



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



TANZANIA INSTITUTE OF ACCOUNTANCY (TIA)

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL AND COMPLIANCE AUDIT FOR THE FINANCIAL
YEAR ENDED 30 JUNE 2023**

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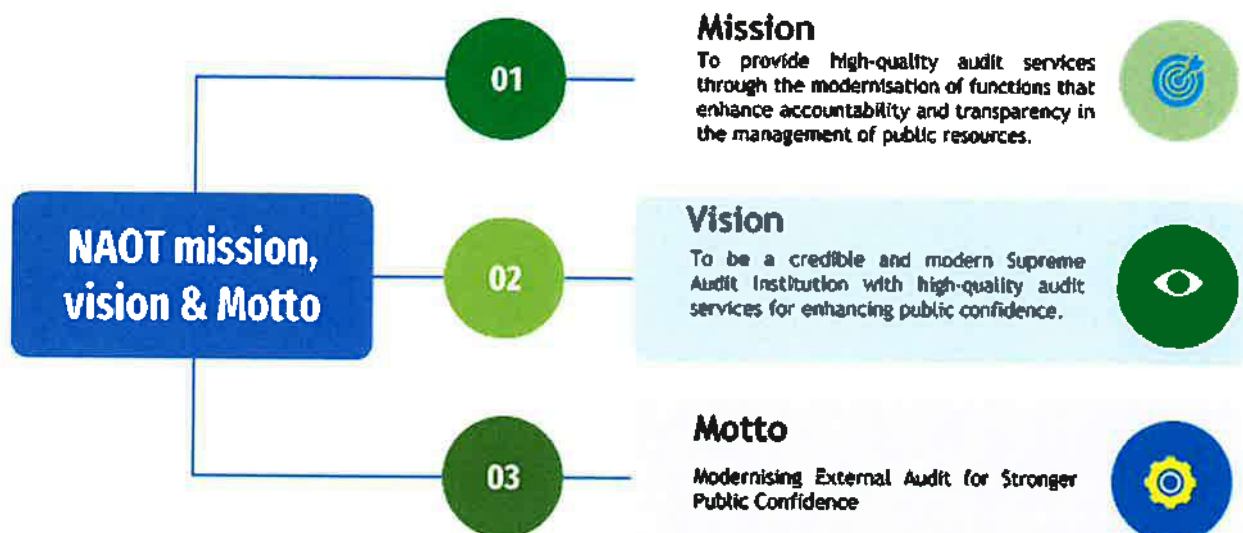
March 2024

AR/NA/TIA/2022/23

About the National Audit Office

Mandate

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



Independence and objectivity

We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.



Professional competence

We deliver high-quality audit services based on appropriate professional knowledge, skills, and best practices.

Integrity

We observe and maintain high ethical standards and rules of law in the delivery of audit services.

Creativity and Innovation

We encourage, create, and innovate value-adding ideas for the improvement of audit services.

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Abbreviations

AIDS	Acquired Immune Deficiency Syndrome
CAG	Controller and Auditor General
HIV	Human Immunodeficiency Virus
IESBA	International Ethics Standards Board for Accountants
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
KRA	Key Result Areas
NBAA	National Board of Accountants and Auditors
PPA	Public Procurement Act
PPR	Public Procurement Regulations
PSSSF	Public Service Social Security Fund
RAAWU	Researchers Academician and Allied Workers Union
SACCOS	Savings and Credit Co- operative Society
TIA	Tanzania Institute of Accountancy



1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chief Executive Officer and Accounting Officer,
Tanzania Institute of Accountancy,
P.O. Box 9522,
Dar es Salaam,
Tanzania.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Tanzania Institute of Accountancy (TIA), which comprise the statement of financial position as at 30 June 2023, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the 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 TIA as at 30 June 2023, 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 and the manner required by the Public Finance Act, Cap. 348.

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled “Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements”. I am independent of Tanzania Institute of Accountancy 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 Director's Report, commentary on the financial statements, statement of management responsibility, and Declaration by the Head of Finance and but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

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 entity'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 ISSAIs 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 ISSAIs, 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;
- 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 of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap. 418 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, Cap. 410 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.

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement Laws

Subject matter: Compliance audit on procurement of works, goods, and services

I performed a compliance audit on the procurement of works, goods, and services of Tanzania Institute of Accountancy for the financial year 2022/23 as per the Public Procurement Laws.

Conclusion

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

1. Accepting performance securities at the rate less than required

TIA accepted performance securities for contracts worth TZS 771,733,012 in form of insurance bonds at the rate of 10 percent instead of 15 percent of the contract prices as required by Reg. 29 of the Public Procurement Regulations, 2013 and Para. 11.3 of the PPRA guideline for securities in public procurement issued on February 2022.

2. Performance securing declarations for procurements neither included in the contract nor submitted TZS 282,380,790.32

I found that performance-securing declarations for contracts totalling TZS 282,380,790.32 were not incorporated into the special conditions of the contracts. Additionally, these declarations were not submitted prior to the contract signing, which is inconsistent with the stipulations outlined in Paragraphs 11.2 and 13.2 of the Guideline for Securities in Public Procurement from February 2022.

3. Expiration of performance security before the completion of work

Reg. 29 of the Public Procurement Regulations, 2013 require the successful tenderer to submit a performance security to guarantee the faithful performance of the contract and payment of all laborers, suppliers, mechanics, and subcontractors.

Contrarily, I found that the performance security for Tender Number PA/094/2022/2023/W/04, valued at TZS 86,968,360, was submitted in the form of an insurance bond "P/00/BND/5049058." The bond period was from 25 October 2022, to 24 December 2022 but the project completion date was 26 February 2023, indicating a two-month gap between the expiration of the performance bond and the project completion. During this period, there was no evidence of a renewal of the performance bond.

4. Structural Designs for the construction of Academic and Administration buildings at TIA Kigoma Campus not approved by the Fire and Rescue Force

Regulation 248 of the Fire and Rescue Force Regulations (Fire Precautions in Buildings), 2015 requires that where it is proposed to erect a building or to make any extension of or structural alteration to a building and in connection with the proposals, and plans are in accordance with building regulations deposited with a local authority, the local authority must consult the fire authority before passing those plans.

However, TIA initiated the construction of academic and administration buildings at the Kigoma Campus on 15 May 2023 under contract No.PA/094/2022/2023/W/02 before the review and approval of the structural design by the Fire and Rescue Force.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution of Tanzania Institute of Accountancy for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that, Budget formulation and execution of Tanzania Institute of Accountancy is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.



Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March 2024





MINISTRY OF FINANCE
TANZANIA INSTITUTE OF ACCOUNTANCY (TIA)

2.0 FINANCIAL STATEMENTS

KEY INFORMATION OF THE INSTITUTE

PRINCIPAL PLACE OF BUSINESS	Temeke Municipal, Kurasini at Kilwa/Mandela Road P.O.Box 9522 Dar es Salaam. Tanzania
AUDITORS:	Controller and Auditor General National Audit Office, Audit House, 4 Ukaguzi Road, P.O. Box 950, 41101 Tambukareli, Dodoma, Tanzania.
BANKERS:	BANKERS Bank of Tanzania 2 Mirambo Street P.O. Box 2939 11884 Dar Es Salaam-Tanzania CRDB Bank Limited Vijana Branch. P.O.Box 322 Dar es Salaam, Tanzania. National Microfinance Bank (NMB) Limited, Bank House, P.O.Box 9031, Dar es Salaam, Mwanza, Singida, Kigoma, Mtwara, and Mbeya, Tanzania
LAWYERS	The Office of The Attorney General Magufuli City -Mtumba, Mwanasheria Street, P.O Box 630 Dodoma, Tanzania
SECRETARY TO THE BOARD	Chief Executive Officer, TIA, Kurasini at Kilwa/Mandela Road P.O.Box 9522 Dar es Salaam. Tanzania

**MINISTRY OF FINANCE
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THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2023

2.1 Introduction

Pursuant to the Tanzania financial reporting standard no.1 on the report by those charged with governance, Tanzania Institute of Accountancy would like to present its financial statements for the year ended 30 June 2023. Presentation of the financial statements is in accordance with the provisions of the Public Audit, Cap 418 [R.E 2021], Public Finance Act, Cap 348 [R.E 2020], and IPSAS Accrual. The financial statements disclose the affairs of Tanzania Institute of Accountancy for the year ended 30 June 2023 and implementation of its five-year corporate strategic plan covering the period from 2018/19 to 2022/23.

