

PARTNERSHIP FOR NUTRITION IN TANZANIA (PANITA)



AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

MARCH 2021



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PARTNERSHIP FOR NUTRITION IN TANZANIA
AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Table of Contents	Page number
General information	ii
Directors' report	1-9
Statement of Directors' responsibilities	10
Declaration of Head of Finance	11
Auditor's report	12-14
Statement of Income and Expenditure	15
Notes to The Statement of Income and Expenditure	16-26

PARTNERSHIP FOR NUTRITION IN TANZANIA
AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

General Information

1. Registered Number

123-562-631

2. Registered Office

Partnership for Nutrition in Tanzania (PANITA)
Mikocheni A, Off Rose Garden Road, 6 Rwehabura Road, Plot No. 305A
P.O. Box 32095,
Dar es Salaam,
Tanzania

3. Auditors

Lindam Audit.
Kinondoni Biafra,
Bi Husna Street, Plot 206,
P. O Box 34023
Dar es Salaam
Tanzania

4. Bankers

CRDB Bank Plc.
Kijitonyama Branch
P. O. Box 268
Dar es Salaam
Tanzania

BancABC TZ
Uhuru Heights Building
Bibi Titi Road
P. O. Box 31
Dar es Salaam
Tanzania

Directors' Report

1. INTRODUCTION

The Directors present their 12 months' report together with the audited statements of income and expenditure for the year ended 31 December 2020, which discloses the state of affairs of Partnership for Nutrition in Tanzania (PANITA).

ABOUT PANITA

PANITA - Partnership for Nutrition in Tanzania - is a coalition of Civil Society Organizations (CSOs), with members across the country dedicated to building the political and public-will, commitment and support to end malnutrition in Tanzania. Besides, PANITA members are engaging both specific and sensitive nutrition interventions at their localities.

It was established in 2010 through technical and financial support from Save the Children International (SCI), UNICEF and Irish Aid. PANITA as a platform for CSOs is working to provide technical support, sharing of information, learning space and synergy on nutrition advocacy both at national and local levels. The members have become a positive catalyst in enhancing Nutrition Sensitive and Specific activities within their localities. Nutrition Sensitive sectors include but not limited to: Agriculture, Education, Health, Community Development, Gender, WASH, Livestock and Fisheries.

PANITA operates in all regions in Tanzania through its members, where activities are coordinated in the 10 geographical Zones; this structural arrangement has resulted in a well-coordinated network, with an effective and wider coverage across the country. Overall, the secretariat engages with national level stakeholders while providing backstopping support to the members who operate at the community level. By and large, PANITA members contribute greatly in raising nutrition awareness at the community level, particularly in rural areas.

Vision

The Vision of PANITA is "A Tanzania that is free from malnutrition".

Mission

The mission of the Partnership is to advance advocacy efforts, improve coordination and reduce malnutrition by strengthening the capacity and increased mobilization and coordination of the civil society organizations (CSO's), private sector organizations, the media and other development partners to facilitate a more effective national and local response to addressing malnutrition.

Values

In pursuing the objectives of the network PANITA is accountable to the following core values: -

- i. Volunteerism
- ii. Professionalism
- iii. Excellence

Directors report (Continued)

- iv. Integrity
- v. Accountability
- vi. Responsibility
- vii. Transparency
- viii. Quality & Standards

OBJECTIVES OF PANITA

Primary Objectives

1. To establish and maintain a vibrant national civil society platform covering all nutrition relevant sectors to facilitate the exchange of information, advocate for policy improvement and foster a dialogue on strategic nutrition issues in Tanzania.
2. To build capacity of Civil Society Organizations (CSOs) and other stakeholders to engage more effectively in quality service, planning and policy processes.
3. To advocate for increased prioritization of nutrition at the community to national level development plans.
4. To implement projects/programs and research in collaboration with its members and other stakeholders all over the country to foster the wellbeing of the Tanzanian community in areas of Nutrition, Health, Reproductive Maternal Child and Adolescent, Youth, Education, Gender, Water and Sanitation (WASH), Nutrition sensitive agriculture, Social Protection, and other cross-cutting sectors.

2. KEY ACHIEVEMENTS IN 2020

- i. **Raising nutrition profile and commitment among Members of Parliament to influence legislation, policies, and accountability for resources for nutrition.**

PANITA organized a field visit with Members of Parliament and the journalists in Kongwa District Council to learn on how nutrition interventions are implemented at the district level. The visit was led by Speaker of the National Assembly Hon. Job Ndugai. This was a learning visit for both Speaker, Members of Parliament and Journalist in order to understand implementation of government's TZS 1000 per under five for nutrition initiative at council level. The visit was hinged on the fact that if Parliamentary leadership and Member of Parliament have adequate knowledge of the process and bottlenecks within this initiative will trigger a positive response towards redressing challenges and championing for increased resources for nutrition either by increasing the threshold per child or suggesting alternative sources within government budget. The immediate outcome of the field visit includes the following: Increased commitment of raising nutrition profile and influence legislation and policies, accountability, planning and budgeting for nutrition through nutrition champions

(Parliamentarians). MPs suggested the following possible measures that they will advocate in the parliament: 1) Ring-fencing funds allocated for nutrition in the approved budget 2) Having policies and laws to mandate allocation of funds for nutrition by percentage from local collection. 3) CAG audit or special reporting on funds allocated for nutrition at council level.

ii. Promote accountability, transparent and local ownership of nutrition interventions at sub-national level through nutrition compact.

