

**THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE**

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS AND COMPLIANCE AUDIT OF SOKOINE
UNIVERSITY OF AGRICULTURE FOR THE FINANCIAL YEAR
ENDED 30 JUNE 2021**

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Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the URT of 1977 and in Section 10 (1) of the Public Audit Act, Cap 418 [R.E 2021].

Vision

A credible and modern Supreme Audit Institution with high-quality audit services for enhancing public confidence.

Mission

To provide high-quality audit services through modernization of functions that enhance accountability and transparency in the management of public resources.

Motto: “Modernizing External Audit for Stronger Public Confidence”

Core values

In providing quality services, NAO is guided by the following Core Values:

- i. Independence and objectivity
- ii. Professional competence
- iii. Integrity
- iv. Creativity and Innovation
- v. Results-Oriented
- vi. Teamwork Spirit

We do this by:

- ✓ Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- ✓ Helping to improve the quality of public services by supporting innovation on the use of public resources;
- ✓ Providing technical advice to our clients on operational gaps in their operating systems;
- ✓ Systematically involve our clients in the audit process and audit cycles; and
- ✓ Providing audit staff with adequate working tools and facilities that promote independence.

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ABBREVIATIONS

AAU	Association of African Universities
CAG	Controller and Auditor General
COSTECH	Commission for Science and Technology
DGAM	Director for Government Assets Management
DVC-ARC	Deputy Vice Chancellor-Academic Research and Consultancy
DVC-PFA	Deputy Vice Chancellor-Planning, Finance and Administration
EAIDSNET	East African Integrated Disease Surveillance Network
EDMS	Electronic Document Management System
FYDP	Five Year Development Plan
GePG	Government electronic Payment Gateway
GFS	Government Finance Statistics
ICT	Information and Communication Technology
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
ISA	International Standards on Auditing
ISSAIs	International Standard of Supreme Audit Institutions
IUCEA	Inter-University Council of East Africa
KPI	Key Performance Indicator
LAN	Local Area Network
M&E	Monitoring and Evaluation
MDAs	Ministries, Departments and Agencies
MTEF	Medium Term Expenditure Framework
MUSE	Mfumo wa Ulipaji Serikalini
NBAA	National Board of Accountants and Auditors
NHIF	National Health Insurance Fund
PLANREP	Planning and Reporting System
PPR	Public Procurement Regulations 2013 (as amended 2016)
RAAWU	Researchers, Academicians and Administrative Staff Workers Union
RBA	Risk Based Approach
RPDS	Research and Publication Documentation System
SACCOS	Savings and Credit Cooperative Society
SACIDS	Southern African Centre for Infectious Diseases Surveillance
SNAL	Sokoine National Agricultural Library
SO	Strategic Objective
SUA	Sokoine University of Agriculture
SUACSP	Sokoine University of Agriculture Corporate Strategic Plan
SUASA	Sokoine University of Agriculture Academic Staff Association
SUASIS	Sokoine University of Agriculture Students' Information System
TaNePS	Tanzania National electronic Procurement System
TDV 2025	Tanzania Development Vision 2025
TFRS	Tanzania Financial Reporting Standards
ToT	Training of Trainers
UK	United Kingdom
UQF	University Qualification Framework
URT	United Republic of Tanzania
USA	United States of America
VC	Vice Chancellor
VFMIS	Votebook Financial Management Information System
VPN	Virtual Private Network

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1.0 REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR 2020/21

1.1. ENTITY OPERATING MODEL

1.1.1. Introduction

The Council of Sokoine University of Agriculture (SUA) is pleased to present herewith its report together with the financial statements for the year that ended on 30 June 2021, which discloses the state of affairs of the University. The Governance report has been prepared in accordance with the requirements of the Tanzania Financial Reporting Standards No. 1 (TFRS No. 1) approved and issued by the NBAA Governing Board on its 182nd meeting held on 22 June 2020.

The standard aims at assisting the Council in setting out the analysis of the University's operations and financial reviews with a forward-looking orientation. This helps primary users and other stakeholders to assess strategies adopted by SUA and the potential for those strategies to succeed toward creating value over the short, medium, and long-term periods.

1.1.2. Establishment

Sokoine University of Agriculture (SUA) is a Public University based in Morogoro Tanzania, East Africa. Since its establishment, SUA is best known for offering courses and programmes widely in the fields of Agriculture, Veterinary Science, Forestry, Animal Science, Wildlife Management, Tourism Management, Environmental Science, Food Science, Natural Resources, Nutrition, ICT, Education and Rural Development.

The University was formed out of the former Faculty of Agriculture, Forestry and Veterinary Science of the University of Dar es Salaam on 1 July 1984 by Act No. 6 of Parliament. This Act was later repealed by the Universities Act of 2005, which resulted in granting the SUA Charter of 2007.

1.1.3. Vision

To be a leading University in the provision of quality knowledge and skills in agriculture and allied sciences.

1.1.4. Mission

To promote development in agriculture, natural resources and allied sectors through training, research and delivery of services. In achieving its vision and fulfilling its mission, the University upholds the principles of academic excellence; integrity and freedom; efficiency; participatory management; social responsibility; equity and justice; professional and ethical standard; and continuous learning.

1.1.5. Core Values

The University adheres to the following core values: -

- (i) Effectiveness
- (ii) Efficiency
- (iii) Pursuit of excellence
- (iv) Creativity and innovativeness
- (v) Equality and social justice
- (vi) Integrity
- (vii) Transparency
- (viii) Accountability
- (ix) Diligence on duty
- (x) Freedom of thought
- (xi) Corporate responsibility
- (xii) Participatory management
- (xiii) Teamwork
- (xiv) Adaptive and responsive
- (xv) Life-long learning; and
- (xvi) Internationalization.

1.1.6. Inputs, Outputs and Outcomes

The Sokoine University of Agriculture is a higher learning institution engaged in training research and outreach whose inputs, operations, outputs and outcomes are as follows: -

a. Inputs

In accomplishment of daily activities, the University has both quality academic and administrative members of staff, adequate infrastructure including office buildings, lecture theatres, classrooms, laboratories, health facilities; and communication facilities to cater for quality training, research and outreach needs. Some of the facilities including the multipurpose laboratory with a capacity of handling more than 2,000 students at once are expected to commence in operation in the subsequent year.

Notwithstanding the quality of inputs, the University is also progressing well in appropriate allocation of resources to ensure equitable inputs with the increase in needs to suit its expansion of operations. Requests have been made to the Government to cover for the inadequacy in the number of staff. Further, at least TZS 500 million was set aside in Financial Year 2020/21 to financially support junior researchers with novel research ideas submitted through proposals. Other inputs included but not limited to the following: -

- i. Skilled manpower: The University had 1,289 employees (Male 931, Female 458);
- ii. Increased students' enrolment: The University had 14,581 Students (Male 9,054, Female 5,527);
- iii. Improved outreach services: SUA conducted several outreach services and workshops including the Sokoine Memorial Day;
- iv. Environmental protection: SUA raised and planted 320,000 seedlings for planting to university forests in Arusha and Madaba and distributing to the surrounding communities; and
- v. Procurement of services: SUA set aside a budget of TZS 122.58 billion out of which TZS 24.5 billion was allocated to cater for procurement of goods, services and works.

b. Operating/Business Activities

The principal activities of Sokoine University of Agriculture as stipulated by SUA Charter, among others are as follows: -

- i. To prepare graduates to work with the Tanzania Community in agriculture, wildlife, livestock, environment and allied sectors for the purpose of development and strengthening of the national economy;
- ii. To provide facilities for the conduct of the University education in the fields of/ or related to agriculture, fisheries, forestry, veterinary, environmental science;
- iii. To conduct examinations for, and to grant degrees, diplomas, certificates and other awards of the University;
- iv. To conduct applied and basic research with or without cooperation with other Institutions; and
- v. Preservation, transmission, dissemination and enhancement of knowledge in the fields of agriculture, fisheries, forestry, veterinary, environment issues and allied sciences.

The day-to-day operations of the University are managed through various University Schools, Colleges, Directorates and Units having different functions. Subsequently, the University has undergone restructuring and reorganisation of its units as shown in Table 1 below:

Table 1: SUA academic and administrative departments as of 30 June 2021

SN	Unit	Functions in accomplishment of principal activities
1.0	The Office of the Vice Chancellor (VC)	The office is headed by the Vice Chancellor who is the Chief Executive Academic and Administrative Officer of the University and ex-officio Chairman of the Senate and of the Governing Board of every constituent college of the University. The VC is responsible to the Council for the implementation of the decisions of the Council. The Office of the VC comprises six (6) units with the functions shown in 1.1 to 1.6 below:
1.1	Procurement Management Unit (PMU)	<p>The functions of the unit are: -</p> <ol style="list-style-type: none"> 1. To serve as the Secretary to the Tender Board 2. To prepare and update Annual procurement Plan for the procurement of goods, works, non - consultancy and consultancy services 3. To prepare monthly information used for the implementation of the procurement plan for the Tender Board, management, user department and other stakeholders 4. To ensure adherence to the procurement process and procedures as per the Public Procurement Act and its regulations 5. To procure, maintain and manage supplies, materials and services to obtain the best value for money in terms of price, quality and delivery 6. To ensure proper handling and storage, adequate and timely distribution of office supplies and materials 7. To provide technical advice to management, Tender Board user departments and other stakeholders on matters pertaining to procurement practises pursuant, procurement principles and procedures 8. To play as a link between the University and PPRA on matters related to procurement 9. To bid documents for the procurement of goods, works, non -

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

SN	Unit	Functions in accomplishment of principal activities
		consultant services and disposal of assets as per regulation 10. To assist contract management and administration, including coordination of contracts as well as issuing of approved contracts. 11. To prepare and maintain the fixed assets register of the University.
1.2	Internal Audit Unit	The functions of the unit are: - 1. To assist the University Management in evaluating the effectiveness of control systems to safeguard the interests of the University. 2. To guide and ensure the University expenditures comply with the laid down financial and audit standards (local and international). 3. To prepare and execute Annual Audit Plans. 4. To collaborate and assist External Auditors while undertaking their duties in the University. 5. To monitor the performance of the annual budgets across the University. 6. To evaluate the genuinely of various payments.
1.3	Legal Unit	The main functions of the Legal Services Unit are: - 1. To provide legal services, guidance and advice to the University. Such services include and not limited to, interpreting laws, ruling and regulations of the University management and community, drafting reviewing and participating in preparation of all legal documents which concern the operations of university in all units of the University 2. To handle issues of property rights and acquisition 3. To gather relevant information or evidence 4. To draft or write legal opinions 5. To be the custodian of and maintain all legal documents such as title deeds, contracts, MoU, statutes such as the Universities Act, University Charter and regulations/bylaws made under the Charter 6. To maintain the legal database of the University 7. To handle court cases involving the University 8. To liaise with the Attorney General Chamber and external legal counsels hired by the University for guidance and legal services 9. To handle labour disputes and complaints filed at the Commission for Mediation and Arbitration and Labour Court in collaboration with the Directorate of Human Resources and Administration.
1.4	Communication and Marketing Unit	The functions of the unit are: - 1. To guide and manage internal and external communication activities and public relations. 2. To organize and participate in coordination of the University events, media relations and the University news. 3. To handle the preparation and keep records of press cuttings of Radio and TV programmes. 4. To Maintaining photographic records of special and major events. 5. To receive news assignments, investigate news leads, mobilize and assemble news reports into stable stories.
1.5	Quality Assurance Unit	The functions of the unit are: - 1. To develop, strategize, promote and oversee the implementation of the Quality Assurance Policy 2. To develop and maintain appropriate and relevant general operational manuals including internal self-evaluation instruments to guide University-level QA operations 3. To set performance standards including updating in every five years, operational manuals to guide university-level quality assurance operations as well as instruments for use in internal evaluations 4. To evaluate the link between various University policies and quality assurance framework and devise harmonization strategies. 5. To formulate and oversee the implementation of various responsive strategies for quality assurance and promotion in accordance with changes and challenges

SN	Unit	Functions in accomplishment of principal activities
		<ol style="list-style-type: none"> 6. To evaluate resource availability for training, research and outreach programmes and advise accordingly 7. To coordinate institutional self-evaluation on quality assurance systems 8. To carry out analysis of quality assurance reports such as students' course evaluations; External examiners reports, external evaluation/audit reports and identifying issues for short, medium- or long-term implementation and their implementing units 9. To coordinate external evaluation or institutional audits. 10. To initiate and maintain links with TCU and Quality Bureaus/Directorates/Units in sister universities and colleges and forging partnership with relevant regional QA bodies for mutual benefit 11. To monitor, evaluate and ensure quality in teaching, learning, research, outreach and service provision 12. To evaluate and ensure that all staff and students implement set institutional quality standards in teaching, learning, research, outreach and service provision 13. To conduct periodic training on quality assurance issues 14. To keep abreast with topical quality assurance matters in higher education at national, regional and global levels and determine how the University can actively participate in any debates and/or practices arising thereof 15. Perform any other duties related to QA as shall be determined by the University 16. To ensure continued supply of quality training materials and aids and manage lecture rooms supplies and ensuring their adequacy 17. To guide the University Management on compliance to National and International quality management standards 18. To prepare and conduct in house training to the University Leaders on various quality assurance and management matters.
1.6	Internationalization and Convocation Unit	<p>The functions of the unit: -</p> <ol style="list-style-type: none"> 1. To coordinate SUA students' exchange and related institutional students' link programs 2. To initiate, coordinate and manage SUA membership in regional and global forum, consortia and institutions to enhance internationalisation 3. To develop strategies to enhance SUA international collaboration and linkages in training, research and outreach for the national and global development 4. Solicit and disseminate opportunities for international collaboration in research, training, exchange programmes and sabbatical/research attachments 5. To facilitate and coordinate all contracts, agreement and Memoranda of Understanding for various activities between SUA and collaborating institutions in collaboration with the Legal Unit. 6. To provide information on accommodation arrangements including available hostels and other rental facilities 7. To coordinate arrival of foreign students and supervisors. 8. To coordinate orientation for exchange/international students. 9. To process student passes, visas and resident permits 10. To facilitate studies for electives course selection through respective departments/ schools/ institutes 11. To arrange excursion and cultural exposure activities for undergraduate/postgraduate studies for international students 12. Arrange international excursion and cultural exposure activities for undergraduate/postgraduate studies for SUA students 13. To provide social support to international students 14. To establish and handle correspondences of mutually beneficial

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SN	Unit	Functions in accomplishment of principal activities
		<p>relationship between the SUA and her alumni to promote the welfare of the University</p> <ol style="list-style-type: none"> 15. To organize forums to the members of Convocation for the furtherance of the objectives and functions of the University 16. To organize meetings and discuss any matter within the sphere of competence of the University and transmit any resolution arising from such discussions to the University Governing Authorities or to appropriate Government Authorities as the case may be 17. To foster a strong relationship between the University and the entire Tanzanian society and to maintain a dialogue with the Government on Tanzania's social, economic and other problems for purposes of promoting development in the country 18. To build a database of members of the Convocation in order to enhance communication and information dissemination between the University and its former students and staff by collecting and storing the current and up-to-date information about the University Alumni and past SUA teaching staff; and 19. To organize and announce, through news media, newsprint, the internet and any other means, all activities, and events to be conducted by the University in order to solicit funds, contributions or advice by members of the Convocation.
2.0	The Office of the Deputy Vice Chancellor, Academic, Research and Consultancy (DVC-ARC)	The office is headed by the Deputy Vice Chancellor responsible for academic, research and consultancy who is the principal assistant of and responsible to the Vice Chancellor in all matters pertaining to the academic activities of the University and in the absence of the Vice Chancellor, deputize for the Vice Chancellor. This office comprises units with the functions shown in 2.1 to 2.16 below.
2.1	College of Agriculture (CoA)	<p>The College offers Undergraduate and Postgraduate Training Programmes leading to B.Sc., M.Sc., and PhD qualifications. The College is also acquainted with staff competent in performance of research and outreach. The mission of the College of Agriculture (CoA) is reached through departments namely:</p> <ol style="list-style-type: none"> 1. Agricultural Extension and Community Development, 2. Food Technology, Nutrition and Consumer Studies, 3. Crop Science and Horticulture, 4. Animal, Aquaculture and Range Sciences; and 5. Soil and Geological Sciences.
2.2	College of Forestry Wildlife and Tourism	<p>Has a mission to provide quality education, research, and outreach and consultancy services in natural resources, tourism, recreation, hospitality and related fields. This is accomplished through highly trained and competent staff in fields of forestry, wildlife and natural resources management in the country and within the sub-Saharan region. The functions are carried through six academic departments which offer three undergraduate degree programs along with three masters and Doctoral degree programs as well as performing research.</p> <ol style="list-style-type: none"> 1. Department of Forestry and Environment Economics 2. Department of Ecosystem and Conservation 3. Department of Forest Engineering and Wood Science 4. Department of Wildlife Management 5. Department of Tourism and Recreation 6. Department of Forest Resource Assessment and Management <p>Also, the college has three training forests located in Olmotonyi in Arusha, Mazumbai in Tanga and Kitulangalo in Morogoro. Further, the Management has acquired 10,000 acres for development of training forests in Ifinga and Madaba</p>
2.3	College of Natural and	Has a task in providing the quality of education and scientific leadership that are necessary to achieve the highest level of academic excellence

SN	Unit	Functions in accomplishment of principal activities
	Applied Sciences (CoNAS)	with the core function in producing science-based teachers. The mission of the college is attained through the following departments: - <ol style="list-style-type: none"> 1. Mathematics, Statistics and Computational Sciences 2. Informatics and Information Technology 3. Biosciences 4. Geography and Environmental Studies; and 5. Chemistry and Physics.
2.4	College of Veterinary Medicine and Biomedical Sciences	Has a threefold Mission, training, research and provision of consultancy, advisory services and patient care to a broad range of clients in public and private sectors. This is achieved through the following departments: - <ol style="list-style-type: none"> 1. Veterinary Anatomy and Pathology, 2. Microbiology, Parasitology and Biotechnology, 3. Veterinary Medicine and Public Health, 4. Veterinary Surgery and Theriogenology; and 5. Physiology, Biochemistry and Pharmacology.
2.5	College of Economics and Business Studies (CEBS)	Has a vision to be a research-led centre of excellence in producing quality skilled and competent professionals responsive to ever changing business environment. This is achieved through provision of quality training, conducting of research for development, and offering advisory services to a wide range of public and private sector stakeholders. The college has the following departments; <ol style="list-style-type: none"> 1. Agricultural Economics and Agribusiness 2. Business Management 3. Trade and Investment; and 4. Finance and Accounting.
2.6	College of Social Sciences and Humanities (CSSH)	Has vision to become a leading College in Social Sciences and Humanities with emphasis in rural socio-economic transformation and sustainable development. This is attained through provision of quality education, research, consultancy, and advisory services on responsible development practices; spearheaded by the following departments and centres; - <ol style="list-style-type: none"> 1. Department of Policy Planning and Management, 2. Department of Development Studies, 3. Department of Language Studies, 4. Bureau of Development-Oriented Research, 5. Centre for Gender Studies; and 6. Language Resource Centre (LRC)
2.7	School of Education	Has been commissioned to conduct training, research and consultancy in various applied sciences, informatics and computational sciences, mathematics and statistics, biosciences, physics and chemistry, environment and geography disciplines to undergraduate and postgraduate students at all levels. The school has following departments: - <ol style="list-style-type: none"> 1. Educational Psychology and Counselling 2. Curriculum Studies and Assessment 3. Educational Foundations and Management
2.8	School of Engineering and Technology	Has been commissioned to conduct training, research and consultancy in various engineering disciplines, irrigation and water resources, civil, mechanics, Food and bioprocessing engineering, renewable energy and land survey to undergraduate and postgraduate students and other levels. The school has following departments: - <ol style="list-style-type: none"> 1. Department of Agricultural Engineering 2. Department of Civil and Water Resources Engineering 3. Department of Food Science and Agro-processing
2.9	Institute of Pest Management	The institute have the following functions: - <ol style="list-style-type: none"> 1. To conduct training in areas of pest biology, ecology and management to postgraduate and undergraduate students 2. To conduct basic and applied research in infectious diseases in the area of Pest Management 3. To support extension services and provision of consultancy in Pest

SN	Unit	Functions in accomplishment of principal activities
		<p>Management control and early warning and responsiveness</p> <ol style="list-style-type: none"> To coordinate research on Pest Management activities at SUA and to foster global collaboration in the area of Pest Management with stakeholders To serve as an Institute of excellence in research, training and management of Pest Management To develop novel techniques and innovations in Pest Management To conduct basic and applied research in the biology and ecology of animal and plant pests To support extension services and provision of consultancy in pest management activities; and To coordinate research and management in infectious diseases using one health approach at SUA and to foster global collaboration in the area of pest management with stakeholders.
2.10	Institute of Continuing Education (ICE)	<p>The institute has the following functions: -</p> <ol style="list-style-type: none"> To offer and conduct demand driven short courses, seminars and workshops for farmers, extension personnel and other beneficiaries To disseminate agricultural innovations and technologies to end users To deliver outreach activities and community services through continuing education and various exhibitions To promote SUA activities by providing reliable and effective communication media to key stakeholders To provide adequate and quality facilities for training programmes, short courses, seminars, workshops, meeting, and conferences; and To collaborate with Governmental and Non - Governmental agencies in areas of outreach, consultancy, research, extension, and training.
2.11	Directorate of Undergraduate Studies (DUS).	<p>The directorate has the following functions: -</p> <ol style="list-style-type: none"> To conduct overall coordination and monitoring of undergraduate studies To serve as a Custodian to all the information and data related to undergraduate training and curricula To handle institutional linkages in connection to undergraduate studies To oversee undergraduate degree and non-degree admissions, and registration To prepare and coordinate undergraduate studies teaching, timetabling and examination activities To oversee compliance of regulations, guidelines and policy pertaining to undergraduate studies by staff and students; and To ensure policy and regulations are reviewed and updated as per SUA corporate strategic plan.
2.12	Directorate of Postgraduate Studies, Research, Technology Transfer and Consultancy (DPRTC).	<p>The directorate has the following functions: -</p> <ol style="list-style-type: none"> To conduct overall coordination and monitoring of postgraduate studies To perform overall coordination of research activities as conducted by Postgraduate Students and Members of Academic Staff To support and guide protection, management and transfer of technologies and innovations developed by SUA Researchers To serve as a custodian of all information and data related to research and postgraduate training To handle institutional linkages in connection to research projects and programmes and postgraduate studies To facilitate research fund mobilization and project cycle management To ensure compliance to research policy, regulations and guidelines among staff and students To review and update research, consultancy, intellectual property policies as required and as per SUA corporate strategic plan; and

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SN	Unit	Functions in accomplishment of principal activities
		9. To coordinate development of new technologies.
2.13	The Sokoine National Agricultural Library (SNAL)	SNAL is the Sokoine University of Agriculture library as well as a national library for agriculture and allied subjects in Tanzania. It is the largest and most comprehensive agricultural library in the country and is open to all. As a national library, we strive to serve not only members of the university community but also any other person in need of information in the country and scholars from all over the world.
2.14	Mizengo Pinda Campus College, Katavi	The college is operational with the following programs: - 1. Bachelor of Science Bee Resources Management 2. Diploma in Crop Production and Management; and 3. Certificate in Tour Guide and Hunting Operation
2.15	SACIDS Foundation for One Health	Is a One Health Virtual Institute with its headquarters at SUA that links academic and research institutions in Southern and East Africa, which deal with infectious diseases of humans and animals within the African Ecosystem, in an innovative South-South-North smart partnership with world-renowned centres of research and training. The Founding external smart partnership, in 2008, are the University of London Colleges that constitute the London International Development Centre (LIDC) including the Royal Veterinary College (RVC) and the London School of Hygiene and Tropical Medicine (LSHTM). Other partnerships include collaboration with the International Livestock Research Institute (ILRI), other institutions in the USA, UK and Asia.
2.16	National Carbon Monitoring Centre (NCMC)	The Centre was launched in 2016 with the main purpose "to build national capacity to measure, verify and report adequately on carbon emissions at national and international level". The establishment was done through the funding from the Government of Norway. The Centre works in partnership with NIBIO in Norway, the major technical partner who has also taken part in the development and establishment of the centre. The centre is headquartered at SUA and has a requirement of reporting to the Government through the Vice President's Office-Environment.
3.0	The Office of the Deputy Vice Chancellor, Planning, Finance and Administration (DVC-PFA)	The office is headed by the Deputy Vice Chancellor responsible for Planning, Finance and Administration is the Principal assistant of, and responsible to the Vice Chancellor in all matters pertaining to the Planning, Finance and Administration of the University, and in the absence of both the Vice Chancellor and the Deputy Vice Chancellor responsible for Academic, Research and Consultancy deputizes for the Vice Chancellor. This office comprises of units with the functions shown in 3.1 to 3.11 below:
3.1	Directorate of Human Resources and Administration.	The Department offers a range of services aimed at supporting Management, Academic and Administrative staff with both operational and academic matters towards attainment of University Strategic Plans.
3.2	Directorate of Planning and Development (DPD).	DPD is charged to ensure that aspirations, goals and values are reflected in the day-to-day operations of the University. That include but not limited to; 1. Preparing and administering the University budget. 2. Approving purchases for the University subject to available funds. 3. Monitoring expenditures for budget compliance. 4. Developing general master plan programs for overall planning operations including updates of land use, zoning, subdivision, transportation and buildings. 5. Interpreting the impact of government policies on the institution, reviewing and recommending development proposals for compliance with various developmental regulations; and 6. Overseeing the collection, organization and maintenance of social, economic, governmental, and regulatory and census data for use in decision making.
3.3	Directorate of Finance	Established to assist the University in management of all financial affairs through various sections such as revenue, pre-audit, payroll management,

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SN	Unit	Functions in accomplishment of principal activities
		expenditure section, final accounts, and research grants management.
3.4	Directorate Information and Communication Technology (DICT).	DICT serves as the University's arm for Services, Research, Teaching, and Consultancy in Information and Communication Technologies (ICT) Matters.
3.5	Directorate of Students' Services	The directorate is responsible for taking care of all forms of students' welfare matters (personal, social and spiritual etc) as part of University resolve to provide a conducive university learning environment in support of institutional vision, missions and objectives. Also is responsible for disciplinary matters pertaining to guiding students' lives in pursuit of their transformation into lifelong learners.
3.6	Directorate of Estates and Works	Responsible for maintenance of all University Infrastructures including building, roads, plumbing and sewerage systems and landscaping.
3.7	Directorate of Hospital and Health Services	Established to offer health services to SUA and the surrounding community. SUA owns hospitals at the Main Campus and the Mazimbu Hospital at Solomon Mahlangu Campus.
3.8	Department of Auxiliary Police	Established to ensure safety and security of staff and properties.
3.9	Department of Sports and Games	Established to coordinate sports and games activities for students and staff.
3.10	SUA Housing and Accommodation Bureau	Established to oversee housing and accommodation for students and staff.
3.11	The University farm	Established to enhance practical training and research for researchers, students, and the community.