2.2 Tanzania Institute of Accountancy Profile

The Tanzania Institute of Accountancy (TIA) is a successor of the Dar es Salaam School of Accountancy (DSA) that was established in January 1973 as a Government Training Centre by a special decree of the Minister for Finance and Planning.

TIA was established as a Government Executive Agency under the Ministry of Finance and Planning in accordance with the Executive Agencies Act, Cap. 245. The Institute was officially launched on 24th January 2003 through the Government Notice No. 489 of 1st November 2002, to provide education in Accountancy, Procurement and Logistics Management, Business Administration, Human Resource Management, Public Sector Accounting & Finance, Marketing & Public Relations, Research & Consultancy activities and other business-related disciplines.

The Board was established under the Executive Agencies Act, Cap. 245. The Institute had seven members: Chairman (non-executive), 5 non-executive members and the Chief Executive Officer. The full Board was appointed effective from 26th February 2021

The Directors present their report as required under Tanzania Financial Accounting Standard (TFAS) No.1 and the Audited Financial Statements for the Year ended 30th June 2023

2.3 Mission

To provide quality education, research and consultancy services in the areas of accountancy, procurement and supply, and other business-related disciplines to both public and private sectors.

2.4 Vision

To be the best and most successful Institute in business education in Africa by providing quality education, research and consultancy services in Accountancy, Procurement and Supply and other business-related fields.

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2.5 Core Values of the Institute

TIA envisages modeling, upholding and promoting the following values:

- Excellence:** TIA staff work to achieve the highest standards in everything we do.
- Collaboration:** TIA staff work closely with other Academic Institutions as well as partners and donors to positively impact our activities.
- Innovation:** TIA staff strives to continually find new ways to improve and overcome emerging challenges.
- Professionalism:** TIA staff adheres to and maintain the rule of acceptable ethical behavior and honesty in all our activities.
- Transparency:** TIA staff are operating in openness and communicating in such a way that it is easy for others to see what actions are performed.

2.6 Tanzania Institute of Accountancy Key Result Areas (KRA) of the Strategic Plan

The Institute corporate strategic plan has five key results areas (KRAs), seven strategic objectives with 15 targets to be addressed in the five years of the plan. The KRAs to be addressed during the five-year period of the Plan are listed below:

- KRA A: Teaching and Learning
- KRA B: Linkages and Outreach Services
- KRA C: Research, Innovation and Publication
- KRA D: Governance and Administration.
- KRA E: National Agenda

The strategic objectives and number of targets to be addressed during the CSP implementation period are as shown in Table below:

Table 1: Number of planned targets for each strategic objective

s/n	Strategic objectives	Number of targets
1.	Non-Communicable diseases, HIV and AIDS Infections reduced and supportive services improved	2
2.	Implementations of National Corruption strategy enhanced and corruption incidences reduced	2
3.	Quality Education Improved	3
4.	Research and Consultancy services strengthen and improved	3
5.	Revenue generation enhanced to sustain Institute's Operations	2
6.	Staff Performance and Human Resource Management improved	1
7.	Financial Management and Accountability improved	2
	Total Number of Targets	15

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2.7 Duties/Operational Objectives/Principal functions of the Institute

2.7.1 Duties of the Institute

The Institute provides opportunities for and conducts training, research and consultancy in the areas of Management, Procurement, Accountancy and Finance, Business Management, Information and Communication Technology, and any related areas of specialization that contribute to the national skilled human resource development.

2.7.2 Operational Objectives/Principal Functions

The operational objectives/principal functions of Tanzania Institute of Accountancy include:

- (a) To Provide quality of education in the area of Accountancy, Procurement and Logistics, Human Resource, Business Administration, Marketing and Public Relations, Public Sector Accountancy, Public Service Management and Allied Sciences intending to produce best and competent graduates with entrepreneurial skills and self-motivated;
- (b) To undertake Research and Consultancy Services in matters relating to Accountancy, Procurement and Logistics, Marketing and Public Relations, Human Resources, Business Administration and Management and related sciences;
- (c) To organize and conduct conferences, meetings, seminars and workshop on any matters pertaining incidental to the area of Accountancy, Procurement and Logistics, Marketing and Public Relations, Human Resources, Business Administration and Management;
- (d) To collect, store and disseminate information pertaining matters relating to Accountancy, Procurement and Logistics, Marketing and Public Relations Human Resources, Business Administration and Management to all stake holders in the United Republic of Tanzania and beyond;
- (e) Endeavour to articulate theory and practice by instituting problem-solving innovations and ideas relating to the day-to-day activities of the people of the United Republic of Tanzania and globally;
- (f) To develop, test and promote business approaches/models for conducting business in the United Republic of Tanzania and globally;
- (g) To facilitate the bridging of small scale, middle and large entrepreneurs and TIA Alumni by having a common understanding regarding business environment and come with new ideas which are integrated globally;
- (h) To collaborate with the Government, Non-governmental and international institutions pertaining to issues related with training, research and consultancy;
- (i) To be a think tank and advisor of the Government with regard to social-economic issues; and
- (j) To do any other thing in accordance with the provisions of TIA framework document or any other written force in the United Republic of Tanzania in pursuance of the mission of the Institute.

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2.8 Principal Activities

According to framework document of TIA as per Executive Agency Act No. 30 of 1997, the principal functions of the TIA have been stipulated as follows: -

- i. To provide quality education in the areas of Accountancy, Procurement and Supply, and other business-related fields.
- ii. To conduct research and consultancy services in the areas of Accountancy, Procurement and Supply to both Public and Private Sectors

2.9 Related Party Transactions

Details of related party transactions as per IPSAS 20 are set out in Note 10 to the financial statements.

2.10 Results for the Year

Results for the year under review are as shown by the Financial Statements.

2.11 Solvency

The Institute runs its affairs solely from its internally generated funds and from Government subventions. The Institute is financially sound and operates within its budget.