During the reporting PANITA supported Regions and Councils to conduct Bi-Annual Regional and council review of nutrition compact as a means to influence the prioritization of nutrition interventions at Regional and council level. A total of 8 bi-annual Regional Compact Review Meetings in all Lishe Endelevu implementing regions (Dodoma, Morogoro, Rukwa and Iringa) and 2 from Katavi region which reached a total of 721 Members of the Regional and Council multi-sectoral steering committees on nutrition and other government technocrats. The rationale behind these meetings was to improve performance on NMNAP targets; through support to regions and districts to review Compact indicators in preparation for the National review meeting with the Vice President. Also, to use the findings of the scorecard to advocate for increased budgeting allocation for a nutrition-sensitive and specific intervention, taking stock of Compact performance at council level.

Further to this, PANITA continued to use available avenue at subnational level such as Regional Consultative Committee (RCC), District Consultative Committee (DCC), District Security Committee and District Finance, Planning, and Administration Committees to advocate for prioritization of nutrition at councils plans and budget. Through Lishe Endelevu project PANITA supported 20 DCCs and 4 RCCs Meetings all four implementing regions; to discuss the Nutritional scorecard to increase accountability and transparency for nutrition activities among regional and council leaders towards the implementation of the National Multi-Sectoral Nutrition Action Plan (NMNAP). The DCC meetings focused on analysis and tracking the progress on implementation of nutrition activities that informed the advocacy messages disseminated per council. A total number of 676 participants were reached, whereby males are 400 and 276 females.

iii. Increased knowledge on nutrition issues around Infant and Young Children Feeding, WASH, and ECD.

PANITA through sub-granted CSOs have been able to facilitate health and nutrition sessions on IYCF, ECD, WASH Breastfeeding, Complimentary feeding practices and gender issues using 'Bango Kitita' and posters at the community level. Also, CSOs through Community Health Workers (CHWs) have been conducting capacity building

sessions on the maternal, infant, and young child feeding and early childhood development at the household level and selected health facilities in Misungwi District Council (DC) Mwanza Region and Itilima DC Simiyu Region. CHWs have been engaging with community through Support Groups Facilitation on weekly group dialogue by the use of prerecorded audio/video messages (through smartphones). Support groups have been an appropriate way of reaching more targeted beneficiaries and addressing behavioral change whereby a total of 589 people (119 men, 470 women) participated in nutrition dialogues in support group sessions. Also, Village Health and Nutrition Day (VHND) has been a platform for the provision of health and nutrition promotion in terms of key preventive and curative services in a predesigned day, time, and place. A total of 31 VHND events were conducted in 16 wards in Misungwi and Itilima districts through AMKA project reaching a total of 11,129 people (4,376 Female, 2,028 Male and 4,725 Children). Also, through pooled fund VHND was conducted in Inyonga ward in Mlele DC Katavi region reaching a total of 341 (110 males, 231 being female and 81 children).

iv. Nutrition hub for PANITA Member and General public

PANITA continued to use multitudes of channels to deliver nutrition messages to members and the community at large. Several key nutrition messages and updates were posted and shared. Some of the themes include breastfeeding, gender and nutrition, and community engagement activities such as VHND and COVID 19 pandemic as reported by government authorities. Similarly, members' information such as success stories and good practices were used. As a result of this, we have observed a notable increase in the website page hits from 11,200 in July 2019 to 165,135 by December 2020. PANITA is working hard to make sure that its CSO members and the general public are receiving the correct nutrition messages through different platforms such as Facebook, Twitter, YouTube, and its website www.panita.or.tz. During the reporting period, PANITA has posted a total of 102 different key nutrition messages videos, info-graphics, National and International survey as well as PANITA secretariat's key updates for members and the community at large.

v. Strengthening multi stakeholder's platforms at the subnational level in accordance to the new Terms of Reference (ToR) for Multi-Sectoral Steering Committee for Nutrition, National Multi-Sectoral Nutrition Action Plan (NMNAP), and Nutrition Compact for improved nutrition status to the communities.