Source: SUA Restructuring document 2021

Revenue Generation

The University is operated through an annual budget with an average range of TZS 85 to 87 billion shillings per annum. The budget is financed by internally generated funds emanating from tuition fees, sale of goods and services from internal income generating units, Government subvention that mainly supports in payment of salaries and other personnel emoluments; and funds from development partners (both internal and external) in support of research activities. During the year under review, proportion- wise, the Government contributed 47%; Development Partners 21% and internally generated funds 32% of the total budget as shown in figure 1 below:

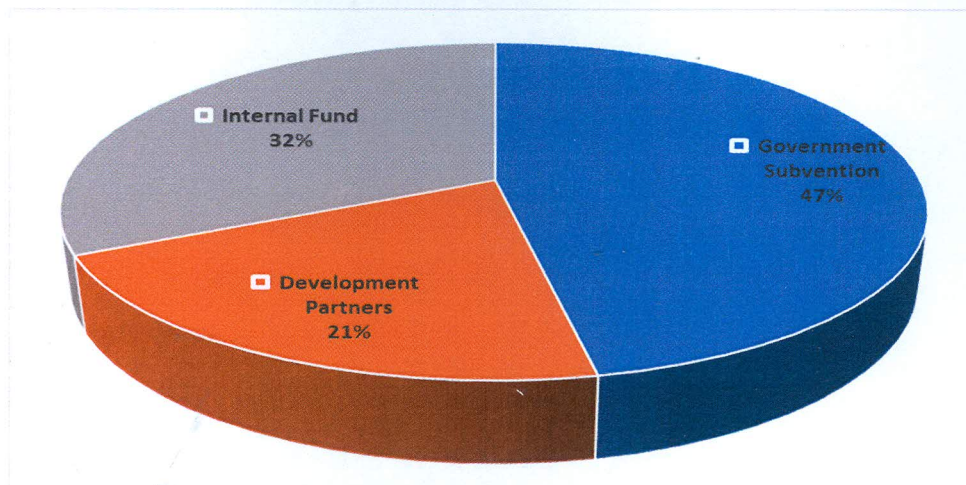


Figure 1: The proportion of contributions of income to the University budget by source in the year 2020/21

The University's approach to innovation

The University is very flexible and adaptive towards changes and based on its vision it encourages for more innovation and sharing of knowledge with both local and international communities. SUA's innovation has earned a remarkable recognition in the world of science and technology. This is vividly seen through disseminated research results such as the use of rat technology in detection of tuberculosis and sniffing of the land mines with a practical example of the activities in Angola and Cambodia.

Adapting to change

The University's activities are moderated through both national and international standards issued and revised from time to time by authorities and boards such as the Tanzania Commission for Universities (TCU), the National Board of Accountants and Auditors (NBAA), International Accounting Standards Board (IASB) and The Tanzanian Bureau of Standards (TBS). In continuous upholding of best practices, the University is also a member of renowned international bodies such as the Inter-University Council of East Africa (IUCEA). Further, the whole chain of university decision-making committees is made up of internal and external members with vast experience and therefore rigging off the rigidity in adapting to changes.

c. Outputs

The University has succeeded in producing quality graduates and researched products and results in agriculture and allied sciences. The graduates and knowledge have been employed in both the Government and private sector spanning from agriculture, fisheries, mining, climate change and oversight bodies. Further, quality research in areas like One Health is another aspect that has been a priority, for instance recently, SUA researchers have been the major pioneers in research related to Covid 19 pandemic. During the year under review, the University had several outputs including but not limited to: -

- i. A total of 1,312 smallholder farmers and pastoralist with agricultural extension services were reached
- ii. Ranked 53rd out of 200 Universities in Africa in terms of quality in Africa (The 2nd position in Tanzania) as per assessment done by Webometrics. Further, according to Google Scholar, the University ranked 1st in Tanzania in terms of research papers citations where 89,752 papers were recorded
- iii. A total of 160 programs related to agriculture and allied sciences and 20 radio programs in floriculture and its benefits to the society were broadcasted by SUA FM radio channel 101.1 FM
- iv. Received and analysed 1,110 samples (607 for soil, 410 for plants, 40 for industrial fertilizer and 53 for water testing) through the University soil science laboratory
- v. At least 12 consultancy works from private and public sector entities received and worked on
- vi. At least 320,000 trees raised and planted in Iringa, Olmotonyi and Morogoro Municipality with the view of protecting of the environment and at the same time creating an avenue for income generation through forestry
- vii. 100 acres of the University farm with 60 cares of maize, 30 acres of sorghum and 10 acres of sunflower planted
- viii. Established 70 acres farm to raise University-researched seeds as part of the University model farm
- ix. Salaries from the Government received as planned
- x. A total of TZS 26.30 billion was generated from internal income generated internally, a sum of TZS 39.06 billion was received from the Government and a sum of TZS 17.63 billion was received from Development partners
- xi. Managed to award scholarship to 12 less privileged undergraduate students through the "Help to Help Scholarship" organization
- xii. 84 greenhouses constructed, 20 open field plots, irrigation system and a building for marketing of products established at the SUA-PASS incubation Centre
- xiii. Signed MoUs and Financing Agreements for collaboration in research and training
- xiv. Evaluated the ended 4th SUA Corporate Strategic Plan for 2016-21 and obtained a score of 80% and consecutively developed the 5th SUA Corporate Strategic Plan for 2021-26
- xv. Annual Financial Statements for 2019/20 audited by the Controller and Auditor General and awarded the unqualified audit opinion; and
- xvi. Awarded with a trophy by the National Board of Accountants and Auditors after having emerged the second run up for the best presented financial statements for the year 2019/20.

d. Outcomes

The University has recognized an outcome of its operations as follows: -

- i. Increased reputation and goodwill nationally and internationally;
- ii. Increased space for staff, students, and research activities;
- iii. Improved quality of graduates because of improved infrastructure;
- iv. Increased employees' morale because of working in a prestigious University with good working environment and reputation;
- v. The University recognition in terms of quality in application of international standards used in operationalization of university activities;
- vi. Increased awareness of the community in environmental protection programs through the annual tree planting exercises;
- vii. Improved services and recognition by the community because of services done; and
- viii. However, the increased number of students was not proportional to the increase in resource and infrastructure and therefore resulted into inadequacy in provision of quality training and research.

1.2. CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

1.2.1. Significant features of the development and performance

The University had a five-year 4th Corporate Strategic Plan covering the period 2016-21. Its plans for development, therefore, were directed towards achieving its core objectives which are; training, research, service delivery and income generation. The University had plans to expand student enrolment from the current 12,000 students to 20,000 students by end of year 2021 with emphasis on improving infrastructure and gender balance. The University also intended to increase the female students from the existing rate of 35% to 50% by end of year 2021 and enhance internal income generation capacity with the purpose of complementing the Government subvention.

During the period under review, the Management was engaged in the final evaluation of the CSP. The evaluation of the SUACSP after five-years (2016-21) involved a critical assessment of seven (7) strategic objectives (SO), thirty-seven (37) strategies, 102 targets and 206 activities in terms of achievements, challenges and lessons learnt. The implementation of the Fourth SUACSP achieved an overall score of 80%. The findings of this evaluation not only reflect SUA's performance over the last five years but also formed a basis for developing the Fifth CSP (2021-26). Based on the findings, SUA made commendable achievements despite the challenges encountered during implementation. Each of the objective is summarized as follows:

- i. **Strategic Objective 1 (SO1): Increasing students' enrolment and improving quality of graduates**

There were four (4) strategies and 16 targets in this strategic objective which aimed at increasing students' enrolment and improving the quality of graduates. The overall performance in this strategic objective over the five years period was 81.53%

ii. Strategic Objective 2 (SO2): Increasing the volume and quality of research, publications and innovations

This strategic objective aimed at increasing the volume and quality of research, publications and innovations. It had seven (7) strategies and 18 targets. The overall performance in this strategic objective over the period of five years was 81.62%.

iii. Strategic Objective 3 (SO3): Enhancing outreach, publicity, linkages and partnerships

Enhancing outreach, publicity, linkages, and partnership. Strategic Objective has six (6) strategies and 12 targets. The average score in this strategic objective was 93.6%.

iv. Strategic Objective 4 (SO4): Enhancing university financial capacity and sustainability

This Strategic Objective has seven (7) strategies and 12 targets including (a) Improve financial management system (b) Attract more Government funding (c) Improve Public - Private Partnership (d) Attract more Development Partners' funding (e) Attract funding from financial institutions (f) Improve and expand internally generated income (g) Institute cost cutting measures. The overall performance of the objective over the period under review was 68%.

v. Strategic Objective 5 (SO5): Improving teaching and learning environment

This strategic objective aimed to ensure that SUA improves its teaching and learning environment by i) improving and expanding its built infrastructure, ii) rehabilitating and undertaking regular maintenance to the existing buildings, iii) improving availability and reliability of utilities and services, iv) improving information and communication technology (ICT) and telecommunication infrastructure and services, and v) improving library and information services by June 2021. A total of five (5) strategies and twenty-two (22) targets were to be pursued. The overall score of 68% was attained under this strategic objective.

vi. Strategic Objective 6 (SO6): Improving management and institutional governance

This strategic objective aimed at improving management and institutional governance of the University by implementing four (4) strategies and 33 targets. The overall performance of the objective over the period of five years was 88.94%.

vii. Strategic Objective 7 (SO7): Mainstreaming gender issues and reduce the impact of HIV/AIDS, other communicable and non-communicable diseases

This strategic objective had four (4) strategies and eight (8) targets. The following strategies were pursued under this strategic objective: a) Strengthening institutional gender coordination capacity; b) Enhancing gender mainstreaming processes in all programs and activities; c) Promoting gender equity in students' enrolment and

recruitment of staff; and d) Improving health and wellbeing of SUA Community. The overall performance was about 81%.

1.2.2. The University Future Strategies

The University has the following strategies in attainment of its objectives: -

- i. Increase internally generated income through strengthening of the existing income generating units, and introducing new income avenues;
- ii. Continue to review the existing academic programmes and development of new undergraduate, postgraduate and non-degree programmes as per University Qualification Framework (UQF) to improve quality and attracts new students/entrants to programs offered at SUA;
- iii. Strengthen and promote joint research activities with regional and international partners/organisations/institutions;
- iv. Increase efforts to solicit funds from different sources including the Government and development partners to enable SUA to construct new and rehabilitate the existing infrastructure;
- v. Establish and foster collaboration with other institutions locally and internationally; and
- vi. Participate actively in activities of the professional and academic organisations in which the University is a member or could forge future affiliation.

1.2.3. Aspects of the Statements of Financial Performance Linked to other Results

During the year under review, SUA had the budget on revenue to the tune of TZS 122.58 billion (2020: TZS 88.23 billion) as compared to the actual received revenue of TZS 88.02 billion (2020: TZS 95.64) which is 72% of the expectations. Similarly, SUA had an expenditure budget of TZS 122.58 billion (2020: TZS 88.23 billion) as compared to the actual expenses of TZS 88.58 billion (2020: TZS 78.40 billion) which is 72% of total budgeted expenditure. The overall decrease in receipt in actual revenue is a result of delayed receipt/collection of funds, while the underspending is a result of the instituted cost cutting measures including postponement of implementation of some activities. Moreover, the delayed receipt of funding was caused by several factors such as the continued Covid 19 pandemic, restricted international travel and delayed decision making on project funding and subsequent remittance of funds to implementing institutions including SUA. The summary of the budget and revenue and expenditure is as shown in Table 2 below:

Table 2: Summary of budget and actual amounts for the year ended 30 June 2021 (TZS billion)

Description	Original Budget	Approved Budget	Actual	Variance	Performance
	2020/21	2020/21	2020/21	2020/21	
	TZS		TZS	TZS	%
Revenue					
Total Receipts	125.43	122.58	88.02	34.57	72
Expenses					
Total Expenditure	125.43	122.58	88.58	34.00	72

Source: SUA Financial Statements 2020/21

1.2.4. Results for the Year

During the financial year 2020/21, total revenue for the University was TZS 93.02 billion shillings (2020: TZS 95.64 billion); attributed by revenue from internal generating projects amounting to TZS 26.96 (2020: TZS 27.20 billion), Government subvention was TZS 45.31 billion (2020: TZS 43.90 billion) and funds received from Development Partners was TZS 17.64 (2020: TZS 16.21 billion), In addition to valuation of assets amounting to TZS 2.47 billion (2020: TZS 0), amortisation of deferred asset grant amounting to TZS 638.75 (2020: TZS 1.07 billion) and gain on valuation of foreign currency of TZS 1.89 million (2020: TZS 1.62 million).

The total operating expenses was TZS 94.02 billion (2020: TZS 78.40); and thus, recorded a deficit of TZS 1.00 billion (2020: TZS 17.24 billion).

Table 3: Summary of revenue and expenditure for the year 2020/21 (Figures in TZS billion)

	2020/21 (TZS)	2019/20 (TZS)
Total Revenue/Income	93.02	95.64
Total Expenses	94.02	78.40
(Deficit)/Surplus for the year	(1.00)	17.24

Source: SUA Financial Statements 2020/21

The decrease of TZS 16.24 billion in accumulated surplus from the surplus of TZS 17.24 billion in 2019/20; to the deficit of TZS 1.00 billion in 2020/21; is a result of change in accounting estimates where the University applied new rates of depreciation as per guidance of the Government and therefore resulted in charges of Backlog depreciation. Further, the University realized loss in valuation of biological assets. Also, most of research funds were received at the year end of the prior year and remained unutilized at the year end. These funds were mostly utilised during the year under review and therefore added more expenditure as compared to receipts.

Furthermore, subject to the Accountant General's Circular No.6_2019-20, it was directed that all "Employee's payable which have been confirmed and approved should be recorded as account payable only, and not account payable and receivable at the same time" and therefore, the University had to reverse a huge sum of accounts receivable (Government receivable) and at the same time recognise them as expenses.

1.2.5. Academic Performance

a) Undergraduate Degree Programs

In the financial year 2020/21, SUA had 13,827 (8,587 male and 5,240 female) students compared to 10,504 students in the previous year. During this financial year under review 2,941 students graduated from various undergraduate academic programs.

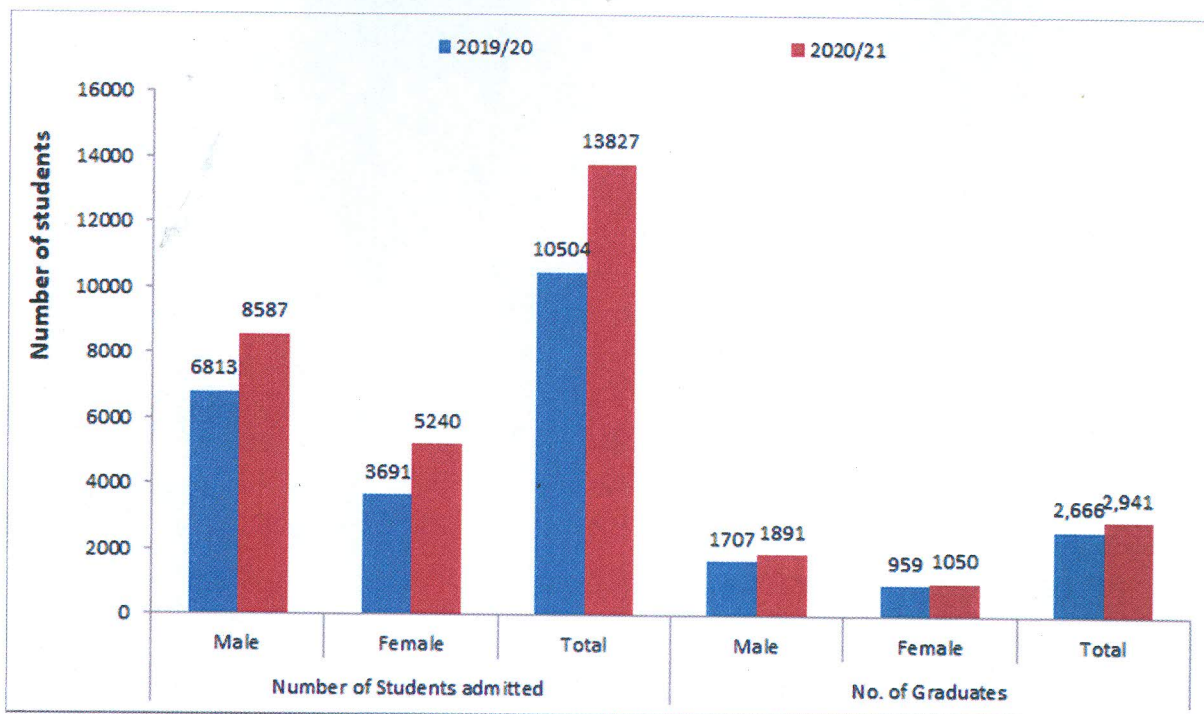


Figure 2: Trend of enrolled against graduated undergraduate students for the year 2020/21 and 2019/20

b) Postgraduate Degree Programs

During the year 2020/21 a total of 699 (439 male and 260 female) students were enrolled for studies to different postgraduate degree programs in comparison to 659 students enrolled in year 2019/20. Out of these 4 (2 male and 2 female) registered for Postgraduate Diploma in Education, 483 (292 male and 191 female) registered to various master's degree programs, while a total of 212 students (145 male and 67 female) registered for PhD studies.

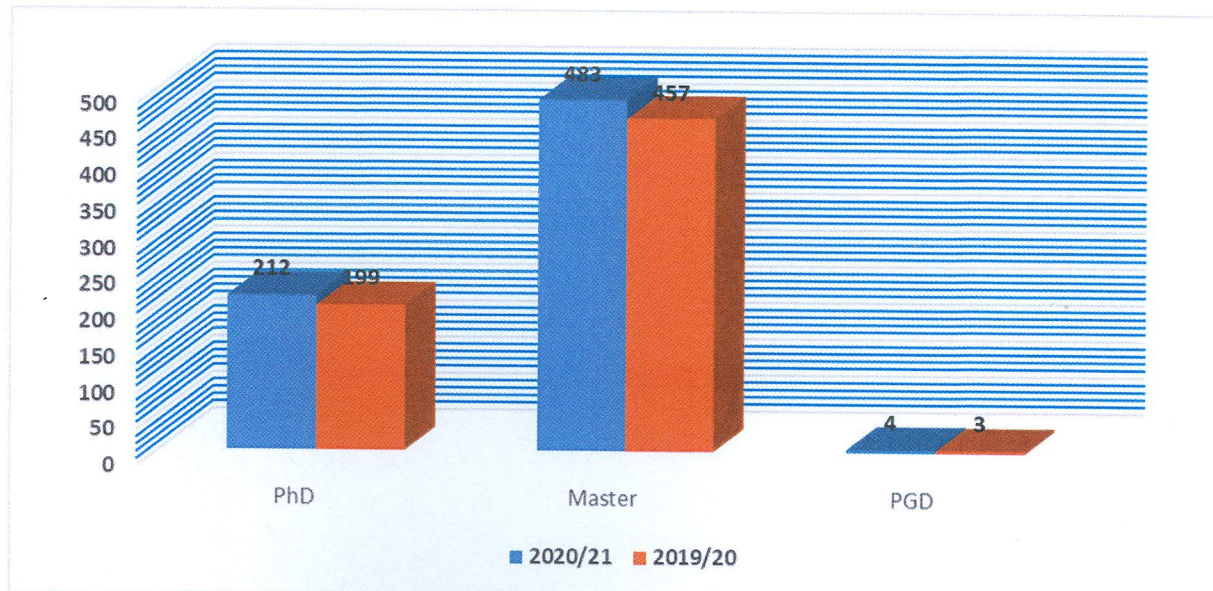
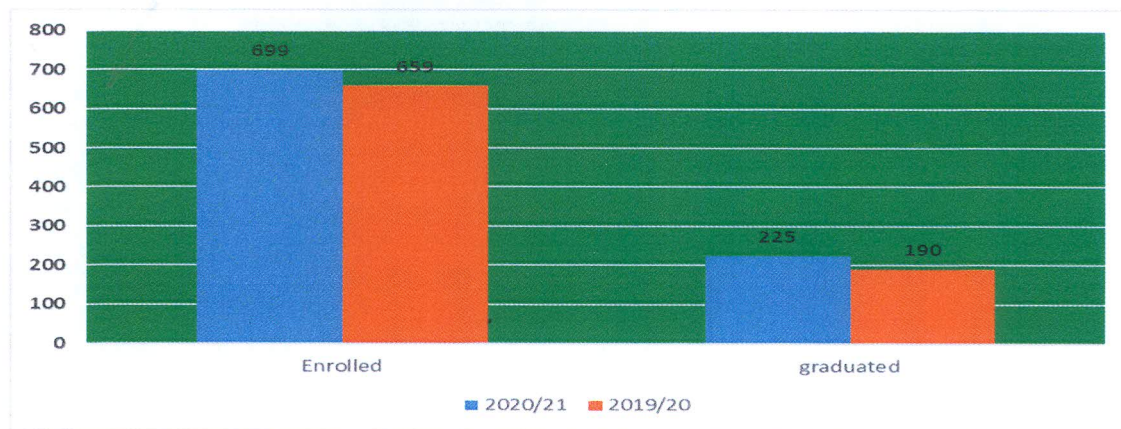


Figure 3: Trend of Postgraduate students' enrolment for the year 2020/21

During the year under review the University managed to offer 12 PhD degree Programs (in comparison to 11 PhD Programs in year 2019/20) and 63 Postgraduate Diploma and master's degree programs in comparison to 54 programs in the previous year.

In the year 2020/21, a total of 225 (129 male and 96 female) students graduated in comparison to 190 students who graduated in the previous year. Among them, 3 (1 male and 2 female) were conferred with Postgraduate diploma (PGD) in education, 170 (88 male and 82 female) conferred with master's degrees in various fields and 52 (40 male and 12 female) were conferred with Doctor of Philosophy (PhD).

*Figure 4: Trend of enrolled and graduated postgraduate students for the year 2020/21*

c) Research Associateship

SUA invites researchers and other scholars from foreign and local institutions to conduct research in various fields of agriculture, natural resources and allied fields in collaboration with SUA researchers as associate researchers. During the period, SUA registered a total of 7 new research associates (5 male and 2 female) from various Institutions across the world compared to 41 registered in the previous year.

d) Research and Outreach

During the respective period, the University had more than 112 research projects funded by various donors which were carried out across the Country, an increase of 23 from 89 research projects in the previous year. Research projects undertaken for the year under review, comprised both basic and applied research. Outreach activities were also carried out in different locations within the Country. Technological inventions were disseminated to stakeholders aiming at improving output in both quantity and quality. Concurrently, SUA researchers published at least 253 research articles in the form of conference papers, book chapters, books and journals as compared to 48 works in the previous year.

e) Institutional Capacity Building

i. Infrastructural Development

During the year under review, SUA completed the construction, rehabilitation, repair and maintenance of the following infrastructure: -

ii. The completed constructions and rehabilitations

Repair and maintenance of Mgeta farmer research centre (completed by 100%)

iii. Work in Progress

- The construction of a multipurpose laboratory at SUA Main Campus (Completed by 96%);
- Rehabilitation of Agricultural Engineering Workshop (Completed by 80%);
- The construction of a PhD students' building funded by the BSU project supplemented with internally generated funds (completed by 90%);
- Rehabilitation of infrastructure at Mizengo Pinda Campus, Katavi (completed by 90%)
- Rehabilitation of infrastructure at the College of Veterinary Medicine and Biomedical Sciences; and the buildings at the Department of Animal, Aquaculture and Range Sciences (Completed by 93%); and
- Repair and maintenance of staff houses (completed by 53%).

f) Staff Development

During the year under review 127 members of staff were undergoing training as compared to 61 in the previous year as indicated (Table 4).