2.12 Membership and Committees of the Board

The Directors of the Board at the date of this report, who held office during the year, are all Tanzanian citizens:

Table 2: Members of the Ministerial Advisory Board

S/N	Name	Title & Address	Position	Qualification	Appointment Date and Resignation Date	Terms of Service	Age
1.	Adv. Said Musendo Chiguma	Retired Director, Bank of Tanzania, P.O.Box 10024, ARUSHA	Chairperson	BA (Economics Hons), MA (International Economics Bachelor of Law (LLB) Hons	26 th February, 2021 to 26 th February, 2024	SECOND TERM	67
2.	Mrs. Mystica M. Ngongi	Director of Legal Service, Postal Bank, P.O.BOX 9300, DAR ES SALAAM.	Member	Bachelor of Law (LLB) Hons, MBA (Co-operate Management Associate Member of Institute Chartered Secretaries and Administrator	26 th February, 2021 to 26 th February, 2024	Second Term	53
3.	Mr. Thabiti Omari Dokodoko	Principal Accountant Management Officer,	Member	Master of Science in Economics & Finance for Development (MSc.	26 th February, 2021 to 26 th February, 2024	SECOND TERM	41

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S/N	Name	Title & Address	Position	Qualification	Appointment Date and Resignation Date	Terms of Service	Age
		Ministry of Finance and Planning, P.O.Box 2802, DODOMA		Economics & Finance), Certified Public Accountant CPA (T), Advanced Diploma in Accountancy (ADA)			
4.	Dkt. Leonada Mwangike	Senior Lecturer, Mzumbe University, P.o.Box 6, MZUMBE MOROGORO	Member	PhD, Masters in Purchasing and Logistics Management, Advanced Diploma in Materials Management Certified Supplies Professional (CSP)	26 th February, 2021 to 26 th February, 2024	Second Term	51
5.	Dkt. Nicolaus Herman Shombe	Commissioner of Government Development Project, Ministry of Finance and Planning, P.O.BOX 2802, DODOMA	Member	PhD Development Economics in Advance Policy Studies, M.A Development Economics in Advance Policy Studied, M.A Economics in International Development Studies, B.A Economics Upper Class with Honors	26 th February, 2021 26 th February, 2024	One Term	47
6.	Mrs. Emma Pastory Lyimo	Director of Personal and Administration , Ministry of Justice and Constitutional Affairs P.O.BOX 2502 DODOMA	Member	MBA (CM) Mzumbe University, Advance Diploma in Local Government Administration (ADLA)-IDM - Mzumbe	26 th February, 2021 to 26 th February, 2024	One Term	58
7.	Prof. William A. Pallangyo	Chief Executive Officer	Secretary	PhD Development Policy and Mgt (University of Manchester, United Kingdom (2006 - 2009) Masters of Governance and Development (University of Antwerp, Beigium (2002 - 2003)	April, 2022	One Term	55

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S/N	Name	Title & Address	Position	Qualification	Appointment Date and Resignation Date	Terms of Service	Age
				Advanced Diploma in Public Administration (ADPA) Institute of Development Management - Mzumbe University - Tanzania (1996 - 1999)			

During the year ended 30th June 2023, the Board held twelve (12) meetings. Out of these, four (4) were ordinary meetings, two (2) extra ordinary meetings and six (6) were special meetings of sub-committees. In these meetings, the Board discussed and deliberated on the following main issues:

- i) Quarterly Performance Reports;
- ii) Financial Statements and Audited report;
- iii) Plan and Budget of the Institute;
- iv) Academic issues on examinations results;
- v) Recruitment of Management Employees;
- vi) Audit plan.

2.13 Board Committees

The following are sub- Committees who served the Institute during the year reporting period:

i) Audit Committee

The roles of Audit committee are defined in the Audit Committee Charter and Board Charter. In executing its delegated powers, the committed perform the following duties and responsibilities:

- (a) Discuss and recommend to the Board the institute's policies on risk assessment and risk management, including the risk of fraud, institute's major financial risk exposures, and measure taken by management to monitor and control such exposures.
- (b) Execute internal audit oversight and responsibilities including review, discuss, and approval of internal audit plans, scope, progress, result of audits, and annual performance of internal audit functions.
- (c) Review the institute compliance, ethical programs, code of conduct, and procedures for the receipt, retention, and treatment of compliances received by the institute.
- (d) Meet to review and discuss quarterly and annual management reports and financial statements.
- (e) Investigate any matter brought to its attention with full access to all institute's books, record, and personnel.
- (f) Oversees the activities of ICT and give recommendations to the Board.

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(g) Exercise any other functions which may be delegated by the Board.

The tenure and attendance of the Audit Committee Members in Meetings from 1 July 2022 to 30 June 2023, is as follow:

Table 3: Members of the Audit committee and their attendance

S/N	Name	Tenure	24 th	27 th	29 th
			17.06.2022	05.11.2022	05.11.2022
1.	Mr. Thabit Dokodoko	26/2/2021 to 26/2/2024	P	P	P
2.	Mrs. Mystica M. Ngongi	26/2/2021 to 26/2/2024	P	P	P
3.	Prof. William A. Pallangyo	26/2/2021 to 26/2/2024	P	P	P

KEY: P = Present; A = Absent with apology

The Committee held three (3) meetings during the year ended 30 June 2023.

ii) Academic Affairs Committee

In executing its delegated powers, the Academic Affairs Committee perform the following duties and responsibilities:

- (a) Adopt and recommend to the Board action on the existing and proposed curricula, courses, examination policies, and accreditation guidelines and appeal rules.
- (b) Adopt and recommend to the Board appropriate state-mandated regulations or policies that affect the curriculum.
- (c) Adopt quarterly academic progress and annual reports.
- (d) Adopt and recommend on matters -relating to admissions.
- (e) Adopt and recommend the names of graduates.
- (f) Adopt and recommend to the Board the Institute's examination provisional results.
- (g) Oversees the decision of the Academic Board and recommend to the Board for approval.
- (h) Oversees the activities of research, consultancy, publication and outreach activities; and
- (i) Exercise any other functions which may be delegated by the Board.

The tenure and attendance of the Academic affairs Committees Members in Meetings from 1 July 2022 to 30 June 2023, is as follow:

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Table 4: Members of the Academic committee and their attendance

S/N	Name	Tenure	19 th	20 th	25 th
			18.06.2022	16.08.2022	04.11.2022
1.	Dr. Leonada Mwangike	26/2/2021 to 26/2/2024	P	P	P
2.	Mrs. Emma P. Lymo	26/2/2021 to 26/2/2024	P	P	P
3.	Dr Momole A Kasambala	26/2/2021 to 26/2/2024	P	P	A

KEY: P = Present; A = Absent with apology

The Committee held three (3) meetings during the year ended 30 June 2023.

iii) Finance and Administration Committee

In executing its delegated powers, the Finance and Administration Committee shall have the following duties and responsibilities:

- (a) Adopt and recommend to the Board quarterly progress and annual performance reports.
- (b) Adopt and recommend to the Board policies relating to the finance, human resource and administration.
- (c) Adopt and recommend to the Board all reports regarding staff welfare and development of the institute.
- (d) Adopt and recommend to the Board in management deliberations and decision in compliance with the Executive agencies (Personnel management) regulations.
- (e) Adopt and recommend to the Board trend of financial and other reports including annual and half year accounts.
- (f) Adopt and recommend to the Board the financial budget, strategic plan, business plan and annual procurement plan of the institute; and
- (g) Exercise any other functions which may be delegated by the Board.

The tenure and attendance of the Finance and Planning Development Committee Members in Meetings from 1 July 2022 to 30 June 2023, is as follow:

Table 5: Members of the Finance and Planning Development Committee

S/N	Name	Tenure	28 th	30 th	05 th
			21.08.2022	05.11.2022	17.06.2022
1.	Dr. Nicolaus Shombe	26/2/2021 to 26/2/2024	P	P	P
2.	Mr. Thabit O. Dokodoko	26/2/2021 to 26/2/2024	P	P	P
3.	Dr Momole A Kasambala	26/2/2021 to 26/2/2024	P	A	P

KEY: P = Present; A = Absent with apology

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THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2023

The Committee held three (3) meetings during the year

2.14 The Tanzania Institute of Accountancy Tender Board

The Institute Tender Board is sponsible for deliberating on the recommendations from the Procurement Management Unit and approving award of contracts; reviewing all applications for variations, addendum or amendments to ongoing contracts; approving tendering and contract documents; approving procurement and disposal by tender procedures; ensuring that the best practice in relation to procurement and disposal by tender are strictly adhered by the Institute; and ensuring compliance with the Public Procurement Act, 2011 (as amended in 2016) and its regulations of 2013 (as amended in 2016). The members of the Tender Board include:

- (i) Chairperson, who shall be appointed by the Rector/Chief Executive Officer;
- (ii) Six members who shall be appointed by the Rector/Chief Executive Officer
- (iii) The Secretary of the Tender Board, who shall be the Head of the Institute Procurement Unit (PMU)

Members of the Institute Tender Board who served during the year under review are shown in Table below.

