

**REVOLUTIONARY GOVERNMENT OF ZANZIBAR**

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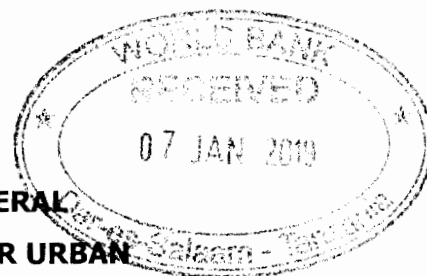
OFFICE OF THE CONTROLLER  
AND AUDITOR GENERAL  
MAISARA STREET  
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REF.NO: AUD/W.FM.2/VOL.I/6

DATE: 27<sup>TH</sup> DECEMBER, 2018

PRINCIPAL SECRETARY  
MINISTRY OF FINANCE AND PLANNING  
ZANZIBAR



RE: REPORT OF CONTROLLER AND AUDITOR GENERAL  
ON THE FINANCIAL STATEMENTS OF ZANZIBAR URBAN  
SERVICES PROJECT (ZUSP) ADDITIONAL FINANCING  
FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2018

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Please refer the above subject.

Find enclosed here with an Audit Report of Controller and Auditor General on the financial statement of Zanzibar Urban Services Project (ZUSP) Additional financing for the period ended 30<sup>th</sup> June 2018.

I hereby on submit for your necessary action.

Thanks.

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**SALEH H. ABASS**  
**/CONTROLLER AND AUDITOR GENERAL**  
**ZANZIBAR**



**THE REVOLUTIONARY GOVERNMENT OF ZANZIBAR  
OFFICE OF THE CONTROLLER AND AUDITOR GENERAL  
ZANZIBAR (OCAGZ)**

**REPORT OF CONTROLLER AND AUDITOR GENERAL ON THE  
FINANCIAL STATEMENTS OF ZANZIBAR URBAN  
SERVICES PROJECT (ZUSP) ADDITIONAL FINANCING  
FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2018**

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MAISARA STREET  
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**REF.NO:AUD/W.FM.2/VOL.I/5**

**DATE: 27<sup>TH</sup> DECEMBER, 2018**

**PRINCIPAL SECRETARY  
MINISTRY OF FINANCE AND PLANNING  
ZANZIBAR**

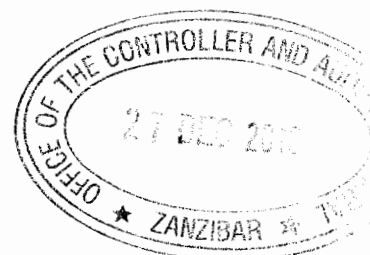
**RE: AUDIT REPORT OF THE CONTROLLER AND AUDITOR GENERAL  
ON THE FINANCIAL STATEMENTS OF ZANZIBAR URBAN  
SERVICES PROJECT (ZUSP) ADDITIONAL FINANCING  
FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE 2018**

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We have audited the financial statement of Zanzibar Urban Services Project (ZUSP) **Additional financing for the period ended 30<sup>th</sup> June 2018** and related statement of sources and application of funds for the year ended on the date. The audit was conducted in accordance with International Standard on Auditing (ISA) and included such other procedures that we considered necessary in the circumstances.

**Responsibilities of the Management**

The preparation and maintenance of financial statements is the responsibility of the Management of the Project. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statement that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.



## **Responsibilities of the Controller and Auditor General**

Our responsibility is to express an independent opinion based on the audit. Specifically, we are required to satisfy our self whether the funds contributed to the Project were exclusively and judiciously to meet eligible expenditures with due regard

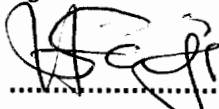
to economy and efficiency, whether the accounts have been kept in accordance with International Accounting Standards, whether the internal control system applied is effective, and whether the procurement of goods and consultancy services were done in accordance with the agreement between the Revolutionary Government of Zanzibar and Development Partner.

