

# SUSTAINABLE ENVIRONMENT MANAGEMENT ACTION (SEMA)

**AUDIT REPORT FOR THE YEAR ENDING 31<sup>ST</sup> DECEMBER 2022**

## SUSTAINABLE ENVIRONMENT MANAGEMENT ACTION (SEMA)

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## SUSTAINABLE ENVIRONMNET MANAGEMENT ACTION (SEMA)

### ORGANIZATION INFORMATION

The Organization is incorporated in Tanzania under the Non- Government Organizations Act, 2002 and domiciled in Tanzania. The Organization has a Certificate of Compliance No 1594 issued under the NGOs Act, 2002 on 9<sup>th</sup> March, 2006.

**PRINCIPAL PLACE OF ACTIVITIES** Sustainable Environment Action (SEMA)

P.O. Box 365

Singida

Tanzania

**BANKERS** CRDB Bank Plc

P. O Box 135

Singida

Tanzania

**AUDITORS:**

Fincare and Company

Certified Public Accountants in Practice

P.O Box 22228

Dar es Salaam

## SUSTAINABLE ENVIRONMENT MANAGEMENT ACTION (SEMA)

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER, 2022

### Introduction

#### Background

The Directors present this report and the financial statements for the financial year ended 31 December, 2022 which disclose the state of affairs of the organization Sustainable Environment Management Action (SEMA) is a Singida based Non-Governmental Organization (NGO) which strives to fight poverty and environmental degradation in the rural areas of the poor and marginalized communities of Singida Region

SEMA was registered under the Societies Ordinance Cap. 337 on the 10 March 1998 The organization was also awarded a Certificate of Compliance No. 1594 for Non-Governmental Organizations under the NGO Act. 2002 (S11G) on 9 March 2006.

SEMA implements an integrated community development project focusing on Water and Sanitation. Natural Resources Management and Rural Development in the rural areas of Singida Region, paying special attention to disadvantaged groups, through facilitating dialogue on issues such as access and ownership of resources, the management and flow of information as well as good governance and human rights. SEMA stimulates and supports the villagers' own initiatives and efforts to solve their problems.

The main objective of the organization is to support community's initiatives to tackle their own economic, social and environmental problems Specifically, SEMA works towards:-

1. Villages empowerment in terms of organization
2. Improved health and availability of safe and sustainable water
3. Improved attitudes towards environmental protection on
- 4 Increased household income and economic activity

### GOALS

1. Improving health and quality of life amongst the rural poor communities through integrated water, sanitation and hygiene interventions.
2. Promoting good governance through improving accountability, transparency of CBO's local government and other development actors in rural communities.
3. Promoting economic growth in rural communities through income generating activities

### SEMA WORKSHOP

Apart from the above mentioned SEMA core activities, the organization is shareholder of a workshop which is a Company Limited by shares.

#### ORGANIZATION VISION

A socially and economically empowered society able to manage its environment sustainably.

#### ORGANIZATION' MISSION

Promoting socio economic and environment Improvement of rural communities through natural resources management, water, hygiene and sanitation and natural development interventions.

#### PRINCIPAL ACTIVITIES

SEMA is a non- government entity engaged in enhancing the targeted rural communities to handle their social economic environment problems and improved their standard of living .

The workshop operates on a commercial basis.

#### COMPOSITION OF THE BOARD OF DIRECTORS

The directors of the organization at a date of this report who have served, except where otherwise stated are:-

S/No.	Names	Nationality	Qualifications	Status
1.	Dr. Wiliam Mafwere	Tanzanian	Private Veterinary Practitioner	Chairman
2.	Mrs. Agnes Amos	Tanzanian	An Economist	Vice Chairperson
4.	Mr. Ivo Manyaku	Tanzanian	Sociologist	Secretary
5.	Mrs. Fatuma Malenga	Tanzanian	Social welfare specialist	Member
6.	Dr. Suleiman Muttan	Tanzanian	Medical Doctor	Member
7.	Mr. Leo J. Suih	Tanzanian	Architectural Interior Design	Member
8.	Eng. Patrick Nzamba	Tanzanian	Water resource management, Civil Engineer	Member
9.	Ms. Redempter Rweyemamu	Tanzanian	Business administration in finance and marketing	Member