Table 6: Members of Tender Board, Qualification, and Appointments Date

Name	Position	Academic Qualification	Title	Duration
Dr. Hemed J Msuya	Chairperson	PhD; Msc. Proc & Supplies; BA; CPSP	Lecturer	Sept, 2021 to Sept, 2024
Dr. Aniceth K Mpanju	Member	PhD-Business Administration; MBA (Finance & Banking); advanced diploma in economic planning	Lecturer	August, 2021 to August, 2024
Dr. Bahati G Shagama	Member	PhD-Rural Development; Master Degree in Public Administration; Advanced Diploma in Public Administration	Lecturer & Head of Department for Management studies	Sept, 2021 to Sept, 2024
Ms. Lilian Rugaitika	Member	Bachelor of Commerce; Master of Business Administration	HM&PR/Principal Marketing & Public Relations officer II	August, 2021 to August, 2024
Ms. Witness S Mbura	Member	MSc (Human Resorce Mgt); BPA (Public svc mgt); PHR	Manager, Human Resources and Administrations /Principal Human Resource Officer-II	August, 2021 to August, 2024
Mr. Oyombe E Simba	Member	MA. Economics, B(Education) Economics	Ag. Manager, Planning and Budgeting/ Planning officer I	Feb, 2021 to Feb, 2024

**MINISTRY OF FINANCE
TANZANIA INSTITUTE OF ACCOUNTANCY (TIA)**

THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2023

Name	Position	Academic Qualification	Title	Duration
Eng. Masuhuko Nkuba	Member	Bsc in Engineering, Msc. Water Resource mgt, Reg. Prof Eng. Na. 3089	Manager of Estate/Principal Estate Officer II	August, 2021 to August, 2024

The attendance of the tender board members to meetings from 1 July 2022 to 30 June 2023

Table 7: Attendance of Tender Board's Members

Name	2 nd Ordinary Meeting 12/08/2022	3 rd Ordinary Meeting 08/09/2022	4 th Ordinary Meeting 08/10/2022	5 th Ordinary Meeting 10/12/2022	6 th Ordinary Meeting 21/03/2023
	P	P	P	P	P
Dr. Aniceth K Mpanju	P	P	P	P	P
Dr. Bahati G Shagama	P	P	P	P	P
Ms. Lilian M Rugaitika	P	P	P	P	A
Ms. Witness S Mbura	P	P	P	P	A
Mr. Oyombe E Simba	P	P	P	P	P
Eng. Masuhuko M Nkuba	P	P	P	P	P

KEY: P = Present; A = Absent with apology

During the year, the Board held a total of five (5) meetings; both were ordinary meetings. In these meetings it discussed, deliberated and recommended to the Rector/Chief Executive Officer on the following:

- (i) The approvals for invitation, evaluation, negotiation and award on various goods/works for the financial year 2022/23
- (ii) The Institute Annual Procurement Plan for the financial year 2022/2023; and
- (iii) Monthly implementation reports for the financial year 2022/23

2.15 Management of the Institute

The overall Management of TIA is vested in the Board of Directors as the advisory Board under the supervision of the Minister responsible for Planning and Finance. The Chief Executive Officer is responsible for day-to-day operations of the Institute.

The Institute's Management team, which is under the supervision of the Chief Executive Officer, has requisite skills and competences. Thus, the team is capable of handling all administrative matters efficiently.

The Management is organized in three-line divisions as follows:

- (a) Finance, Planning and Administration Division;
- (b) Academic, Research and Consultancy Division;
- (c) Campus Division;

**MINISTRY OF FINANCE
TANZANIA INSTITUTE OF ACCOUNTANCY (TIA)**

THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2023

Deputy Rectors and Managers head all divisions. The Chief Executive Officer reports to the Permanent Secretary Ministry of Finance and Planning and all divisional Directors and Managers reports to the Chief Executive Officer.

The office of the Chief Executive Officer comprises the following six (6) functions:

- i) Internal Audit Unit, under head of Unit;
- ii) Legal Services unit, under head of Unit;
- iii) Procurement and Supplies Unit, under head of Unit;
- iv) Quality assurance unit, under head of unit;
- v) Marketing and public relation unit, under head of unit;
- vi) Information communication technology and statistics unit, under head of unit;

2.16 Welfare of Employees

The Institute must be well managed in order to attain its objectives of provision of quality education and generation of revenue. One of the fundamental preoccupations during 2022/2023 was to recruit and improve staff welfare for retaining employees, motivate and reduce staff turnover.

There was continued harmonious relationship between the employees of the Institute and the Management during the year under review. There were no unresolved complaints received by the Board from the employees during the year. A healthy relationship continues to exist between Management and RAAWU-TIA Campuses.

2.17 Remuneration

The Institute has developed a remuneration package, which is intended to reduce staff turnover. Apart from normal salaries payable on a monthly basis, employees are paid food and moving expenses, and training policy has been improved. The Institute has also improved working environment by providing modern working tools and furniture.

2.18 Retirement Scheme

As a Government Executive Agency, the Institute is guided by Government policies on retirement packages. However, the Institute has the liability of making sure that all staff retirement records are kept properly and is up to date and that the respective contributions by the employee are disbursed to the respective Social Security Funds in time like Public Service Social Security Fund (PSSSF).

2.19 Health

All employees are members of National Health Insurance Fund (NHIF) from which they get medical services from registered Hospitals or Health Centers.

**MINISTRY OF FINANCE
TANZANIA INSTITUTE OF ACCOUNTANCY (TIA)**

THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2023

2.20 Disabled Persons

The Institute treats all people equally. There is no discrimination in respect of their disabilities, religion or colour. The Institute has disabled staff and students.

2.21 HIV/Aids at the Place of Work

In its effort to fight HIV/AIDS, the Institute has:

- i. Included in its budget an amount for testing to both employees and students.
- ii. Set aside an amount for special food to those infected with HIV/AIDS.
- iii. Trained some of its staff on matters related to fight and combat the HIV/AIDS who are deployed to educate others on safety measures.
- iv. Through the office of Dean of Students (DOS), conducted sensitization seminars to students on matters related to HIV/AIDS

2.22 Gender Balance

The Institute is trying to improve its gender balance. Currently the Institute has 319 employees out of whom 95 are women. To improve this situation whenever an opportunity to recruit new employees arises, management tries to balance new employees according to gender giving priority to female applicants.

2.23 Environmental Control Programme

The Institute monitors carefully its operations to ensure wastes generated by its operational offices are properly managed and do not affect the environment. This is achieved by ensuring that operational offices, halls and classes have proper facilities for waste management.

2.24 Financial Assistance to Staff

Financial Assistance is available to all confirmed employees depending on the set assessment criteria as per the Employee's Salary, Advance/Loan Policy, together with the Institute's Staff Rules and Regulations. Further, Management has already established Employees Loans Revolving Fund Account, which complements TIA Savings and Credit Co-operative Society (SACCOS) Ltd, in provision of staff loans year 2022/2023.