During the reporting period, PANITA continued with the effort to strengthen capacity of different stakeholders in various level to translate key national nutrition guidelines and policies such as NMNAP, TORs for Regional and Council Multi-Sectoral Nutrition

Action Plan and Nutrition compact. Through Boresha Lishe project PANITA was able to reach all 50 Boresha Lishe implementing Wards Development Committees (WDCs) to cascade NMNAP, TOR and Nutrition Compact at Ward and Village level in Singida DC, Ikungi and Chamwino DC and able to reach a total of 441 Local Leaders (Male 330 and Female 111). After the trainings, all 50 WDCs understood the way nutrition activities are coordinated from national to village levels, as well as their roles and responsibilities in coordinating nutrition at their localities. Further to this, Ward and Village leaders understood the nutrition compact and its performance indicators which account for the accountability aspect of it; their role in collecting nutrition information from household level. Also, PANITA through CSOs was able to cascade NMNAP and the TORs at ward level reaching a total of 406 wards in 22 councils in all Lishe Endelevu project implementing regions. Moreover, PANITA in collaboration with Lishe Endelevu partners conducted supportive supervision to follow up, mentor and coach CSOs on the implementation of NMNAP targets at Wards level in all four Lishe Endelevu regions. This activity was carried out for the purpose of; assessing the quality of cascading process conducted by CSOs and identifying areas for improvement and to assess the implementation NMNAP targets at Ward level in order to strengthen the capacity of WDCs and Village Councils in supervising nutrition coordination. A total of 305 wards were reached.

vi. Members Coordination, zonal review meetings and capacity building.

In year 2020 PANITA conducted workshops with CSO Members which participate on Regional and District Multi-Sectoral Steering Committee on Nutrition (RMSCN & CMSCN) from different regions in Tanzania for the purpose of strengthening their capacity on New Terms of Reference for RCMSCN to allow effective participation and engagement with government and other stakeholders within nutrition fraternity. A total of 119 CSOs were trained during those workshops. Further to this, PANITA conducted Zonal Review Meeting in all 9 zones reaching a total of 212 CSO Members from coordinating zones. The meeting aimed at sharing experiences, best practices, innovations, challenges and lessons learnt. Overall, there has been observed improved quality of community interventions on nutrition conducted by CSOs. Also, the relationship between CSOs and LGAs has improved.

In the effort to mitigate the impact of Corona virus to the community, PANITA trained 60 CSO Members from different regions and 30 Journalists from different media houses on the role of Nutrition on addressing Pandemic diseases like Covid-19. The purpose of these trainings was to make CSO Members and the journalists aware on the effects of poor nutrition on diseases especially the Pandemic diseases and how the pandemics can make people to be nutritionally unstable. Further to this, the trainings focused on

the role of nutrition in addressing Pandemic Diseases and Covid-19 being a case study and their role in educating community.

vii. Identify Community based Nutrition Champions to implement community-centered actions within their capacities and support nutrition agenda in their communities.

In the quest to promote gender transformative approaches to improve equitable control and decision making between men and women over household resources for improved nutrition outcomes; PANITA through CSOs was able to identify 679 Community Based-Nutrition champions at Ward levels from Morogoro, Dodoma, Iringa, Rukwa, and Singida. The main aim was to create and raise awareness on nutrition matters in communities among men and women of influence and/or leaders to get champions who will continue to support the nutrition agenda beyond Lishe Endelevu and Boresha Lishe project span. Also, to have community-based nutrition champions who can speak on behalf of others as well as to influence the community on Social behavior changes with regards to nutrition. Furthermore, to be able to convince both male and female to participate effectively in advancing the nutrition agenda. Similarly, to be the community catalyst in influencing wards plans and budget to include nutrition and to be change agents to all the women and girls in the eradication of all forms of malnutrition in the community. A total of 679 Women from 679 Villages were identified and qualified to be trained Community based Nutrition champions. The trained champions are currently engaging in various activities at community level that aim at improving nutrition.

viii. 7th Annual General Meeting

PANITA conducted its 7th Annual General Meeting (AGM) which is key for organization existence. PANITA AGM is the highest organ of the organization that makes a decision on issues that concerns the network. The 7th AGM approved the 2018 and 2019 annual report, 2018 audited financial statements and 2020 annual work plan.

PARTNERSHIP FOR NUTRITION IN TANZANIA
 AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Directors report (Continued)

3. BOARD OF DIRECTORS

The Directors of the Organization at the date of this report who have served during the financial year ended 31 December 2020 are shown in the table below:

NAME	POSITION	QUALIFICATION	AGE	NATIONALITY	DATE OF APPOINTMENT
Dr. Rose Rita Kingamkono (PhD- Nutrition)	Chairperson of the Board of Directors - PANITA	Former Chief of Party - Innovation Equality to Promote Household Food Security - Land O'Lakes Tanzania USAID funded project "Innovation Equality to Promote Household Food Security"	68 years	Tanzanian	2013
Prof. Joyce Kinabo (PhD-Nutrition)	Member	Professor of Human Nutrition- Sokoine University of Agriculture (SUA)	66 years	Tanzanian	2014
Mr. Joseph Mugyabuso (BSc, MSc- Nutrition; MBA)	Member	Former Nutrition Advisor IMA World Health & Nutrition Partnership Manager for PANITA under SCI	58 years	Tanzanian	2015
Abubakar Mohamed Ali (BSc, MSc)	Member	The Executive Director for Zanzibar Clove Producers Organization - ZACPO.	66 years	Tanzanian	2016
Dr. Suma Kaare (PhD, Public Sector Management)	Member	M&E/Operations Research Team Lead Abt Associates, Public Sector Systems Strengthening PS3 Tanzania	61 years	Tanzanian	2018

PARTNERSHIP FOR NUTRITION IN TANZANIA
 AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Directors report (Continued)

NAME	POSITION	QUALIFICATION	AGE	NATIONALITY	DATE OF APPOINTMENT
Dr. John Kalage (MSc in Education for Sustainability)	Member	Executive Director- HakiElimu	55 Years	Tanzania	2019

The Board has overall responsibility for the successful operations of the organization, including ensuring that the organization complies with all of its contractual, statutory and any other legal obligations, responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management. 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's role is to govern the organization rather than to manage it. The Board delegates the day-to-day management of the business to the Executive Director assisted by the management team.

