

About the National Audit Office

Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10 (1) of the Public Audit Act, Cap. 418.



Independence and objectivity

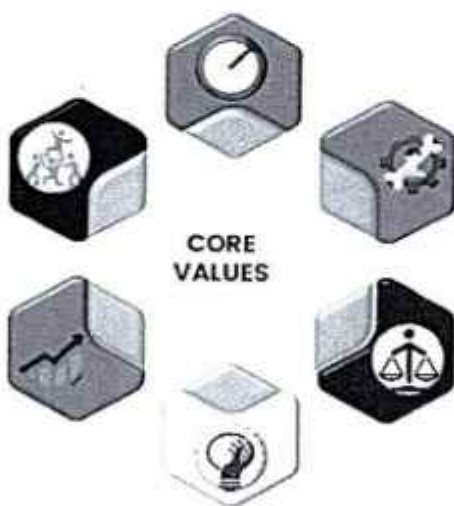
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.



Professional competence

We deliver high-quality audit services based on appropriate professional knowledge, skills, and best practices

Integrity

We observe and maintain high ethical standards and rules of law in the delivery of audit services.

Creativity and Innovation

We encourage, create, and innovate value-adding ideas for the improvement of audit services.

© This audit report is intended to be used by Marine Parks and Reserves Unit (MPRU) and may form part of the annual general report which once tabled to National Assembly, becomes a public document hence, its distribution may not be limited.

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Permanent Secretary,
Ministry of Livestock and Fisheries,
P.O. Box 2847,
Dodoma.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Marine Parks and Reserves Unit, which comprise the statement of financial position as at 30 June 2024, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Marine Parks and Reserves Unit as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348.

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Marine Parks and Reserves Unit 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 Report by those charged with governance Declaration by the Head of Finance and but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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

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

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

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

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional 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; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our 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, Cap. 410 requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I performed a compliance audit on procurement of works, goods and services in the Marine Parks and Reserve Unit for the financial year 2023/24 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that, except for the matters described below, procurement of goods, works and services of MPRU is generally in compliance with the requirements of the Public Procurement laws.

(a) Accounting officer being a member of tender board

The tender board member with cheque number 111738462 appointed on 31 May 2023 was appointed as an Acting manager (Accounting Officer) of the Unit from 22 January 2024. However, this member retained his membership on the Board thus imposing conflict of interest in approving or authorising his own decisions in procurement and supply process. This is contrary to section 38 (1) of the Public Procurement Act, 2022 which impose the overall responsibility of the execution of procurement and supply process in the procuring entity.

(b) Composition of evaluation committee contrary to Public Procurement Regulations

Regulation 202(1) of the Public Procurement Regulations, 2013 (amended) states, an accounting officer shall form a tender evaluation committee comprising of not less than three and not more than five members.

From the review evaluation report for tender no. PA/067/2022-23/HQ/NC/02 for provision of security services at Mafia Island Marine Park awarded to M/s Maziku Seneta Security Guard Co. Ltd at a contract price of TZS 1,800,000 per month I noted that the evaluation committee comprised only two members contrary to the requirement of the Public Procurement Regulations cited above imposing the risk of conflict of interest in decision making process.

The procurement document reviewed during audit did not contain appointment letters from the accounting officer nor evaluation team signing a code of ethics to commit themselves that they have no conflict of interest on the procurement being undertaken as required under Section 42 (6) of the Public Procurement Act, 2022 that, all members of the evaluation

committee shall subscribe to the Code of Ethics prescribed in the regulations, declaring that they do not have a conflict of interest in the procurement requirement.

(c) Non-use of NeST application system in procurement process

With reference to a letter dated 06 July 2023 reference no. Na.GA.128/192/01/F/38 from PPRA to all Procurement Officers of Public Procurement entities in the Tanzania Mainland required all entities that have been trained on use of NeST system by 30 June 2023 to use the system for the financial year 2023/24. For entities that have not received training by 30 June 2023 should use the TANEPS system up to 30 September 2023 where the use of the system will cease. In this regard, from 30 September the procuring entity will have to procure through NeST system including Common Use Items from 1 October 2023.

My audit review of procurements done by MPRU from 1 October 2023 worth TZS 712,421,466.53 noted only procurement worth TZS 86,019,349 were conducted in NeST system with some being done manually without adherence to procurement regulations and procedures stipulated in Public Procurement Act, Regulations, Guidelines etc.

(d) Tender splitting contrary to the Public Procurement Regulations, 2013

Regulation 163(1) for the PPR, 2013 states, "A tender board may approve and invite competition through request for quotations at international or national level if (a) the goods to be procured are so diversified that it would be of no commercial interest for any single supplier to tender for them; or (b) the goods are readily available off-the-shelf or standard specification commodities. (2) A procuring entity shall not divide its procurement into separate contracts for the purpose of invoking sub-regulation (1) of this regulation".