2.25 Capital Management

Capital includes Fund which stood at TZS 28,711,258,988.89 as Tax Payers Funds. The primary objective of the Institute's capital management is to ensure that it maintains a strong asset base in order to support its objectives and optimize achievement of stakeholders' expectations. No changes were made in the objectives during the year ended 30th June 2023.

2.26 Solvency and Liquidity ratio

The Institute confirms and accepts that International Public Sector Accounting Standards (IPSASs) have been followed and that the financial statements have been prepared on a going concern basis. The Institute has reasonable expectations and assurance that Tanzania Institute of Accountancy has adequate resources to continue in operation for

**MINISTRY OF FINANCE
TANZANIA INSTITUTE OF ACCOUNTANCY (TIA)**

THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2023

the foreseeable future. The Institute's liquidity ratios and working capital for the year 2022/23 is as summarized hereunder:

Table 8: Financial Ratios

	2022/23 TZS	2021/22 TZS
Liquidity Ratios:		
Current Ratio	1.98 : 1	4.88 : 1
Acid Test Ratio	1.74 : 1	3.99: 1
Working Capital	TZS 5,404,209,190	TZS 9,530,346,793
Total Asset to liability	13.90:1	29:1

The Institute's total liability as at 30th June 2023 was TZS 5,508,479,463.00 (2022: TZS 2,458,363,886.17) while total assets was TZS 76,993,494,083.00 (2022: TZS 71,293,030,313.67). this result to decrease in asset - liability ratio from 29 to 13.9.

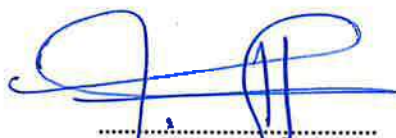
The Institute has never sought financing through leverage or at any source, other than those specified in the enabling legislation. The Institute's statement of affairs as at 30th June 2023 is shown in the accompanying statement of financial position. The statement of financial position as at 30th June, 2023 showed a net working capital of TZS 5,404,209,190.00 (2022 TZS 9,530,346,792.18) which indicates that the Institute is liquid and going concern is guaranteed. The Board considers the Institute solvent based on the working capital position.

2.27 Corporate Social Responsibility

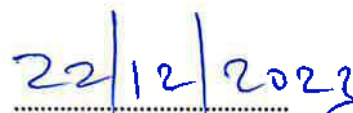
The Institute acknowledges its responsibility to respond to community social needs. TIA's Corporate Social Responsibility interventions included commitment to active participation in environment protection and promotion of socio-economic development of our society through extension of financial support towards implementation of community development projects. During the year 2022/2023 the Institute spent TZS 4,900,000.00 (2022: TZS 4,900,000.00) to support a number of social and economic development initiatives implemented throughout the country.

2.28 Auditors

The Controller and Auditor General is the statutory auditor of all public Revenues and Expenditures including the revenues and expenditures of the TIA by virtue of the provisions of Article 143 of the Constitution of the United Republic of Tanzania and Section 10 of the Public Audit Act, Cap. 418.



Mr. Thabit Dokodoko
Chairman - Audit Committee



Date

**MINISTRY OF FINANCE
TANZANIA INSTITUTE OF ACCOUNTANCY (TIA)**

THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30TH JUNE 2023

STATEMENT OF DIRECTORS RESPONSIBILITIES

As required by the Executive Agency Act No. 30 of 1997, the Directors are responsible to ensure that the Institute prepares financial statements that give a true and fair view of the state of affairs of the Institute as at the end of the financial year and changes in net assets of the Institute for the year. The auditors' responsibility is to express an opinion on the financial statements based on their audit. The Directors are also responsible for safeguarding the assets of the Institute.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the requirements of the International Public Sector Accounting Standards (IPSAS).

The Directors further accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial and non-financial controls. The Directors are responsible for safeguarding the assets of the Institute and hence for taking reasonable steps for prevention and detection of fraud, errors and other irregularities.

Nothing has come to the attention of the Directors to indicate that the Government of the United Republic of Tanzania shall wind up the operations of the Institute, thus not to remain a going concern for at least twelve months from the date of this Statement.


.....
Mr. Thabit Dokodoko
Chairman - Audit Committee


.....
Date

MINISTRY OF FINANCE AND PLANNING
TANZANIA INSTITUTE OF ACCOUNTANCY (TIA)

**STATEMENT OF MANAGEMENT RESPONSIBILITY ON THE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 30 JUNE 2023**

I have prepared the Financial Statements of Tanzania Institute of Accountancy, set as Annexure of this report for the Financial Year ended 30th June 2023. These Financial statements have been prepared by the Management of the Institute in accordance with the provision of Sect 30 (4) of the Public Finance Act. Cap. 348. The Financial Statement as required by the said Act are presented in a manner consistent with the International Public Sector Accounting Standards (IPSAS) and Generally Accepted Accounting Practices, and such other statements, and in such form as the National Board of Accountants and Auditors may from time to time requires.


The Management of the Tanzania Institute of Accountancy is responsible for the establishing and maintaining a system of effective internal control designed to provide reasonable assurance that, the transactions recorded in the accounts are within the statutory authority and that they contain the receipt and use of all public financial resources.

To the best of my knowledge, the system of internal control has operated adequately throughout the reporting period and that the financial statements and underlying records provide reasonable basis for the preparation of the financial statements for the 2022/2023 financial year.

I accept responsibility for the integrity on the financial statements, the information they contain and their compliance with the Public Finance Act, Cap. 348 with all amendments through various Finance Acts; Accounting Circulars and instructions issued by Ministry of Finance and Planning in respect of the year under review.



Prof. William A. Pallangyo
CHIEF EXECUTIVE OFFICER



Date

MINISTRY OF FINANCE AND PLANNING
TANZANIA INSTITUTE OF ACCOUNTANCY (TIA)

DECLARATION OF HEAD OF FINANCE AND ACCOUNTS

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. 7 of 2021, 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.

It is the duty of a Professional Accountant to assist the Governing Body and 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 Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Governing Body as under Directors Responsibility statement on the above page.

I **Burkard P. Haule** being the Head of Finance and Accounts of Tanzania Institute of Accountancy, hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th June, 2023 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 Tanzania Institute of Accountancy - vote 50 Sub vote 5 as on that date and they have been prepared based on properly maintained financial records.

Signed by: CPA. Burkard Paul Haule
Position: Ag Director- Finance and Accounts
NBAA Membership No: GA 4160

Date: 22.12.2023

**MINISTRY OF FINANCE
TANZANIA INSTITUTE OF ACCOUNTANCY (TIA)
COMMENTARY TO THE FINANCIAL STATEMENTS**

1. INTRODUCTION

The Financial Statements for the financial year 2022/2023 provide a record of the TIA's financial performance and comparative analysis of actual expenditure against budget. The Financial Statements have been prepared and presented based on accrual basis of accounting pursuant to Public Finance Regulation 53, although additional details have been included to promote understanding as required and in compliance with International Public Sector Accounting Standards (IPSAS) for accrual basis of accounting.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements Consist of:

(a) Statement of Financial Position

This provides information about the accumulated surplus/deficit at the reporting year end date - the difference between TIA's total assets and liabilities. It gives information about the extent to which resources are available to support future operations and the unfunded liabilities.

(b) Statement of Financial Performance

This measures the net surplus or deficit of the reporting year - the difference between revenues and expenses. It provides information about the TIA cost of programs delivery and the amounts and resources of revenue.

