

HEALTH AND INSURANCE MANAGEMENT SERVICES ORGANISATION



REPORT OF THE INDEPENDENT AUDITORS TO HEALTH AND INSURANCE MANAGEMENT SERVICES ORGANISATION (HIMSO) AND PROTESTANT AGENCY FOR DIAKONIE AND DEVELOPMENT FOR BREAD FOR THE WORLD – PROTESTANT DEVELOPMENT SERVICE (BFDW) IN RESPECT OF PROJECT NO. A-TZA-2018-0377 TITLED “PROMOTION OF COLLABORATIVE EMERGENCY TRANSPORT SYSTEM AND COMMUNITY HEALTH FUND” FOR THE SIX-MONTH PERIOD ENDED 31ST MAY 2021



September 2021

This report contains 6 printed pages

AUDITORS REPORT

REPORT OF THE INDEPENDENT AUDITORS TO HEALTH AND INSURANCE MANAGEMENT SERVICES ORGANISATION (HIMSO) AND PROTESTANT AGENCY FOR DIAKONIE AND DEVELOPMENT FOR BREAD FOR THE WORLD – PROTESTANT DEVELOPMENT SERVICE (BFDW) IN RESPECT OF PROJECT NO. A-TZA-2018-0377 TITLED “PROMOTION OF COLLABORATIVE EMERGENCY TRANSPORT SYSTEM AND COMMUNITY HEALTH FUND” FOR THE SIX-MONTH PERIOD ENDED 31st MAY 2021

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the project: “*Promotion of collaborative Emergency Transport System and Community Health Fund*” funded by Bread for the World - Protestant Development Service (BFDW) and own resources and which comprise the Financial Report Forms on page 1 to 3 with reference to period 5 for the six-month period ended 31st May 2021.

In our opinion,

- the financial statements of the Project for the six-month period ended 31st May 2021 reflects a true and fair view of the financial affairs of the Project;
- the Project funds have been used exclusively for the purposes of the Project in accordance with the Cooperation Agreement, the Implementing Guidelines and the Schedules of Budgeted Expenses and Sources of Income; and
- The Cooperation Agreement has been adhered to.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of the report. We are independent of the organization in accordance with the International Ethical Standards Board for Accountants ‘Code of ethics for Professional Accountants’ (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our opinion.

Responsibilities of Management for the Financial Statements

HIMSO Management (The Project Partner) is responsible for the preparation of the Financial Statements that give a true and fair view in accordance with the terms of the agreement with regard to form, content and timing 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.

Auditor's Responsibilities for the Audit of the financial statements

Our 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 auditor’s report that

includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 the financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We 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 our 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the statements represent the underlying transactions and events in a manner that achieves fair presentation together with the terms and conditions of the agreement.

We communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Matter – Restriction on use and distribution

The financial statements have been prepared in accordance with the cash basis of accounting for the use by HIMSO Project Management (the Project Partner) and BFDW and the financial statements and related auditor's report may not be suitable for another purpose other than intended by the users mentioned above. Our report should not be distributed to or used by parties other than those mentioned above.



ABA Alliance
Certified Public Accountants
Dar es Salaam



Signed by: William G. Kihigwa, ACPA 912

..... 20/9/ 2021

		Financial Report						TOTAL Income Period 1 to 6
Project Number and Title:		A-TZA-2018-0377 Promotion of Collaborative ETS (Emergency Transport System) and CHF (Community Health Fund)						
Project Partner:		Health and Insurance Management Services Organization (HIMSO)						
Reporting Period:		1st December 2018 - 30th November 2021						
Project Period:		1st December 2020 - 31st May 2021						
I. INCOME / Receipts								
Sources of Income								
Total Budgeted Income of whole project (in EURO)		Total Budgeted Income of whole project (in National Currency)						
Period covered: 01st December 2020 -31st May 2021		1. Reporting period	2. Reporting period	3. Reporting period	4. Reporting period	5. Reporting period	6. Reporting period	
		Dec 2018-May 2019	June 2019-Nov 2019	Dec 2019-May 2020	June 2020-Nov 2020	Dec 2020-May 2021		
1. Funds from other Sources than Financing Partner								
1.0 Remaining Funds of Previous Project		0.00						
1.1 Monetary Contribution of Target Groups		0.00						
1.2 Own Means of Project Partner		250,000.00	61,314,878.00	26,410,000.00	172,513,533.35	186,019,545.06	473,108,362.16	
1.3 Funds by National Churches								
1.4 Further National Funds								
1.5 Funds by International Churches								
1.6 Further International non-church Funding								
1.7 KZE-Funding (provided by Misereor)								
1.8 Further Funding by German Federal Sources								
1.9 Further Funding by German Churches								
1.10 Interest and exchange rate gains from other sources than Financing Partner		0.00						
Total Funds provided by other Sources		250,000.00	61,314,878.00	26,410,000.00	172,513,533.35	186,019,545.06	473,108,362.16	
2. Funds provided by the Financing Partner								
2.1 Transfer		139,099,805.00	202,377,000.00	0.00	62,257,500.00	279,027,000.00	682,755,305.00	
Transfer		127,603,530.00	80,256,000.00	0.00	122,130,000.00		329,989,530.00	
Transfer			51,996,000.00	0.00			51,996,000.00	
Total Transfers		266,703,335.00	334,629,000.00	-	184,387,500.00	279,027,000.00	1,064,740,835.00	
2.2 Interest								
2.3 Exchange-rate gains								
Total Income Financing Partner		266,703,335.00	334,629,000.00	-	184,387,500.00	279,027,000.00	1,064,740,835.00	
3. TOTAL		700,000.00	395,943,878.00	26,410,000.00	356,896,033.35	465,046,545.06	1,537,849,197.16	
Remarks (if necessary):		For the first year of the project, BFDW will fund more than the allocated 56.25% of the project budget						
List of debit notes (considered in project account of financing partner as income). Debit notes are also mentioned in footnote as project expenditure. (refer to Expenditure sheet)		Debit Note N°						Amount (in National Currency)