The organization is committed to the principles of effective corporate governance. The Directors also recognize the importance of integrity, transparency and accountability.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for the risk management and internal control systems of the organization. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguarding of the organization's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviors towards all stakeholders.

The efficiency of any 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 of internal control can provide absolute assurance against misstatement or losses, the organization's system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

PARTNERSHIP FOR NUTRITION IN TANZANIA
AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
Directors report (Continued)

The Board assessed the internal control systems throughout the financial period ended 31 December 2020 and is of the opinion that they met accepted criteria.

Employee Welfare

Management/employees relationship continued to be good during the year. There were no unresolved complaints by the employees at the end of the year.

The Organization is an equal opportunity employer and provides on-the-job and external training to employees, in and outside Tanzania, also provides medical insurance coverage for all employees, safe working environment and pays contributions to NSSF, which is publicly administered mandatory pension plans for all private and non-governmental organizations and qualify to be a defined contribution plan. As part of ensuring employees are safeguarded against disabilities from work place, PANITA also contributes 1% of the gross employee's emoluments to Workers Compensation Fund.

Independent Auditors

M/s Lindam Audit, Certified Public Accountants of P O Box 34023, Dar es Salaam were appointed as the independent auditors of Partnership for Nutrition in Tanzania (PANITA) for the year ended 31 December 2020. The auditors have expressed their willingness to continue in office. A resolution proposing the reappointment of auditors of PANITA for the year ending 31 December 2021 will be put to the Annual General Meeting.

By order of the Board



Dr. Rose Rita Kingamkono

Chairperson

Date:9/4/2021.....

PARTNERSHIP FOR NUTRITION IN TANZANIA
AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020


Statement of Directors' Responsibilities

Non-Governmental organization requires the Directors to prepare the financial statements for each financial period that present fairly, in all material respect, a view of the state of affairs of the organization as at the end of the financial period. It also requires the Directors to ensure that the organization keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the organization. They are also responsible for safeguarding the assets of the organization.

The Directors accept responsibility for the 31 December 2020 audited financial statements that have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with accounting policies set out on page 16 to 18 in the financial statements. The Directors are of the opinion that the statement of income and expenditure give a fair view of the state of the financial affairs of the organization and of its operating results. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of statement of income and expenditure, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the organization will not remain a going concern for at least the next twelve months from the date of this statement.

Approved by the Board of Directors on and signed on its behalf by:



Dr. Rose Rita Kingamkono

Chairperson

Date:9/4/2021.....

PARTNERSHIP FOR NUTRITION IN TANZANIA
AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

DECLARATION OF THE HEAD OF FINANCE OF PARTNERSHIP FOR NUTRITION IN TANZANIA (PANITA)

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 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 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 Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Directors Responsibility statement on page 10.

I CPA Lauden Cheyo being the Head of Finance/Accounting of Partnership for Nutrition in Tanzania (PANITA) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 31 December 2020 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 Partnership for Nutrition in Tanzania (PANITA) as on that date and that they have been prepared based on properly maintained financial records.



CPA Lauden Cheyo
Head of Finance
ACPA 3972

Date: 09/03/2021

PARTNERSHIP FOR NUTRITION IN TANZANIA
AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF PARTNERSHIP FOR NUTRITION IN TANZANIA (PANITA)

We have audited the accompanying financial statements of the Partnership for Nutrition in Tanzania (PANITA), which comprises the statement of income and expenditures for the year ended 31st December 2020, and notes to the financial statements, including a summary of significant accounting policies.

Opinion

In our opinion, the accompanying financial statements of the Partnership for Nutrition in Tanzania for the year ended 31 December 2020 are prepared, in all material respect, in accordance with the accounting policies described in Note 1 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standard on Auditing (ISAs). Our responsibilities on those standards are further described in the Auditor's responsibilities for the Audit of the financial statement section of our report. We are independent of the organization in accordance with ethical requirement that are relevant to our audit of the financial statement in Tanzania, and we have fulfilled our ethical responsibilities in accordance to these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide the basis for our opinion.

Emphasis of matter

We draw attention to Note 1.8 in the financial statements, which indicates that Partnership for Nutrition in Tanzania considers itself exempted from Income Tax based on the criteria in the income Tax Regulation which accord this status to an entity that performs charitable activities and whose net income is within the required limits or, if higher is to be utilized for future charitable activities.

