

2.0 AUDIT REPORT ON FINANCIAL STATEMENTS

To: Permanent Secretary,
The Permanent Secretary and Accounting Officer,
Ministry of Finance,
P.O. Box 9111,
DAR ES SALAAM.

RE: REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE GOVERNMENT PROCUREMENT SERVICES AGENCY FOR THE YEAR ENDED 30TH JUNE, 2012

Introduction

I have audited the accompanying financial statements of the Government Procurement Services Agency, which comprises the statement of financial position as at 30th June, 2012, and the statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended, and the notes to the financial statements which includes a summary of significant accounting policies and other explanatory notes set out on pages 9 to 29 of this report.

Management' Responsibility for the Financial Statements

The Board of management of the Government Procurement Services Agency is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Responsibilities of the Controller and Auditor General

My responsibility as auditor is to express an independent opinion on the financial statements based on the audit. The audit was conducted in accordance with the International Standards of Supreme Audit Institutions (ISSAI) and such other audit procedures I considered necessary in the circumstances. These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Agency preparation and fair presentation of the financial statements 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 Agency internal control. An audit also includes evaluating the

