

MARINE PARKS AND RESERVES UNIT

1. INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

The Chairperson of the Board of Trustees,
Marine Parks and Reserves Unit,
P. O. Box 7565,
DAR ES SALAAM.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Marine Parks and Reserves Unit (MPRU), which comprise the statement of financial position as at 30 June 2022, 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 Marine Parks and Reserves Unit (MPRU) as at 30 June 2022, 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 the manner required by the Public Finance Act, Cap. 348.

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the below section entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Marine Parks and Reserves Unit (MPRU) 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 Board of Trustees, Statement of Trustees responsibility and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon.

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My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

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

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

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional 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.

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- 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 [R.E. 2021] 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 the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I performed a compliance audit on procurement of goods, works and services in the Marine Parks and Reserves Unit (MPRU) for the financial year 2021/22 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that procurement of goods, works and services of Marine Parks and Reserves Unit (MPRU) is generally in compliance with the requirements of the Public Procurement laws.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in the Marine Parks and Reserves Unit (MPRU) for the financial year 2021/22 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that Budget formulation and execution of Marine Parks and Reserves Unit (MPRU) is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.



Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
February 2023



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5.0 FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	30 JUNE 2022	30 JUNE 2021
	TZS "000"	TZS "000"
ASSETS		
Current assets		
Cash and Cash Equivalent	306,870	192,100
Receivables from exchange transaction	197,290	453,564
Receivables from non-exchange transaction	101,795	90,892
Inventories	10,569	7,212
Total Current Assets	<u>616,524</u>	<u>743,768</u>
Non-Current Assets		
Property, Plant and Equipment	3,450,577	3,614,775
Work in progress	38,070	38,070
Total Assets	<u>4,105,171</u>	<u>4,396,613</u>
LIABILITIES		
Current liabilities		
Sundry payable	989,444	957,386
Total Current Liabilities	<u>989,444</u>	<u>957,386</u>
TOTAL LIABILITIES	<u>989,444</u>	<u>957,386</u>
NET ASSETS	<u>3,115,727</u>	<u>3,439,227</u>
Net Assets		
Taxpayers Funds	10	1,946,891
Conservation and Development Trust Fund	11	22,020
Fishing Gear Revolving Fund	12	58,339
Accumulated surplus	13	1,088,477
TOTAL NET ASSETS	<u>3,115,727</u>	<u>3,439,227</u>

The accompanying notes are integral part of the financial statements which were authorized for issue and signed on behalf of the Board of Trustees by:


 CHAIRPERSON OF THE BOARD

DATE: 10/02/2023


 UNIT MANAGER

DATE: 10/02/2023

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STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

		2021/22	2020/21
	Note	TZ\$ "000"	TZ\$ "000"
REVENUE			
Revenue from Non-Exchange Transaction			
Government P.E Subvention	14	1,382,945	1,159,524
Revenue Grants	15	49,680	247,682
Other revenue and transfer from CDTF	16	<u>7,869</u>	<u>1,769</u>
		1,440,494	1,408,975
Revenue from Exchange Transaction			
Park User Fee	17	1,276,676	829,565
Miscellaneous revenue	18	2,305	3,941
Foreign exchange gain	27	<u>-</u>	<u>20</u>
		1,278,981	833,526
TOTAL REVENUE		<u>2,719,475</u>	<u>2,242,501</u>
EXPENSES			
Administration and Management expenses	19	855,284	836,648
Personnel emoluments	20	1,758,656	1,333,103
Community Development expenses	21	107,632	126,575
Feasibility studies and research	22	-	8,380
Surveillance and enforcement	23	70,722	65,076
Consultancy and other professional fees	24	67,320	50,500
Public awareness	25	13,085	35,033
Regional and International Cooperation	26	-	9,098
Depreciation	7	<u>170,276</u>	<u>251,732</u>
TOTAL EXPENSES		<u>3,042,975</u>	<u>2,716,145</u>
DEFICIT FOR THE YEAR		<u>(323,500)</u>	<u>(473,644)</u>