However, according to section 64(8)(b) of the Income Tax Act, the entity is considered to be a charitable organization after receiving a ruling issued by the commissioner of Income Tax stating that it is a charitable organization or religious organization.

Based on the nature of the entity's operations and its source of income there is no material potential liability relating to current and deferred tax expenses. Therefore, our opinion is not modified in respect of this matter.

Basis of accounting and restrictions and distribution and use

Without modifying our opinion, we draw attention to Note 1 in the statement of income and expenditure, which describe the basis of accounting. The statement of income and expenditure are prepared to assist PANITA to comply with the statutory requirements and donor contractual requirements. As a result, the statement of income and expenditure may not be suitable for other purposes.

Report of the Independent Auditor (Continued)

Our report is intended solely for the information and use by management of PANITA and its donors, which are Institute of Development Studies (IDS), Graca Machel Trust (GMT), Save the Children Tanzania, Pooled Fund, Irish Aid, Nutrition International and IMA World Health. Distribution of this report to any other parties is for information purposes only and that we accept no duty of care to them (individually or collectively) whether in contract or in tort or under statute or otherwise (including in negligence) with respect to this report.

Responsibilities of Management and the Board of Directors of the financial statements

The management of PANITA is responsible for the preparation of these financial statements in accordance with the accounting policies described in Note 1 to the financial statements and for such internal control as management determines is necessary to enable the preparation of the 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 organization's ability to continue as a going concern, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so. The Board of trustees are responsible for overseeing the organization's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that include our opinion. Reasonable assurance is a high level of assurance, but is not guarantee an audit conducted in accordance to ISAs will always detect a material misstatement when it exists. Misstatement 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also identify and assess the risk 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 of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of the internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Report of the Independent Auditor (Continued)

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 organization's ability to continue as going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.

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

Report on other legal and regulatory requirements

This report including the opinion, has been prepared for, and only for, the organization's members as a body in accordance with the NGO Act 2002 (revised 2018) and for no other purposes.

As required by the NGO Act, 2002 (revised 2018), we are also required to report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the organization has not kept proper accounting records if, the financial statements are not in agreement with the accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by the law regarding directors' remuneration and transactions with the organization is not disclosed. In respect of the foregoing requirements, we have no matter to report.

The engagement partner on the audit resulting in this independent auditor's report is Focus Lutinwa.



Focus Lutinwa

ACPA 1742

For and on behalf of Lindam Audit

Certified Public Accountants

Dar es Salaam

Date: 12th April 2021

PARTNERSHIP FOR NUTRITION IN TANZANIA
AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

PANITA STATEMENT OF INCOME AND EXPENDITURE 2020	NOTE	Year Ended 31-Dec-20	Year Ended 31-Dec-19
Income			
Grant revenue	2	1,919,052,805	1,209,746,816
Donation and other income	3	31,042,952	15,782,442
Programme income	4	98,485,127	96,410,681
Total programme income		2,048,580,884	1,321,939,939
Less expenditure			
Personnel costs	5	521,883,964	474,603,668
Contractual costs	6	20,596,468	36,049,034
Supplies	7	48,830,024	52,301,253
Equipment purchase	8	29,416,800	39,873,647
Travel & meeting expenses	9	991,586,612	618,405,246
Other expenses	10	194,265,040	187,427,993
Sub-grantee expenses	11	175,853,299	-
Total Expenditure		1,982,432,207	1,408,660,841
Surplus of income over expenditure		66,148,677	(86,720,902)
Balance brought forward	17	115,844,436	202,565,338
Total balance		181,993,113	115,844,436
Represented by:			
Donation in kind	12	25,920,000	-
Cash and Cash equivalent	13	762,553,776	1,433,827,758
Receivables and prepayments	14	30,412,193	92,141,802
Accounts payables and accruals	15	(421,965,970)	(459,851,294)
Deferred grant	16	(214,926,886)	(950,273,830)
Unrestricted Net Asset		181,993,113	115,844,436

The financial statements on page 15 to 26 were approved by the Board of Directors of Partnership for Nutrition in Tanzania on 9th April 2021 and signed on their behalf by:


Tumaini Mikindo
Executive Director.


Dr. Rose Rita Kingamkono
Chairperson.

Notes to the Statement of Income and Expenditure

1. Accounting policies

The principle accounting policies adopted by the organization management in the preparation of the statement of Income and Expenditure are set out below:

1.1 Basis of Preparation

Statement of Income and Expenditure has been prepared on accrual basis.

1.2 Income recognition

Income is recognized in the statement of income and expenditure when transactions or an event results in the increase in PANITA's assets or reduction in its liabilities. Income must be recognized by PANITA when the following conditions are met

- i) **Entitlement** - control over the rights or other access to the economic benefits have been passed to PANITA.
- ii) **Probable** - income is recognized when there is sufficient certainty of receipt
- iii) **Measurement** - the monetary value or the amount of income can be measured reliably the cost incurred for the transaction and the cost to complete the transaction can be measured reliably.