Table 4: The number of staff on training for the year 2020/21

Training Level	Administrative staff		Academic staff	
	2020/21	2019/20	2020/21	2019/20
PhD	9	10	85	12
Second Degree	10	3	23	7
First Degree	-	13	-	-
Diploma	-	11	-	-
Certificate	-	5	-	-
Total	19	42	108	19

Source: The SUA Human Resource Department Reports 2020/21

During the year under review, 26 academic staff and 15 administrative staff completed their studies. Also, the University continued to support members of staff in attendance of short courses, seminars and workshops within and outside the country.

g) Observed challenges during the financial year and their effect on development, performance and future perspectives

The following were the identified challenges during the year: -

- Inadequate financial resources;
- Aged infrastructure which requires rehabilitation or replacement;
- Shortage of manpower to undertake planned activities;
- The annual operating plans were greatly affected by untimely disbursement of funds and emerging issues that were not part of the original plan (e.g., establishment of new campus at Mizengo Pinda and changes of government policies and priorities);

- v. Unusual high death toll due to maladies that claimed lives of many SUA staff leaving huge gaps of technocrats to undertake professional duties;
 - vi. Convergence of information and communication technologies have a bearing on the future of university business; thus, it will be important to take advantage of these developments; and
 - vii. Changing nature of future jobs and opportunities calls for a relook of how the university can play a role in ensuring that graduates have the requisite educational wellbeing, possibly by embracing life-long learning.
- h) **The state of key stakeholder relationships and how the organization has responded to key stakeholders' legitimate needs and interests**

The University has been keen on responding to stakeholders' needs including but not limited to students, employees, employers etc. This has been enabled by effective means of feedback starting from internal communication where stakeholders are involved in decision making meetings and their views are channelled to the vital decision-making organs of the University including the Senate and the University Council. Also, the University is progressing towards devising other means including deployment of tracer studies in collection of views from stakeholders with regard to the quality of training and research in relation to production of quality graduates and other products to the society.

To comprehend that, all the University's curricula are now developed under the University Qualifying Framework (UQF) issued by the Tanzania Commission for Universities (TCU). The UQF was designed to ensure that the curricula and programs developed are based on the demands by employers (job markets) and other actors.

- i) **The main trends and factors which are likely to impact on future prospects**

In implementing the 4th SUACSP 2016-21, the University had a planned cumulative expenditure of TZS 456.12 billion for effective accomplishment of the seven strategic objectives and managed to accomplish 80% of the plan with an actual cumulative spending of TZS 439.79 as shown in Table 5 below.

Table 5: Cumulative Planned and Actual Expenditure Allocation to the Strategic Objectives (TZS billion) between 2016 to 2021 and planning to 2026

Strategic Objective	Planned Expenditure (2016-2021)	%	Actual expenditure (2016-2021)	%
SO1	36.81	8.07	15.20	3.46
SO2	74.05	16.23	107.73	24.50
SO3	2.84	0.62	1.23	0.28
SO4	226.35	49.62	232.88	52.95
SO5	78.99	17.32	34.35	7.81
SO6	34.74	7.62	46.35	10.54
SO7	2.35	0.52	2.040	0.48
Total	456.12	100.00	439.79	100.00

Source: SUACSP Handbook (2016-21)

Banking on previous experience from the 4th SUACSP, the 5th SUACSP expected to span over 2021-26, the next five years period, it is estimated that the University will incur an overall expenditure of TZS 560.69 billion where the Government is expected to contribute about TZS 266.06 billion to the estimates in form of personal emoluments and development funds. Development partners are expected to contribute about TZS 110.00 billion for staff training, research, outreach activities and infrastructural development. SUA on the other hand is expected to raise TZS 154.63 billion from internal sources to contribute to the Plan. The remaining TZS 30.00 billion will be raised from financial markets and partnerships with the private sector developers through public-private-partnerships arrangement. In accomplishment of these milestones, the University has the following underlying assumptions:

- i. Availability of adequate human, financial and infrastructural resources to implement the planned activities for achievement of the Strategic objectives;
 - ii. Stakeholders continue to support fully and respond effectively to the needs of 5th SUACSP during the implementation. This includes availing of accurate information as per implementation plan;
 - iii. Retention of competent and motivated staff for smooth implementation;
 - iv. Presence of an effective monitoring and evaluation system that is accompanied by systematic and efficient information sharing mechanisms; and
 - v. Prevalence of Peace and tranquillity at the University.
- j) The University's expectations about the external environment likely in short, medium and long term

The University survives in an environment with numerous stakeholders with different expectations and needs. The Management managed to scan the internal and external environment and managed to establish the strengths, weaknesses, opportunities, threats, aspirations and results necessary in detection and curbing of risks as well as tapping into emerging opportunities for the brighter future in accomplishment of the strategic objectives. The analysis is as shown in Table 6 below:

Table 6: SWOC-AR Analysis for Sokoine University of Agriculture

Strengths	Weaknesses	Opportunities
<ul style="list-style-type: none"> • Good internal governance and administration system • Presence of qualified and competent staff • Presence of attractive academic programmes • Recognized as one of the key training and research institutions in the country • Availability of adequate arable land • Availability of good research and teaching laboratories • Teamwork among staff across university departments • Partnership with relevant 	<ul style="list-style-type: none"> • Staff turnover • Inadequate teaching space • Inadequate office space • Inadequate use of ICT in teaching and learning • Inadequate infrastructure for practical learning • Inadequate staffing levels • Limited basic and strategic research • Low levels of community and stakeholder engagement • Inadequate funds • Inadequate competent technical staff • Lack of accredited laboratories 	<ul style="list-style-type: none"> • Increased supply of potential applicants to SUA programmes • Government willingness to strengthen higher education • Collaborations with other sectors of the economy • Government willingness to strengthen the agricultural, livestock and forests sectors • Collaboration with NGOs, farmer groups, CBOs • General support from the university council

Strengths	Weaknesses	Opportunities
<ul style="list-style-type: none"> industries and accreditation bodies Affiliate members of higher learning associations 	<ul style="list-style-type: none"> Low publicity and marketability of the University Underutilized land Lack of maintenance culture 	<ul style="list-style-type: none"> Collaboration with national, regional and global institutions Potential to attract international students Potential for expansion
<ul style="list-style-type: none"> Declining government subvention Competition from other higher learning institutions Inadequate teaching and learning infrastructures to accommodate increasing number of qualified applicants Changes in Government policies and regulatory frameworks Limited source of scholarships for students Threats of HIV/AIDS, Covid-19 and non-communicable diseases Gender imbalance Risks of increasing plagiarism tendencies among students due to increased dependence on internet and web resources. 	<ul style="list-style-type: none"> Highly competitive and vibrant in terms of teaching, research and outreach/public service Establishment of a commercial farm for entrepreneurial incubation and research Produce quality and competitive graduates Forge strong strategic partnership with national, regional and global institutions Generate sustainable income from financially and economically viable enterprises To be free from plagiarism 	<ul style="list-style-type: none"> Percentage increase in enrolment levels Students graduates in time Rate of employment (public/private/self) Increased number of quality publications Increased level of influence on policy Increased multi-stakeholder engagement Ability to attract and retain highly qualified staff Intensified use of plagiarism software checker (Turnitin)

Source: SUA CSP 2021-2026

From the above analysis, the key strategic issues revolve around the following: -

- i. Improve Health services, fight HIV, non-communicable diseases, and public health emergencies;
- ii. National anti- corruption strategy and action plan effectively implemented;
- iii. Increase students' enrolment and improve quality of graduates;
- iv. Increase the volume and quality of research;
- v. Enhance outreach, publicity, linkages, and partnerships;
- vi. Enhance university financial management and sustainability;
- vii. Improve teaching and learning environment;
- viii. Improve management and institutional governance; and
- ix. Mainstream gender issues across University functions.

Therefore, going forward SUA strategic objectives have been formulated and implemented based on the above mentioned nine strategic issues.

1.3. RESOURCES

The University has a vast number of resources that facilitate the University's endeavour in achieving its strategic objectives include human, financial and technological resources including but not limited to human and financial resources analysed below.

a. Financial Resources

During the year under review, SUA had the budget on revenue to the tune of TZS 122.58 billion (2020: TZS 88.23 billion) as compared to the actual received revenue of TZS 88.02 billion (2020: TZS 95.64) which is 72% of the budget. The major sources of funding for the University are internal generating income projects, Government subvention and funds received from Development Partners as a result of Financing Agreements and MoUs signed between SUA and those partners.

b. Intellectual Resources

On the technological side, SUA has made significant efforts to adopt modern technologies and become the think tank in agricultural and allied sciences. Further, SUA has managed to extend its services country wide through training, research and dissemination of research results. This has been possible as a result of having both administrative and academic staff amounting to 1,212 who spearheads the day to day activities including training, research and outreach.

As a result of the training and research done, the University has a vast number of intellectual properties such as the researched maize and beans seeds known as "*Mshindi and Pesa*" and has recently established a 70 acres farm for massive production of breeder seeds of the respective varieties to make them available for commercial producers that would ultimately be made available to the farming communities. Further, SUA has engaged a consultant from the Commission for Science and Technology (COSTECH) to assist in the establishment of an intellectual property register.

Also, the University has systems, procedures and protocols on management of all resources ranging from financial to non-financial. This includes the subsequently adopted "Mfumo wa Ulipaji Serikalini (MUSE)", the Tanzania National electronic Procurement System (TaNePS), the Government electronic Payment Gateway (GePG) for collection of revenue, the Planning and Reporting System (PLANREP), the internally developed Research and Publications Documentation System (RPDS); the SUA Student Management Information System (SUASIS) subsequently replaced by the Students Management and Reporting System (SR2), the Electronic Document Management System (EDMS); and the Votebook Financial Management Information System (VFMS) which has subsequently been replaced by MUSE.

To facilitate these, SUA is connected to the National Fibre Optic cable that enhances powerful internet services that runs the established Local Area Network (LAN) across campuses. Also, the financial management information systems are widely connected over the internet through the Virtual Private Network (VPN).

c. Human Resource

In terms of human capital, SUA has well-qualified academic and supporting staff. Likewise, management adheres to good governance and promotes good labour relations. The University upholds the principles of fairness and equity, gender disparity and ethical values, integrity, and participatory management. The Human capital is managed using standardised procedures issued by the Government of Tanzania.

During the year under review, the University had a total of 1,212 employees (2020: 1,254). This includes 778 males and 434 female staff. The members of staff are responsible for handling the academic and administrative affairs of the University and spearhead the attainment of its vision.

d. Natural Resources

The University has several natural resources including but not limited to land and forests. This includes Kitulanghalo forest plantation in Morogoro with 600 hectares which is solely used for research in forestry studies; and the Mazumbai training forest in Tanga region with 320 hectares which is rich in ecosystem. The forest is used for research in forestry and eco-tourism.

Also, the University continued to own various pieces of land across the country. These properties were used to enhance training, research, and outreach. The details of location and ownership are as shown in Table 7 below.

Table 7: The lands owned by the University for the year 2020/21

S/N	Plot No	Block No	Title No ²	Location
1	13	1	68835	Mbweni Mpiji Kinondoni Municipality
2	12	1	68470	Mbweni Mpiji- Kinondoni Municipality
3	111	Zone II	183049/70	Old Dar es Salaam Road - Commercial Area, Morogoro Municipality
4	35	Zone II	183049/36	Kanisa Road - Banda Street, Morogoro Municipality
5	42	-	8377	Kanisa Road - Commercial Area, Morogoro Municipality
6	256	"DD"	54181	Misufini Morogoro Municipality
7	3	-	8103	Forest Hill Seng'ondo Road Morogoro Municipality
8	1B	-	54472	Acropolis Estate Morogoro Municipality
9	590	"BB"	29239	Kiwanja cha Ndege/Morogoro Municipality
10	90	-	7915	Forest Hill Kingaru Road, Morogoro Municipality
11	780	"BB"	30267	Kiwanja Cha Ndege/Mafiga - Morogoro Municipality
12	Farm No. 5	-	36424	SUA Main Campus/Mafiga Farm, Morogoro
13	Farm No. 479	-	9880	Olmotonyi, Arumeru District
14	Farm No.162	-	45172	Morning Site/Towelo/Luhungu Farm, Morogoro District
15	35-38 and 46-49	-	-	NBC Flats/Morogoro Municipality
16	131	10	75639	Bunju/Kinondoni-Dar-es-Salaam

S/N	Plot No	Block No	Title No ²	Location
17	99	10	75478	Bunju/Kinondoni-Dar-es-Salaam
18	823	A	45233	Kihonda Morogoro Municipality
19	-	-	-	Ifinga Madaba - Ruvuma Municipality
20	-	-	-	Solomon Mahlangu Campus SMC)/Morogoro Municipality
21	-	-	-	Mgeta Project Center -Morogoro
22	-	-	-	Malolo Project Center -Kilosa, Morogoro
23	-	-	-	Masigila Songea urban - Ruvuma
24	-	-	-	Mbinga Project Center -Mbinga, Ruvuma
25	-	-	-	Mazumbai/Sagara-Lushoto -Tanga
26	-	-	-	NaneNane Pavilion -Morogoro Municipality
27	Olmotonyi training forest	-	-	Olmotonyi Arusha
28	Kitulang'alo Natural Forest	-	-	Morogoro
29	Ifinga and Madaba Training Forests	-	-	Ruvuma
30	Tunduru Training Centre	-	-	Ruvuma
31	Mizengo Pinda Campus College, Katavi	-	-	Katavi

Source: The University fixed assets register 2020/21

e. Manufactured/Man Made Resource

During the year under review, the University had man made resources including but not limited to the following: -

- i. The independent water source that feeds the Edward Moringe Campus and the neighbouring community with clean drinking water;
- ii. The Sisal Plantation with 100 hectares in the Solomon Mahlangu Campus. There is a plan of increasing the farm every year;
- iii. The University owns biological assets ranging from cattle, piggery, goats etc for training and income generation;
- iv. The planted forest in Olmotonyi Training Centre in Arusha with 800 hectares; and 10,000 hectares of land where 1,200 hectares have been planted. There is a plan of planting 200 acres per annum. These forests have been established for research in forestry and generate income for the University; and
- v. The Vuyisile furniture factory, feed mill plant and silos for storage of grain.

f. Social and Relationship Resources

The University has a good social capital because of disseminated research results and offering of other products and services among other things including production of quality graduates. Further, SUA is involved in various community programs where it adheres to principles of corporate social responsibility and has been setting aside funds to offer a helping hand to the surrounding community and the country at large.

SUA on an annual basis has been distributing free seedlings to neighbouring communities as an initiative to establish a conducive environment and reduce deforestation that results

in land degradation. Also, the University facilities such as hospitals are widely accessible by the neighbouring communities. In relation to its stakeholders, SUA upholds its core values detailed in part 1.1.5 of this governance report.

g. Other Resources

The University's modus operandi is vested on Government interests and therefore adhering to Government policies and regulations is the topmost priority. SUA has built credibility to all of its stakeholders ranging from employees, students, the public and private sector. This has enhanced securing a market position to employers, individuals and organisations who seek for various services and products including agricultural extension, research results and consultancy in agriculture and allied sciences. The products such as the degree programmes and extension services are available at affordable prices.

It is at this angle of relationship and need of SUA services where the University sees an avenue on the ability and need to increase the future cash flows in provision of goods and services. SUA is the only University offering sole agricultural and allied sciences services and therefore all the plans in the former 4th SUACSP 2016-2021 and the 5th SUACSP 2021-26 are directed towards tapping the opportunities of this future demand.

1.4. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

1.4.1. Council's Responsibility in Internal Control and Risk Management

The Council is ultimately responsible for risk management, determining the system of internal controls operated by the University and for monitoring and effectiveness of the control environment. It is the task of the management to ensure that adequate internal financial and operational control are developed, reviewed and maintained on an ongoing basis in order to provide reasonable assurance with regard to: -

- i. The effectiveness and efficiency of operations;
- ii. The safeguarding of the University assets;
- iii. Compliance with applicable laws and regulations;
- iv. The reliability of accounting records;
- v. Business sustainability under normal as well as adverse conditions; and
- vi. Responsible behaviours towards all stakeholders.

The efficiency of the internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff whilst no system can provide absolute assurance against misstatement or loss, the University control system is designed to manage rather than eliminate the risk of failure to achieve business objectives.

1.4.2. Key elements of the system of internal control

The management receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms. Key elements of the system of internal control are as follows: -

a. Budgets

Detailed annual budgets are prepared by Management and discussed by the Workers Council and later submitted to the Finance, Planning and Development Committee of the Council for review and subsequently approved by the Council. The budget briefings take place yearly and are attended by Principals of Colleges, Deans of Schools, Heads of Academic and Administrative Departments and stakeholders including trade union, academic and administrative staff associations to discuss key strategic issues within the University. These meetings are chaired by the Vice Chancellor who is the Accounting Officer of the University.

b. Competence

Staff skills are maintained both by a formal recruitment process and a performance appraisal system, which identifies training needs. Also, necessary training, both in-house and externally, helps to consolidate existing staff skills and competences.

1.4.3. Risk Assessment

The Council understands the specific sources of risk and analysis of their impact on its operations at SUA. In the financial year 2020/21 the Council used risk assessment frameworks to enable the analysis of cost-effective mitigation strategies. Among the types of risks that the Council is aware of and their mitigation strategies are provided in Table 8 below:

Table 8: Types of Risks and Mitigation Measures

Type of risk	Cause	Management
Strategic	Arises from the business environment - emergence of new strong competitors such as change of Government Regulations etc.	Increase number of enrolments and Improving quality of graduates.
Commercial	Declining market share	Enhance outreach, publicity, linkages and partnerships
Operational	Monetary loss resulting from inadequate or failed internal processes, people, and systems or from external events	Improve teaching and learning environment, increase quality of working tools, expand built infrastructure capacity, improve availability and reliability of utilities and services, Improve ICT and telecommunication infrastructure and services, Strengthen Quality Assurance and Promotion Bureau, provide regular training to staff, increase the volume and quality of research, publications and innovations hence increase creativity and work performance.
Financial - currency and credit risk	Depreciation of foreign currency and likelihood of default	Transacting using local currency and credit rating, establishing credit limits, encourage upfront payment
Compliance	Adverse change in regulations guiding operation	Be optimistic and well informed about government legislations and decisions
Liquidity/funding	Receiving less funds to meet organization's obligations	Establishing contingency plans, such as backup lines of credit, grants and new profitable investments
Technical Risk	Risk of managing assets such as machine failure, IT risks such as virus incidences, computer crashes etc.	Adoption of policies and systems that are strong and relevant in curbing of the risk

Source: SUA Risk Framework and Register

1.4.4. Function of Internal Audit Unit

The University has a sound internal audit unit, an internal auditor which independently and objectively evaluates the organization's operations. The unit reports functionally to the Council Audit Committee and administratively to the Vice Chancellor. It assesses risk and reviews controls using the Risk Based Approach (RBA). The unit ensures that recommendations to improve controls are implemented by the Management.

1.4.5. Function of the Audit Committee

The Audit Committee's role in this area is confined to a high-level review of the arrangement for internal control. The University's Internal Auditors monitor the system of internal control, risk management control and governance processes in accordance with an agreed plan and report their findings to management and the Audit Committee. Management is responsible for the implementation of agreed audit recommendations and the Internal Auditors undertake prevailing follow up reviews to ensure that such recommendations have been implemented.

The Audit Committee considers summarized reports together with recommendations for the improvement of the University systems of internal control and management's responses and implementation plans. Whilst senior executives attend meetings of the Audit Committee as necessary, they are not members of the committee. The committee meets the internal and external auditors separately for independent discussions.

1.4.6. Council's Opinion in Assessment of Regular Reports of the Audit Committee

The Council is of a view that there is an ongoing process for identifying, evaluating and managing the University's significant risks, and that it has been in place throughout the year ended 30 June 2021 up to the date of approval of the annual reports and financial statements and is of the opinion that met accepted criteria.

1.4.7. Accounting Policies

A summary of key accounting policies is in Note 2 to the Financial Statements and were consistently applied during the year under review.

1.4.8. Financial Reporting and Auditing

The Council accepts overall responsibility for the preparation of the annual financial statements which are fairly present as at the end of the year under review. The reports include: -

- i. The financial position;
- ii. Statement of Financial Performance;
- iii. Statement of Changes of Net Assets and Equity;
- iv. The Statement of cash flows; and
- v. Statement of comparison between Budget and actual.

The responsibility for compiling the annual financial statements is vested in the management and the University complied with all applicable laws of the country of incorporation. The external auditors of the University report on whether the annual financial statements are fairly presented.

The Members of the council are satisfied that during the year under review the following issues were undertaken effectively: -

- (a) Adequate accounting records were maintained;
- (b) An effective system of internal control and risk management, monitored by management, was maintained;
- (c) Appropriate accounting policies, supported by reasonable and prudent judgments and estimates, were used consistently;
- (d) The financial statements were compiled in accordance with International Public Sector Accounting Standards and in the manner required by the Tanzanian Public Finance Act No. 6 of 2001 and instructions issued by the Treasury in respect of the year under review; and
- (e) The Councillors are also satisfied that no material event has occurred between the financial year-end and the date of this report which affects the business or has not been reported.