## **Basis of opinion**

The audit was conducted in accordance with International Standards on Auditing (ISA) and included such other procedures that we considered necessary in the circumstances. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. It also includes assessing the significant estimates and judgments made in the preparation of the financial statements, assessing whether the internal control system and the accounting policies are appropriate to the circumstances of the Project consistently applied and adequately disclosed. It also involves evaluating the overall financial statements preparation, and assessing the extent of compliance with the relevant statutory requirements. I believe the audit provides a reasonable basis for my opinion.

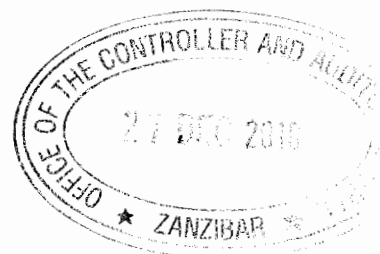
## **Unqualified Opinion**

In my opinion, the financial statements present in all material respects, the true and fair view of the financial position of **Zanzibar Urban Services Project (ZUSP) Additional Financing for the period ended 30<sup>th</sup> June 2018** and the results of the operations for the year ended in accordance with the Development Loan Agreement.



**SALEH H. ABASS**

**/CONTROLLER AND AUDITOR GENERAL  
ZANZIBAR**



**MINISTRY OF FINANCE AND PLANNING**  
**PROJECT TITLE: ZANZIBAR URBAN SERVICES PROJECT (ZUSP)**  
**ADDITIONAL FINANCING**  
**NOTES AND SCHEDULE TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 30th JUNE 2018.**

**1 ACCOUNTING ENTITY.**

The International Development Association has been supporting the Revolutionary Government of Zanzibar through The Ministry of Finance for the project named Zanzibar Urban Services Project. The project is financed by World Bank through International Development Association for the following objectives:-

To Improve access to urban services in Zanzibar and conserve the physical cultural heritage at one public location within Stone Town.

**2 PRINCIPAL ACCOUNTING POLICIES.**

**2 Basis of accounting.**

This financial statements have been prepared in accordance with Cash basis of accounting. No account is taken of income not yet received and liabilities for goods and services remaining unpaid at the end of the financial period. IPSAS Financial Reporting Under the cash basis of Accounting.

2 The accounting policies have been applied consistently through the period.

**2 Recognition of Income**

Income is recognised in the accounts when fund are received.

**2 Recognition of Expenditure:**

Expenditure in respect of works, goods and services is recognised in the statement of receipts and payments at the time of payments.

**3 Fixed assets:**

Fixed assets are expensed in the period of purchases.

**3 Reporting entity**

The financial statement are for the Project of Zanzibar Urban Services Project

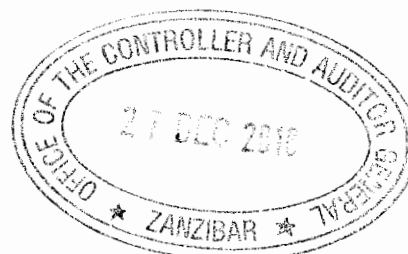
**3 Reporting Currency**

The reporting currency is United State of America - Dollars (US\$)

**3 The following details explain the project receipts and payments by component and the sources of fund during the financial year under review as follows:-**

**(a) Receipt from IDA**

During the financial year under review the project received fund from IDA  
**USD 2,436,274.21**



**MINISTRY OF FINANCE AND PLANNING**

**PROJECT TITLE: ZANZIBAR URBAN SERVICES PROJECT (ZUSP)  
ADDITIONAL FINANCING**

**COMPARISON BETWEEN BUDGET AND ACTUAL EXPENDITURE**

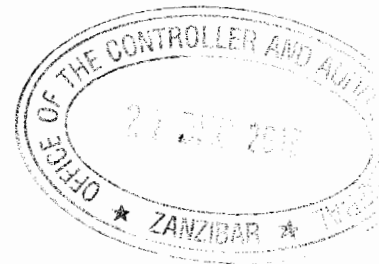
AS AT 30th JUNE, 2018.