In case of grant income is recognized when the conditions attached to the grant agreement are met and in case of donation income is recognized when donation is received by PANITA.

1.3 Organization Expenditure

Organization expenditure is recognized when incurred. Imprests are recognized as expenses when accounted for.

1.4 Capital Grants

A capital grant for the acquisition of an asset is capitalised when the ownership or control of the assets passes to PANITA. The accounting entries to form this transaction will be:

Dr Fixed Assets Account
Cr Capital Grants Account

1.5 Fixed assets

Direct expenditure by PANITA on the acquisition, creation or enhancement of fixed assets is expensed during the year of purchase. PANITA maintains an inventory register of all assets procured for the purpose of safeguarding the assets.

1.6 Receivable and prepayments

Receivable consist of funds deposited to vendors and employees in the normal course of business. Advance and prepaid expenses are recognized upon payment and derecognized when service has been rendered.

Notes to the statement of income and expenditure (continued)

1.7 Cash and cash equivalents

Cash and cash equivalents include, cash in hand, deposit held by banks, other short term highly liquid investment with original maturities of three months or less that are readily convertible into known amount of cash and which are subject to an insignificant change in value.

1.8 Property, plant and equipment

Items of property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to the working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Borrowing costs related to the acquisition or construction of qualifying assets is capitalized as incurred.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized in income and expenditure. The Commission, in the course of its ordinary activities, routinely sells items of heavy-duty mechanized mining equipment that it has held for rental to others. The Commission transfers such assets to inventories at their carrying amount when they cease to be rented and become held for sale. The proceeds from the sale of such assets are recognized as revenue in accordance with IAS 18 Revenue. IFRS 5 does not apply when assets that are held for sale in the ordinary course of business are transferred to inventories.

i) Subsequent costs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Commission and its costs can be measured reliably. The carrying amount of the replaced part is derecognized. The cost of day to day servicing of property, plant and equipment are recognized in profit or loss as incurred.

ii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. During the year, the Board assessed the useful lives of motor vehicles, computers accessories and office equipment as shown in the table below:

Notes to the statement of income and expenditure (continued)

Items of property and equipment	Useful life
Motor vehicles	20%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

1.9 Income tax

The board of Directors considers the organization to be exempt from income taxes based on the Income Tax Act since it performs charitable activities and whose net income is within the required limit or, if higher, is utilized for future charitable activities. The Income Tax Act under section 131 require the organization to seek for the ruling of commissioner to certify or to be granted the status of charitable as per Income Tax Act section 64 (8).

1.10 Account payable

Account payable is obligation to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are presented as current liabilities unless payment is not due to within twelve months after year-end. If not, they are presented as non-current liabilities.

1.11 Foreign currency transactions

Balances denominated in foreign currency are translated to Tanzanian shillings at the rates of exchange ruling at the period end. Foreign exchange gains and losses on the translation of bank account balances are recognised in the income and expenditure account in the period in which they arise. Foreign exchange transactions are translated to Tanzanian shillings at the rate of exchange prevailing on the date of the transaction.

1.12 Provisions for liabilities

PANITA will make proper provision for any liability or loss (likely or certain) to be incurred, where there is uncertainty as to the amounts or the dates on which they might arise.

Provisions, or changes in provisions, are charged to operating costs, related expenditure will be charged directly against the provision.

1.13 Employees cost

The full costs of employees are charged to the PANITA's accounts during the period in which employee's work. Material amounts earned but unpaid at the end of the financial period are accrued.

PARTNERSHIP FOR NUTRITION IN TANZANIA
 AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Notes to the statement of income and expenditure (continued)

2	31.12.2020	31.12.2019
	TZS	TZS
Irish Aid	503,149,190	251,035,209
Nutrition International	94,324,179	20,203,628
Pooled Fund	207,262,561	90,380,152
Save the Children TZ	503,627,401	277,501,554
GAIN	68,850,000	-
World Food Program	40,686,269	-
Institute of Development Studies (IDS)	-	4,472,493
Graca Machel Trust	117,916,494	53,859,050
Interchurch Medical Assistance (IMA)	383,236,711	512,294,730
Total	<u>1,919,052,805</u>	<u>1,209,746,816</u>
3 Donations and other income		
Interest income	308,352	396,956
Other program income	1,934,600	4,000,000
REF	-	11,385,486
Donation in kind	28,800,000	-
Total	<u>31,042,952</u>	<u>15,782,442</u>
4 Programme Income		
Program income	-	-
Membership fee	6,850,000	5,150,190
Management fee	91,635,127	91,260,491
Total	<u>98,485,127</u>	<u>96,410,681</u>

Management fee consist of income received from donors to cover administrative costs. During the year under review, PANITA had received a total of TZS 91,635,127 from various donors comprising of TZS 63,523,887 from Save the Children International, TZS 25,267,000 from UNOPS and TZS 2,844,240 from WFP.