1.5. STAKEHOLDERS' RELATIONSHIP

The University recognizes the importance of addressing the needs of its key stakeholders in order to add value, satisfy their needs and expectations to fulfil its mission. The stakeholders of SUA are those who have interest in or are directly or indirectly affected by the operations of the University. The major stakeholders identified include:-

Government and policy makers, students, staff, Council Members, Employers, Higher learning and Collaborative Institutions, Regulatory Bodies and Authorities, Development Partners, Professional Boards, Alumni, Agricultural Processors and Industries, Financial Institutions, Parents, Suppliers, neighbouring local communities as provided in Table 9 below

Table 9: Stakeholders' analysis for Sokoine University of Agriculture for the year 2020/21

No.	Stakeholder	Opportunities	Challenges	Proposed Action	Interest/Expectations
1	Government and policy makers	<ul style="list-style-type: none"> Provision of policy and legal frameworks Funding University projects, personal emoluments, education loans/grants for students Programmes based on national development frameworks Staff employment Political stability 	<ul style="list-style-type: none"> Change in government policies and frameworks Declining budgetary allocations Staff Recruitment lagging well behind efficient and effective levels 	<ul style="list-style-type: none"> Immediate customization to changes in government policies and legal frameworks Diversification of revenue sources; internally and externally. Capacity building through training and research. Investment in infrastructure, technology and human capital. Dialogues and advocacy Explore alternatives 	<ul style="list-style-type: none"> Production and contribution to human resources needs in agriculture sector and other sectors in the country Technical support and advice Institutional sustainability Policy briefs, policy development and formulation Minimum dropouts Optimal use of resources Adherence to policies and procedures Graduates who are employable or can employ themselves Smooth learning process Innovativeness in expansion of intakes and self-financing Accountability and transparency
2	Students	<ul style="list-style-type: none"> Feedback on the quality and relevance of the training programmes. Major source of internal revenue Ambassadors to the outside world Relevance of SUA existence 	<ul style="list-style-type: none"> Competitiveness amongst institutions Limited number of qualified students Shrinking job market for formal employment 	<ul style="list-style-type: none"> Develop demand driven and regularly review academic programmes. Improve teaching and learning environment. Conduct tracer studies Promote self-employment and entrepreneurship skills Device mechanisms to impart hand-on and soft skills 	<p>Education that meets the needs of the changing labour market in terms of:</p> <ul style="list-style-type: none"> Quality programs Appropriate lecturing Appropriate assessment fair treatment in learning process Conducive learning environment in terms of; - accommodation facilities reliable Security health facilities quality customer care
3	Staff employees cum	<ul style="list-style-type: none"> Self-motivated staff Trained and experienced staff Provision of knowledge- 	<ul style="list-style-type: none"> Compliance to work ethics Retention Funding 	<ul style="list-style-type: none"> Career development and progression Improvement of work environment 	<ul style="list-style-type: none"> Good governance practices and fair treatment Good leadership Job security

No.	Stakeholder	Opportunities	Challenges	Proposed Action	Interest/Expectations
		based services	<ul style="list-style-type: none"> • Succession plan • Remuneration • Unfavourable workload 		<ul style="list-style-type: none"> • Good remuneration and timely pay • Staff development • Good performance for SUA Students • Conducive working environment • Transparency and fair staff appraisal system
4	Employers	<ul style="list-style-type: none"> • Employment of graduates • Feedback on quality and relevance of academic programmes • Field practical training and internship • Partners in curriculum development 	<ul style="list-style-type: none"> • Limited number of potential employers of SUA graduates • Stiff competition in job market • Brand status in the community and job market. • Some programs do not match industry requirements. 	<ul style="list-style-type: none"> • Career fares and counselling • Frequent review and developing demand driven academic programmes. • Introduction of entrepreneurial courses in all degree programs where possible. • Tracer studies to generate feedback. • Life-long learning(reskilling) 	<ul style="list-style-type: none"> • Trust and confident graduates • Competent graduates with requisite skills and attitude • Ethical graduates • Programmes match dynamic the requirements of the industry
5	Regulatory boards	<ul style="list-style-type: none"> • Provision of legal frameworks • Quality assurance • Compliance knowledge & skills 	<ul style="list-style-type: none"> • Changes in regulations, guidelines and directives • Limited compliance skills • Inflexibility and lagging behind the real world 	<ul style="list-style-type: none"> • Adherence and compliance to standards and guidelines • Institutional self-assessment • Guided flexibility 	<ul style="list-style-type: none"> • Adherence and compliance to standards, procedures and guidelines • Flexibility in programmes that meet industry demand
6	Higher learning and collaborative institutions	<ul style="list-style-type: none"> • Collaborative arrangements • Information sharing • Funding part of Comparative and competitive advantages 	<ul style="list-style-type: none"> • Inadequate funding • Competition for students and staff, research funds and consultancy. 	<ul style="list-style-type: none"> • Improve quality of programs, research, and consultancy output. • Develop Memorandum of Understanding; • Exchange programs, • Collaborative associate research and fellowships. 	<ul style="list-style-type: none"> • Positive impact of collaboration • Supporting collaborative research and mentoring staff • Harmonious working • Value for money • Behave ethically • Leaden in collaboration
7	Development Partners	<ul style="list-style-type: none"> • Funding • Joint projects in Research and business avenues 	<ul style="list-style-type: none"> • Unreliability of funding • Political environment • Change in economic 	<ul style="list-style-type: none"> • Strengthening institutional capacity • Soliciting more development 	<ul style="list-style-type: none"> • Resources deployed according to set priorities • Transparency and

No.	Stakeholder	Opportunities	Challenges	Proposed Action	Interest/Expectations
		<ul style="list-style-type: none"> Exchange programmes Scholarships Capacity building collaborations 	<ul style="list-style-type: none"> Changes in status Changes in development priorities 	<ul style="list-style-type: none"> Efficient use of donations and grants Internationalization policy and strategies 	<ul style="list-style-type: none"> Accountability Realization of Project Outputs Program sustainability Accountability and transparency Comprehensive dissemination of research results
8	Professional Boards	<ul style="list-style-type: none"> Quality assurance of academic programmes Provision of professional ethics and practices 	<ul style="list-style-type: none"> Changes in Professional standards and ethics Competition from similar entities Multiplicity Locating, mobilizing and involving alumni 	<ul style="list-style-type: none"> Adherence to professional standards, ethics and innovative practices Harmonization Guided flexibility Database of alumni regularly updated Organizing convocation Inviting alumni on career days Fund raising Network and collaboration 	<ul style="list-style-type: none"> Adherence to professional standards, ethics and innovative practices Quality/standards upheld A good networking and collaboration for SUA development
9	Alumni	<ul style="list-style-type: none"> Feedback on relevance and quality of programmes Fund raising Industrial linkage Ambassadorial role 	<ul style="list-style-type: none"> Linkages industries/Agro industries Frequent changes in industry dynamics 	<ul style="list-style-type: none"> Promote linkages with industries Develop flexibility(guided) learning (reskilling) 	<ul style="list-style-type: none"> Trust and confident graduates Competent graduates with requisite skills and attitude Ethical graduates Accurate, transparent, timely and reliable information
10	Agricultural Processors and Industries	<ul style="list-style-type: none"> Employment of graduates Use of SUA technologies and experts Collaboration in programmes development 			
11.	Financial Institutions	<ul style="list-style-type: none"> Funds and financial transactions Employment of graduates Loan facilities 	<ul style="list-style-type: none"> High interest and transactions costs 	<ul style="list-style-type: none"> Strengthen workplace savings and credit cooperatives Create awareness on wise use of credits Engage with financial institutions Transparency Clarity on costs 	<ul style="list-style-type: none"> A good relationship A good leadership Quality graduates Access opportunity for loan facilities for institutional development intervention Encouraged bank funds and financial transactions Funding long term projects

Source: SUACSP handbook (2021-26)

1.6. CAPITAL STRUCTURE AND TREASURY POLICIES

1.6.1. Analysis of the Financial Position of the Entity

During the year under review, the University had total assets of TZS 114.23 billion as compared to the total liabilities of TZS 46.51 billion. The current assets form 35.35% of the total assets while the non-current assets form 65.65% of the total assets. The current assets comprise mostly of the cash and cash equivalent, receivables from customers and unaccounted funds in form of imprest receivables etc. The non-current assets comprise most of assets procured and utilised in production of goods and services.

Further, the current liabilities form 32.40% of the total liabilities while the non-current liabilities form 67.60% of the total liabilities. However, it is worth noting that the unspent funds received from development partners are treated as part and parcel of the current liabilities disclosed under note 13 of the financial statements as restricted funds. The remaining part of the liability relates to payables to suppliers on goods and services supplied in the financial year.

The University has plans of repair and maintenance, rehabilitation and construction of long-lasting assets necessary in provision of goods and services including quality training, research and consultancy. Most of the infrastructure, especially buildings, are old and require replenishment to accommodate the emerging needs in expansion of services such as enrolment of more students.

1.6.2. The Capital Structure of the University

The University capital structure comprises three sources of funding including the Government; development partners; and internally generated funding in the proportion of 47; 21; and 32% respectively.

1.6.3. Treasury Policies and Objectives

The University finances are managed using the SUA's Financial Regulations. The regulations aim at directing actors on what is to be done to ensure that the resources of SUA are not misused or misappropriated and are safe guarded. Further, there are other guidelines including the Government Standing Orders and Regulations; and the Financing Agreements and/ or MoUs signed between the University and funders. All the transactions are managed using budgetary tools and conditions where the controls are specific to the nature of funding, for instance, donor funding is completely treated as restricted funding.

The University did not accrue any interest on deposit of funds to the commercial banks since all monies are kept with the Central Bank of Tanzania (BoT). All the closing balances in the Statement of financial position at the year-end are translated using the BoT spot exchange rate as of 30 June. Other details in handling treasury matters have been detailed in the notes to the financial statements.

1.7. CASH FLOWS

1.7.1. The Basis of Cash Flow Projection

The University prepares its budgets in accordance with the Medium-Term Expenditure Framework (MTEF) which also includes preparation of cash flows for managing the inflows and outflows on a quarterly basis. The cash flow projection includes estimates of inflows and outflows from exchange and non-exchange transactions generated from operating, investing, and financing activities.

During the financial year 2020/21, the University had the Cash inflow of TZS 188.79 billion (2020: TZS 202.64 billion) and the total Cash Outflow from Operating Activities of TZS 188.93 (2020: TZS 192.26 billion), Cash Outflow from Investing Activities of TZS 6.06 billion (2020: TZS 3.33 billion) which resulted into the Cash and Cash Equivalent of TZS 22.90 billion (2020: TZS 29.02 billion) at the year end. The decrease in cash and cash equivalent balance at the year-end is a result of increased expenditure during the year under review due to delayed receipt of funds (especially research funds) in the prior year.

1.8. LIQUIDITY

The University has a good ratio between the current assets and current liabilities. During the year under review, the following assessment was done: -

- i. The statement of Financial Position had current assets of TZS 40.26 billion against the current liabilities of TZS 15.07 billion indicating the quick asset ratio of approximately 2.7: 1 which is favourable;
- ii. The University upholds budgeting principles of allocating funds to each individual activity in accordance with the approved budget. Transfers and virements are restricted except for approvals provided in the Financial Regulations and the Public Finance Act, 2006; and
- iii. The University treats Development Partners' funds with Financing Agreements signed between SUA and Development Partners as restricted funds. Upon receipt, these funds are recorded as deferred income under conditions of the signed contracts or MoUs.

1.8.1. Solvency and Going Concern Evaluation

The University Council confirms that, while preparing these financial statements, International Public Sector Accounting Standards (IPSAS) have been complied with. The University Council ensures that Sokoine University of Agriculture has adequate funds to meet its objectives namely training, research, outreach and production activities.

During the year under review, the University's cash reserve was TZS 22.90 billion (2020: 29.09 billion) which includes a sum of TZS 106.53 million as Government Grant for Development, restricted fund (Donor Fund) amounting to TZS 12.61 billion; and a sum of TZS 10.17 billion as internally generated fund remaining for settlement of commitments and day to day operations.

The Government of the United Republic of Tanzania has continued to provide grants to the University for Meeting Operational Expenses, especially Personnel Emoluments and development activities. In view of this assessment, the University Council is of the opinion that the University has a sound financial position and will continue to operate for the unforeseeable future.

1.9. KEY PERFORMANCE INDICATORS (KPIs)

Subsequently, the University has developed its 5th SUACSP 2021-2026 with KPIs embedded within seven strategic objectives which will be evaluated with the established Monitoring and Evaluation (M&E) tools. The report will be worked on in the financial year 2021/22.

1.10. OTHER METHODS IN MEASURING OF THE KPIs

The 4th SUACSP 2016-21 was not embedded with the KPI's criteria rather a final evaluation was being done during the year under review to ascertain the performance comparing the planned output versus the implemented activities as the CSP ended. The final evaluation was done and awarded a score of 80%. The methodology used in performing of the final evaluation is as follows: -

- i. The University Management formed a Taskforce to review the 4th SUACSP 2016-21
- ii. The team reviewed the relevant literature, including the 4th SUACSP (2016-21), SUACSP Quarterly and Annual implementation reports, SUA Master Plan, SUA's Audited Financial Reports, restructuring documents, Second Five Years Development Plan (FYDP) etc;
- iii. Consultations with key informants across the University - SUACSP implementing Units was done;
- iv. Drafting of the evaluation report;
- v. Presentation of the report to the SUA Management;
- vi. Incorporation of comments and submission to the SUA Management and other relevant University organs;
- vii. Review administrative data and relevant documents. This review documented achievements, challenges and lessons of experience among others;
- viii. Taskforce reviewed various government policy and strategy documents such the TDV 2025, FYDP 2016-21 and FYDP 2021-26 etc;
- ix. Development of data collection tools where the Taskforce developed tools for collecting data from various SUACSP implementing units across the University. The tools aimed at examining organizational accomplishments against planned targets, challenges and drawing lessons learnt;
- x. Consultations with key informants and stakeholders. Consultations aimed to complement and validate information/data collected in the previous implemented activities; and
- xi. Data analysis and reporting. The collected data were analysed quantitatively and qualitatively to assess achievements against the planned targets. Based on these, the report was prepared and presented to the University Management for further processing.

1.11. CORPORATE GOVERNANCE ISSUES

1.11.1. Those Charged with Governance

The University Council is the highest organ of Sokoine University of Agriculture established as per Article 18 of the SUA Charter, 2007. The Council consists of a chairperson and thirteen members, all of them are Tanzania Nationals. Apart from the Secretary to the Council who is the Corporate Counsel; seven members are non-executive Directors and three are ex-officio members holding positions in the University and three are representing the staff and students at the University.

The Council is chaired by a member who has no executive function. The Council includes members from diverse disciplines and skills such as finance, human resource, management, science, economics and education, 67% of which are male and 33% female. The Council is confident that its members have the knowledge, talent, and experience to lead the University. The non-executive members are independent of management and exercise their independent judgment. With their depth of experience, they add value to Council deliberations. The areas of expertise and proportion in gender of the members to the Council is as shown in the Table 10 below:

Table 10: The areas of expertise and gender of members to the Council for the year 2020/21

SN	Discipline	Gender		Total	Percentage (%)
		Male	Female		
1	Agriculture and Allied Sciences	1	0	1	7
2	Education	2	0	2	14
3	Economics	1	1	2	14
4	Environmental Economics/Technology	1	0	1	7
5	Food Science and Human Nutrition	0	1	1	7
6	Human Resource/Management	1	0	1	7
7	Laboratory Technology	1	0	1	7
8	Law	1	1	2	14
9	Microbiology	0	1	1	7
9	Molecular Biology and Biotechnology	1	1	2	14
Total Members		9	5	14	100

Source: Council Members' profiles 2020/21

Ordinary meetings of the University Council are held quarterly in a year in accordance with the University charter and oversee the management activities. In this year 2020/21, four meetings were held whereby various decisions were made including but not limited to approving the budget for the financial year 2021/22, Annual Procurement Plan 2021/22, audited financial statements, promotion and termination of staff.

All matters deliberated in the Council meetings are brought up by the University Management led by the Vice Chancellor. The Vice Chancellor of the University reports to the Council and enjoys all executive powers.

He is assisted by two Deputy Vice Chancellors (One for Academic matters and the other for Administration and Finance); and senior management officers in the day-to-day operations of the University.

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Senior Management staff is invited to attend Council meetings and facilitate the effective control of all the University's operational activities, acting as a medium of communication and coordination between the various business units. The members of the University Council, their attendance is as shown in Tables 11 & 12 below:

Table 11: List of members of the University Council who served the University for the year 2020/21

S/N	Name	Position	Age	Appointment & Re-appointment date ³	Date for expiry of tenure	Period Served in years/months	Qualification / Discipline	Appointee's Authority
1.	Hon. Justice Mohamed C. Othman	Chairperson	68	14 May 2017	30 June 2021	4 years	MA. International Relations	President of the United Republic of Tanzania
2.	Mrs. Dorothy Mwanyika	Vice-Chairperson	61	13 February 2020	30 June 2022	19 months	MSc. Agricultural Economics	Chancellor
3.	Prof. Raphael T. Chibunda	Member	55	24 April 2017	30 June 2022	4	PhD. Environmental Technology	Vice-Chancellor (Ex-Officio)
4.	Prof. Maulid W. Mwatawala	Member	51	2 May 2020	30 June 2023	11 months	PhD. Applied Entomology	Deputy Vice-Chancellor-Academic (Ex-Officio)
5.	Prof. Amandus P. Muhairwa	Member	55	01 July 2020	30 July 2023	11 Months	PhD Veterinary Medicine	Deputy Vice-Chancellor - Administration & Finance (Ex-Officio)
6.	Mrs. Maryam J. Saadalla	Member	49	5 October 2016	30 June 2022	5 months	M.Phil. Biotechnology	The Revolutionary Government of Zanzibar
7.	Dr. Aloyce Nzuki	Member	57	01 July 2019	30 June 2022	1 year	PhD. Environmental Economics	The Minister responsible for Natural Resources and Tourism
8.	Mr. Pius Mponzi	Member	60	01 July 2019	30 June 2022	2 years	BA. Economics	Minister responsible for Finance
9.	Prof. Amelia	Member	66	01 July 2019	30	2 years	PhD.	Minister of

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S/N	Name	Position	Age	Appointment & Re-appointment date ³	Date for expiry of tenure	Period Served in years/months	Qualification / Discipline	Appointee's Authority
	Kivaisi				June 2022		Applied Microbiology	education, Science and Technology
10.	Prof. William A.L. Anangisye	Member	58	5 December 2018	30 June 2022	2 and six months	PhD. Education	Elective of the SUA Senate
11.	Mr Japhet B. Assedy	Member	27	29 December 2019	30 June 2020	1 year	Student (Bachelor of Lab. Technology)	Elective of SUA Students Organization (SUASO)
12.	Mr. Dioniz Zacharia E.	Member	26	30 May 2019	20 December 2019	16 months	Student (BSc. Education)	Elective of SUA Students Organization (SUASO)
13.	Dr. Abubakar S. Hoza	Member	46	1 July 2019	30 June 2022	4 years	PhD. Molecular Biology	Elective of SUA Academician Staff association (SUASA)
14.	Ms. Gaudencia L. Donati	Member	60	3 August 2016	30 June 2022	5 years	MSc. Human Nutrition	Elective of the Researchers, Academician & Alliance Workers Union (RAAWU) - SUA
15.	Mrs. Lunyamadzo M. Gillah	Corporate Counsel & Secretary to Council	51	17.12.2010		11 years	Master of Laws (LLM)	University Council

Source: Council Members' profiles 2020/21

Table 12: Register of attendance of Council Members in the University Council meetings for the year 2020/21

S/N	Member's Name	Attendance of Members in meetings				Total Number of Meetings attended
		Date 24/09/2020	Date 15/12/2020	Date 08/04/2021	Date 24/06/2021	
1.	Hon. Justice Mohamed C. Othman	P	P	P	P	4

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S/N	Member's Name	Attendance of Members in meetings				Total Number of Meetings attended
		Date 24/09/20 20	Date 15/12/20 20	Date 08/04/20 21	Date 24/06/20 21	
2.	Mrs. Dorothy Mwanyika	P	P	P	P	4
3.	Prof. Raphael T. Chibunda	P	P	P	P	4
4.	Prof. Maulid W. Mwatawala	P	P	P	P	4
5.	Prof Amandus P. Muhairwa	P	P	P	AP	3
6.	Mr. Pius Mponzi	P	P	P	N/A	3
7.	Dr. Aloyce Nzuki	AP	AP	AP	N/A	0
8.	Mrs. Maryam J. Saadalla	P	AP	AP	AP	1
9.	Dr. Abubakar S. Hoza	P	P	P	P	4
10.	Prof. Amelia Kivaisi	P	P	P	P	4
11.	Mr Japhes B. Assedy	P	P	AP R	P	3
12.	Prof. William A.L. Anangisye	P	P	AP R	P	3
13.	Ms. Gaudencia L. Donati	P	P	P	P	4
14.	Lunyamadzo M. Gillah	P	P	P		4

P = Present, AP = Apology, AP-R = Absence with apology-Represented, N/A = yet to be appointed/replaced*

1.11.2. Secretary to the Council

The secretary to the Council is appointed as per Rule 70 of the University Charter, 2007 for advising the Council on legal and corporate governance matters and ensuring that there is good information flow between the Council, its Committees and Management. All members of the Council and Management have access to his legal advice and services.

1.11.3. Management

The Management of the University is headed by the Vice Chancellor who is assisted by two Deputy Vice Chancellors (One for Academic matters and the other for Administration and Finance). Apart from that there are Principals, Deans, Directors and Heads of units and divisions as shown in Table 1.

1.11.4. Council Remunerations

The Council expenses which also include statutory payment to key management personnel during the year are as disclosed under Note 24 to the Financial Statements.

1.11.5. Fiduciary Responsibility

All non-executive members of the Council are considered by the Council to be independent both in character, judgement and free of relationships or circumstances that could affect their judgement.

1.11.6. Code of Corporate Practice and Conduct

Sokoine University of Agriculture is committed to the principles of effective Corporate Governance and the council is of the opinion that the University currently complies with

principles of good Corporate Governance. This is attained through an emphasis of highest standards of corporate governance.

1.11.7. Flexibility towards Change

The current organizational structure is flexible and accommodates changes from internal as well as external environment. Moreover, the University periodically reviews its rules and regulations with a view to ensuring the best performance of the academy. The University adheres to the global standards and practices of good corporate governance. The Councillors continue to strengthen the good governance system by reviewing various performance reports and approving policies and guidelines with the aim of enhancing good governance.

1.11.8. Business ethics and organizational integrity

The University's Code of Conduct commits it to the highest standards of integrity, conduct and ethics in its dealings with all parties concerned, including its Principal, Directors, managers, employees, customers, suppliers, competitors, investors and the public in general. The management and staff are expected to fulfil their ethical obligations in such a way that the business is run strictly according to laid out policies and procedures.

1.11.9. Performance evaluation and reward

The University ensures that Tanzanian Government Scale related salaries are paid, and related trends are followed in terms of changes in benefits, while at the same time considering the intrinsic value of individual contributions. Details of the remuneration paid to key management staff are disclosed in Note 24 to the financial statements.

1.11.10. Anti-Corruption

In conducting its activities, SUA maintains transparency and observes the principles of good governance. In this respect, the University has established an Ethics Committee and Code of Ethics dealing with mitigation of unethical issues.

1.11.11. University Council Members' Interests

The University is a public body under the supervision and control of the University Council. During the year 2020/21, none of the members of the University Council had interest or transactions with the University except those reported under note 25 of these financial statements.

1.11.12. Related Party Transactions

All related party transactions and balances are disclosed in note 25 of the financial statements.

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1.11.13. Addressing Covid-19 Pandemic and Its Impact

Sokoine University of Agriculture as part of the community was affected by Covid19 pandemic. Most of the activities including training and research were delayed and had to be rescheduled in order that the core objectives could be attained.

Despite the situation after the emergence of Covid-19 pandemic, the final evaluation of the 4th SUA CSP review indicated an average performance of 80%. As part of the community and Government institutions, SUA took the following initiatives:-

- i. Contributed to the community by offering expertise and equipment in curbing the Covid19 pandemic. This includes issuing of lab facilities in efficient diagnosis and detection of the disease; as well as the human resource (experts in virology) from the College of Veterinary Medicine and Biomedical Sciences who worked together with the National laboratory experts;
- ii. The SUA hospital (Health facility) at Main Campus was identified and successfully used as an isolation centre for Covid19 patients; and
- iii. Managed to implement health and safety directives as issued by the Ministry of Health, Community Development, Gender, Elderly and Children.

1.11.14. Environmental Protection Program

SUA implements Government policies and directives on environmental conservation. The University preserves the environment through tree planting, an activity which is carried out throughout the year and includes issuing free seedlings to neighbouring communities. Moreover, the University has a College of Forestry, wildlife and Tourism which deals with preservation, transmission, dissemination and enhancement of knowledge in the field of forestry, environment and natural resources management.

1.11.15. Ownership

Sokoine University of Agriculture is wholly owned by the Government of the United Republic of Tanzania.

1.11.16. Committees Charged with Governance

The University Council has four (4) committees which assist in discharging its functions and responsibilities effectively. Operations of each committee are defined in the Terms of Reference approved by the Council. To adequately interrogate issued presented by the Management, the Council had constituted the following committees:

1. Finance, Planning and Development Committee (FP&DC);
2. The University Senate;
3. Human Resource Committees (Administrative and Academic Staff);
4. Student's Affairs Committee; and
5. Audit Committee.

1.11.16.1. Finance, Planning and Development Committee (FP&DC)

The Finance, Planning and Development Committee monitors the financial performance of the University and its associated legal entities if any. It considers financial policies and issues and makes recommendations to the Council on these matters having regard to the importance of financial sustainability.

It also considers and evaluates quarterly financial progress reports, financial statements and budgets of the University and other related financial issues and makes recommendations to the Council thereon. The Committee is chaired by The Deputy Chairperson of the Council and normally meets four times a year. The list of members and their attendance is as shown in Table 13 & 14.

