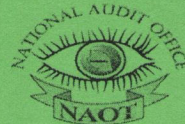




THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL
STATEMENTS OF LAKE RUKWA BASIN WATER BOARD FOR THE FINANCIAL
YEAR ENDED 30TH JUNE, 2014

The Controller and Auditor General,
National Audit Office,
Samora Avenue/Ohio Street,
P. O. Box 9080,
Tel: 255 (022) 2115157/8
Fax: 255 (022) 2117527
E-mail ocag@nao.go.tz
Website: www.nao.go.tz
DAR ES SALAAM.

MARCH , 2014

AR/LRBWB/2013/2014

2.0 AUDIT REPORT AND FINANCIAL STATEMENTS

Chairperson,
Lake Rukwa Basin Water Board,
P.O. Box 762,
MBEYA.

RE: REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE LAKE RUKWA BASIN WATER BOARD FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2014

Introduction

I have audited the financial statements of Lake Rukwa Basin Water Board which comprises of the Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets and Accounting Policies, Statement of Cash Flows, Statement of Comparison of Budget and Actual amounts and Notes to the Financial Statements for the year ended 30th June, 2014 as shown in **Annexure I** of this report.

Management Responsibility for the financial statements

The preparation of the financial statements is the responsibility of the management of the Lake Rukwa Basin Water Board as per the Statement of Management responsibility on the Financial Statements enclosed in this report as **Annexure II**.

Sect. 25(4) of the Public Finance Act No. 6 of 2001 (revised 2004), places responsibility on the Accounting Officer to prepare financial statements for each financial year which presents true and fair view of the financial position, financial performance and cash flows for the year then ended. It also, requires management to ensure that the reporting entity keeps proper accounting records, which will disclose with reasonable accuracy its financial position of the reporting entity and its responsibility in safeguarding the assets of the reporting entity.

Responsibilities of the Controller and Auditor General

My responsibility as an auditor is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards of Supreme Audit Institutions and such other procedures I considered necessary in the circumstances. These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, I considered the internal control relevant to the Lake Rukwa Basin Water Board preparation and fair

presentation of the financial statements 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 Lake Rukwa Basin Water Board internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements

In addition, Sect. 10 (2) of the PAA No. 11 of 2008 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards and that; reasonable precautions have been taken to safeguard the collection of revenue, receipt, custody, disposal, issue and proper use of public property, and that the law, directions and instructions applicable thereto have been duly observed and expenditures of public monies have been properly authorized.

Further, Sect 48(3) of the Public Procurement Act No.7 of 2011 requires me to state in my annual audit report whether or not the auditee has complied with the provisions of the Law and its Regulations.

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

Unqualified Opinion

In my opinion, the Financial Statements present fairly, in all material respects the Financial Position of Lake Rukwa Basin Water Board as at 30th June, 2014 its Financial Performance and its Cash Flows for the year then ended in accordance with international Public Sector Accounting Standards (IPSASs) under the accrual basis of accounting.

Report on Other Legal and Regulatory Requirements

Compliance with the Public Procurement Act, 2011

In view of my responsibility on the procurement legislation and taking into consideration the procurement transactions and processes I have reviewed as part of this audit, I state that, the Lake Rukwa Basin Water Board procurement transactions and processes have generally complied with the requirements of the Public Procurement Act No.7 of 2011 and its underlying Regulations of 2013.


Prof. Mussa J. Assad
CONTROLLER AND AUDITOR GENERAL

National Audit Office,
Dar es Salaam.

March, 2015