(c) Statement of Changes in Net Assets/Equity

This highlights the sources of changes in the overall financial position

(d) Cash Flow Statement

This provides information about TIA's liquidity and solvency including how the TIA raised and used cash during the period and the repayment of borrowing. It measures the difference between the actual cash coming in and cash going out.

(e) Statement of Comparison of Budget and Actual Amounts

This highlights whether resources were used in accordance with the approved budget. It shows differences between the actual expenditure and the approved budget appropriation.

(f) Notes to the Financial Statements

Notes comprise of a summary of significant accounting policies and other explanatory information. It provides additional information on the financial statements as required under IPSAS.

**MINISTRY OF FINANCE
TANZANIA INSTITUTE OF ACCOUNTANCY (TIA)
COMMENTARY TO THE FINANCIAL STATEMENTS**

2.1. FINANCIAL POSITION

(a) Cash and Cash Equivalents

Cash and cash equivalent at the end of the year 2022/23 was TZS 6,336,569,036 and TZS 5,269,085,345 for 2021/22. The increase was mainly caused by increase in revenue collections and failure to execute year-end payments by the Institute compared to previous year.

(b) Receivables

There were receivables of TZS 2,665,025,564.00 as at 30 June 2023 of which TZS 3,635,408.00 relating to staff Loans, TZS 95,321,809.01 relating to Staff Imprests receivables, and remained TZS 2,566,068,347 are year-end uncollected revenue, while TZS 2,427,301,303.00 was relating to the financial year 2021/22. The increase was mainly caused by late payment of Fee.

(c) Prepayments

As at the year ended 30th June 2023, TIA recorded a Prepayments of TZS 604,197,026 including prepayments to GPSA and ATCL TZS 134,445,682 and unrecovered advance to contractor of TZS 469,751,344, while in the prior year 2021/2022, prepayment was TZS 2,115,174,785.85.

(d) Inventories

Inventories constitute of consumables, stationery, Computer Accessories. During the year ended 30th June 2023 TIA held inventory valued TZS 1,306,897,027 while for the year 2021/2022, inventories was TZS 2,177,149,245.

(e) Property, Plant and Equipment

Property Plant and Equipment comprises of Land, Buildings, Motor Vehicles, Computer Equipment, Plant & Machinery and Furniture and Fittings. As of 30 June 2023, PPEs closed with carrying value of TZS 53,722,166,591 slightly higher than TZS 53,591,895,698 of prior year.

(f) Intangible Assets

At the reporting date 30 June 2023, Intangible Assets was TZS 423,060,645, while on 30 June 2022 was TZS 430,855,983. The increase in value of TZS 39,211,400.00 was mainly caused by development and upgrades of e-Office System which during the year.

**MINISTRY OF FINANCE
TANZANIA INSTITUTE OF ACCOUNTANCY (TIA)
COMMENTARY TO THE FINANCIAL STATEMENTS**

(g) Work In Progress

Work In Progress continue increased from TZS 5,281,567,955 in 2022 to TZS 11,588,188,073 as of 30 June 2023. This has been caused by continued construction works at Mtwara, Mbeya, and Mwanza campuses.

(h) Payables

The outstanding liabilities as at 30 June 2023 was TZS 4,744,992,057 (TZS 2,458,363,886; 2022). The increase was mainly caused by unearned revenue TZS 2,490,140,218 and unpaid claims related to certificates of works, audit fees, and other services.

2.2. FINANCIAL PERFORMANCE

(a) Revenues from Exchange Transactions

During the financial year 2022/23, TIA recorded a Revenues from Exchange Transactions of 30,510,649,671, while in 2021/22 recorded TZS 31,419,568,023. The decrease due to significant dropout of students enrolled as compared to previous year.

(b) Subvention from other Government entities

During the year 2022/23, Subvention from other Government entities of TZS 11,648,277,492 was recorded compared to TZS 8,773,156,465 of 2021/22. The increase attributed to increased personnel emoluments and development project including HEET project.

(c) Other revenue

TIA recorded other revenue of TZS 1,054,756,256 during the year 2022/23, while in the financial year 2021/22 other revenue was TZS 1,218,891,945. The decrease caused by decrease in receipt in kind for the donation of library books.

(d) Wages, Salaries and Employee Benefits

During the year 2022/23 TIA incurred TZS 21,040,779,775 for the Wages, Salaries and Employee Benefits, while in 2021/22, TZS 18,948,741,484 was recorded representing an increase of 11%.

(e) Use of Goods and Service

During the year 2022/23 TIA incurred expenses of TZS 15,911,419,732 for the Use of Goods and Service, while in the financial year 2021/22 TZS 10,624,730,383 was incurred. This represents 50% increase which has been caused by increased number of administrative activities including outsource contracts and change of organization structure.

**MINISTRY OF FINANCE
TANZANIA INSTITUTE OF ACCOUNTANCY (TIA)
COMMENTARY TO THE FINANCIAL STATEMENTS**

(f) Maintenance Expenses

In the financial year 2022/23, TIA has incurred Maintenance Expenses of TZS 592,034,541, which more less compared to TZS 1,751,871,555 of the financial year 2021/22.

(g) Depreciation of Property, Plant and Equipment

Depreciation of Property, Plant and Equipment has been increased from TZS 1,710,093,751 in 2021/22 to TZS 1,970,754,443 in the financial year 2022/23. This has been attributed by addition of assets.

(h) Amortization of Intangible Assets

TIA has recorded Amortization of Intangible Assets of TZS 47,006,738 with no comparative amount, as the allocation of cost has been started effectively 1 July 2022.

(i) Other expenses

During the year ended 30th June 2023, TIA has incurred TZS 1,148,730,118 under other expenses which is slightly decreased as compared to TZS 1,175,738,452 of the financial year 2021/2022.

2.3. CASH FLOW STATEMENT

(a) Cash from operating activities

A net cash inflow of TZS 9,125,541,412 from operating activities of the TIA has been realised in the year 2022/23 compared to TZS 7,700,912,118 of 2021/22. This was a result of the increase in total receipts relative to the increase in total payments for the operating activities.

(b) Cash from investing activities

A total payment of TZS 8,058,057,720 was used to acquire Non-Current Assets during the year 2022/23, while in 2021/22 a total of TZS 7,028,036,9989 was spent to acquire non-current assets.

(a) Cash Transferred

In the financial year 2022/23, TIA contributed a total of TZS 200,000,000.00 which less compared to TZS 150,000,000.00 transferred in 2021/22.

2.4. Related Party Disclosures

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 operating decisions. Related Party Disclosure refers to salaries and other allowances

**MINISTRY OF FINANCE
TANZANIA INSTITUTE OF ACCOUNTANCY (TIA)
COMMENTARY TO THE FINANCIAL STATEMENTS**

paid to Board members and Top Management of the Institute Chief Executive Officer, Deputy Rectors, and Heads of Divisions/Units. During the year 2022/23, a total of TZS 985,915,600 was paid to Board members and key management employees of which TZS 250,940,000 was board expenses, TZS 65,200,000 was paid as directors fees according to their entitlements, and TZS 669,775,600 was remuneration to key management employees as disclosed in Note 10.

2.5. Auditors

The Controller and Auditor General is the statutory auditor of all public Revenues and Expenditures including the revenues and expenditures of the TIA by virtue of the provisions of Article 143 of the Constitution of the United Republic of Tanzania and section 10 of the Public Audit Act, Cap. 418.