Table 13: Register of attendance of the FP & DC in the FP & DC meetings for the year 2020/21

S/N	Name	Position	Age	Qualification/Discipline	Period Served in years	Appointees Authority
1	Mrs. Dorothy Mwanyika	Chair	61	MSc. Agricultural Economics	19 months	Appointee of Chancellor
2.	Mr. Pius Mponzi	Member	60	BA. Economics	2	Appointee of Minister responsible for Finance
3.	Prof. Raphael T. Chibunda	Member	55	PhD. Environmental Technology	4	Vice Chancellor (Ex-official)
4.	Dr. Aloyce Nzuki	Member	57	PhD. Environmental Economics	2	University Council
5.	Mrs. Maryam J. Saadalla	Member	49	M.Phil. in Biotechnology	5	University Council
6.	Mr. A. Mwambene	Member			2	University Council
7.	Prof. Amandus P. Muhairwa	Member	55	PhD. Veterinary Medicine	1	Deputy Vice Chancellor (Administration & Finance)
8.	Prof. Maulid W. Mwatawala	Member	52	PhD. Applied Entomology	16 months	Deputy Vice Chancellor Academic
9.	Ms. Gaudencia L. Donati	Member	60	MSc. Human Nutrition	5	Elective of the Researchers & Alliance Workers union (RAAWU) SUA
10.	Dr. Abubakar S. Hoza	Member	46	PhD. Molecular Biology	5	Elective of the SUA Academician Staff Association (SUAS)
11	Prof. Dismas L. Mwaseba	Member	64	PhD. Development studies	3	Ex-official Director-ICE
12	Prof. Esron D. Karimuribo	Member	55	PhD. Agric. Animal Science	7	Director, Directorate of Postgraduate Studies, Research, Technology Transfer & Consultancy
13	Prof. Benard Chove	Member	63	PhD. Food Engineering	14 months	Ex-official Principal - Agric.
14	Prof. Camilius Sanga	Member	46	PhD Computer Science	1	Ex-Official Director CICT
15	Prof. Suzana Augustino	Member	48	PhD Wood Chemistry	1	Ex-Official Principal - Forestry

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S/N	Name	Position	Age	Qualification/Discipline	Period Served in years	Appointees Authority
16	Prof. Ladislaus Mnyone	Member	45	PhD. Pest Biology & Ecology	5	Ex-Official Director - Pest Management
17	Dr. Geoffrey K. Karugila	Member	55	PhD. Mathematical Physics	1	Principal SM-COSE
18	Dr. Damas Phillip Lukoo	Member	50	PhD.	1	Dean of School of Agribusiness & Business Studies
19	Mr Japhes B. Assedy	Member	26	Student (Bachelor of Technology) Lab.	1	SUASO Representative
20	Dr. Nyambilila Amuri	Member	46	PhD Crop Soil and Envir. Science	1	Director DUS
21	Prof. C.J. Phiri	Member	61	PhD. Nutritional Physiology	1	Principal College of Veterinary Medicine and Biomedical Sciences
22	Prof. Samwel J. Kabote	Member	47	PhD. Development Studies	3	Principal College of Social Sciences
23	Mr. Peter W Lubuwah	Secretary to Committee	52	CPA(T) MBA	3	Chief Financial Officer
24	Dr. Ibrahim C. Mjemah	Member	50	PhD. Environmental Engineering	2	Director of Planning and Development
25	Mrs. Lunyamadzo M. Gillah	Member	51	Master of Laws. LLM	11	Corporate Counsel

P = Present, AP = Apology, AP-R = Absence with apology-Represented, N/A* = yet to be appointed/replaced

Table 14: Register of attendance of the Members of the FP & DC for the year 2020/21

S/N	Member's Name	Attendance of Members in meetings				Total Number of Meetings attended
		10/09/2020	19/11/2020	11/03/2021	10/06/2020	
1	Mrs. Dorothy Mwanyika	AP	P	P	P	3
2	Dr. Aloyce Nzuki	AP	AP	P	N/A	1
3	Bibi. M. Saadala	AP	AP	AP	AP	0
4	Bw. P.M. Mponzi	P	P	P	N/A	3
5	Bw. A. Mwambene	AP R	P	AP	AP R	1
6	Prof. R.T. Chibunda	P	AP	P	P	3
7	Prof. M. Mwatawala	AP R	P	P	P	3
8	Prof. A.P. Muhairwa	P	P	P	P	4
9	Ms. G.L. Donati	AP R	P	P	AP R	2
10	Dr. A.S. Hoza	AP R	AP R	AP R	AP R	0
11	Prof. B. Chove	P	AP R	P	P	3
12	Dr. Geoffrey K. Karugila	AP R	P	P	P	3

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S/N	Member's Name	Attendance of Members in meetings				Total Number of Meetings attended
		10/09/2020	19/11/2020	11/03/2021	10/06/2020	
13	Dkt. Damas Phillip	P	P	P	P	4
14	Prof C.J. Phiri	P	P	AP R	P	3
15	Dkt. J.S. Kabote	P	P	P	P	4
16	Bw. P.L. Wilson	P	P	P	P	4
17	Bw. Nuru Birango	P	P	P	P	4
18	Dkt. I.C. Mjemah	P	P	P	P	4
19	Prof. Suzana Agustino	P	P	AP R	AP R	2
20	Prof. C.A. Sanga	P	AP R	AP R	P	2
21	Dkt. A. Churi	P	P	P		3
22	Prof. L. Mnyone	P	AP R	AP	AP R	1
23	Prof. E.D. Karimuribo	AP R	AP	P	P	2
24	Dkt. Nyambilila Amuri	P	P	P	P	4
25	Bw. Japhes B. Assedy	P	P	P	AP R	3
26	Lunyamadzo M. Gillah	P	P	P	AP R	3

P = Present, AP = Apology, AP-R = Absence with apology-Represented, N/A = yet to be appointed/replaced*

1.11.16.2. The University Senate

The SUA Charter, 2007 provides that, “there shall be a Senate for the University which shall, subject to the powers of the Council as provided in the Act, the Regulations made thereunder, this Charter and the Rules contained in the First Schedule hereto, be the principal overall decision-making organ in respect of all academic matters of the University and be responsible for the academic work of the University both in teaching, research and consultancy and for the regulation and superintendence of the education of the students of the University”. The members of the senate and the respective attendance of meetings are as shown in Tables 15 and 16 below:

Table 15: The Senate Committee Members who served during the year 2020/21

S/N	Name	Position	Age	Qualification/ Discipline	Period Served in years	Appointee's Authority
1	Prof. Raphael T. Chibunda	Chairperson	55	PhD (Environmental Technology)	4	Vice-Chancellor
2	Prof. Maulid Mwatawala	Member	51	PhD (Crop Science & Production)	1	Deputy Vice Chancellor-Academic)
3	Prof. Amandus Muhairwa	Member	55	PhD (Vet Medicine)	1	Deputy Vice-Chancellor - Administration & Finance
4	Prof. C.J. Phiri	Member	61	PhD (Vet Medicine)	1	Principal College of Veterinary Medicine and Biomedical Sciences
5	Dr. G.K. Karugila	Member	55	PhD Mathematics Physics	2	Principal Solomon Mahlangu College of Social Science & Education
6	Prof. E.	Member	55	PhD (Agric.	3	Director, Directorate of

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S/N	Name	Position	Age	Qualification/ Discipline	Period Served in years	Appointee's Authority
	Karimuribo			Animal Science)		Postgraduate Studies, Research, Technology Transfer & Consultancy
7	Dr. Gration Rwegasira	Member	49	PhD	1	Coordinator, Quality Assurance & Promotion Bureau
8	Prof. B. Chove	Member	63	PhD Food Engineering	1	Principal, College of Agriculture
9	Prof. C.A. Sanga	Member	46	PhD Computer Science	1	Director, Sokoine National Agriculture Library
10	Dr. N. A. Amuri	Member	45	PhD Crop, Soil Environmental Science)	1	Director, Directorate of Undergraduate Studies
11	Dr. L. Mnyone	Member	46	PhD (Pest Biology & Ecology)	4	Director, SUA Pest Management Centre
12	Prof. D. Mwaseba	Member	64	PhD (Development studies)	3	Director-ICE
13	Dr. D.P. Lukoa	Member	50	PhD)	1	Dean of Prospective School of Agricultural Economics and Business Studies
14	Dr. S. A. Nhemati	Member	48	PhD Wood Chemistry	1	Principal, Prospective College of Social Sciences and Humanities
15	Mr. Pule J. Motshabi	Member	48	MBA (Marketing)	8	Dean of Student
16	Dr. Juma S. Kabote	Member	47	PhD (Development Studies)	2	Principal Prospective College of Social Sciences and Humanities
17	Dr. A. S. Hoza	Member	47	PhD. Molecular Biology	4	SUASA representative
18	Mr. Asedy B. Japhes	Member	27	Student	1	SUASO Representative
19	Ms. Marry M. Magoti	Member	26	Student	1	SUASO Representative
20	Mr. Collin O. Opiyo	Member	25	Student	1	SUASO Representative
21	Mr. Juma A. Ally	Member	26	Student	1	SUASO Representative
22	Mr. William J. Magige	Member	25	Student	1	SUASO Representative
23	Dr. Ibrahim Mjemah	Member	50	PhD Environmental Engineering	2	Director of Planning and Development
24	Mrs. Lunyamadzo M. Gillah	Member	51	Master of Laws (LLM)	11	Corporate Counsel
25	Ms.	Member	60	MSc. Human	5	Elective of the Researchers

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S/N	Name	Position	Age	Qualification/ Discipline	Period Served in years	Appointee's Authority
	Gaudencia Leo Donati			Nutrition		& Alliance Workers union (RAAWU) SUA
26	Prof. Rudovick Kazwala	Member	63	PhD Veterinary Public Health	1	President of the SUA Convocation
27	Prof. Ganka Nyamsogoro	Member		PhD	1	External Member
28	Dr. K. Hosea	Member		PhD	1	External Member
29	Prof. Amelia K. Kivaisi	Member		PhD Applied Microbiology	1	External Member
30	Prof. Eliakimu Zahabu	Member	50	PhD Forestry and Climate Change	1	Ag Director National Carbon Monitoring Centre
31	Prof. G.L. Mwamengele	Member	66	PhD Veterinary Anatomy and Pathology	6	Ag. Principal Mizengo Pinda Campus College

Table 16: The Attendance of members of the senate during the year 2020/21

S/N	Member's Name	Attendance for the meetings during the year				Total Number of Meetings attended
		15/09/20	08/12/20	09/03/21	15/06/21	
1	Prof. R. T. Chibunda	p	P	P	P	4
2	Prof. M. Mwatawala	p	P	P	p	4
3	Prof. Amandus Muhairwa	p	P	P	P	4
3	Prof. C.J. Phiri	p	P	P	P	4
4	Dr. G.K. Karugila	AP-R	P	P	P	3
5	Prof. E. Karimuribo	p	P	P	P	4
7	Dr. Gratian Rwegasira	P	AP	P	AP	2
8	Prof. B. Chove	p	P	p	p	4
9	Prof. C. Sanga	p	p	p	P	4
10	Dr. A. Amuri	P	p	p	P	4
11	Dr. L. Mnyone	p	P	P	P	4
12	Prof. D. Mwaseba	P	AP	P	P	4
13	Dr. D.P. Lukoa	P	P	AP-R	P	3
14	Dr. S. A. Nhemati	p	P	P	P	4
15	Mr. Pule J. Motshabi	p	P	P	P	4
16	Dr. Juma S. Kabote	P	P	P	P	4
17	Dr. A. S. Hoza	P	P	AP	AP-R	3
18	Mr. Asedy B. Japhes	AP-R	P	P	P	3
19	Ms. Marry M. Magoti	P	P	P	P	4
20	Mr. Collin O. Opiyo	AP-R	P	P	P	3

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S/N	Member's Name	Attendance for the meetings during the year				Total Number of Meetings attended
		15/09/20	08/12/20	09/03/21	15/06/21	
21	Mr. Juma A. Ally	p	P	P	AP-R	3
22	Ms. Elizabeth M. Maduhu	p	AP-R	P	AP-R	2
23	Dr. Ibrahim Mjemah	AP	P	P	AP	2
24	Mrs. Lunyamadzo, M. Gillah	AP-R	P	P	AP-R	2
25	Ms. Gaudencia Leo Donati	P	AP	AP-R	AP-R	1
26	Prof. Rudovick Kazwala	P	AP-R	P	P	3
27	Prof. Ganka Nyamsogoro	AP	AP	AP	P	1
28	Dr. K. Hosea	AP	AP	AP-R	AP-R	0
29	Prof. Amelia K. Kivaisi	P	AP	AP	P	2
30	Prof. Eliakimu Zahabu	P	P	P	P	4
31	Prof. G.L. Mwamengele	P	AP	AP-R	AP-R	1

P = Present, AP = Apology, AP-R = Absence with apology-Represented, N/A = The post/position was vacant*

1.11.16.3. Students' Affairs Committee

The committee is responsible for overseeing students' affairs and it is required to meet four times in a year. During the year under review, the committee met 2 times in deliberation of student matters. The list of members of the committee and their attendance is as shown in **Table 17 & 18**.

Table 17: The Students Affairs Committee Members who served during the year 2020/21

S/N	Name	Position	Age	Qualification /Discipline	Period Served in years	Appointee's Authority
1.	Prof. Amelia K. Kivaisi	Chairperson	66	PhD Applied Microbiology	2	University Council
2.	Prof. Amandus Muhairwa	Member	55	PhD (Vet Medicine)	15 months	Deputy Vice-Chancellor - Administration & Finance
3.	Mr. Lazaro M. Malili	Member	54	Postgraduate Diploma in Education	2	Minister for Education, Science & Technology
4.	Prof. C.A. Sanga	Member	46	PhD Computer Science	2	Appointee of Senate
5.	Dr. Nyambilila A. Amuri	Member	45	PhD Crop, Soil Environmental Science)	2	Director, Directorate of Undergraduate Studies
6.	Dr. Nicholas A. Mwalukasa	Member	40	PhD in Development Studies	2	SNAL Representative

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S/N	Name	Position	Age	Qualification /Discipline	Period Served in years	Appointee's Authority
7.	Ms. Mary M. Magoti	Member	26	Student	1	SUASO Representative
8.	Mr. Asedy B. Japhes	Member	27	Student	1	SUASO Representative
9.	Mr. William J. Magige	Member	25	Student	1	SUASO Representative
10.	Mr. A.M. Richard	Member	25	Student	1	SUASO Representative
11.	Mr. S.A. Saidi	Member	26	Student	1	SUASO Representative
12.	Mr. H.S. Shaib	Member	25	Student	1	SUASO Representative
13.	Mr. A.J. Lamwai	Member	27	Student	1	SUASO Representative
14.	Mr. George R. Zambetakis	Member	39	LLB	2	Legal Officer
15.	Mr. Pule J. Motshabi	Secretary	48	MBA (Marketing)	8	Dean of Student

Source: Students Affairs Committee Records 2020/21

Table 18: The Attendance of members of the Students Affairs Committee during the year 2020/21

S/N	Member's Name	Attendance for the meetings during the year		Total Number of Meetings attended
		16/02/2021	21/05/2021	
1.	Prof. Amelia K. Kivaisi	P	P	2
2.	Prof. Amandus Muhairwa	P	P	2
3.	Mr. Lazaro M. Malili	P	P	2
4.	Prof. Camilius A. Sanga	P	P	2
5.	Dr. Nyambilila A. Amuri	P	P	2
6.	Dr. N.A. Mwalukasa	P	P	2
7.	Mr. Asedy B. Japhes	P	P	2
8.	Ms. Mary M. Magoti	P	P	2
9.	Mr. William J. Magige	P	P	2
10.	Mr. A.J. Lamwai	P	P	2
11.	Mr. S.A. Saidi	P	P	2
12.	Mr. A.M. Richard	P	P	2
13.	Mr. H.S. Shaib	P	P	2
14.	Mr. George R. Zambetakis	P	P	2
15.	Mr. Pule J. Motshabi	P	P	2

P = Present, AP = Apology, AP-R = Absence with apology-Represented, N/A* = The post/position was vacant

1.11.16.4. Audit Committee

The Audit Committee provides oversight of the financial reporting process, the audit process, the system of internal controls and compliances with laws and regulations. The Committee is chaired by member of the University Council and normally meets four times

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in a year. The list of members of the committee and their attendance is as shown in Table 19 & 20.

Table 19: Audit Committee Members serve the period 2020/21

S/N	Name	Position	Age	Qualification / Discipline	Period Served in years	Appointee's Authority
1	Mr. Pius Mponzi	Member	60	BA. in Economics	2	University Council
2	Mr. Paul R. Bilabaye	Member	48	MBA. Corporate Management, CPSP (T), CPA (T)	5	University Council
3	Prof. Amelia K. Kivaisi	Member	66	PhD Applied Microbiology	2	University Council
4	Mr. Abdu-Razaq I. Badru	Member	52	MBA. International Business Management	2	University Council
5	Mrs. Hannah Mwakalinga	Member	53	MBA. Finance & IT, CPA (T)	5	University Council
6	Mrs. Lunyamadzo M. Gillah	Secretary to Committee	51	Master of Laws (LLM)	11	University Council

Source: Audit Committee records 2020/21

Table 20: Register of attendance for members of the Audit Committee for the Audit Committee Meetings for the year 2020/21

S/N	Member's Name	Attendance of Members in meetings					Total Number of Meetings attended
		11/09/20	20/11/20	18/02/21	13/03/21	11/06/21	
1	Mr. Pius Mponzi	P	P	P	P	N/A	4
2	Mr. Paul R. Bilabaye	P	P	P	P	P	5
3	Prof. Amelia K. Kivaisi	P	P	P	P	P	5
4	Mr. Abdu-Razaq I. Badru	P	P	AP	P	AP	3
5	Mrs. Hannah Mwakalinga	P	P	P	P	P	5
6	Mrs. Lunyamadzo M. Gillah	P	P	P	P	P	5

P = Present, AP = Apology, AP-R = Absence with apology-Represented, N/A* = The post/position was vacant

1.11.16.5. Human Resource Committees (Administrative and Academic Staff)

The Human Resource Committees provide oversight of all human resource matters including employee's benefits and oversee compliance with laws and regulations and evaluate good governance. The Committees are chaired by the Vice Chancellor and normally meet four times in a year. The list of members of the committee and attendance is as shown in Table 21 & 22.

Table 21: Members of Human Resource Committee who served the committee for the year 2020/21

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S/N	Name	Position	Age	Qualificatio n/Discipline	Period Served in 2020/2021	Appointee's Authority
1	Prof. Raphael T. Chibunda	Chairpers on	55	PhD (Environmen tal Toxicology)	1year	Vice Chancellor
2	Prof. Maulid W. Mwatawala	Member	51	PhD Crop Science and Horticulture	1year	Deputy Vice-Chancellor- Academic
3	Prof. Amandus P. Muhairwa	Member	55	PhD Veterinary Medicine	1year	Deputy Vice-Chancellor- Administration and Finance
4	Prof. William A.L. Anangisye	Member	58	PhD (Education)	1year	Appointee of the University Council
5	Ms. Gaudencia L. Donati	Member	60	MSc Home Economics & Human Nutrition	1year	Elective of the Researchers, Academicians & Allied Workers Union (RAAWU) -SUA
6	Ms. Maryam J. Sadalla	Member	49	M.Phil. in Biotechnolog y	1year	Appointee of the University Council
7	Mr. Peter J. Mwakiluma	Member	46	MSc (HR Planning & Development)	1year	Chief Administrative Officer-Secretary
8	Mrs. Lunyamadzo M. Gillah	Member	51	Master of Law	1year	Cooperate Council
9	Dr. Abubakar S. Hoza	Member	47	PhD (Microbiolog y, Parasitology and Biotechnolog y)	1year	Elective of the SUASA
10	Mr. Ibrahim Mahumi	Member		Human Resource	1year	Appointee of the Chairman, Human Resource Committee (Administrative and Academic Staff)
11	Mr. Moshi Kabengwe	Member		Human Resource	1year	Appointee of the Chairman, Human Resource Committee (Administrative and Academic Staff)
12	Prof. Rudovick R. Kazwala	Member	63	PhD Public Health	1year	Appointee of the University Senate

Source: The Human Resource Committee records 2020/21

Table 22: Register of Attendance for Members of Human Resource Committee for Committee Meetings for the year 2020/21

S/N	Member's Name	Attendance of Members in meetings				Total Number of Meetings attended
		03/09/2020	12/11/2020	04/03/2021	03/06/2021	
1	Prof. Raphael T.	P	P	P	AP-R	3

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SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

S/N	Member's Name	Attendance of Members in meetings				Total Number of Meetings attended
		03/09/2020	12/11/2020	04/03/2021	03/06/2021	
	Chibunda					
2	Prof. Maulid W. Mwatawala	P	AP-R	P	P	3
4	Prof. Amandus P. Muhairwa	P	P	P	P	4
4	Prof. William A.L. Anangisye	P	P	P	P	4
5	Bi. Maryam J. Sadalla	AP-R	P	AP-R	P	2
6	Bi. Gaudencia L. Donati	P	P	P	P	4
7	Bi. Lunyamadzo M. Gillah	P	P	P	P	4
8	Dr. Abubakar S. Hoza	P	P	P	AP-R	3
9	Bw. Peter J. Mwakiluma	P	P	P	P	4
10	Bw. Ibrahim Mahumi	P	P	P	P	4
11	Bw. Moshi Kabengwe	AP-R	P	AP-R	P	2
12	Prof. Rudovick R. Kazwala	P	P	P	P	4

P = Present, AP = Apology, AP-R = Absence with apology-Represented, N/A = The post/position was vacant*

1.12. POLITICAL AND CHARITABLE DONATIONS

SUA made various subscriptions and contributions to various organisations which include, the Inter-University Council for East Africa (IUCEA), the Association of African Universities (AAU), and other professional associations and charities. During the year, such contributions and subscriptions amounted to TZS 85.00 million (2020: TZS 68.66 million). There were no donations made to any political parties.

1.13. EMPLOYEES WELFARE

1.13.1. Management - employees' relationship

The average number of employees during the year was 1,212 (2020: 1,254). The relationship between the employees and SUA Management was cordial. However, there were some complaints due to delays in payment of staff benefits such as leave passages, house allowances to eligible staff, salary arrears, and payment for promotion and increments and retirement benefits due to inadequate funding from government.

The University employees are fully involved in all matters pertaining to the welfare of the University also including their benefits. All matters deliberated in university meetings pass through the Workers' Council which is the highest in order before the University Council. Its positioning was made purposely to ensure that employees' matters and interests are well presented.

Furthermore, the employees' benefits are overseen by the Researchers, Academicians and Administrative Staff Workers Union (RAAWU) and Sokoine University of Agriculture Academic Staff Association (SUASA).

1.13.2. Employee Contributions to Social Security Funds

All the University employees are subjected to monthly contributions to the PSSSF where the employers contribute 15 percent and staff 5 percent. Also, staff contribute monthly to the National Health Insurance (NHIF) where the employer contributes 3% while staff contributes 2%.

1.13.3. HIV/AIDS Policy

The management of HIV/AIDS is an important challenge for Sokoine University of Agriculture. SUA has determined some risks associated with the impact of HIV/AIDS as operational, legal and health risks. SUA has adopted the following core principles as a basis for HIV/AIDS policy: -

1. Continuously assess the risk posed by HIV/AIDS on the operations of the University;
2. Limit the number of new infections among the employees and students;
3. Ensure employees and students living with HIV/AIDS are aware of their rights, respected and protected;
4. Provide care and support to employees and students living with HIV/AIDS; and
5. Provide continuous mass education on HIV/ AIDS.

1.13.4. Human Medical Facilities

Like other public organizations, all staff of SUA are members of the National Health Insurance Fund (NHIF) whereby each, the employer and employee contribute 3% of basic salaries. In addition, the University has established the SUA Community Health Fund which is a voluntary scheme covering medical costs over and above what is covered by the NHIF. Also, the University has the SUA hospital at the Edward Moringe Campus (Formerly known as SUA-Main Campus), Mazimbu Hospital located at Solomon Mahlangu Campus and dispensaries in other campuses like Olmotonyi Forestry Training Centre in Arusha; and Mizengo Pinda Campus, Katavi offering medical services to employees, students and the surrounding community.

1.13.5. Employees' Financial Support

The University has several arrangements that offer financial support to employees which includes a Savings and Credit Cooperative Society (SACCOS), which grants loans/credits to its members. The University also covers burial expenses related to employees and their legally recognised family members and provision of partial exemption in payment of tuition fees for sons/daughters/spouses of SUA staff members when admitted as privately or third part at the University. The University has also entered contract as a guarantor with some financial institutions and hire purchase companies where members of staff are granted loans and house appliances on credit.

1.14. DISABLED PERSONS AND GENDER BALANCE**1.14.1. People with Physical Disabilities**

The recruitment policy of the University does not discriminate against persons with physical disabilities. There are persons with disabilities among the members of staff as well as among students. Similarly, under the Workman Compensation Act, the University has a worker's compensation fund for employees who become disabled while in service.

1.14.2. Gender Parity

Gender issues are managed through the University gender policy, 2002. The University is an equal opportunity employer always considering gender in staff recruitment where qualified female candidates are encouraged to apply. Further, it has been analysed that during the year under review, the gender composition of undergraduate students shows an increment in the number of female students by 35% as per benchmark established in 2016.

At the end of the year, the University had 1,212 employees (2020: 1,254) with the proportion of 62% male; and 38% female as shown in **Table 23** below:

Table 23: The proportion of SUA employees in consideration of gender for the year 2020/21

Gender	2021		2020	
	Units	Percentage	Units	Percentage
Male	778	62	805	64
Female	566	38	449	36
Total	1,212	100	1,254	100

Source: Human Resource Department records 2020/21

1.15. PREJUDICIAL ISSUES

During the year ended 30 June 2021, there were no serious prejudicial matters to report as required by the Tanzania Financial Reporting Standards No. 1-Directors' Report.

1.16. STATEMENT OF COMPLIANCE WITH TFRS NO.1

The Governance Report has been prepared in full compliance with requirements of the Tanzania Financial Reporting Standards No.1-Directors' Report.

1.17. COMPLIANCE WITH LAWS AND REGULATIONS

In performing the activities of the University, various laws and regulations having impact on operations were observed.

1.18. PUBLICATION OF THE GOVERNANCE REPORT AND AUDITED FINANCIAL STATEMENTS.

Sokoine University of Agriculture is a public sector entity adheres to the principles of open governance and therefore publishes its Governance report along with audited financial statements within 30 days after the approval of the audited financial statements by those

charged with governance as per the requirements of the NBAA Technical Pronouncement No.1 of 2018. The Financial Statements for financial year 2019/20 are found in the University website:<https://sua.ac.tz/sites/default/files/documents/reports/SUA%20Audited%20Financial%20Statements%202019-20.pdf>.

1.19. APPOINTMENT OF AUDITORS

The Controller and Auditor General is the statutory Auditor of Sokoine University of Agriculture by virtue of Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10 of the Public Audit Act, Cap 418 [R.E 2021].

AUDITOR:	Controller and Auditor General,
ADDRESS	National Audit Office, Audit House, 4 Ukaguzi Road, P. O. Box 950, 41104 Tambukareli, Dodoma.

1.20. STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The University Council is responsible for the preparation of the annual financial statements that give a true and fair view of Sokoine University of Agriculture (the University), comprising the Statement of Financial Position as at 30th June, 2021, and the Statements of Financial Performance, A statement of changes in net assets, Cash Flow Statement, Statement of Comparison of Budget and Actual amount for the year then ended, and the Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with Accrual-International Public Sector Accounting Standards (IPSASs), Government Finance Statistics (GFS) Standards, National Board of Accountants and Auditors (NBAA), and in the manner required by the SUA Charter, 2007.

