institute committed TZS. 970,034,000 for construction of IRC building.

	30 June 2021 TZS	30 June 2020 TZS
Capital expenditure		
Contracted and authorized	970,034,000	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 2021 TZS	30 June 2020 TZS
<u>(Institute as Lessor - Operating Lease)</u>	63,562,800	52,969,000
Rental income: Within one year		

31. CASHFLOW RECONCILIATIONS

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

	Note	30 June 2021 TZS	30 June 2020 TZS
(Surplus)/deficit from ordinary activities		3,029,618,454	(543,057,737)
Adjustments for:			
Depreciation	7	487,546,092	528,396,985
Amortization of software	8	30,459,001	23,463,451
Impairment of buildings	7	-	16,059,200
Amortization of Grant		(128,572,807)	(144,440,007)
Assets acquisition (non-Monetary)	7	(646,982,000)	-
Changes in working capital			
Increase in receivables from exchange transactions	10-A	(661,330,940)	294,973,486
(Increase)/decrease in receivables from non-exchange transactions	10-B	82,111,003	(110,451,906)
Increase in inventory	11	(42,492,287)	(1,134,887)
Increase in payables from exchange transactions	13-A	57,435,733	(19,879,625)
Decrease in payables from non-exchange transactions	13-B	(197,883,289)	(79,305,508)
Net cash flows from operating activities		<u><u>2,009,908,960</u></u>	<u><u>(35,376,548)</u></u>

31-B: Reconciliation of course fees

	Note	30 June 2021 TZS	30 June 2020 TZS
Course fees for the year	15	5,615,648,936	2,254,674,322
Prior year fees received	10-A	-	294,973,486
Repayments made	13-A	(19,269,150)	(19,879,625)
HESLB (Meals and Accommodation posted in student fees)		(755,127,231)	-
Closing Balance		<u><u>4,841,252,555</u></u>	<u><u>2,529,768,183</u></u>

31-C: Reconciliation of other income

	Note	30 June 2021 TZS	30 June 2020 TZS
Other income	17	520,768,073	453,896,510
Adjustments for UNICEF funds		-	(13,960,000)
Prior year receivables from non-exchange transactions	10-B	38,163,553	(110,451,906)
Accrued Income (Classroom & Conference hire)	17	(2,100,000)	-
Accrued Income (Miscellaneous Income)	17	(1,882,546.00)	-
Prior year errors in other income		(14,966)	-
Closing Balance		<u><u>554,934,114</u></u>	<u><u>329,484,604</u></u>

31-D: Reconciliation of payments to suppliers

	Note	30 June 2021 TZS	30 June 2020 TZS
Administrative expenses	19	2,331,671,838	1,757,666,258
Other expenses	21	206,972,200	202,388,358
Operating expenses	20	617,304,867	364,725,380
Adjustments for UNICEF Funds		-	(13,960,000)
Adjustments for Impairments of office buildings	7	-	(16,059,200)
Amortisation of Software in administrative expenses	8	(30,459,001)	(23,463,451)
Payment to suppliers	13-B	-	79,305,508
Inventory payments	12	-	1,134,887
Audit Fees	14	7,089,600	-
Payments to suppliers (purchase of PPE)	7 & 8	(1,288,260,872)	-
Payments to Government entities posted in suppliers account	38	(933,536,554)	-
Errors in suppliers account		(884,428)	-
Closing Balance		<u>909,897,650</u>	<u>2,351,737,740</u>

31-E: Reconciliation Government Grants (16B)

	Note	30 June 2021 TZS	30 June 2020 TZS
Personnel Emolument (P/E) Grant		3,539,427,300	3,300,489,600
Employer Social Security contribution		652,949,051	599,113,041
Other Charges		250,000,000	-
Beginning cash balance acquired from Kisangara		12,475,250	-
Closing Balance		<u>4,454,851,601</u>	<u>3,899,602,641</u>

31-F: Reconciliation of Salaries and Staff Benefits

	Note	30 June 2021 TZS	30 June 2020 TZS
Salaries and Staff benefit	18	4,693,709,966	4,442,494,236
Employee's Severance cost		-	-
Other staff Benefits		157,537,637	-
Closing Balance		<u>4,851,247,603</u>	<u>4,442,494,236</u>

32. HESLB LOAN MOVEMENTS

	30 June 2021 TZS	30 June 2020 TZS
Opening Balance	333,706,877	361,822,500
Additional loans received during the year	67,100,000	143,813,500
Payments to HESLB during the year	(75,804,749)	(171,929,123)
Closing Balance	325,002,127	333,706,877

33. PRIOR YEARS' ADJUSTMENTS

No prior year adjustment was done during the year.

34. CONTINGENT LIABILITIES

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

35. CONTINGENT ASSETS

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

36. 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

37. TRANSFERS

During the year under review the Institute paid a total of TZS 933,536,554 to various Government Institutions as per **Table 19** below.

Table 19: Government Transfers 2020/21

S/N	Organization	Amount (TZS)
1	Tanzania Standard Newspaper (TSN)	2,596,000
2	Commission for Science and Technology (COSTECH)	2,250,000
3	E Government Authority (EGA)	3,445,600
4	Mabughai Community Development Technical Training Institute - Lushoto	59,841,392
5	Bagamoyo Nursing Centre	7,825,000

INSTITUTE OF SOCIAL WORK (ISW)

S/N	Organization	Amount (TZS)
6	Tanzania Electrical Supply Company (TANESCO)	95,003,835
7	Tanzania Telecommunication Company Limited (TTCL)	1,286,448
8	Tanzania Building Agency (TBA)	65,063,995
9	Dar Es Salaam Water and Sewerage Authority (DAWASA)	38,631,076
10	Mzumbe University (MU)	9,090,000
11	National Board of Accountants and Auditors (NBAA)	5,745,000
12	Tanzania Public Service College	2,120,000
13	National Examination Council of Tanzania (NECTA)	7,326,000
14	Government Procurement Service Agency (GPSA)	26,164,000
15	National Institute of Productivity (NIP)	1,150,000
16	National Printing Company (NPC)	82,929,420
17	Tanzania Electrical, Mechanical and Electronics Services Agency (TEMESA)	79,516,542
18	Procurement and supply Professional Technical Board (PSPTB)	500,000
19	Tanzania Education and Research Network	24,700,000
20	National Insurance Corporation (NIC)	8,155,605
21	National Service (Suma JKT)	225,320,141
22	University of Dar Es Salaam (UDSM)	7,037,500
23	Africa Institute of Science and Technology (MANDELA)	1,029,000
24	National Council for Technical Education (NACTE)	118,575,000
25	ICT Commission	800,000
26	Public Procurement Regulatory Authority (PPRA)	4,510,000
27	Controller and Auditor General (CAG)	4,925,000
28	Treasury Registrar (TR)	48,000,000
	Total	933,536,554