.....
Prof. William A. Pallangyo
CHIEF EXECUTIVE OFFICER



.....
Date

MINISTRY OF FINANCE
TANZANIA INSTITUTE OF ACCOUNTANCY (TIA)

STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2023

	Note	2023 TZS	2022 (Restated) TZS
ASSETS			
Current Asset			
Cash and Cash Equivalents	62	6,336,569,036	5,269,085,345
Inventories	70	1,306,897,027	2,177,149,245
Prepayments	69	604,197,026	2,115,174,786
Receivables	67	2,665,025,564	2,427,301,303
Total Current Asset		10,912,688,653	11,988,710,678
Non-Current Asset			
Property, Plant and Equipment	77	53,722,166,591	53,591,895,698
Intangible Assets	78	423,060,645	430,855,983
Work In Progress	82	11,588,188,073	5,281,567,955
Total Non-Current Asset		65,733,415,309	59,304,319,635
TOTAL ASSETS		76,646,103,962	71,293,030,314
LIABILITIES			
Current Liabilities			
Payables and Accruals	89	4,744,992,057	2,458,363,886
Deferred Income	93	261,506,760	-
Deposits	94	501,980,646	-
Total Current Liabilities		5,508,479,463	2,458,363,886
TOTAL LIABILITIES		5,508,479,463	2,458,363,886
Net Assets		71,137,624,499	68,834,666,427
NET ASSETS/EQUITY			
Capital Contributed by:			
Taxpayers/Share Capital		28,711,258,989	28,711,258,989
Accumulated Surpluses / Deficits		42,426,365,510	40,123,407,438
TOTAL NET ASSETS/EQUITY		71,137,624,499	68,834,666,427



Prof. William A. Pallangyo
CHIEF EXECUTIVE OFFICER



CPA, Burkard P. Haule
MANAGER OF FINANCE AND ACCOUNTS

**MINISTRY OF FINANCE
TANZANIA INSTITUTE OF ACCOUNTANCY (TIA)**

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED JUNE 30, 2023

Classification of Expenses by Nature

		2023	2022 (Restated)
	Note	TZS	TZS
REVENUE			
Revenue			
Other Revenue	31	1,054,756,256	1,218,891,945
Revenue from Exchange Transactions	17	30,510,649,671	31,419,568,023
Subvention from other Government entities	32	11,648,277,492	8,773,156,465
Total Revenue		43,213,683,419	41,411,616,433
TOTAL REVENUE		43,213,683,419	41,411,616,433
EXPENSES AND TRANSFERS			
Expenses			
Wages, Salaries and Employee Benefits	34	21,040,779,775	18,948,741,484
Use of Goods and Service	35	15,911,419,732	10,624,730,383
Maintenance Expenses	36	592,034,541	1,751,871,555
Depreciation of PPEs	37	1,970,754,443	1,710,093,751
Amortization of Intangible Assets	39	47,006,738	0
Other Expenses	52	1,148,730,118	1,175,738,452
Total Expenses		40,710,725,347	34,211,175,625
Transfer			
Grants and Transfers	59	0	22,509,677
Other Transfers	60	200,000,000	150,000,000
Total Transfer		200,000,000	172,509,677
TOTAL EXPENSES AND TRANSFERS		40,910,725,347	34,383,685,302
Surplus		2,302,958,072	7,027,931,131



Prof. William A. Pallangyo
CHIEF EXECUTIVE OFFICER



CPA, Burkard P. Haule
MANAGER OF FINANCE AND ACCOUNTS

**MINISTRY OF FINANCE
TANZANIA INSTITUTE OF ACCOUNTANCY (TIA)**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2023

	TAX PAYERS' FUNDS TZS	ACCUMULATED SURPLUS TZS	TOTAL NET ASSETS TZS
Financial year 2022/23			
Opening balances b/d	28,711,258,989	40,123,407,438	68,834,666,427
Surplus / (Deficit) for the year 2023	-	4,319,513,742	4,319,513,742
Closing balances c/d	<u>28,711,258,989</u>	<u>42,426,365,510</u>	<u>71,137,624,499</u>
Financial year 2021/22			
Opening balances b/d	28,711,258,989	33,095,476,308	61,806,735,297
Surplus / (Deficit) for the year 2022	-	7,027,931,131	7,027,931,131
Closing balances c/d	<u>28,711,258,989</u>	<u>40,123,407,438</u>	<u>68,834,666,427</u>



Prof. William A. Pallangyo
CHIEF EXECUTIVE OFFICER



CPA, Burkard P. Haule
MANAGER OF FINANCE AND ACCOUNTS

**MINISTRY OF FINANCE
TANZANIA INSTITUTE OF ACCOUNTANCY (TIA)**

CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE, 2023

	Note	2,023 TZS	2,023 TZS
CASH FLOW FROM OPERATING ACTIVITIES			
RECEIPTS			
Subvention from other Government entities	95(c)	11,909,784,252	8,773,156,465
Revenue from Exchange Transactions	95(b)	32,691,284,970	32,427,567,666
Other Revenue	95(a)	1,050,784,890	905,522,465
Increase in Deposit	94	501,980,646	-
Total Receipts		46,153,834,759	42,106,246,596
PAYMENTS			
Wages, Salaries and Employee Benefits	95(d)	21,212,494,885	19,061,248,534
Use of Goods and Service	95(e)	14,026,343,040	11,994,471,098
Other Transfers	60	200,000,000	150,000,000
Other Expenses	95(f)	983,730,118	1,040,738,452
Maintenance Expenses	36	592,034,541	1,751,871,556
Grants and Transfers	59	-	22,509,677
Other depositors	95(g)	13,690,762	384,495,161
Total Payments		37,028,293,347	34,405,334,477
NET CASH FLOW FROM OPERATING ACTIVITIES		9,125,541,412	7,700,912,118
CASH FLOW FROM INVESTING ACTIVITIES			
Investing Activities			
Payment for Work in Progress	95(j)	(5,636,138,687)	(3,314,161,277)
Recovery/(Advance Payment) for Acquisition of PPEs	95(k)	1,616,077,353	(2,085,828,697)
Acquisition of Property, Plant and Equipment (PPEs)	95(h)	(3,998,784,986)	(1,480,608,590)
Acquisition of Intangibles	95(i)	(39,211,400)	(147,438,435)
Total Investing Activities		(8,058,057,720)	(7,028,036,999)
NET CASH FLOW FROM INVESTING ACTIVITIES		(8,058,057,720)	(7,028,036,999)
Net Increase		1,067,483,693	672,875,120

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Cash Surrendered to Holding Account	-	-
Cash and cash equivalent at beginning of period	5,269,085,343	4,596,210,224
Cash and cash equivalent at end of period	<u>6,336,569,036</u>	<u>5,269,085,343</u>



Prof. William A. Pallangyo
CHIEF EXECUTIVE OFFICER



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MANAGER OF FINANCE AND ACCOUNTS

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STATEMENT OF COMPARISON OF BUDGET Vs ACTUAL FOR THE YEAR ENDED JUNE 30TH, 2023

(Classification by nature)