	IDA			GOVERNMENT		
	Budget USD	Actual USD	Variance USD	Budget USD	Actual USD	Variance USD
<b>RECEIPTS</b>						
Received from Government	-	-	-	-	-	-
Loan from IDA	7,000,000.00	2,436,274.21	4,563,725.79	-	-	-
<b>Total receipts</b>	<b>7,000,000.00</b>	<b>2,436,274.21</b>	<b>4,563,725.79</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>PAYMENTS BY COMPONENT:</b>						
<u>Institutional Strengthening - ZMC</u>						
ZMC -Consulancy	240,000.00	281,987.72	41,987.72	-	-	-
Resttlement	7,405,500.00	708,183.38	6,697,316.62	-	-	-
Goods	450,000.00	-	450,000.00	-	-	-
	<b>8,095,500.00</b>	<b>990,171.10</b>	<b>7,105,328.90</b>			
<u>Support to 3TCs - Pemba Island</u>						
Prioritisation	-	-	-	-	-	-
Pemba Small Investment	250,000.00	-	250,000.00	-	-	-
TC.works	350,000.00	-	350,000.00	-	-	-
	<b>600,000.00</b>		<b>600,000.00</b>			
<u>PMT</u>						
Training	95,000.00	-	95,000.00	-	-	-
Operating Cost	54,930.00	8,109.59	46,820.41	-	-	-
Goods	20,000.00	0	20,000.00	-	-	-
	<b>169,930.00</b>	<b>8,109.59</b>	<b>161,820.41</b>			
<b>TOTAL EXPENDITURE</b>	<b>8,865,430.00</b>	<b>998,280.69</b>	<b>7,867,149.31</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Variance as at 30th June 2018</b>		<b>7,867,149.31</b>				

The financial Statements were signed on behalf of the ZUSP for the Project of Ministry of Finance - Zanzibar.

Project Coordinator .....

Financial Officer .....

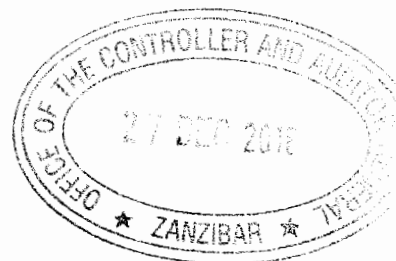


**PROJECT TITLE: ZANZIBAR URBAN SERVICES PROJECT (ZUSP)**  
**ADDITIONAL FINANCING**  
**STATEMENT OF RECEIPTS AND PAYMENTS**  
**FOR THE PERIOD ENDED 30TH JUNE 2018**

<b>RECEIPTS BY SOURCE OF FUND:</b>	US \$	US \$	US \$
	LOAN	GOVERNMENT	TOTAL
	2018		
Opening Balance		-	-
Loan account -Special account	U\$ 2,838,086.00		
Local account	U\$ 999,910.14		
local Escrow account	U\$ 1,686,186.14		
World Bank (IDA):	2,436,274.21	-	2,436,274.21
Returns from Suppliers	-	-	-
Government Contribution	-	-	-
	<b>7,960,456.49</b>	<b>-</b>	<b>2,436,274.21</b>

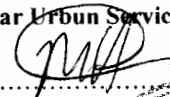
**EXPENDITURE BY COMPONENT:**

<b><u>Institutional Strengthening - ZMC</u></b>			
Remuneration	281,987.72	-	281,987.72
ZMC ICT			-
Resettlement	708,183.38	-	708,183.38
Sub Total	990,171.10		990,171.10



<b>PMT</b>			-
Operating Cost	8,109.59		8,109.59
<b>Sub Total</b>	<b>8,109.59</b>		<b>8,109.59</b>
<b>TOTAL EXPENDITURE</b>	<b>998,280.69</b>	-	<b>998,280.69</b>
<b>BALANCE OF FUND AS AT 30TH JUNE</b>	<b>6,962,175.80</b>	-	<b>6,962,175.80</b>
<b>REPRESENTED BY: BANK BALANCE</b>	<b>6,962,175.80</b>		<b>6,962,175.80</b>

The Financial Statements were signed on behalf of The Ministry of Finance - Zanzibar for the Project of Zanzibar Urban Servicesn (ZUSP) by:

Project Coordinator ..... 

Project Financial Officer .....