10.	Josephine Lemoyani	Tanzanian	Anthropologist/ Sociologist	Member
	SEMA REPRESENTATIVES			
1.	Mr. Ivo Manyaku	Tanzanian	General Manager	
2.	Mrs. Rachel Sedute	Tanzanian	Programme Manager	
3.	Mrs Jasmine Nguli	Tanzanian	Finance Manager	
4.	Mr. Charles Mnyororo	Tanzanian	Director – Civil Company	

### CORPORATE GOVERNANCE

The Board of SEMA consists of seven Directors apart from the Chairman, no other directors hold executive positions in the organization. The Board takes overall responsibility for the organization, including responsibility for identifying key risk areas considering and monitoring investment decisions, considering significant financial matters and reviewing the performance of management projects plans and budget. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative and for compliance with sound corporate governance principles.

The board delegates the day to day management of the projects to General Manager assisted.

### Declaration of the Head of Finance and Accounting

Declaration of the Head of Finance/Accounting of SEMA

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 Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity's position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors/Governing Body as stated under the Directors' Responsibility Statement on an earlier page.

I Jasmine Nguli being the Head of Finance/Accounting of SEMA hereby acknowledge my responsibility of ensuring that the financial statements for the year ended 30 December 2022 have been prepared in compliance with applicable accounting standards and statutory requirements

I thus confirm that the financial statements give a true and fair view position of SEMA as at 31 December 2022 and that they have been prepared based on properly maintained financial records.

Signature:.....

Name: Jasmine Nguli

Position: Finance Manager

NBAA Membership No:GA 4282

Date: 27<sup>th</sup> March 2023

15<sup>th</sup>April, 2023

The Chairman  
Sustainable Environment Management Action (SEMA)  
P.O Box 365,  
Singida, Tanzania.

Dear Sir,

RE: MANAGEMENT AUDIT REPORT FOR THE FINANCIAL YEAR EDNDED 31<sup>st</sup> DECEMBER 2022.

We have recently completed our Audit of Sustainable Environment Management Action for the year ended 31<sup>st</sup> December 2022, and have pleasure in presenting this report. We draw your attention to matters, we have noted and which we believe should receive your attention.

Our findings are laid out below. This report contains appropriate and feasible our constructive suggestions for improvement.

The principal objective of our audit is to enable us express an opinion on the truth and fairness of the financial statements as a whole. An audit opinion is based on the concept of reasonable assurance. It is not a guarantee that financial statements are free in our engagement letter.

Audits are carried out in such a manner, as we consider necessary to fulfill our responsibilities as auditor and include such tests of transactions of existence, ownership and valuation of assets according to our assessment of what is material in the context of the organization's financial statements, of the organization's accounting system and where we wish to place reliance on the system of internal control or aspects thereof. We cannot in practice examine every operation or activity or branch or accounting procedure, nor can we substitute for management responsibility to maintain adequate controls at all levels of the organization. Our work cannot therefore be expected to identify all weaknesses in your systems and procedures which a special investigation directed at those areas, might reveal.

As to the possibility of irregularities, including fraud and inter alia, forgery, collusion and management override of control systems, the responsibility for the prevention and detection thereof rests with directors. Whilst irregularities may be detected during our audit, we are not required to and do not search specifically for such matters. Our audit therefore, be relied upon to disclose them.

#### USE OF REPORT BY THE THIRD PARTIES

This management audit report is intended solely for the information and use of management and directors of Sustainable Environment Management Action. It aims to assist the directors and management over and above our legal responsibility and forms part of continuing dialogue between us. It is not to include every matter that came to our attention. For these reasons, we believe inappropriate for this report to be made available to third parties. If such a third party were obtain a



copy without our prior written consent, we would not accept any responsibility for any reliance that they might place on it.