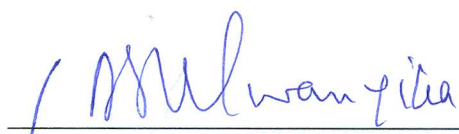
The University Council is also responsible for such internal control as members determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The University Council has assessed the ability of the University to continue as a going concern and have no reason to believe that the University will not be able to operate in the year ahead. The auditors are responsible for reporting on whether the annual Financial Statements give a true and fair view in accordance with Accrual-IPSASs requirements.

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

1.2.1. APPROVAL OF GOVERNANCE REPORT AND ANNUAL FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2021

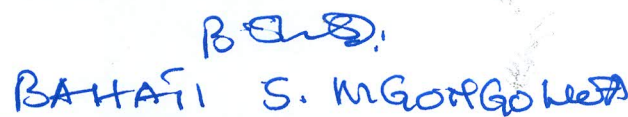
The Governance Report and the annual Financial Statements of Sokoine University of
Agriculture, as identified in the first paragraph, were approved by the University Council
on _____ and signed on its behalf by: -



CHAIRPERSON

Hon. Justice Mohamed Chande Othman

Date: 15/03/2022



COUNCIL MEMBER

Date: 15/03/2022

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

2.0 DECLARATION OF THE HEAD OF FINANCE/ACCOUNTING FOR THE YEAR ENDED 30 JUNE 2021

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the University Council /Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Public Sector Accounting Standards (IPSASs) Accrual basis-and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the University Council as under University Council Responsibility statement.

I, Peter Wilson being the Head of Finance/Accounting of Sokoine University of Agriculture hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2021 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements comply with applicable accounting standards and statutory requirements as on that date and that they have been prepared based on properly maintained financial records.



Peter Wilson

Position: Chief Financial Officer

NBAA Membership No.: ACPA 2081

Date: 15/03/2022

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

3.0. INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

The Chairperson,
Sokoine University of Agriculture Council,
P. O. Box 3000,
Morogoro.

3.1. REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

I have audited the financial statements of Sokoine University of Agriculture, which comprise the statement of financial position as at 30 June 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, and 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 Sokoine University of Agriculture as at 30 June 2021, 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.

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAI). 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 Sokoine University of Agriculture 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 Council's Report and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon.

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

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 university'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 ISSAI 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 ISSAI, 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;

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

- 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 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 or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

3.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

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 at Sokoine University of Agriculture for the financial year 2020/21 as per the Public Procurement Laws in Tanzania.

Conclusion

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

1. Inadequate Utilization of TANePS in Procurement processes

The Public Procurement Regulatory Authority (PPRA) introduced the Tanzania National e-Procurement System abbreviated as TANePS, on 27 March 2018. Such an introduction has been a stepping stone towards compliance with Part XI of the Government Notice (GN) No. 446 which provides regulations governing procedures for electronic procurement.

Contrary to the issued instruction above, SUA continued to conduct procurements manually out of TANePS. About one hundred and two (102) procurements planned, only seven (7) procurements were conducted through TANePS.

2. Non-competitive Award of Rental Properties Contracts to Tenants TZS 223,241,000

Regulation 76 of the PPR, 2013 (amended 2016) requires procuring entities engaging to apply competitive tendering methods. However, SUA did not apply competitive tendering methods in seeking tenants for seventy two properties. In addition I noted that all the tenants had contracts that expired on 30 June 2020. Since then SUA did not advertise the tender to the public for renting of the properties.


Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March 2022



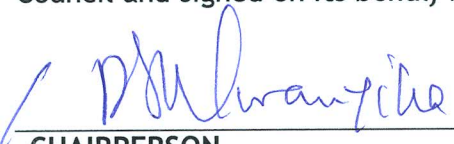
SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

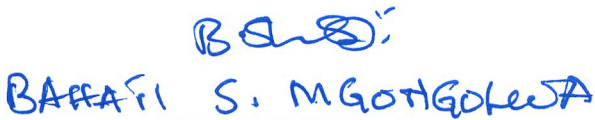
4.0. FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2020/21 TZS	2019/20 TZS
Assets			
Current assets			
Cash and bank balances	13	22,895,156,117	29,092,060,696
Receivable from Exchange Transaction	14	14,968,176,388	13,671,860,594
Receivable from Non-Exchange Transaction	15	372,883,865	12,105,327,217
Inventories	16	229,979,908	268,787,771
Prepayments and Prepaid Expenses	17	<u>1,909,076,003</u>	<u>2,323,375,619</u>
		40,375,272,281	57,461,411,897
Non-current assets			
Property, plant and equipment	18	50,793,740,575	43,794,232,495
Biological assets	19	22,965,629,249	23,804,944,281
Intangible assets	20	<u>94,688,634</u>	<u>94,688,634</u>
		73,854,058,458	67,693,865,413
Total assets		114,229,330,739	125,155,277,310
LIABILITIES			
Non-Current Liabilities			
Deferred income on donor grants	21	20,025,041,758	21,351,246,273
Accounts payable	22	<u>11,421,201,575</u>	<u>19,178,452,840</u>
		31,446,243,333	40,529,699,113
Current Liabilities			
Deferred asset grant	23	<u>15,066,027,524</u>	<u>15,905,039,881</u>
		15,066,027,524	15,905,039,881
Total Liabilities		46,512,270,857	56,434,738,994
Net Assets		67,717,059,882	68,720,538,316
NET ASSETS/EQUITY			
Taxpayer's Fund		60,460,994	60,460,994
Accumulated Surplus		<u>67,656,598,888</u>	<u>68,660,077,322</u>
Total Net Assets		67,717,059,882	68,720,538,316

The financial statements on pages 61 to 106 were approved for issue by the University Council and signed on its behalf by: -


CHAIRPERSON
Hon. Justice M. Chande Othman
Date: 15/03/2022

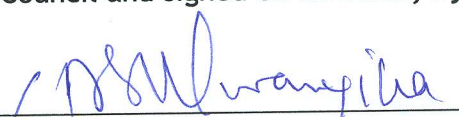

BARRAFI S. M. GOTI GOKESA
COUNCIL MEMBER
Date: 15/03/2022

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021


Revenue	Note	2020/21 TZS	2019/20 TZS
Revenue from non-exchange transactions			
Government grants	5	45,314,822,887	43,902,836,850
Donor's research grant	6	17,637,182,418	16,212,503,682
Additional/Donated Assets	7	2,469,968,548	-
Revenue from exchange transactions	8	26,957,035,979	27,199,148,556
Amortization of deferred asset grant	23	638,748,438	1,070,956,097
Executive Agencies and Government Institutions	24	-	50,232,250
Foreign currency exchange gain	12	1,889,466	1,618,786
Inventory write back of timber, poles and logs	16	-	41,933,555
Fair value gains on biological assets	19	-	7,164,036,386
Total Revenue		<u>93,019,647,736</u>	<u>95,643,266,162</u>
Expenses			
Compensation of Employees	9	62,713,096,868	53,943,833,869
Use of Goods & Services	10	24,811,780,444	20,003,727,183
Routine Maintenance & Repair	11	2,240,043,156	1,839,459,743
Audit fees		270,000,000	270,000,000
Depreciation of Non-Current Asset	18	1,557,562,502	2,343,474,566
Backlog Depreciation	18	1,581,802,224	-
Fair value losses on biological assets	19	839,315,033	-
Impairment loss	27	9,525,943	-
Total Expenses		<u>94,023,126,170</u>	<u>78,400,495,361</u>
(Deficit)/surplus for the year		<u>(1,003,478,434)</u>	<u>17,242,770,801</u>

The financial statements on pages 61 to 106 were approved for issue by the University Council and signed on *its behalf* by: -



CHAIRPERSON

Hon. Justice M. Chande Othman


BAHATI S. MGOINGOLUSA
COUNCIL MEMBER

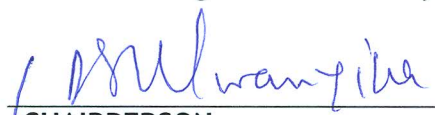
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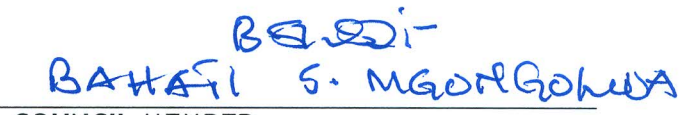
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STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021

	Note	Taxpayer's Fund TZS	Accumulated Surplus TZS	Total TZS
Opening Balance - 01 July 2020		60,460,994	68,660,077,322	68,720,538,316
Net deficit for the year		-	(1,003,478,434)	(1,003,478,434)
Closing Balance - 30 June 2021		60,460,994	67,656,598,888	67,717,059,882
Opening Balance - 01 July 2019		60,460,994	51,417,306,521	51,477,767,515
Net surplus for the year		-	17,242,770,801	17,242,770,801
Closing Balance - 30 June 2020		60,460,994	68,660,077,322	68,720,538,316

The financial statements on pages 61 to 106 were approved for issue by the University Council and signed on *its behalf* by: -


 CHAIRPERSON
 Hon. Justice M. Chande Othman


 BAHATI S. NGONGONGWA
 COUNCIL MEMBER

Date: 15/03/2022

Date: 15/03/2022

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020/21 TZS	2019/20 TZS
Receipts			
Non-Exchange Transaction Govt	28.1	45,645,835,433	45,464,782,952
Non-Exchange Transaction Donor	28.2	15,807,560,322	25,631,340,713
Exchange Transaction	28.3	26,564,118,992	24,326,080,870
Other receipts		<u>100,773,836,118</u>	<u>107,218,843,359</u>
Total Receipts		<u>188,791,350,865</u>	<u>202,641,047,894</u>
Payments			
Compensation of Employees (CI)	28.4	58,224,651,689	52,924,452,945
Use of Goods and Services	28.5	19,262,419,137	19,107,727,738
Routine Maintenance and Repair	28.6	1,406,944,125	1,674,219,384
Other Operating Activities	28.7	5,156,026,112	6,326,343,651
Payments to suppliers and contractors for prior year liabilities	28.8	2,927,177,003	1,001,015,852
Payments to third part for prior year liabilities	28.9	1,605,479,873	3,287,774,576
Other payment		<u>100,344,304,493</u>	<u>107,936,362,961</u>
Cash Out Flow from Operating Activities		<u>188,927,002,432</u>	<u>192,257,897,107</u>
Net cash flows from operating activities		<u>(135,651,567)</u>	<u>10,383,150,787</u>
Cash flows from investing activities			
Acquisition of Property, Plant and Equipment (PPE)		(1,411,544,699)	(1,264,873,433)
Addition to Capital Work in Progress		<u>(4,649,708,313)</u>	<u>(2,069,518,334)</u>
Net cash flows used in investing activities	28.10	<u>(6,061,253,012)</u>	<u>(3,334,391,767)</u>
Cash flows from financing activities			
Repayment of borrowings		-	(356,503,000)
Net cash flows used in financing activities		-	<u>(356,503,000)</u>
NET INCREASE/DECREASE IN CASH		(6,196,904,579)	6,692,256,020
Cash at the Beginning of the Period		<u>29,092,060,696</u>	<u>22,399,804,676</u>
Cash at the End of the Period		<u>22,895,156,117</u>	<u>29,092,060,696</u>

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

Description	Note ⁴	Original Budget	Approved Budget	Actual	Variance ⁵	Performance
		2020/21	2020/21	2020/21	2020/21	%
Revenue		TZS		TZS	TZS	
Non-Exchange Transaction & Dev.		71,608,842,574	59,715,197,484	45,645,835,433	14,069,362,051	76
Non-Exchange Transaction Donor		22,325,248,477	31,368,817,654	15,807,560,322	15,561,257,332	50
Exchange Transaction Internal		31,499,261,610	31,499,261,610	26,564,118,992	4,935,142,618	84
Total Receipts		125,433,352,661	122,583,276,747	88,017,514,747	34,565,762,001	72
Expenses						
Compensation of Employees (CI)		76,642,598,210	75,584,356,259	58,224,651,689	17,359,704,570	77
Use of Goods and Services		26,812,945,203	28,812,945,203	19,262,419,137	9,550,526,066	67
Routine Maintenance and Repair		2,365,240,220	3,776,597,486	1,406,944,125	2,369,653,360	37
Payments to suppliers and contractors for prior year liabilities		2,544,658,105	3,398,466,877	2,927,177,003	471,289,874	86
Payments to third part for prior year liabilities		7,359,274,485	2,859,274,485	1,605,479,873	1,253,794,612	56
Other Operating Activities		9,708,636,438	8,151,636,438	5,156,026,112	2,995,610,326	63
Total Expenditure		125,433,352,661	122,583,276,747	88,582,697,939	34,000,578,808	72

In the above statement, the amounts in the financial statements were recast from the International Public Sector Accounting standards (IPSA's) accrual basis to the cash basis, to be on the same basis as the final university approved budget as the university budget is prepared on a cash basis. The approved budget covers the period from 1 July 2020 to 30 June 2021. The explanations on material variances above are explained as follows: -

1. Variance in Revenue

- a. The under collection of 24 percent for the Non-Exchange Transaction is a result of retardation in collection due to continued Covid 19 pandemic in both the prior year and the year under review
- b. The under collection of 50 percent for the Non-Exchange Transaction-Donor is a result of the negative trend in receipt of funds from Development Partners due to continued Covid 19 pandemic restrictions in Partner countries: and
- c. The under collection of 16 percent for the Exchange Transaction-Internal is a result of retardation in collection due to continued Covid 19 pandemic in both the prior year and the year under review

2. Variance in Expenditure

- a. The overall underspending of 28% is a result of instituted cost cutting measures which led into reduction in expenses and delayed receipt of funds or collections to finance the training, research, outreach, capital and administrative activities.

STATEMENT OF RECONCILIATION OF ACTUAL AMOUNTS ON COMPARABLE BASIS AND ACTUAL AMOUNT IN STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

Item	Operating	Financing	Investing	Total
Actual amount on comparable basis as presented in the budget and actual and comparative statements	3,967,473,684	-	6,061,253,012	10,028,726,696
Basis difference	(4,103,125,251)	-	(6,061,253,012)	(10,164,378,264)
Timing difference	-	-	-	-
Actual amount of cashflows	(135,651,567)	-	-	(135,651,567)

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting Entity

Sokoine University of Agriculture (SUA) was established out of the former Faculty of Agriculture, Forestry and Veterinary Science of the University of Dar es Salaam on 1 July 1984 by Act No 6 of Parliament. This Act was later repealed by the Universities Act of 2005, which resulted in granting a SUA Charter of 2007.

Currently SUA has six campuses: The Edward Moringe Campus (formerly known as SUA-Main Campus) and Solomon Mahlangu Campus (SMC) which are located within Morogoro Municipality, the Mizengo Pinda, Tunduru, Katavi, Olmotonyi in Arusha and the Mazumbai Campus in Lushoto, Tanga region.

2. Significant Accounting Policies

2.1 Basis of preparation

a) Statement of compliance with International Public Sector Accounting Standards (IPSASs-Accrual)-IPSAS 1

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSASs - Accrual) and its interpretations as developed by International Public Sector Accounting Standards Board (IPSASB).

One of the four independent standard setting Boards supported by the International Federation of Accountants (IFAC).

The financial statements are presented in Tanzanian shillings, which is the functional and reporting currency of the University. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared based on historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on an accrual basis.

a) Disclosure of Financial Information about the General Government Sector-IPSAS 22

The Financial Statements have also been prepared in accordance with the Government Finance Statistics (GFS) Standards adopted from the International Monetary Funds (IMF) whereby the Government issued a mandatory directive that each public institution must adopt the new GFS Chart of Accounts to be used in parallel with IPSAS with the aim of having a uniform reporting and statistics of Government Information in Revenue and Expenditure as well as economic parameters. Also, SUA adopted the Government

electronic Payment Gateway which enables intact collection and reporting of Government monies electronically.

b) Presentation of Budget Information in Financial Statements-IPSAS 24

SUA prepares its budget based on the Government's Medium Term Expenditure Framework (MTEF) which adheres to the principles of Open Governance.

The budget prepared includes the details of comparison of actual amounts with amounts in the original and final approved budget (Revenue and Expenditure) and an explanation of material differences between budget and actual amounts. The budgets are prepared on a cash basis. Furthermore, to bridge the gap between the budget prepared in cash basis and the financial statements prepared in accrual basis, SUA prepares a statement of reconciliation of actual amounts on a budget basis, with actual amounts presented in the financial statements.

c) Basis of measurements

The financial statements have been prepared on the historical cost basis except for biological assets; and financial instruments measured at fair value whose changes have been measured through the Statement of Financial Performance.

d) Functional and presentation currency-IPSAS 4

SUA has multiple functional currencies including Great Britain Sterling Pound, Euro, US Dollar, and Tanzanian Shilling because of having several donors with different sets of Agreements. However, these financial statements are presented in Tanzanian shillings (TZS) which is the University's functional currency.

e) Use of estimates and judgements

The preparation of financial statements is in conformity with International Public Sector Accounting Standards - (IPSASs Accrual) that requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed separately as a note to the Financial Statements and are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

g) New and amended standards and interpretations in issue effective in the year ended 30 June 2021

Standard	Impact
Other Improvements to IPSAS	<p>Applicable: 1 January 2021:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 13, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks. b) IPSAS 13, Leases and IPSAS 17, Property, Plant, and Equipment. Amendments to remove transitional provisions which should have been deleted when IPSAS 33, First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs) was approved. c) IPSAS 21, Impairment of Non-Cash-Generating Assets and IPSAS 26, Impairment of Cash Generating Assets. Amendments to ensure consistency of impairment guidance to account for revalued assets in the scope of IPSAS 17, Property, Plant, and Equipment and IPSAS 31, Intangible Assets. d) IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs). Amendments to the implementation guidance on deemed cost in IPSAS 33 to make it consistent with the core principles in the Standard. <p>The application of standards will have an impact in value of assets and liabilities, for instance the test for impairment will have a significant increase and decrease in property, plant and equipment.</p>

h) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2021.

Standard	Effective date and impact:
IPSAS 41: Financial Instruments	<p>Applicable: 1 January 2022:</p> <p>The objective of IPSAS 41 is to establish principles for the financial reporting of financial assets and liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows.</p> <p>IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:</p>

	<ul style="list-style-type: none"> • Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held. • Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and • Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>The standards will have an impact on the way SUA analyses and reports risks, especially financial risks for instance in determination and provision of bad and doubtful debts.</p>
IPSAS 42: Social Benefits	<p>Applicable: 1 January 2022</p> <p>The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <ul style="list-style-type: none"> (a) The nature of such social benefits provided by the entity. (b) The key features of the operation of those social benefit schemes; and (c) The impact of such social benefits provided on the entity's financial performance, financial position and cash flows. <p>The standard will have no impact as the University has no instruments in provision of social benefits.</p>
Amendments to Other IPSAS resulting from IPSAS 41, Financial Instruments	<p>Applicable: 1 January 2023:</p> <ul style="list-style-type: none"> a) Amendments to IPSAS 5, to update the guidance related to the components of borrowing costs which were inadvertently omitted when IPSAS 41 was issued. b) Amendments to IPSAS 30, regarding illustrative examples on hedging and credit risk which were inadvertently omitted when IPSAS 41 was issued. c) Amendments to IPSAS 30, to update the guidance for accounting for financial guaranteed contracts which were inadvertently omitted when IPSAS 41 was issued. <p>Amendments to IPSAS 33, to update the guidance on classifying financial instruments on initial adoption of accrual basis IPSAS which were</p>

inadvertently omitted when IPSAS 41 was issued.

Source: International Federation of Accountants (IFAC)

j) Early adoption of standards

The entity did not early - adopt any new or amended International Public Sector Accounting standards in 2021 except for the Tanzania Financial Reporting Standards No.1 (TFRS No.1) issued by the National Board of Accountants and Auditors in January 2021.

2.2 Revenue Recognition

Sokoine University of Agriculture revenue emanates from both Exchange Transactions (IPSAS 9) and Revenue from Non-Exchange Transactions (IPSAS 23).

2.2.1 Revenue from Exchange Transactions-IPSAS 9

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Revenue comprises the fair value of the consideration received or receivable for the sale of products and services rendered in the ordinary course of the University activities. Revenue is shown net of rebates and discounts.

The University recognizes revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the University and when specific criteria have been met for each of the University activities. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The University bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The University revenue from Exchange Transactions which are recognised in accordance with Accrued IPSASs comprises of:

a) Tuition fees

Comprise of fee charged to non-degree programmes, Undergraduate and postgraduate students undertaking various courses run by the University. Tuition fee is recognized in the accounting period in which the academic year relates.

b) Accommodation fees

Accommodation is synonymous to rental fee charged specifically to students undertaking various courses run by the University who stays in university available accommodation facilities during the period of study.

c) Institutional Fees

The University carries a number of research funded by different donors whereby the University charges 10% institutional fees based on the amount received or spent in accordance to the signed agreement.

To exercise flexibility where there is a difference between the standard rate and the agreed rate, the latter supersede. In some cases, projects which are fully coordinated centrally, institutional fees for those projects are used to meet coordination expenses.

d) Hospital Revenue

The University has a SUA hospital at the Main Campus and Mazimbu Hospital at the Solomon Mahlangu Campus serving students, employees and the neighbouring community. The facility charges consultation; patients' admission; and medical fees; and realizes revenue from sales of drugs and laboratory tests.

e) Rental Revenue

Rental Revenue is an income from properties other than investment property rented to staff for residential purposes and other members of the community for business during a period of time.

f) Sales of Forestry Products

The University has forest plantation at Olmotonyi Arusha Campus where forestry products are harvested; some semi processed and sold to the neighbouring community.

g) Farm Products

The University has different types of biological assets producing a variety of products which are sold to the community.

h) Interest Revenue

The University recognises interest earned on a time proportional basis considering the effective yield on the respective assets' nets off the withholding tax. Interest earned for the University is mainly for the amount fixed in the banks in the form of Fixed Deposits.

i) Consultancy Revenue

The University has a Consultancy Bureau as an apex, linking consultancy unit's faculty-wise. The faculty wise consultancy units and individuals engaged in consultancy work contribute to the University according to the requirements of the consultancy policy.

2.2.2 Revenue from Non-Exchange Transaction-IPSAS 23

Revenue from Non-Exchange Transactions occur when the University receives value from another entity without directly giving approximately equal value in exchange or gives value to another entity without directly receiving approximately equal value in exchange. Sokoine University of Agriculture receives revenue mainly from transfer; transfers are inflows of future economic benefit or services potential from Non-Exchange Transactions other than taxes. Transfers, cash or non-cash include grants from Tanzania Government, Development Partners, Debt's forgiveness, fines, bequests, gifts, donations, goods and services, and the off-market portion of concessionary loans received.

Revenue from Non-Exchange Transactions is measured at the amount of the increase in net assets recognized by the entity.

For Grants from Development Partners, normally there are conditions attached to the said grants that would give rise to a liability to repay the unspent amount, deferred income is recognized instead of revenue.

The Revenue from Non-Exchange Transaction comprises of the following:

a) **Subvention from the Government**

Subvention, grants and assistance received from the Government are recognised as revenue when received by the University and treated as Revenue from Non-Exchange Transaction.

b) **Revenue/income from Donors**

An inflow of resources from Development Partners are recognised as assets as well as liability when received while revenue and expenditure from the same are recognised to the extent of the amount spent out of that asset in accordance with the conditions attached to the agreement.

c) **Donations and contributions**

Donations and contributions in kind and in cash are recognised as assets as well as revenue in the year received.

2.3 Property, plant and equipment-IPSAS 17.

All categories of property, plant and equipment are initially recorded at historical cost. Subsequently, the assets are stated at historical cost, less accumulated depreciation and accumulated impairment in value.

Historical costs include expenditure that is directly attributable to the acquisition or construction of the Property, Plant and Equipment. Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is

probable that future economic benefits associated with the item will flow to the University and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss during the financial year in which they occurred.

Motor vehicles and motorcycles available for sale requested by SUA-Staff are transferred from SUA-Main account to SUA-Car Loan Fund for disposal. Gains or losses on disposal other than motor vehicles available for sale requested by SUA-staff are determined by comparing the disposal proceeds with the carrying amount and they are charged to profit or loss.

Depreciation

SUA has adopted a straight/ line method for depreciation of Public Assets which is allocated systematically over the useful life of the respective assets as issued in Government Asset Guideline on 10 December 2012 and updated information on the minute sheet from DGAM with Ref. No. KA.32/370/01/96 dated 16 August 2017 and the accounting policies applicable. The depreciable amount of an asset shall be allocated on a systematic basis over its estimated useful life. The prevailing International Standard for depreciation shall be applied over the useful life of the assets. Depreciation is calculated using the straight-line method to allocate the cost to their residual values over their estimated useful lives as follows: -

Asset category	Rate p.a.
Land	0.0%
Buildings	2.0%
Computer and Desktop and laptops	25.0%
Server	14.3%
Equipment	20.0%
Video Conference Equipment	25.0%
Document processing equipment (photocopy)	14.3%
Television studio, Camera	14.3%
UPS-heavy duty	14.3%
Furniture	20.0%
Plant and Machinery	6.7%
Tractor	10.0%
Motor vehicle heavy duty (5 and above tones)	10.0%
Motor vehicle light duty (below 5 tones)	20.0%
Motorcycles	14.3%
Water Systems	15.0%

Network/Telecom Equipment	14.3%
Tarmac Roads-Surface dressing	14.3%

Depreciation is charged on assets from the date when available for use and that depreciation of an asset shall cease when the asset is derecognized.