PARTNERSHIP FOR NUTRITION IN TANZANIA
 AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Notes to the statement of income and expenditure (continued)

5 Personnel Costs	31.12.2020	31.12.2019
	TZS	TZS
FTE Cost	89,884,267	53,374,666
Health insurance	26,190,374	25,641,383
Pension costs	42,882,977	59,247,800
Salaries and wages	335,674,787	278,292,608
SDL expenses	13,290,079	11,983,071
Staff bonus	-	15,910,250
Terminal grant	7,102,343	26,968,400
WCF contribution	3,488,697	3,185,490
Life assurance expense	3,370,440	-
Total	<u>521,883,964</u>	<u>474,603,668</u>
6 Contractual Costs		
Audit fee	11,163,968	8,519,184
Consultancy fee	9,232,500	27,529,850
Legal fee	200,000	-
Total	<u>20,596,468</u>	<u>36,049,034</u>
7 Supplies		
Office supplies	<u>48,830,024</u>	<u>52,301,253</u>
8 Equipment		
Equipment purchase	<u>29,416,800</u>	<u>39,873,647</u>
9 Travel & Meeting Expenses		
Conference packages	48,107,100	33,140,000
Food and refreshments	32,187,100	3,527,000
Stationaries	11,840,547	6,711,600
Transport costs	271,641,620	179,344,559
Daily subsistence allowance	627,810,245	395,682,087
Total	<u>991,586,612</u>	<u>618,405,246</u>

PARTNERSHIP FOR NUTRITION IN TANZANIA
 AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Notes to the statement of income and expenditure (continued)

10 Other Expenses	31.12.2020	31.12.2019
	TZS	TZS
Bank charges	7,216,043	6,905,286
Printing and publications	19,166,000	10,825,000
Program awards and prizes	50,000	100,000
Rent expense	49,069,800	48,967,200
Repairs & maintenance	10,899,800	9,385,300
Security expenses	21,710,000	19,800,000
Staff development and training	-	2,470,000
Website maintenance charges	6,947,639	6,872,319
Insurance expenses	824,358	1,326,004
Communication expenses	22,415,780	19,413,780
Utility expenses	10,081,500	10,813,500
Withholding tax	2,823,200	6,623,107
Office running costs	58,223,135	57,572,320
(Gain) or loss on exchange	(18,042,215)	(13,745,823)
First aid costs	-	100,000
Depreciation	2,880,000	-
	<u>194,265,040</u>	<u>187,427,993</u>
11. Sub-grantee expenses		
Sub-grantee admin cost	39,562,399	-
Sub-grantee program cost	136,290,900	-
Total	<u>175,853,299</u>	<u>-</u>

PARTNERSHIP FOR NUTRITION IN TANZANIA
 AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020
 Notes to the statement of income and expenditure (continued)

12 Property, plant and equipment

		<u>Motor Vehicles</u> TZS
<u>Cost</u>		
At 1 Jan 2019		-
Additions		-
At 31 Dec 2019		-
At 01 Jan 2020		-
Additions - in-kind donation		28,800,000
At 31 Dec 2020		<u>28,800,000</u>
<u>Accumulated depreciation</u>		
At 01 Jan 2020		
Charge during the year		2,880,000
At 31 Dec 2020		<u>2,880,000</u>
<u>Carrying value</u>		
At 31 Dec 2020		<u>25,920,000</u>
At 31 Dec 2019		-
13 Cash and Cash Equivalents		
cash at bank	762,202,231	1,433,759,384
cash in hand	351,545	68,374
	<u>762,553,776</u>	<u>1,433,827,758</u>
14 Receivables and prepayments		
Partners' debtors	-	63,532,333
Prepaid health insurance	2,081,196	3,297,219
Prepaid insurance - PPE	1,994,180	1,789,134
Prepaid rent	20,949,362	20,641,562
Prepaid website charges	3,107,515	2,881,554
Prepaid MV insurance	594,720	-
Life assurance	1,685,220	-
Total	<u>30,412,193</u>	<u>92,141,802</u>

PARTNERSHIP FOR NUTRITION IN TANZANIA
 AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Notes to the statement of income and expenditure (continued)

15	Accounts payables and accruals	31.12.2020	31.12.2019
		TZS	TZS
	Accounts payable	-	1,305,600
	Accounts payable control	(204,900)	-
	Accounts payable control \$	2,620	2,609
	Audit fees accrued	11,134,920	8,022,723
	FTE accrued	377,966,603	405,013,545
	Other payables	1,825,967	-
	Pension cost payable	3,802,360	3,802,360
	Terminal grant benefit payable	27,438,400	41,704,457
	Total	<u><u>421,965,970</u></u>	<u><u>459,851,294</u></u>
16	Deferred income and grant income		
	Deferred income (fund balance) as at 01 January 2020	950,273,830	311,809,005
	Total funds received from donors during the year	1,183,705,861	1,848,211,641
	Total release to the statement of income and expenditure	(1,919,052,805)	(1,209,746,816)
	Deferred income (fund balance) as at 31 Dec (A)	<u><u>214,926,886</u></u>	<u><u>950,273,830</u></u>
Made up of the following grants movement;			
16.1	Irish Aid		
	Project: AMKA project		
	Deferred income as at 01 January 2020	565,484,591	47,148,080
	Funds received during the year	-	769,371,720
	Release to the statement of income and expenditure	(503,149,190)	(251,035,209)
	Deferred income as at 31 Dec (A)	<u><u>62,335,401</u></u>	<u><u>565,484,591</u></u>