In conclusions, we would like to express our appreciation for the organization and assistance given to us by both management and staff during the course of the audit



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**CPA GODFREY N. KASARO**

Fincare and Company

Certified Public Accountants in Public Practice

P.O. Box 22528,

Dar es Salaam - Tanzania

## (SEMA)SUSTAINABLE ENVIROMENT MANAGEMENT ACTION

### STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2022

	NOTE	USAID AFYA YANGU	SEMA OTHER	2022			TOTAL	2021
				SVN	YES	STROME		
<b>ASSETS</b>								
<b>Non-Current Assets</b>								
Plant, Property and Equipment	3	-	-	-	-	-	22,125,000	22,125,000
<b>Current Assets</b>								
Other Current Assets	1	-	2,510,000	-	554,795	3,797,500	6,862,295	9,655,500
Cash and Cash Equivalents		84,921	1,728,588	6,254,962	100,000	2,007,913	10,176,384	45,798,283
<b>Total Current Assets</b>		<b>84,921</b>	<b>4,238,588</b>	<b>6,254,962</b>	<b>654,795</b>	<b>5,805,413</b>	<b>17,038,679</b>	<b>55,453,783</b>
<b>Total assets</b>								
		<b>84,921</b>	<b>4,238,588</b>	<b>6,254,962</b>	<b>654,795</b>	<b>5,805,413</b>	<b>17,038,679</b>	<b>77,578,783</b>
<b>EQUITY AND LIABILITIES</b>								
<b>Equity</b>								
Accumulated Surplus/ Deficit		84,921	(29,724,760)	(1,249,940)	(565,205)	(565,205)	(32,020,189)	18,096,651
<b>Total Equity</b>		<b>84,921</b>	<b>(29,724,760)</b>	<b>(1,249,940)</b>	<b>(565,205)</b>	<b>(565,205)</b>	<b>(32,020,189)</b>	<b>18,096,651</b>
<b>Current Liabilities</b>								
Other Current Liabilities	4	-	33,963,348	7,504,902	1,220,000	6,370,618	49,058,868	59,482,132
<b>Total Equity and Liabilities</b>		<b>84,921</b>	<b>4,238,588</b>	<b>6,254,962</b>	<b>654,795</b>	<b>5,805,413</b>	<b>17,038,679</b>	<b>77,578,784</b>



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Dr. William Mafwere

Chairperson

## (SEMA) SUSTAINABLE ENVIROMENT MANAGEMENT ACTION

### STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDING 31 DECEMBER, 2022

	Notes	2022					2021	
		USAID AFYA YANGU	SEMA OTHER	SVN	YES	STOME	TOTAL	TOTAL
<b>INCOME</b>	5	30,163,429	-	99,301,320	58,769,329	488,922,233	677,156,316	1,857,252,314
		-					-	
<b>Gross Income</b>		<b>30,163,429</b>	<b>-</b>	<b>99,301,320</b>	<b>58,769,329</b>	<b>488,922,233</b>	<b>677,156,311</b>	<b>1,857,252,314</b>
							-	
<b>EXPENDITURE</b>							-	
Payroll Costs	6	10,314,000	-	-	-	407,237,459	417,551,465	524,981,366
Other Expenditures	7	19,849,429		99,301,320	58,769,329	81,684,774	259,073,609	1,322,345,947
Audit fee		-	-	-	-	-	-	7,800,000
Depreciation Charge		-					531,250	2,125,000
<b>Total Expenditure</b>		<b>30,163,429</b>	<b>-</b>	<b>99,301,320</b>	<b>58,769,329</b>	<b>488,922,233</b>	<b>677,156,311</b>	<b>1,857,252,314</b>
<b>Surplus/(Deficit) For The Year</b>		-	-	-	-	-	-	-
<b>Surplus/(Deficit) B/D</b>		-	-	-	-	-	-	-
<b>Surplus/(Deficit) B/F</b>		-	-	-	-	-	-	-



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 Dr. William Mafwere  
 Chairperson

## STATEMENT OF CASH FLOW AS AT 31 DECEMBER, 2022

	Notes	2022 TZS	2021 TZS
<b>Operating Activities</b>			
Surplus( Deficit) for the year		-	-
Adjustments for :			2,125,000
Depreciation		531,250	(42,525,349)
		<b>531,250</b>	<b>(40,400,349)</b>
<b>Changes in Working capital</b>			
(Increase)/Decrease in Trade and receivables		-	85,018,500
(Increase)/Decrease in Trade and other payables		-	(139,053,868)
Prior period adjustment		(56,526,879)	(54,035,368)
<b>Net Cash Generated from operations</b>	<b>(A)</b>	<b>(55,995,629)</b>	<b>(94,435,717)</b>
<b>Investing Activities</b>			
Purchase of PPE		-	-
<b>Net cash flow used in investing activities</b>	<b>(B)</b>	<b>-</b>	<b>-</b>
Net increase/(Decrease) in cash and cash equivalents		(55,995,629)	(94,435,717)
Cash and Cash Equivalent at the Beginning of the Year		45,798,283	140,234,000.00
<b>Cash and Cash Equivalent at the End of the Year</b>		<b>(10,197,346)</b>	<b>45,798,283</b>