During the audit, I noted instances of tender splitting as the Unit procured various computers and laptop under single source method of procurement using 11 LPO worth TZS 60,526,760.00 from M/s MOAZNET IT SOLUTIONS CO LIMITED.

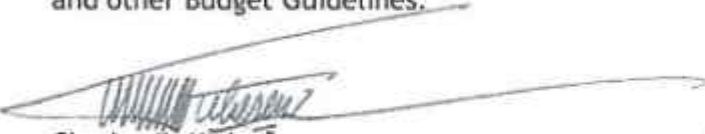
Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in Marine Parks and Reserves Unit for the financial year 2023/24 as per the Budget Act and other Budget Guidelines.

Conclusion

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

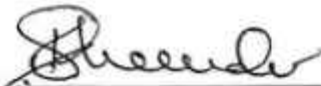

Charles E. Kicheře
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March 2025



4.0 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	TZS	TZS
ASSETS			
Current Asset			
Cash and Cash Equivalents	14	546,579,506	486,422,766
Receivables	15	762,497,918	742,950,778
Inventories	16	37,973,035	16,613,449
Total Current Asset		1,347,050,459	1,245,986,993
Non-Current Asset			
Property, Plant and Equipment	17	4,056,895,607	3,500,735,679
Work in Progress	18	73,070,000	73,070,000
Total Non-Current Asset		4,129,965,607	3,573,805,679
TOTAL ASSETS		5,477,016,066	4,819,792,672
LIABILITIES			
Current Liabilities			
Payables and Accruals	19	1,009,724,102	838,453,724
Provisions	20	656,236,809	554,033,087
Total Current Liabilities		1,665,960,911	1,392,486,811
TOTAL LIABILITIES		1,665,960,911	1,392,486,811
Net Assets		3,811,055,155	3,427,305,861
NET ASSETS/EQUITY			
Capital Contributed by:			
Other Reserves	23	128,558,760	128,643,298
Taxpayers/Share Capital		1,946,891,000	1,946,891,000
Accumulated Surpluses / Deficits		1,735,605,395	1,351,771,563
TOTAL NET ASSETS/EQUITY		3,811,055,155	3,427,305,861



PROF. RIZIKI SHEMDOE
PERMANENT SECRETARY
MINISTRY OF LIVESTOCK AND FISHERIES

25/3/2025

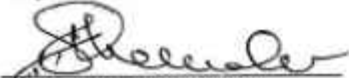
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DAVIS V. MPOTWA
MANAGER
MARINE PARKS AND RESERVES UNIT

STATEMENT OF FINANCIAL PERFORMANCE FOR YEAR ENDED 30 JUNE 2024

	Note	2023/24 TZS	2022/23 TZS
REVENUE			
Revenue			
Revenue from Exchange Transactions			
Fees, Fines, Penalties and Forfeits	5	50,000,000	50,500,000
Own Source Revenue	6	2,427,866,233	2,175,262,576
Sub Total		2,477,866,233	2,225,762,576
Revenue from Non - Exchange Transactions			
Subvention from other Government Entities	7	2,094,850,637	1,789,610,361
Revenue Grants	4	1,392,101,516	188,800,000
Sub Total		3,486,952,153	1,978,410,361
TOTAL REVENUE		5,964,818,386	4,204,172,937
EXPENSES AND TRANSFERS			
Expenses			
Wages, Salaries and Employee Benefits	8	2,836,501,599	2,143,212,651
Use of Goods and Service	9	1,698,068,206	902,210,784
Maintenance Expenses	10	198,586,475	111,796,372
Depreciation of Property, Plant and Equipment	18	182,420,097	180,556,665
Other Expenses	11	83,389,059	94,767,641
Expected Credit Loss	39	102,203,722	98,049,087
Total Expenses		5,101,169,158	3,530,593,200
Transfer			
Grants and Transfers	12	137,364,729	119,808,439
Other Transfers	13	399,680,576	318,847,104
Total Transfer		537,045,305	438,655,543
TOTAL EXPENSES AND TRANSFERS		5,638,214,463	3,969,248,743
Surplus / Deficit		326,603,923	234,924,194


 PROF. RIZIKI SHEMDOE
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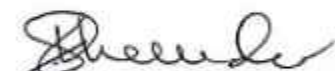