Project Number Reporting Period		Project Title Reporting Period		Expenditure / Payments		Expenditure / payments (in National Currency)		TOTAL - Expenditure Period 1 to 6											
A-TZA-2018-0377 01/13/2020 to 31/05/2021		Promotion of Collaborative ETS (Emergency Transport System) and CHF (Community Health Fund)		Ex-rate: 2600															
II. Expenditure / Payments		Total budgeted expenditure (in National Currency)		Total budgeted expenditure (in EURO)		1 Reporting period Dec-2018-May-2019		2 Reporting period Jun-19-Nov-2019		3 Reporting period Dec-2019-May-2020		4 Reporting period June 2020-Nov-2020		5 Reporting period Dec-2020- May-2021		6 Reporting period		TOTAL - Expenditure Period 1 to 6	
Period covered: 01st December 2018 - 31st May 2021		700,776,000.00		269,510.00		36,364,643.60		65,609,287.00		61,639,250.00		115,734,580.00		290,875,134.50				560,222,895.10	
1. Activities																			
1.1 ETS - Emergency Transport System																			
1.1.1 Setting up ETS & CHUA																			
1.1.2 Training of CHUA and CHW																			
1.1.3 Baseline, Data + reporting system, Survey																			
1.1.4 Marketing ETS																			
1.2 ICHF - Improved community health fund																			
1.2.1 Trainings for regional/district manager																			
1.2.2 Technical support and propensity survey																			
1.2.3 Networking and Advocacy																			
1.3 Programmatic Development																			
1.4 Technical Backstopping, Staff capacity building																			
2. Personnel																			
2.01 Regional Program Manager (100% of monthly 615 €)																			
2.1 Regional Program Manager (100% of monthly 1,022 €)																			
2.1.1 Operations Officer (100% of monthly 142 €) x 4																			
2.1.2 M&E Officer (50% of monthly 1,350 €)																			
2.1.3 M&E Officer (50% of monthly 1,350 €)																			
2.1.4 M&E Officer (50% of monthly 1,350 €)																			
2.1.5 Marketing and Development Officer (70% of monthly 1810																			
2.1.6 Transport Supervisor (100% of monthly 392 €)																			
2.1.7 Ambulance Driver (100% of monthly 572 €) x 2																			
2.2 Administrative Personnel																			
2.2.1 Executive Director (50% of monthly 1,796 €)																			
2.2.2 Finance and Administrative Officer (50% of monthly 1090€)																			
2.2.3 Accountant (65% of monthly 307 Euro)																			
2.2.4 Security Mbeya office day & night (50% of monthly 90 €) x 2																			
2.2.5 Security districts offices (100% of monthly 90 €) x 4																			
2.2.6 Cleaning Mbeya office (50% of monthly 90 €) x 4																			
2.2.7 Cleaning districts offices (100% of monthly 90 €) x 4																			
3. Administration																			
3.1 Insurance and maintenance for vehicle /technical equipment																			
3.2 Audit (6 x 4000 €)																			
3.3 Mbeya Office (rent, utilities, communication, bank charges)																			
3.4 Busokelo Office (rent, utilities, communication, bank charges)																			
3.5 Ilele Office (rent, utilities, communication, bank charges)																			
3.6 Mbeza Office (rent, utilities, communication, bank charges)																			
3.7 Rungwe Office (rent, utilities, communication, bank charges)																			
4. Procurement																			
4.1 Office Equipment																			
1,200 €, camera 800 €, office furniture 3,000 €																			
5. Construction																			
6.1 Evaluation																			
6. Evaluation																			
6.1 Evaluation																			
Subtotal																			
677,503.00																			
22,497.00																			
700,000.00																			
Total cost																			
1,470,671,815.73																			
7. Reserve*																			
1,470,671,815.73																			
Total cost																			
1,470,671,815.73																			
List of debit notes (not included in expenditure), as informed by Financing Partner																			
Debit notes are also mentioned in footnote as income from the Financing Partner (refer to income sheet)																			
* If expenditure is booked under the item "Reserve", the auditor describes in an explanatory note the nature of expenditure and confirms the consent of Bread for the World																			
Amount (in National Currency)																			
Debit Note N°																			
Budget Item N°																			

Project Number:
Project Title:

A-TZA-2018-0377
Promotion of Collaborative ETS (Emergency Transport System) and CHF (Community Health Fund)

III. Balance of Project Funds and Cash Status

Reporting period: 1st December 2020 to 31st May 2021

NC

1. Balance of Project Funds at start of reporting period	96,944,671.18
2. Add: Total income during the reporting period	+ 465,046,545.06
3. Less: Total expenditure during the reporting period	- 494,813,834.81
4. Balance of Project Funds at the end of the period	<u>67,177,381.43</u> (A)

5. Cash Status:	
Cash at hand:	482,325.00
Cash at bank:	+ 66,695,056.43
	<u>67,177,381.43</u> (B)

Reconciliation of difference between (A) and (B), if any: 0.00

6. Details of major prepayments and liabilities:

0.00
0.00

This is to confirm that the contents of the report are in accordance with the Budget and the Agreement of Cooperation entered into by the Project Partner and the Financing Partner.

Notes (if necessary):



MBEYA, 20/09/2021

(Place, Date)

FADHILI MTANGA
(Name and Signature of authorised Signatory)