### SEMA SUSTAINABLE ENVIROMENT MANAGEMENT ACTION

**Note 2: Movement of Fixed Assets and Depreciation Schedule as at 31<sup>st</sup> August, 2022**

Descriptions	Land	Motor Vehicle	Office Equipment	Total
Cost/valuation	12.50%	25.00%	12.50%	
	TZS	TZS	TZS	TZS
Balance as at 01.01.2022	20,000,000	2,125,000		22,125,000
Additions				-
Disposal/Adjustments	-			-
<b>Balance as at 31.12.2022</b>	<b>20,000,000</b>	<b>2,125,000</b>	<b>-</b>	<b>22,125,000</b>
<b>Depreciation</b>				
Balance as at 01.01.2022	-	-		-
Charge for the Year	-	531,250	-	531,250
<b>Balance as at 31.12.2022</b>	<b>-</b>	<b>531,250</b>	<b>-</b>	<b>531,250</b>
<b>Net Book Value As at 31.12.2022</b>	<b>20,000,000</b>	<b>-</b>	<b>-</b>	<b>21,593,750</b>

3.	Current Assets	USAID AFYA YANGU	SEMA OTHER	SVN	YES	STOME	TOTAL
	SNV C/A	-	1,820,000	-	-		1,820,000
	Debtors	-	-	-	-	3,797,500	3,797,500
	SEMA Other collection	-			554,795		554,795
	Afya Yangu	-	690,000	-	-		690,000
	<b>SUBTOTAL</b>	<b>-</b>	<b>2,510,000</b>	<b>-</b>	<b>554,795</b>	<b>3,797,500</b>	<b>6,172,295</b>

4.	CASH AND BANK	USAID AFYA YANGU	SEMA OTHER	SVN	YES	STROME	TOTAL
	YES PROJECT	-	-	-	100,000	-	100,000
	SEMA OTHER COLLECTION		1,728,588				1,728,588
	SEMA WFP	-	-	6,254,962	-	-	6,254,962
	CRDB-0150049241003-TZS	-	-	-	-	2,007,913	2,007,913
	Accumulated Surplus	-	-		-	-	-
	Afya Yangu	84,921			-	-	84,921
	<b>SUBTOTAL</b>	<b>84,921</b>	<b>1,728,588</b>	<b>6,254,962</b>	<b>100,000</b>	<b>2,007,913</b>	<b>10,176,384</b>

5.	EQUITY	USAID AFYA YANGU	SEMA OTHER	SVN	YES	STOME	TOTAL
	Opening Balance Equity	(642,199)	(31,453,348)	(1,249,940)	(565,205)	(565,205)	(33,833,698)
	Unrestricted Net Assets	727,121	1,728,589	-	-	-	2,455,709
	<b>Total</b>	<b>84,922</b>	<b>(29,724,760)</b>	<b>(1,249,940)</b>	<b>(565,205)</b>	<b>(565,205)</b>	<b>(32,020,188)</b>

6. Current Liabilities	USAID AFYA YANGU	SEMA OTHER	SVN	YES	STOME	TOTAL
SEMA STROMME	-	3,526,009	-	-	-	3,526,009
Mohamed Salum	-	927,324	-	-	-	927,324
Juma Said	-	3,290,420	-	-	-	3,290,420
Ivo Manyaku	-	19,844,539	-	-	-	19,844,539
Godson Mushi	-	6,310,240	-	-	-	6,310,240
Accrued Audit Fee	-	-	200,000	720,000	-	920,000
Tulonge Afya	-	14,816	1,000,000	-	-	1,014,816
Accrued PAYE	-	-	-	-	-	-
Management Cost	-	50,000	-	-	6,370,618	6,420,618
Netherland Snv	-	-	6,304,902	-	-	6,304,902
SEMA Civil	-	-	-	500,000	-	500,000
<b>TOTAL</b>	<b>-</b>	<b>33,963,348</b>	<b>7,504,902</b>	<b>1,220,000</b>	<b>6,370,618</b>	<b>49,058,868</b>