Major Renovations

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner.

Carrying Amount

Property, plant and equipment are reviewed whenever events or changes in circumstances indicate the carrying amount may not be recoverable. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Disposal

Gains or losses on disposals are determined by comparing the disposal proceeds with the carrying amount and are included in the statement of financial performance.

Capital work in progress

Work-in-progress consists of the cost of assets, labour and other costs associated with property, plant and equipment being constructed by the University. Once the asset becomes operational, the related costs are transferred from work-in-progress to the appropriate asset category and start to be depreciated.

2.4 Intangible assets-IPSAS 31

An intangible asset is an identifiable non-monetary asset without physical substance.

Initial Recognition

An intangible asset is measured at cost if and only if:

- i. It is probable that the expected future economic benefit or service potential that are attributable to the asset will flow to the University; and
- ii. The cost or fair value of the asset can be measured reliably.

Subsequent Recognition

The accounting policy is to subsequently recognise an intangible asset at fair value in accordance with IPSAS 31.

Computer software

The University has several computer software and the costs associated with developing or maintaining computer software programs are recognized as expenses as and when incurred. Costs that are directly associated with identifiable and unique software products are recognized as intangible assets. Expenditure that enhances the performance of Computer software programs beyond their original specifications is recognized as capital improvement and added to the original cost of the software. Computer accounting software is regarded as having indefinite useful life; therefore, it is not amortized but tested for impairment annually.

2.5 Biological assets-IPSAS 27

Biological assets comprise forestry, fruit trees, seedlings and vegetables and livestock.

Livestock is measured at fair value less estimated cost to sale, based on market prices at auction of animals of similar age, breed and genetic merit with adjustments, where deemed necessary, to reflect the differences.

The fair value of livestock younger than ten weeks cannot be reliably estimated due to the high mortality rates and are carried at cost less impairment. These assets are not depreciable.

Fruit trees (plantation crops) and forestry assets (growing timber) are measured at fair value less costs to sale based on the present value of estimated pre-tax net cash flows. Costs to sale include the incremental selling costs, including harvesting, saw milling and handling costs.

Seedlings and vegetables are measured at cost.

Any gains or losses arising on initial recognition of biological assets and from subsequent changes in fair value less estimated point-of-sale costs are recognised in the statement of financial performance in the year in which they arise.

All costs of breeding, planting, upkeep and maintenance of biological assets are recognised in the statement of financial performance in the period in which they are incurred. The cost of purchase of livestock plus associated transportation charges are capitalised as part of biological assets.

2.6 Inventories Valuation-IPSAS 12

Inventories held for sale are stated at the lower of cost or net realizable value. Inventories held for distribution at no charge or for a nominal charge are stated at the lower of cost and current replacement cost. Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

- Raw materials - purchase cost on first in first out basis.
- Stationeries and other consumables - cost is determined on a first in first out basis.
- Finished goods and work in progress - cost of direct materials and labour and a proportion of manufacturing overheads based on normal capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Current replacement cost is the cost the entity would incur to acquire the asset on the reporting date.

Agricultural produce

Agricultural produce at the point of harvest is measured at fair value less estimated point-of-sale costs. Any changes arising on initial recognition of agricultural produce at fair value less estimated point-of-sale costs are recognised in the statement of financial performance in the year in which they arise.

Timber Produce

The fair value less estimated point-of-sale costs of harvested timber is determined based on the market prices of the final product, considering conversion costs.

Finished Goods

The cost of finished goods comprises the fair value less estimated point-of-sale costs of agricultural produce at the point of harvest, the cost of raw materials and direct labour, and other direct costs and related production overheads. It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

This method of valuation is consistent with that of previous years.

2.7 Deposits, Prepayments and Accounts Receivable-IPSAS 29

Deposits, Prepayments and Accounts Receivable are recognized initially at fair value and subsequently measured at amortised cost less provision for impairment.

If collection of the receivable or the utilisation of prepayments is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Provision for Receivables

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in the statement of financial performance.

2.8 Cash and Cash Equivalents

For the purpose of cash flow, cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities. To a cash flow statement, cash and cash equivalents include restricted funds.

Short-term Investments

Short-term investments represent valuables or cash that have been deposited in fixed deposit accounts during the year and still held in those accounts as at 30th June 2021.

2.9 Foreign Currency Transactions-IPSAS 4**Initial Recognition**

A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Reporting at Subsequent Reporting Date

At each reporting date:

- a) Foreign currency monetary items shall be translated using the closing rate.
- b) Non-monetary items that are measured in terms of historical cost in foreign currency shall be translated using the exchange rate at the date of the transaction; and
- c) Non-monetary items that are measured at fair value in foreign currency are translated using exchange rates at the date when the fair value was determined.

Recognition of Exchange Differences

Exchange differences arising from:

- a) The settlement of monetary items, or

- b) Translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements, are recognised in surplus or deficit in the period in which they arise.

When gain or loss on a non-monetary item is recognised directly in net assets/equity, any exchange component of that gain or loss is recognised in surplus or deficit, any exchange component of that gain or loss is recognised as surplus or deficit.

Functional and presentation currency

The financial statements are presented in Tanzania Shillings, which is the University's functional and presentation currency.

Foreign currency translations

Transactions in foreign currency are translated into Tanzanian shillings at the rates of exchange ruling at the dates of the transactions.

Monetary assets and liabilities at the year-end expressed in foreign currencies are translated into Tanzanian shillings at the rates of exchange ruling at the end of the financial year. The resultant gains/losses on exchange rate translations are dealt with in the statement of financial performance.

2.10 Impairment of Non-Cash-Generating Assets-IPSAS 21

The University's non-cash-generating asset shall be counted to be impaired when the carrying amount of the asset exceeds its recoverable service amount. SUA shall assess at each reporting date whether there is any indication that an asset may be impaired.

If any such indication exists, the Management shall estimate the recoverable service amount of the asset. In assessing whether there is any indication that an asset may be impaired, SUA shall consider, as a minimum condition stipulated in para 27 of IPSAS 21. If any of those indications are present, SUA will be required to make a formal estimate of recoverable service amount otherwise no formal estimate of recoverable service amount shall be done.

2.11 Provisions-IPSAS 39

Provisions are recognized when the University has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

When the University expects a provision to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

2.12 Grant recognition

Grants from the government and donors are recognised at their fair value where there is reasonable assurance that the grant will be received, and the University will comply with all attached conditions.

Grant from Government

Cash received from the government is recognised as revenue from non-exchange transactions in accordance with Accrual IPSAS 23.

Grants from Donors

Grants from donors include:

i. Cash received.

Recognition of cash received from donors depends on conditions attached to the agreement entered between the University and donors and or between the Government of the United Republic of Tanzania and the Donor.

Depending on the condition attached to the agreement, SUA recognizes cash received from Donor as asset and liability under deferred income. The spending during the year is recognised as revenue from non-exchange transactions as well as expenditure.

ii. Property, Plant and Equipment-IPSAS 17

Donor grants relating to property, plant and equipment are included in non-current liabilities as deferred donor grants and are credited to the income statement on a straight-line basis over the expected useful lives of the related assets.

2.13 Payables and Accrued Charges

Payables are recognised at fair value. Other payables are recognised when incurred through either enjoyment of services on credit and/or receiving of goods supplied on credit.

Account's payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.14 Borrowing costs-IPSAS 5

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of financial performance in the period in which they are incurred.

2.15 Employee benefits-IPSAS 25

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees. Employee benefits include short term employee benefits, post-employment benefits, termination benefits and other long term employee benefits.

Short-term employee benefit

Short-term employee benefits include terms such as:

- a) Wages, salaries, and social security contributions.
- b) Short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the period in which the employees render the related employee service; and
- c) Non-monetary benefits (such as medical care, housing, cars, and free or subsidized goods or services) for current employees.

Accounting for short-term employee benefits is generally straight forward, because no actuarial assumptions are required to measure the obligation or the cost, and there is no possibility of any actuarial gain or loss. Moreover, short-term employee benefit obligations are measured on an undiscounted basis.

Therefore, the cost of all short-term employee benefits such as salaries, employees leave pay and house allowance are recognized in the Statement of Financial Performance during the period in which the employees render services.

Defined contribution Plans

Defined contribution plans are post-employment benefit plans under which the University pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient

assets to pay all employee benefits relating to employee service in the current and prior period.

University staff are covered under defined contribution plans in which every staff contributes a percentage as prescribed by the Fund. The University contributes to defined contribution retirement benefit schemes for all its employees based on the following rate of monthly contribution:

Scheme	Percentage Contributions		
	Employee	Employer	Total
	%	%	%
Public Service Social Security Fund (PSSSF)	5	15	20

The University's contributions to the defined contribution schemes are recognised as an employee benefit expense in the statement of financial performance when they fall due. The University has no further payment obligations once the contributions have been paid.

Effective from July 2011, employer's contributions have been remitted to the funds by the Treasury in accordance with Circular No. C/BA54/328/01/15. Employee's specifically retired academic members of staff who are on contractual basis granted by the Governments are paid their gratuity (25% of their salaries) by the Government through PSSSF upon expiry of the contract.

2.16 Financial Risk Management

The University's principal financial instruments comprise of loans, fixed deposits, trade payables and trade receivables. The University has various financial assets such as trade receivables, cash and short-term deposits, which arise directly from its operations.

The main risks arising from the University's financial instruments are market risk, liquidity risk and credit risk which are summarized below:-

(a) Market risk

Foreign currency exchange risk

The University has current assets (bank balances) and liabilities which are denominated in US Dollars (USD), Great Britain Pounds (GBP) and Euro. These are subject to exchange rate fluctuations.

However, this exposure does not result in a significant risk as foreign currency assets and liabilities are normally settled within a fairly short time.

On 30 June 2021, if the functional currency had strengthened/weakened by 5% against the USD, GBP and EURO with all other variables held constant, effect on surplus or deficit mainly due to translation of bank balances would have been lower/higher as follows:

SOKOINE UNIVERSITY OF AGRICULTURE (SUA)

	2020/21	2019/20
United States Dollars (USD)	10,512,211,892	9,385,148,613
Great Britain Pound (GBP)	95,949,571	158,207,958
Euro	521,566,352	858,023,300

(b) Cash flow and fair value interest rate risk

The University's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the University to cash flow interest rate risk which is partially offset by cash held at variable rates. When borrowings are at a fixed rate, the University is exposed to fair value interest rate risk. The University's long-term borrowing is at a fixed interest rate; however, the fair value interest rate risk is considered negligible to have any impact on the statement of financial performance.

(c) Liquidity risk

Liquidity risk is the risk that suitable sources of funds for the University's activities may not be available and thus the University may not be able to fulfil its existing and future cash flow obligations. The University's approach when managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the University's reputation.

The table below analyses the University's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table below are the contractual undiscounted cash flows.

	Less than 1 Year TZS	Between 1 and 3 Years TZS	Between 3 and 5 Years TZS	Total TZS
30 June 2021				
Accounts Payable	1,917,396,043	1,108,730,622	8,395,074,910	11,421,201,575
30 June 2020				
Accounts Payable	2,003,186,616	1,082,675,349	16,092,590,874	19,178,452,839
	2,003,186,616	1,082,675,349	16,092,590,874	19,178,452,839

(d) Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the University.

Potential concentration of credit risk consists principally of bank balances and trade receivables. Credit risk is considered as part of the risk-reward balance of doing business. On entering any business contract, the extent to which the arrangement exposes the University to credit risk is considered.

Trade receivables are presented net of allowance for doubtful debts. Accordingly, the University has no significant concentration of credit risk which has not been insured or adequately provided for with respect to the trade and other receivables that are neither impaired nor past due. There are no indications as of the reporting date that the debtors will not meet their payment obligations.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to the University's direct customers (students), including outstanding receivables and committed transactions. For the University, only reputable banks are used as custodians of the University's deposits. The selection of students is mainly based on their academic performance and guided by the Tanzania Commission for Universities (TCU).

The amount that best represents the University's maximum exposure to credit risk is the carrying value of its financial assets in the statement of financial position. These are as shown in the table below:

	30.6.2021 TZS	30.6.2020 TZS
Financial Assets		
Accounts receivables (excluding prepayments)	14,968,176,388	13,671,860,594
Cash at bank and bank deposits	22,895,156,117	29,092,060,696
	37,863,332,505	42,763,921,290

No collateral is held for any of the above assets. Furthermore, the University does not grade the credit quality of receivables.

None of the above assets are past due or impaired except for the student fees receivables which are past due but not impaired. Student fees receivables are due at the start of the academic year in which they are invoiced. As such all the student fees receivables are considered to be past due. The aging of the student fees receivable is as shown in the Table below:

	30.6.2021 TZS	30.6.2020 TZS
Past due but not impaired:		
By up to 1 year	4,538,038,894	3,987,467,120
Over 1 year	2,146,459,022	1,530,155,770
Total past due but not impaired	6,684,497,916	5,517,622,890

	30.6.2021 TZS	30.6.2020 TZS
Impaired receivable	362,507,434	362,507,434

The above amounts have been fully provided for and net carrying amount is therefore zero.

(e) Capital risk management

The University's objectives when managing capital are to safeguard the University's ability to continue as a going concern while maximising service delivery to the public and stakeholders through its mandated objectives. The capital structure of the University consists of accumulated surplus not available for distribution and funds received from the government.

	30.6.2021 TZS	30.6.2020 TZS
Principal Sum Plus Interest on Loan	-	-
Less: Unrestricted cash and cash equivalents (Note 13)	10,281,014,840	16,279,176,163
Net cash in excess of borrowings	(10,281,014,840)	(16,279,176,163)
Total reserves available	67,717,059,882	68,720,538,316
Gearing ratio	15%	24%

(f) Financial instruments by category-IPSAS 28-30

The University has two kinds of cash financial instruments which include Accounts Receivables and Accounts Payables. Accounts Receivables represent the amounts that the University owes various individuals as a result of offering of services, for instance, unpaid tuition fees for registered students. The Accounts Payable represents the balances that the University is owing third parties such as the loan in construction of the multipurpose lecture theatre as received from Tanzania Education Authority.

Also, it includes the balance of unspent funds for research (restricted fund) recorded as deferred income. The research funds are attached to conditions stipulated in the agreements entered between SUA and various development partners. The instruments are as shown in the table below: -

	2020/21 TZS	2019/20 TZS
Financial assets at amortised cost		
Accounts receivables (excluding prepayments)	14,968,176,388	13,671,860,594
Cash and bank balances	22,895,156,117	29,092,060,696
	<u>37,863,332,505</u>	<u>42,763,921,290</u>
Financial liabilities at amortised cost		
Accounts payables (excluding statutory liabilities)	4,491,119,645	13,007,357,663
	<u>4,491,119,645</u>	<u>13,007,357,663</u>

3. Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The University makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgements are continually evaluated and are based on historical experience and other variable factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

4. Biological assets

In measuring fair value of biological assets, management estimates and judgments are required for the determination of fair value. These estimates and judgments relate to the market prices, average weight, age and quality of animals, fruit trees and forestry.

University tests annually whether biological assets have suffered any impairment, in accordance with the accounting policy stated in note 2.8. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations.

The carrying amounts of the biological assets and key assumptions made in estimating these amounts are set out in Note 19.

5. Government Grants

The University recognized TZS 45,314,822,887 (2020: TZS 43,902,836,850) as income including recurrent and development income. The amount received includes the Government subvention in payment of salaries to members of staff and receipted TZS 6.2 billion in settlement of various staff claims verified and approved by the Government below: -

	2020/21 TZS	2019/20 TZS
Recurrent Grants	45,314,822,887	42,446,836,850
Development Grants	-	1,456,000,000
Total	<u>45,314,822,887</u>	<u>43,902,836,850</u>

6. Donors' Research Grants

The University recognized TZS 17,637,182,418 (2020: TZS 16,212,503,682) as revenue, equivalent to the expenditure incurred for the research projects.

7. Gain on Valuation of Non-Current Assets

The amount of TZS 2,469,968,548 refers to the total revalued assets where the amount of TZS 1,939,389,013 is a result of valuation of Property, Plant and Equipment for Mizengo Pinda Campus, Katavi and a sum of TZS 530,579,535 is an impairment gain as a result of test for impairment of motor vehicles as per assessment done in June 2021.

Description	2020/21 TZS	2019/20 TZS
Valuation of Buildings	1,939,389,013	-
Add: Gain on Impairment of Motor vehicles	<u>530,579,535</u>	-
Total revalued assets	<u>2,469,968,548</u>	<u>-</u>

8. Revenue from Exchange Transaction

The University recognized TZS 26,957,035,979 (2020: TZS 27,199,148,556) as revenue from exchange transactions derived from charging of tuition fees from undergraduate, postgraduate and non-degree programs and from other services rendered (related to teaching and training) as per breakdown below: -

	2020/21	2019/20
Tuition fees	21,778,086,248	19,784,894,016
Other service rendered	<u>5,178,949,731</u>	<u>7,414,254,540</u>
Total	<u>26,957,035,979</u>	<u>27,199,148,556</u>

9. Compensation of Employees

The University managed to pay a sum of TZS 62,713,096,868 (2020: TZS 53,943,833,869) as salaries and wages of employees for the year. The number of salaries paid directly to employees by the Government were recorded as per data sheets provided by the Ministry of Finance and Planning reconciled with the Lawson system maintained by the President's Office Public Service Management and Good Governance, also maintained by SUA. The breakdown of payment is as shown below:-

	2020/21	2019/20
Wages, salaries and employee benefits	57,252,613,952	47,707,072,122

Employers' social contributions	5,207,838,383	6,130,319,707
Social benefits	<u>252,644,533</u>	<u>106,442,040</u>
Total	<u>62,713,096,868</u>	<u>53,943,833,869</u>

10. Use of Goods and Services

During the year under review, the University paid a sum of TZS 24,811,780,444 (2020: TZS 20,003,727,183) as operating expenses in delivery of training, research and outreach services other than salaries and wages and routine repair and maintenance for the funds received from internal generating activities, Government funding and receipt of funds from development partner located in and outside the country. The detailed expenses are as shown below: -

	2020/21	2019/20
	TZS	TZS
Office And General Supplies and Services	2,328,196,310	2,161,556,228
Utilities Supplies and Services	36,364,208	156,657,538
Medical Supplies & Services	2,614,934,745	752,682,777
Clothing, Bedding, Footwear and Services	76,686,870	23,990,910
Rental Expenses	181,176,932	131,005,152
Training - Domestic	6,471,493,951	4,202,994,371
Training - Foreign	904,268,914	1,339,960,244
Travel - In - Country	3,831,743,741	3,264,053,668
Travel Out of Country	115,651,832	257,227,506
Communication & Information	1,166,990,359	894,911,276
Educational Materials, Services and Supplies	689,097,942	633,419,733
Hospitality Supplies and Services	1,201,304,138	750,667,171
Agricultural and Livestock Supplies & Services	323,704,383	311,330,789
Printing, Adverts & Info. Supplies and Services	14,608,016	7,402,739
Fuel, Oils, Lubricants	479,610,556	486,718,399
Expenses on Professional fees and charges	743,823,812	542,809,746
Other operating Expenses	<u>3,632,123,735</u>	<u>4,086,338,936</u>
Total	<u>24,811,780,444</u>	<u>20,003,727,183</u>

11. Routine Maintenance and Repair

During the year under review, the University paid a sum of TZS 2,240,043,156 (2020: TZS 1,839,459,743) as operating expenses in delivery of training, research and outreach services other through routine maintenance for the funds received from internal generating activities, Government funding and receipt of funds from development partner located in and outside the country. The detailed expenses are as shown below: -

2020/21	2019/20
TZS	TZS

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Routine Maintenance and Repair of Roads and Bridges	288,672,902	189,725,624
Routine maintenance and repair of buildings	1,162,660,949	976,186,488
Routine Repair of Water & Elec. Installations	171,132,521	88,658,644
Routine Repair and Maintenance of Vehicles & Transportation. Equipment	375,646,980	378,044,248
Routine Maintenance of Specialized equipment	6,436,000	-
Routine Repair and Maintenance of Machinery, Equip & Plant	32,050,770	53,963,116
Routine Repair and Maintenance of Office Equip.& Appliance	149,236,142	121,815,610
Other routine Repair Expenses not elsewhere classified	<u>54,206,892</u>	<u>31,066,013</u>
Total	<u>2,240,043,156</u>	<u>1,839,459,743</u>

12. Foreign Currency Exchange Gain

	2020/21	2019/20
	TZS	TZS
Gain on Foreign Exchange	1,889,466	16,785,833
Loss on Foreign Exchange	-	(15,167,048)
Total	<u>1,889,466</u>	<u>1,618,786</u>

The Foreign exchange gains and losses arise from daily transaction in foreign currency and translation differences from foreign currencies to TZS.

13 Cash and Bank Balance

	2020/21	2019/20
	TZS	TZS
Government Grant	106,530,376	956,876,221
Internal Funds	10,174,484,464	15,322,299,942
Donor Funds (a)	<u>12,614,141,277</u>	<u>12,812,884,533</u>
	22,895,156,117	29,092,060,696
Less: Restricted Fund (a)	12,614,141,277	12,812,884,533
	<u>10,281,014,840</u>	<u>16,279,176,163</u>
Restricted Fund (a)		
United States Dollars (USD)	10,512,211,892	9,385,148,613
Great Britain Pound (GBP)	95,949,571	158,207,958
Euro	521,566,352	858,023,300
Tanzania Shilling TZS	<u>1,484,413,462</u>	<u>2,411,504,663</u>
	<u>12,614,141,277</u>	<u>12,812,884,533</u>

14 Receivable from Exchange Transaction

	2020/21	2019/20
	TZS	TZS
Student Fees Receivable	6,681,475,822	5,517,622,890
Sundry Receivable	1,818,980,199	1,500,930,743
Collaborative Institute Receivable	2,031,118,258	2,773,796,264
Staff Loans & Advances	30,180,230	30,845,230
Research Imprest	1,147,580,864	911,166,378
Safari Imprest	1,602,980,297	1,372,713,035
Rental Debtors	380,279,301	268,669,720
Staff Car Loan	14,818,700	11,694,690
Staff House, Rent & Utilities	1,701,473,856	1,646,929,080
Receivable from Exchange Transaction	<u>3,022,094</u>	-
	<u>15,411,909,621</u>	<u>14,034,368,030</u>
Provision for bad and doubtful debts	<u>(443,733,233)</u>	<u>(362,507,436)</u>
Total	<u>14,968,176,388</u>	<u>13,671,860,594</u>

15	Receivable from Non-Exchange Transaction	2020/21 TZS	2019/20 TZS
	Staff House Allowance	-	3,256,035,256
	Staff accrued Charges	-	4,186,284,124
	Payroll Deduction	323,976,651	2,428,541
	Staff Salaries Arrears	-	4,611,672,082
	Development funds for construction of students hostel not yet received from Government	<u>48,907,214</u>	<u>48,907,214</u>

Total	<u>372,883,865</u>	<u>12,105,327,217</u>
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The amount of TZS 372.9 million is the receivable from Government as per statutory deductions payable to Social Security Funds; and development funds payable to the contractor in construction of students' hostel. A substantial decrease of the receivable is a result of implementation of Accounting Circular No. 6 of 2019/20 for preparation of financial statement for the year directed all government entities on Para 3.2.1 (c) employee payable which has been confirmed and approved should be recorded as accounting payable only rather than recording payable and receivable at the same time. Also it is a result of receipt of TZS 6.2 billion and payment of the same to staff in clearance of various claims including house allowances and other benefits.