PARTNERSHIP FOR NUTRITION IN TANZANIA
 AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Notes to the statement of income and expenditure (continued)

	31.12.2020	31.12.2019
16.2 Institute of Development Studies (IDS)		
Activity: stories of change	TZS	TZS
Deferred income as at 01 January 2020	-	4,472,493
Funds received during the year	-	-
Release to the statement of income and expenditure	-	(4,472,493)
Deferred income as at 31 Dec (B)	<u>-</u>	<u>-</u>
16.3 Graca Machel Trust(GMT)		
Project: Sub Regional Advocacy Initiative		
Deferred income as at 01 January 2020	131,887,850	939,887
Funds received during the year	-	184,807,013
Release to the statement of income and expenditure	(117,916,494)	(53,859,050)
Deferred income as at 31 Dec (C)	<u>13,971,356</u>	<u>131,887,850</u>
16.4 Save the Children Tanzania		
Project: Lishe endelevu		
Deferred income as at 01 January 2020	67,915,058	56,317,339
Funds received during the year	490,573,054	289,099,273
Release to the statement of income and expenditure	(503,627,401)	(277,501,554)
Deferred income as at 31 Dec (D)	<u>54,860,711</u>	<u>67,915,058</u>
16.5 IMA		
Project: ASTUTE		
Deferred income as at 01 January 2020	(16,306,230)	202,931,205
Funds received during the year	399,542,941	293,057,295
Release to the statement of income and expenditure	(383,236,711)	(512,294,730)
Deferred income as at 31 Dec (E)	<u>-</u>	<u>(16,306,230)</u>

Notes to the statement of income and expenditure (continued)

	31.12.2020	31.12.2019
16.6 United Nations Office for Project Services		
Project: SUN - Pooled fund	TZS	TZS
Deferred income as at 01 January 2020	135,396,188	-
Funds received during the year	158,470,030	225,776,340
Release to the statement of income and expenditure	<u>(207,262,561)</u>	<u>(90,380,152)</u>
Deferred income as at 31 Dec (D)	<u>86,603,657</u>	<u>135,396,188</u>
16.7 Nutrition International		
Project: Enrich project		
Deferred income as at 01 January 2020	65,896,372	-
Funds received during the year	28,427,807	86,100,000
Release to the statement of income and expenditure	<u>(94,324,179)</u>	<u>(20,203,628)</u>
Deferred income as at 31 Dec (D)	<u>-</u>	<u>65,896,372</u>
16.8 GAIN		
Project: School feeding program		
Deferred income as at 01 January 2020	-	-
Funds received during the year	68,850,000	-
Release to the statement of income and expenditure	<u>(68,850,000)</u>	<u>-</u>
Deferred income as at 31 Dec (D)	<u>-</u>	<u>-</u>
16.9 World Food Program		
Project: Boresha lishe		
Deferred income as at 01 January 2020	-	-
Funds received during the year	37,842,029	-
Release to the statement of income and expenditure	<u>(40,686,269)</u>	<u>-</u>
Deferred income as at 31 Dec (D)	<u>(2,844,240)</u>	<u>-</u>
Total deferred income 31 Dec (A+B+C+D+E)	<u>214,926,886</u>	<u>950,273,830</u>

PARTNERSHIP FOR NUTRITION IN TANZANIA
 AUDIT REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

Notes to the statement of income and expenditure (continued)

17 Un restricted ne assets	31.12.2020	31.12.2019
	TZS	TZS
Un-restricted net assets at 1 January 2020	115,844,436	202,565,338
Surplus/(deficit) for the year	<u>66,148,677</u>	<u>(86,720,902)</u>
Un-restricted net assets at 31 Dec	<u><u>181,993,113</u></u>	<u><u>115,844,436</u></u>

18 Related party transactions and balances

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In the normal course of business, a number of transactions are entered into with related parties i.e. key management personnel and Board of Directors. The volume of related party transactions for the year and the outstanding amounts at the year-end were as follows:

Related party transactions

Remuneration to key management	305,177,637	349,412,970
Board meeting expenses	<u>10,504,480</u>	<u>5,921,000</u>
	<u><u>315,682,117</u></u>	<u><u>355,333,970</u></u>

18.1 Transactions

These are remuneration to the Executive Director, Acting Chief Accountant, Administration and Operations Officer, Program Coordinator and Monitoring and Evaluation Coordinator., there are no other related party transactions.

Key management personnel are described as those persons having authority and responsibility for planning, directing and controlling the activities of the Organization, directly or indirectly. The Organization's key management is the Executive Director and all heads of departments.

19 Comparatives

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year, and to correct errors made in the prior years.

20 Events after the reporting date

No event which has occurred after reporting date which qualified to be disclosed on the financial statements.