7. Income	USAID AFYA YANGU	SEMA OTHER	SVN	YES	STOME	TOTAL
Grants	30,163,429	-	91,916,418	58,769,329	-	150,685,747
SF INCOME	-	-	-	-	488,922,233	488,922,233
JHIPEGO	-	-	-	-	-	-
Afya Yangu-USD	-	-	80,000	-	-	-
OTHER INCOME	-	-	1,000,000	-	-	1,000,000
Netherland Snv	-	-	6,304,902	-	-	6,304,902
<b>Sub Total</b>	<b>30,163,429</b>	<b>-</b>	<b>99,301,320</b>	<b>58,769,329</b>	<b>488,922,233</b>	<b>677,156,311</b>

8. Payroll Costs	USAID AFYA YANGU	SEMA OTHER	SVN	YES	STOME	TOTAL
Salaries	9,000,000	-	-	-	302,935,664	311,935,664
Workers Compensation Fund	54,000	-	-	-	1,817,615	1,871,615
NSSF Employer	900,000	-	-	-	30,293,581	31,193,581
Skills & Devp Levy	360,000	-	-	-	12,124,023	12,484,023

Health Insurance	-	-	-	-	16,687,326	16,687,326
Gratuity	-	-	-	-	43,379,250	43,379,250
<b>Total</b>	<b>10,314,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>407,237,459</b>	<b>417,551,459</b>

9. Other Operating Expenses	USAID AFYA YANGU	SEMA OTHER	SVN	YES	STOME	TOTAL
Technical Skill Training	-	-	29,565,300	37,795,000	-	67,360,300
Basic Life skills	-	-	3,652,500	-	-	3,652,500
Business Development Skills	-	-	6,277,000	-	-	6,277,000
YSLA Training	-	-	1,682,700	-	-	1,682,700
Bank charges	119,709	353,807	661,748	562,290	1,332,771	2,910,615
Coaching Fee	-	-	1,552,250	-	-	1,552,250
Management Costs	-	-	36,578,650	12,295,139	-	48,873,789
Fuel	500,000	-	3,217,870	2,331,900	-	5,549,770
Stationaries	390,000	-	-	285,000	-	285,000
Facilitation Allowances	-	-	5,604,900	-	-	5,604,900
Car Hiring	-	-	-	900,000	-	900,000
Internship	-	-	-	3,505,000	-	3,505,000
Administrative costs	1,400,000	-	-	-	-	-
Attend CHW training	12,762,220	-	-	-	-	-
Cleaners Allowances	282,500	-	-	-	150,000	150,000
Legal Fee	100,000	-	-	-	-	-
Rent	1,025,000	-	-	-	-	-
Meeting to select ad access	400,000	-	-	-	-	-
Office Repair and maintenance	60,000	-	-	-	785,000	785,000
Motor Vehicles Maintenance	440,000	-	-	-	-	-
Security	1,840,000	-	-	-	-	-
Electricity	30,000	-	-	-	-	-
Spare Parts	-	-	-	95,000	-	95,000
Official Travels	-	-	-	-	3,494,000	3,494,000
Office supplies and Stationery	-	-	823,500	-	-	823,500
Board meeting	-	-	-	-	1,440,000	1,440,000

Animators/CRP Monthly Allowance	-	-	-	-	28,240,000	28,240,000
Mobilization & Comm awareness	-	-	-	-	1,994,600	1,994,600
Extension Officers Allowance	-	-	-	-	8,700,000	8,700,000
TOT Trainings	-	-	-	-	5,630,573	5,630,573
Follow up activities south	-	-	-	-	1,484,520	1,484,520
Supportive Supervision	-	-	-	-	15,923,147	15,923,147
Documentation	-	-	-	-	130,000	130,000
Inceptions	-	-	-	-	1,140,000	1,140,000
Facilitate CBF/CRP Action plan	-	-	-	-	5,434,750	5,434,750
<b>Audit fee</b>	500,000	500,000	500,000	1,000,000	2,000,000	4,000,000
Committed Fund	-		9,184,902		3,805,413	12,990,315
<b>Sub Total</b>	<b>19,849,429</b>	<b>853,807</b>	<b>99,301,320</b>	<b>58,769,329</b>	<b>81,684,774</b>	<b>240,609,230</b>

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Dr. William Mafwere  
Chairperson