16 Inventories

Building Materials	440,905	489,990
Chemicals	31,172,700	19,228,500
Cleaning supplies	356,000	560,670
Consumables	2,632,394	3,024,944
Fuel, Oil and Lubricants	12,276,819	10,075,084
Medical Supplies	57,376,050	70,667,950
Spare Parts	417,878	449,149
Timber, Logs and Poles	<u>125,703,764</u>	<u>164,661,880</u>
Sub-total	<u>230,376,510</u>	<u>269,158,167</u>
Less: Provision for obsolete and damaged inventories	<u>396,602</u>	<u>370,396</u>
Total	<u>229,979,908</u>	<u>268,787,771</u>

17 Prepayments & Prepaid Expenses

Advance Payment Internal	668,163,018	706,133,836
Advance Payment Donor	781,860,398	1,307,502,433
Advance Payment, GovT	448,953,096	148,021,405
Prepaid Expenses	<u>10,099,491</u>	<u>161,717,945</u>
Total	<u>1,909,076,003</u>	<u>2,323,375,619</u>

18. Property, Plant and Equipment

PARTICULARS	LAND	BUILDING	PLANT AND MACHINERY	FURNITURE FITTINGS AND EQUIPMENTS	COMPUTERS	MOTOR VEHICLES	INDEPENDENT WATER SOURCE	INFRASTRUCTURE-ROADS	INFRASTRUCTURE-LAN	SUB-TOTAL	WIP	TOTAL
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Cost as at 01 July 2020	66,442,500	43,351,436,018	1,340,456,097	13,986,633,764	4,688,347,999	7,036,295,673	900,317,000	387,528,035	1,544,866,496	73,302,323,581	7,465,700,146	80,768,023,728
Addition	320,923,286	2,090,730,745	132,632,874	628,537,598	106,724,649	2,377,063,505		764,935,037	6,284,798	6,427,832,492	5,816,538,620	12,244,371,112
Transfer from WIP											(764,935,037)	(764,935,037)
Adjustment											(66,474,158)	(66,474,158)
Cost as at 30 June 2021 ⁶	387,365,786	45,442,166,763	1,473,088,971	14,615,171,362	4,795,072,648	9,413,359,178	900,317,000	1,152,463,072	1,551,151,295	79,730,156,073	12,450,829,572	92,180,985,645
Accumulation depreciation as at July 2020	-	(16,343,871,724)	(656,866,391)	(9,398,936,408)	(4,041,210,584)	(5,639,368,301)	(396,139,472)	(99,749,712)	(397,648,640)	(36,973,791,233)		(36,973,791,233)
Backlog Depreciation ⁷												
Accumulated Impairment		(2,044,534,768)	(93,847,500)	(834,714,688)	237,554,202	(36,879,194)	(108,578,232)	(49,874,856)	87,593,928	(2,843,281,107)		(2,843,281,107)
Loss for the year 2020/21 ⁸						(12,610,223)				(12,610,228)		(12,610,228)
Depreciation during the Year 2020/21		(454,699,514)	(57,422,599)	(587,592,779)	(122,570,739)	(236,350,834)	(23,854,636)	(30,618,174)	(44,453,228)	(1,557,562,503)		(1,557,562,503)
Accumulated Depreciation As at 30th June 2021		(18,843,106,006)	(808,136,490)	(10,821,243,875)	(3,926,227,121)	(5,925,208,557)	(528,572,340)	(180,242,742)	(354,507,940)	(41,387,245,070)		(41,387,245,070)
Net book Value as at 30 June 2021 ⁹	387,365,786	26,599,060,757	664,952,482	3,793,927,487	868,845,527	3,488,150,621	371,744,660	972,220,330	1,196,643,355	38,342,911,004	-	50,793,740,575
Net book value as at 30 June 2020	66,442,500	27,007,564,294	683,589,706	4,587,697,355	647,137,415	1,396,927,372	504,177,528	287,778,323	1,147,217,856	36,328,532,349	-	43,794,232,495

⁷ As stated in Note No.2.3 to these financial statements, the University adopted new Government depreciation rates of which had low and upward effect on depreciation charges. The backlog depreciation amounts to TZS. 2.8 billion Represents the accumulated depreciation charged arrived and netted off to assets due to changes in rates of depreciation from previous years to that of the current year.

⁸ The amount of TZS 12.6 million is the accumulated impairment loss arising from testing for impairment of motor vehicles for the year 2020/21. The University has assets with historical cost of TZS 92.18 billion out which assets with Netbook Value of TZS 1.4 billion are subject to test for impairment in the year 2021/22.

19. Biological Assets

	Livestock	Seedlings and Vegetables	Crops & Fruit trees	Growing timber	Total
	TZS	TZS	TZS	TZS	TZS
Year ended 30 June 2021					
At 1 July 2021	398,360,000	45,188,278	536,097,446	22,825,298,557	23,804,944,281
Acquisition of Sheep		-	-	-	-
Gain/(loss) arising from changes in fair value less estimated selling costs	80,290,000	28,837,721	(190,609,264)	(757,833,490)	(839,315,033)
At 30 June 2021	478,650,000	74,025,999	345,488,182	22,067,465,067	22,965,629,249
Year ended 30 June 2020					
At 1 July 2021	366,700,000	51,956,478	504,487,403	15,717,764,014	16,640,907,895
Acquisition of Sheep		-	-	-	-
Gain/(loss) arising from changes in fair value less estimated selling costs	31,660,000	(6,768,200)	31,610,043	7,107,534,543	7,164,036,386
At 30 June 2020	398,360,000	45,188,278	536,097,446	22,825,298,557	23,804,944,281

The fair value of livestock was determined based on the market prices of similar age, breed, and genetic merit. Seedlings/vegetables are measured at cost and plantation crops are measured at fair value using discounted cash flow valuation models.

Valuation of Growing Timber

Valuation of standing timber requires critical assumptions and estimates. The single most used valuation method for determination of fair-value of standing timber is a Discounted Cash Flow (DCF) model, though in rare cases a mixed method of historical cost and DCF were used. Historical cost was used to determine the value of young plants (saplings) where their volumes could not be determined.

The model took into account the following assumptions and estimates: forest management plan, land preparation costs, plants (seedlings) costs, planting, Silvicultural (pruning and thinning) costs, harvesting (clear felling/ logging and transportation) costs, forest access road maintenance costs, production costs of lumber (sawmilling), Management, Financing and Insurance costs, storage costs, timber species, class sites, growth rate (annual volume increment), forest produce prices, production recovery rate, discount rate and historical costs.

The 10.8% Discount rate was used to discount future cash flows anticipated to flow to the University for sale of standing timber or/and related products. The discount rate is the result of the Treasury Bills rate of 4.9% and the commercial lending rate of 16.7%.

The dynamics and sensitivity inherent in the DCF were carried out to determine how the Present Value (PV) model responded with varying discount rate, cost and revenue. Therefore, fair-value is stated net of point-of-sale costs.

20. Intangible Assets

		Cost/Revaluation						Accumulated Depreciation and Impairment						Carrying Value															
		Additions (monetary)		Additions (non-monetary)		Capitalized Borrowing Costs		Transfers		Revaluation adjustments		Disposal		At 30 June		At 01 July		Charge during the year - Depreciation		Charge during the year - Impairment		Revaluation adjustments		Disposal		At 30 June		At 01 July	
		TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
30 June 2021																													
1	Accounting Software	36,010,050																											36,010,050
2	Records Software	45,664,812																											45,664,812
3	Plagiarism Software	13,013,773																											13,013,773
		94,688,634	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	94,688,634

Controller and Auditor General

AR/PA/SUA /2020/21

The intangible assets are considered to have indefinite useful life because they are in-house developed to suit University's needs. Impairment review was performed during the year indicating that no provision is required

21	Deferred Income on Donor Grant	2020/21	2019/20
		TZS	TZS
	Balance at the beginning of the year	21,351,246,273	17,569,600,333
	Grants received during the year	15,807,560,322	25,631,340,713
	Net transfers to and from BoT and Projects	<u>925,226,942</u>	<u>(5,251,695,326)</u>
	Total Receipts for Spending	<u>38,084,033,537</u>	<u>37,949,245,720</u>
	Amount transferred to Capital Grant (For Capital Expenditure)	(421,809,361)	(385,495,765)
	Amount transferred for recurrent expenditure	(17,637,182,418)	(16,212,503,682)
	Total Expenditure	<u>(18,058,991,779)</u>	<u>(16,597,999,447)</u>
	Total Deferred Income for the year	<u>20,025,041,758</u>	<u>21,351,246,273</u>
22 Account Payable			
	Supplies of goods and Services	2,566,421,697	1,466,052,824
	Provision for Audit Fee	270,000,000	270,000,000
	Accruals	2,431,869,265	2,279,772,278
	Student Payable	1,028,196,074	1,646,931,873
	Staff Payable	115,885,477	240,061,517
	Other Short-term Liabilities	<u>5,008,829,062</u>	<u>13,275,634,348</u>
	Total	<u>11,421,201,575</u>	<u>19,178,452,840</u>
23 Deferred Asset Grant			
	As at 1st July	15,905,039,881	16,590,500,215
	Add: Acquisition of assets during the year	421,809,364	385,495,763
	Impairment gain on PPE	<u>639,405,604</u>	<u>-</u>
		16,966,254,849	16,975,995,978
	Less: Amortization for the year	638,748,438	1,070,956,097
	Backlog Depreciation adjustments deferred assets	<u>1,261,478,887</u>	<u>-</u>
	Total	<u>15,066,027,524</u>	<u>15,905,039,881</u>

24 Related Party Transactions

- i. **Entities that directly, or indirectly through one or more intermediaries, control, or are controlled by SUA**

During the period under review, SUA had both operating and/or financial relationship with several Government entities including the Treasury, Higher Education Students Loans Board (HESLB) who sponsors undergraduate students, and Tanzania Education Authority

(TEA) who provided loan in construction of the Multipurpose Lecture Theatre at SUA Main Campus. SUA also worked with other Government institutions including, the Tanzania Commission for Universities (TCU) responsible in ensuring of Quality Control, the Government Procurement Services Agency (GPSA), Tanzania Electrical, Mechanical and Electronics Services Agency (TEMESA), and Tanzania Building Agency (TBA) involved in construction of the multipurpose laboratory at SUA Main Campus.

During the Period under review, SUA had the following receivables and payables with some of the mentioned Government Institutions: -

Table 24: Related party transactions with the Government entities for the year 2020/21

	2020/21 TZS	2019/20 TZS
Treasury: Government grant received during the year		
-Personnel emoluments	45,314,822,887	42,446,836,850
-Development	-	1,456,000,000
Total Government grant received	45,314,822,887	43,902,836,850
Higher Education Students' Loans Board (HESLB)		
-Students' fees	10,053,647,335	8,975,505,216
-Stipend and other allowances paid to students	10,696,673,145	13,671,662,445
Total amount received from HESLB	20,750,320,480	22,647,167,661
Payables:		
Payable sum to TRA ¹⁰	409,526,608	-
	409,526,608	-
Receivables:		
Government grant receivable¹¹	372,883,865	12,105,327,217

i. Investment in Joint Venture (Associates)

During the year under review, SUA had no investment in associates.

ii. Individuals owning, directly or indirectly, an interest with SUA that gives them significant influence over SUA

¹⁰ The sum of TZS 409.5 million is the amount payable to Tanzania Revenue Authority by June, 2021. The sum has been settled in the subsequent period.

¹¹ The amount of TZS 372.9 million is the amount receivable from Government as per statutory deductions payable to Social Security Funds; and development funds payable to the contractor in construction of students' hostel. A substantial decrease of the receivable is a result of implementation of Accounting Circular No. 6 of 2019/20 for preparation of financial statement for the year directed all government entities on Para 3.2.1 (c) employee payable which has been confirmed and approved should be recorded as accounting payable only rather than recording payable and receivable at the same time. Also it is a result of receipt of TZS 6.2 billion and payment of the same to staff in clearance of various claims including house allowances and other benefits.

SUA is a public institution wholly owned by the Government and therefore there is no individual owning the institution either directly or indirectly. The Government has commissioned the affairs of SUA to the University Council which manages the daily activities through the Key Management personnel including, the Vice Chancellor, the Deputy Vice Chancellor (Academic); and the Deputy Vice Chancellor (Administration and Finance).

iii. Key management personnel, and close members of the family of key management personnel

SUA encourages employment of key management personnel on merit and shun away from favouritism or nepotism.

The key management personnel include the Members of the Council, the Vice-Chancellor, the Deputy Vice-Chancellor (Academic); and the Deputy Vice Chancellor (Administration and Finance). During the year under review, the remuneration of the key management personnel amounted to TZS 6,087,006,896 (2020: TZS 5,403,217,300). The key management personnel had no loans with either SUA or commercial banks. The remuneration with the personnel is as shown in the table below: -

Table 25: Remuneration of the key management personnel for the year 2020/21

	2020/21	2019/20
Salaries and allowances	5,346,307,300	4,767,562,000
Pension	648,899,596	578,655,300
Council Members fees	91,800,000	57,000,000
	<u>6,087,006,896</u>	<u>5,403,217,300</u>

iv. Entities in which a substantial ownership interest is held, directly or indirectly, by any person associated with SUA.

No disclosed ownership with other entities had been identified with the key management personnel.

25 Events after the Reporting Date-IPSAS 14

There were no material adjusting events which occurred between the reporting date and the date when financial statements are authorised for issue except for the non-adjusting events including;

- i. Preparation and approval of the 5th SUA Corporate Strategic Plan (2021-26); and

- ii. In the subsequent year, the University has adopted the new Accounting System known as "Mfumo wa Ulipaji Serikalini (MUSE)", the Planning and Reporting System (PLANREP) as well as the new Students Management Information System (SR2).

26 Provisions, Contingent Liabilities, Contingent Assets-IPSAS 19

During the year under review, the University did not record any contingent liability. The University has done an assessment of the likelihood of contingent liabilities as a result of the documented court cases and have realized that there is no court case which is probable to involve settlement in the near future.

27 Impairment of Non-Cash-Generating Assets-IPSAS 21

During the year under review, using the restoration cost approach, the University had a total net impairment gain of TZS 521,053,592 (2019: TZS 0). The amount realised is a result of a test for impairment done under the Property, Plant and Equipment.

Description	2020/21 TZS	2019/20 TZS
Property, plant and equipment		
Gain on impairment	530,579,535	-
Loss on impairment	(9,525,943)	-
Net impairment Gain	<u>521,053,592</u>	<u>-</u>

28. Notes to the Statement of Cashflows

In preparation of notes to the cashflows, either of the following two approaches should be considered:

1. Obtain actual cash receipts or payments through; accounting records or
2. Adjusting operating revenues, operating expenses and other items in the Statement of Financial Performance for
 - a) Changes during the period in inventory and operating receivables and payables (through opening and closing balances)
 - b) Other non cash items and
 - c) Other items for cash effects are investing or financing cash flows

During the year under review, the University used approach number 1 that is Obtain actual cash receipts or payments through; accounting records and further reconciled the statement of cash flows and the statement of financial performance as shown in the statement of reconciliation depicted as Note 29.

	2020/21 TZS	2019/20 TZS
28.1 Cash flows from Exchange Transaction-Government		

	Government Subvention Personnel Emolument	45,645,835,433	44,008,782,952
	Government Subvention Development Fund	-	1,456,000,000
	Total	<u>45,645,835,433</u>	<u>45,464,782,952</u>
28.2	Cash flows from Exchange Transaction- Development Partners Funds		
	Development Partners	<u>15,807,560,322</u>	<u>25,631,340,713</u>
	Total	<u>15,807,560,322</u>	<u>25,631,340,713</u>
28.3	Cash flows from Exchange Transaction-Internal Funds		
	Tuition Fees	21,183,010,781	17,853,019,740
	Other Services	<u>5,381,108,211</u>	<u>6,473,061,130</u>
	Total	<u>26,564,118,992</u>	<u>24,326,080,870</u>
28.4	Cash Outflows in Compensation of Employees		
	Wages, salaries and employee benefits	48,745,612,586	49,568,073,903
	Social Security Contribution and NHIF	3,177,622,571	2,770,473,351
	Third party Payables	268,977,491	585,905,691
	Staff Claims	<u>6,032,439,041</u>	-
	Total	<u>58,224,651,689</u>	<u>52,924,452,945</u>
28.5	Cash Outflows in Use of Goods and Services		
	Clothing, Bedding, Footwear and Services	35,685,120	37,296,842
	Communication & Information	956,382,298	878,151,870
	Educational Materials, Services and Supplies	510,328,248	450,228,499
	Expenses on professional fees and charges	684,522,970	517,540,117
	Fuel, Oils and Lubricants	329,937,207	432,925,894
	Hospitality Supplies and Services:	1,111,527,892	1,068,060,765
	Agricultural and Livestock Supplies & Services:	275,975,192	125,734,010
	Printing, advertising and Information Supplies and Services:	17,662,416	3,427,000
	Medical Supplies & Services	821,295,636	682,079,636
	Office and General Supplies and Services	1,472,107,363	2,065,236,187
	Other Operating Expenses	2,221,636,770	2,955,854,768

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Rental Expenses	154,719,933	108,230,111
Supplies of goods and services (Sundry Creditor)	2,308,450	23,112,991
Training - Domestic	5,398,380,527	3,854,771,771
Training - Foreign	777,564,328	1,310,116,954
Travel - In - Country	3,468,836,309	2,656,100,241
Travel - In - Country	-	7,945,914
Travel Out of Country	70,912,786	238,724,230
Utilities Supplies and Services	<u>952,635,692</u>	<u>1,692,189,938</u>
Total	<u>19,262,419,137</u>	<u>19,107,727,738</u>
28.6 Cash Outflows from Routine Maintenance		
Maintenance of Specialized equipment	5,388,000	24,655,174
Routine Maintenance and Repair of Vehicles and Transportation Equipment	266,673,429	346,843,157
Other Supplies and Services	2,870,000	28,362,479
Other Routine Maintenance Expenses not elsewhere classified:	17,928,221	13,261,849
Routine maintenance and repair of buildings	748,100,402	870,711,297
Routine Maintenance and Repair of Machinery, Equipment and Plant	24,208,770	59,146,667
Routine Maintenance and Repair of Office Equipment and Appliances	32,383,267	98,837,017
Routine Maintenance and Repair of Roads and Bridges	245,952,577	178,341,345
Routine maintenance, Repair of Water and Electricity Installations	<u>63,439,459</u>	<u>54,060,399</u>
Total	<u>1,406,944,125</u>	<u>1,674,219,384</u>
28.7 Cash Outflows from Other Operating Activities		
Other prepayments (Deposit & Prepayment)	1,635,604,559	3,803,020,325
Other Operating Expenses	1,082,652,128	1,299,472,994
Current accounts (Inter-banking)	674,122,059	253,873,148
Staff Imprest Receivable	<u>1,763,647,365</u>	<u>969,977,184</u>
Total	<u>5,156,026,112</u>	<u>6,326,343,651</u>
28.8 Cash Out flows in Payment to Suppliers and Contractors for Prior Year Liabilities		
Accrued Expenses	16,485,868	50,006,400
Supplies of goods and services (Sundry Creditor)	2,790,497,169	929,894,121
Tax payables to TRA by other government entities	100,000,000	-
Withholding Tax	<u>20,193,966</u>	<u>21,115,331</u>
Total	<u>2,927,177,003</u>	<u>1,001,015,852</u>

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28.9 Cash Outflows in Payment to Third Party for Prior Year Liabilities

Provision for Audit Fees	270,000,000	250,000,000
Higher Education Students Loans Board (HESLB)	175,635,894	2,542,279,970
Social Security Contribution and NHIF	-	218,852,170
Third party Payables	949,877,213	37,576,453
Withholding Tax	209,966,766	
Community Health Fund	-	239,065,983
Total	<u>1,605,479,873</u>	<u>3,287,774,576</u>

28.10 Cash Outflows in Investing Activities

Office buildings and structures	16,249,920	-
Motor vehicles,	952,808,222	409,000,000
Air Conditioner	10,369,000	64,945,920
Printers and Scanners	-	18,997,851
Hardware: servers and equipment (incl. desktops, laptops etc.)	-	41,594,098
Computers and Photocopiers	76,541,983	27,480,806
Agricultural equipment and machinery	-	47,500,000
Laboratory equipment and instruments	63,081,280	442,977,528
Other Furniture, Fitting and Equipment	29,734,200	212,377,229
Beds, Desks, Shelves, Tables, Chairs and Cabinets (Hostel)	154,349,656	-
Telecommunications infrastructure, networks and equipment	6,284,798	-
Water System, Wells, Ponds and Water Schemes	16,225,000	-
Document Processing Equipment	25,969,860	-
Other Equipment	45,526,400	-
Television and Radios	6,812,140	-
Office equipment	7,592,240	-
Work in Progress	<u>4,649,708,313</u>	<u>2,069,518,334</u>
Total	<u>6,061,253,012</u>	<u>3,334,391,766</u>

29. Reconciliation of net cash flows from Operating Activities to Net Surplus/(Deficit) from Operating Activities

The University reports its cash flows from operating activities using the direct method and therefore prepares a reconciliation of surplus/(deficit) from ordinary activities with the net cash flows from operating activities. A reconciliation is provided below:

2020/21	2019/20
TZS	TZS

Surplus/(deficit)	(1,003,478,434)	17,242,770,801
Backlog depreciation adjusted	(1,261,479,007)	-
Adjusted for Non-Cash Item		
Valuation of Non-Current Assets	(1,939,389,013)	-
Adjustment for Non-Current Assets	1,117,791,594	-
Depreciation	1,557,562,502	2,343,474,566
Amortization	(638,748,438)	(1,070,956,097)
Net Impairment Gain	(521,053,592)	-
(Gain)/Loss on valuation of timber and logs	38,958,117	(41,933,555)
(Gain)/Loss on valuation of biological assets	839,315,033	(7,164,036,386)
Working Capital adjustments		
Decrease/(Increase) in inventory	38,807,862	(72,009,483)
Decrease/(Increase) in Receivables	10,963,728,902	(4,660,675,077)
(Decrease)/Increase in Payable	<u>(9,327,667,093)</u>	<u>3,806,516,017</u>
Net Cash flow from operating activities	<u>(135,651,567)</u>	<u>10,383,150,786</u>

30. Capital Commitments

The University had the capital commitments amounting to TZS 4,224,926,541 (2020: TZS 6,345,482,098) as shown in Appendix 1.

31. Accounting Implication of Covid-19 Pandemic in Financial Statements for year 2020/21

i. Going Concern

The emergency of Covid-19 has not affected the going concern of SUA. The University Almanac was re-adjusted to cope with the situation, for instance all formal meetings were squeezed and done on time.

ii. Valuation of Inventories and other stock

According to stock taking done on 30 June 2021, there was no significant change in prices of inventory and other stock as compared to purchase prices throughout the year and therefore, no significant impact recorded as a result of Covid-19.

iii. Change in Programs for Development and Research Activities

SUA experienced both positive and negative impact as follows;

Positive Impact

SUA received funds for Covid 19 research in the prior year and therefore continued with research and outreach activities henceforth.

Negative Impact/Change

Delayed implementation of activities

The activities such as training were delayed for more than three months, development projects were delayed for a period ranging from three to five months and some research projects rescheduled to the subsequent financial year.

32. Ultimate Controlling Party

The Government of the United Republic of Tanzania is the ultimate controlling party of the University.

APPENDICES

Appendix 1: A list of capital commitments as at 30 June 2021

S/N	Project	Source of Fund	Contract sum	Paid	Balance	Status
1.	Construction of a multipurpose laboratory at SUA Main Campus	Government	11,706,369,590	9,085,128,786	2,621,240,804	Completed by 96%
2.	Construction of a PhD students' building funded by the BSU project	DANIDA	347,985,868	216,890,539	131,095,329	Completed by 90%
3.	Rehabilitation of infrastructure at College of Veterinary Medicine and Biomedical Sciences; and the Department of Animal, Aquaculture and Range Sciences and rehabilitation of agricultural engineering workshop	Government	1,456,000,000	1,189,325,076	266,674,924	Completed by 93%
4.	Rehabilitation of infrastructure at Mizengo Pinda Campus, Katavi	SUA Internal Funds	2,054,194,954	922,209,699	1,131,985,255	Completed by 90%
5.	Repair and maintenance of staff houses	SUA Internal Funds	118,447,572	(44,517,343)	73,930,229	Completed by 53%
Total			15,682,997,984	11,369,036,757	4,224,926,541	

Appendix 2: Detailed Deferred Income on Donor Grant for the year 2020/21

	2020/21	2019/20
	TZS	TZS
SUA Afrique One PROJECT	(3,176,360)	(3,178,068)
Afrique One Aspire	15,255,431	130,466,278
Climate Change Project (CCIAM)	314,024,898	312,557,398
Cysticercosis for Eastern and Southern Africa (CESA)	2,433,007	2,433,007
Cystinet Project	127,573,123	366,372,789
Danida Pilot Research Project (Danida)	134,821,508	240,714,670
Donor Research Zone III USD	224,792,809	67,565,365
Donors' Deferred Revenue at BOT	7,117,258,709	7,280,882,154
National Carbon Monitoring Project	451,810,523	(15,396,081)
Norad NORHED TRAHESA Project	(25,191,929)	(12,213,440)
SACID Welcome Project	251,675,377	348,680,314
SUA ACE Project	1,103,058,210	1,118,862,183
SUA AICAD Project	139,705	139,705
SUA ASARECA Project	4,800,000	4,800,000
SUA BSU Project	110,267,644	295,331,990
SUA EAMCF Project	13,320,421	13,480,507
SUA ECCA & M Project	(448,688)	(448,688)
SUA EPINAV Project	21,797,209	29,305,041
SUA IDRC Project (IDRC)	560,835,516	392,753,325
SUA NRN BIOMED Project	1,952,974	692,042
SUA Ref	-	645,450
SUA SMC Care & Treatment PROJECT	925,417,608	1,515,139,669
SUA STRAPA Project	6,772,438	5,297,673
SUA TRANS-SEC PROJECT	17,943,483	18,414,874
SUA/SCIFOR PROJECT	22,338,273	118,871,252
SUA-ESUA-621-IL-14-00011 Project	4,922,269	4,974,977
SUA-TZ/CAU-China Project	(106,807,778)	(88,209,566)
Various Donor	<u>8,727,455,377</u>	<u>9,202,311,454</u>
Total	<u>20,025,041,758</u>	<u>21,351,246,273</u>