Notes form part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

PARTICULARS	Restated Accumulated Surplus / (Deficit)	Restated Conservation & Development Trust Fund	Taxpayers Funds	Fishing Gear Revolving Fund TZS	Total Net Asset
	TZS "000"	TZS "000"	TZS "000"	"000"	TZS "000"
As at 01.07. 2021	1,411,977	22,020	1,946,891	58,339	3,439,227
Deficit during the year	(323,500)	-	-	-	(323,500)
Additions during the year	-	-	-	-	-
Balance as at 30.06.2022	<u>1,088,477</u>	<u>22,020</u>	<u>1,946,891</u>	<u>58,339</u>	<u>3,115,727</u>
As at 01.07. 2020	2,118,590	(270,497)	1,946,891	55,575	3,850,559
Deficit during the year	(473,644)	-	-	-	(473,644)
Additions during the year	-	973,494	-	2,764	976,258
*Prior year adjustment	(232,969)	232,969	-	-	-
Withdrawals/Release	-	(913,946)	-	-	(913,946)
Balance as at 30.06.2021	<u>1,411,977</u>	<u>22,020</u>	<u>1,946,891</u>	<u>58,339</u>	<u>3,439,227</u>

*This is a prior year adjustment to correct overstatement of the CDTF account due to double accounting error.

Notes form part of these financial statements.

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CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2021/22 TZS "000"	2020/21 TZS "000"
Cash flows from Operations Activities:			
Receipts:			
Government Subventions	14	1,382,945	1,159,524
Revenue Grants	15	49,680	247,682
Park User Fees	28	1,265,773	741,487
Miscellaneous Revenue	18	2,305	3,961
Total Receipts		2,700,703	2,152,654
Payments:			
Payments to Suppliers	29	(634,969)	(721,439)
Salaries and staff welfare expenses	30	(1,758,656)	(1,333,103)
Other Payments	31	(191,439)	(244,162)
Total Payments		(2,585,064)	(2,298,704)
Net cash flow from/(used in) operating activities (A)	33	115,639	(146,050)
Cash flow from Investing Activities:			
Acquisition of Non - Current Asset - Equipment		-	(6,110)
Acquisition of Non - Current Assets	32	(869)	(6,110)
Net cash outflows from Investing Activities (B)		(869)	(6,110)
Cash flow from Financing Activities:			
CDTF net Movement (withdrawal)		-	59,551
Fishing Gear Revolving Fund(net)		-	2,764
Net Cash flow from Financing Activities ©		-	62,315
Total Net Cash flow (A+B+C)		114,770	(89,845)
Add: Cash and Cash Equivalent at Beginning of year		192,100	281,945
Cash and Cash equivalent at end of year		306,870	192,100

Notes form part of these financial statements.

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	Original budget TZS "000"	Final Budget TZS "000"	*Actual Amount TZS "000"	Variance TZS "000"	%
Revenue:						
Government Subvention	14	1,371,664	1,371,664	1,382,945	11,281	1
Own Generated Revenue	17	2,921,704	2,921,704	1,276,676	(1,645,028)	(56)
Revenue Grants	15	-	-	49,680	49,680	100
Miscellaneous Revenue	18	-	-	10,174	10,174	100
TOTAL		<u>4,293,368</u>	<u>4,293,368</u>	<u>2,719,475</u>	<u>(1,573,893)</u>	
Recurrent Expenditure:						
Administration & Expenses	19	1,351,836	1,351,836	855,284	(496,552)	(37)
Personnel Emoluments	20	2,042,305	2,042,305	1,758,656	(283,649)	(14)
Community Development Expenses	21	448,196	448,196	107,632	(340,564)	(76)
Consultancy & Professional services	24	86,436	86,436	67,320	(19,116)	(22)
Public awareness	25	56,040	56,040	13,085	(42,955)	(77)
Surveillance and enforcement	23	90,805	90,805	70,722	(20,083)	(22)
TOTAL		<u>4,075,618</u>	<u>4,075,618</u>	<u>2,872,699</u>	<u>(1,202,919)</u>	
SURPLUS/(DEFICIT) FOR THE PERIOD		<u>217,750</u>	<u>217,750</u>	<u>(153,224)</u>	<u>370,974</u>	
Development funds						
Acquisition of Property, Plant, and equipment		<u>217,750</u>	<u>217,750</u>	<u>(8,738)</u>	<u>(209,012)</u>	100
BUDGET SURPLUS/(DEFICIT) FOR THE PERIOD		<u>-</u>	<u>-</u>	<u>(161,962)</u>	<u>161,962</u>	

Notes form part of these financial statements. The statement should be read in conjunction with Note 39 to the financial statements.