 DAVIS V. MPOTWA
 MANAGER
 MARINE PARKS AND RESERVES UNIT

25/3/2025

DATE

STATEMENT OF CHANGES IN NET ASSET/EQUITY FOR THE YEAR ENDED 30th JUNE, 2024

PARTICULARS	Taxpayer's Fund TZS	Accum. Surplus/(Deficit) TZS	Other Reserve TZS	Total TZS
Opening Balance as at 01 Jul 2023	1,946,891,000	1,351,771,563	128,558,760	3,427,221,3231
Addition Capital Injected	-	-	-	-
Other Reserve	-	-	-	-
Adjustments	-	57,229,909	-	57,57,229,909
Surplus/ Deficit for the Year	-	326,603,923	-	326,603,923
Closing Balance as at 30 Jun 2024	1,946,891,000	1,735,605,395	128,558,760	3,811,055,155
Opening Balance as at 01 Jul 2022	1,946,891,000	1,088,477,000	80,359,000	3,115,727,000
Other Reserve	-	-	48,284,298	48,284,298
Adjustments	-	28,370,369	(84,538)-	28,370,369
Surplus/ Deficit for the Year	-	234,924,194	-	234,924,194
Closing Balance as at 30 Jun 2023	1,946,891,000	1,351,771,563	128,558,760	3,427,305,861



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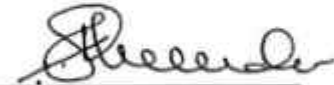
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DAVIS V. MPOTWA
MANAGER
MARINE PARKS AND RESERVES UNIT

CASHFLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2024

	NOTE	TZS	TZS
CASH FLOW FROM OPERATING ACTIVITIES			
RECEIPTS			
Subvention from other Government entities	24	3,486,952,153	1,997,238,121
Own Source Revenue	25	2,408,319,093	2,073,634,816
Fees, Fines, Penalties and Forfeits	26	50,000,000	50,500,000
Total Receipts		5,945,271,246	4,121,372,937
PAYMENTS			
Wages, Salaries and Employee Benefits	27	2,836,501,599	2,320,068,715
Use of Goods and Service	28	1,526,797,828	903,961,677
Maintenance Expenses	29	198,586,475	86,486,983
Other Expenses	30	83,389,059	52,869,245
Grants and Transfers	31	137,364,729	50,000,000
Other Transfers	32	399,680,576	394,964,709
Total Payments		5,182,320,266	3,808,351,329
NET CASH FLOW FROM OPERATING ACTIVITIES		762,950,980	313,021,608
CASH FLOW FROM INVESTING ACTIVITIES			
Investing Activities			
Payment for Work in Progress		-	-
Acquisition of Property, Plant and Equipment	33	(702,794,240)	(133,468,842)
Total Investing Activities		(702,794,240)	(133,468,842)
NET CASH FLOW FROM INVESTING ACTIVITIES		(702,794,240)	(133,468,842)
TOTAL CASH FLOW DURING THE YEAR		60,156,740	179,552,766
Cash and cash equivalent at beginning of period		486,422,766	306,870,000
Cash and cash equivalent at end of period		546,579,506	486,422,766



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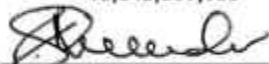
MARINE PARKS AND RESERVES UNIT

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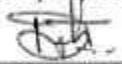
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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE PERIOD ENDED 30 JUNE 2024

Details	Budgeted Amount			Actual Amount		% Change
	Original Budget	Reallocations/ Adjustments	Final Budget (B)	Actual Amount on Comparison Basis (A)	Different Final Budget & Actual (B-A)	
	TZS	TZS	TZS	TZS	TZS	
RECEIPTS						
Fees, Fines, Penalties and Forfeits	3,500,000	-	3,500,000	50,000,000	46,500,000	1329%
Revenue from Exchange Transactions	2,918,204,000	-	2,918,204,000	2,408,319,093	(509,884,907)	-17%
Revenue Grants	1,530,043,006	-	1,530,043,006	1,392,101,516	(137,941,490)	-9%
Subvention from other Government entities	5,592,062,979	-	5,592,062,979	2,094,850,637	(3,497,212,342)	-63%
Total Receipts	10,043,809,985	-	10,043,809,985	5,945,271,246		
PAYMENTS						
Grants and Transfers	180,000,000	(34,209,840)	145,790,160	137,364,729	(8,425,431)	6%
Maintenance Expenses	591,840,600	26,980,000	618,820,600	198,586,475	(420,234,125)	-68%
Other Expenses	334,976,000	(17,225,053)	317,750,947	83,389,059	(234,361,888)	-74%
Other Transfers	151,100,000	-	151,100,000	399,680,576	248,580,576	165%
Use of Goods and Service	3,995,999,145	3,428,947	3,999,428,092	1,526,797,828	(2,472,630,264)	-62%
Wages, Salaries and Employee Benefits	3,532,340,635	20,935,946	3,553,276,581	2,836,501,599	(716,774,982)	-20%
Acquisition of Property, Plant and Equipment	1,257,553,605	90,000	1,257,643,605	702,794,240	(554,849,365)	-43%
Total Payment	10,043,809,985	-	10,043,809,985	5,885,114,506		


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25/03/2025
 DATE


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