	Budget			Actual Amounts on Cash Basis	Variance Between Budget Vs Actual
	Original Budget TZS	Reallocations /Adjustment TZS	Final Budget TZS		
REVENUE					
Other Revenue	1,600,000,000		1,600,000,000	1,050,784,890	549,215,110
Revenue from Exchange Transactions	37,063,937,201	-	37,063,937,201	32,691,284,970	4,372,652,231
Subvention from other Government entities	12,264,563,200	-	12,264,563,200	11,909,784,252	354,778,948
Payments from changes in Depositors funds	-	-	-	488,289,884	(488,289,884)
Total Receipts	50,928,500,401	-	50,928,500,401	46,140,143,996	4,788,356,405
PAYMENTS					
Wages, Salaries and Employee Benefits	23,131,450,881	85,694,816	23,217,145,697	21,212,494,885	2,004,650,812
Use of Goods and Service	15,740,845,305	19,826,887	15,760,672,192	14,026,343,040	1,734,329,152
Maintenance Expenses	619,840,957	20,200,000	640,040,957	592,034,541	48,006,416
International Contribution	14,250,000	(12,250,000)	2,000,000		2,000,000
Other Expenses	1,035,482,308	114,752,692	1,150,235,000	983,730,118	166,504,882
Other Transfers	200,000,000	-	200,000,000	200,000,000	-
Payment for Work in Progress	7,009,676,555	(1,296,270,000)	5,713,406,555	5,636,138,687	77,267,868
Advance Payment for Acquisition of PPEs	-	-	-	(1,616,077,353)	1,616,077,353
Acquisition of PPEs	3,022,764,395	1,177,235,605	4,200,000,000	3,998,784,986	201,215,014
Acquisition of Intangibles	154,190,000	(109,190,000)	45,000,000	39,211,400	5,788,600
Total Payment	50,928,500,401	-	50,928,500,401	45,072,660,304	5,855,840,097
Net Receipts / Payments	-	-	-	1,067,483,692	(1,067,483,692)

Controller and Auditor General

AR/NA/TIA/2022/23

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Note: Explanation of Variances between Budget and Actual Amounts were disclosed on Note 8 According to Para 14 of IPSAS 24.


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MANAGER OF FINANCE AND ACCOUNTS

1. GENERAL INFORMATION

Authority and its Head Office Information

Tanzania Institute of Accountancy (TIA) was established under the Executive Agency Act No 30 of 1997. As Institution of Higher Learning, TIA offers quality Education, research and consultancy in areas of Accountancy, Procurement and Supplies and other related disciplines to both public and private sectors. TIA is currently offering Certificate, Diploma and first-degree programs in Accountancy, Procurement and Supplies, Business Administration, Human Resources Management, Public Sector Accounting, Marketing and Public relations.

TIA as an Agency is under a control of a Parent Ministry of Finance and Planning of the United Republic of Tanzania.

The physical and a post address of the Institute is:

**TANZANIA INSTITUTE OF ACCOUNTANCY,
TEMEKE MUNICIPAL,
KURASINI AT THE JUNCTION OF KILWA/NELSON MANDELA ROAD,
P. O. Box 9522,
Dar es Salaam, Tanzania.**

Principal Activities

As disclosed in the directors' reports, principal activities of the institute are:

- To provide quality education in the areas of Accountancy, Procurement and Supply, and other business-related fields.
- To conduct research and consultancy services in the areas of Accountancy, Procurement and Supply to both Public and Private Sectors.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

Statement of Compliance

The Financial Statements are presented in Tanzania Shillings (TZS). The preparation of Financial Statements in conformity with International Public Sector Accounting Standards (IPSAS) accrual basis requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Institute's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the Financial Statements, are disclosed in note.

Basis of Preparation

The Financial Statements of the Institute have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) accrual basis of accounting, its interpretations are adopted by the International Public Sector Accounting Board (IPSAB). The Financial Statements have been prepared under the historical cost; the measurement bases applied is historical cost adjusted for revaluation of assets to ascertain the deemed cost except where otherwise stated in the accounting policies. Further, the Financial Statement has been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period. Moreover, the Financial Statements have been prepared in accordance with sect 30 (4) of Public Finance Act, CAP 348.

Going Concern

Going concern is the assumption that an entity will remain in business for the foreseeable future. The Financial Statements of the Tanzania Institute of Accountancy (TIA), have been prepared on a going concern basis, and that entity will remain in business for unforeseeable future and the Government will continue to provide subvention to keep the Institute in operations.

3. REPORTING ENTITY

The reporting entity of these Financial Statements is the Tanzania Institute of Accountancy (TIA) Sub vote 05 under - Vote 50.

4. FUTURE CHANGES IN ACCOUNTING POLICIES

• Changes in accounting policies

The accounting policies adopted by the Institute were consistent with those of the previous financial year.

• New and Changes to Standards and Interpretation that are Effective

There were no new/amended standards and interpretations which affected the Institute during the year. Amendments resulted from IPSAS improvements for the following standard did not have any impact on the accounting policies, financial positions or performance.

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- **New and amended standards and interpretation issued and not yet effective and not early adopted**

The new and amended standards issued but not effective up to the date of issuance of the Institute's financial statements are not expected to have an impact on the financial statements of the Institute and have not been applied in preparing these financial statements. Those which may be relevant to the Institute are set out below. The institute does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated.

Table 9: New and amended standards

Standard	Impact	Effective date
IPSAS 2: Cash Flow Statement	An amendment to IPSAS 2 requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for the year ending 30 June 2023, with early application permitted. This amendment will result in additional disclosures. The Institute does not intend to early adopt the amendment.	June 30, 2023
IPSAS 41: Financial Instruments	<p>In August 2018, IPSASB released IPSAS 41. This standard establishes new requirements for classifying, recognizing and measuring financial instruments replacing IPSAS 29, Financial Instruments: Recognition and measurement. The objective of this standard is to establish principles for the financial reporting of financial assets and financial 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. The key difference between IPSAS 29 and IPSAS 41 is that in IPSAS 29 classification was rule based and could be complex and challenging to apply in practice while IPSAS 41 reduces complexity by replacing the existing classification and measurement categories for financial assets with principal-based categories.</p> <p>The Standard 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. 	January 1, 2023

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Standard	Impact	Effective date
	The Institute is evaluating the impact of the standard on its Financial Statements.	
IPSAS 42: Social Benefits	<p>The objective of this Standard is to assist users of Financial Statements and general-purpose financial reports assess the nature of social benefits provided by the entity, the features of the operation of the social benefit schemes; and the impact of the social benefits on the entity's financial performance, financial position and cash flows. The standard requires an entity to recognize a liability for a social benefit scheme when the entity has a present obligation for an outflow of resources that results from a past event, and the present obligation can be measured in a way that achieves the qualitative characteristics and takes account of constraints in the conceptual framework. The information provided should help users of the financial statements and general-purpose financial reports assess:</p> <p>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>	1 January 2023
IPSAS 43 - Leases	<p>IPSASB approved IPSAS 43, Leases with an effective date of January 1, 2025. IPSAS 43 supersedes IPSAS 13, Leases and introduces the right-of-use model for lessees, aligning with IFRS 16, Leases. The IPSASB will continue consideration of public sector specific leasing issues, such as concessionary leases, in its Other Lease-Type Arrangements project.</p> <p>The Institute is currently assessing impact of this standard to the financial statements.</p>	January 1, 2025
IPSAS 44- Non-Current Assets Held for Sale and Discontinued Operations	<p>In May 2022 IPSASB issued IPSAS 44 that specifies the accounting for assets held for sale and the presentation of discontinued operations. It requires assets that meet the criteria to be classified as held for sale to be:</p> <ul style="list-style-type: none"> • measured at the lower of carrying amount and fair value less costs to sell and depreciation on such assets to cease; and • presented separately in the statement of financial position and results of discontinued operations to be presented separately in the Statement of financial performance. <p>The Institute is currently assessing impact of this standard to the financial statements.</p>	January 1, 2025
IPSAS 45 - Property, Plant and Equipment	<p>This standard provides guidance on accounting for Property, Plant and Equipment so that users of Financial Statements can discern information about an entity's investment in its PPE and the changes in such investment. The standard applies to PPE used to develop or maintain the biological assets related to agricultural activity other than bearer plants, Mineral rights and mineral reserves such as oil, natural gas and similar non-regenerative resources and the recognition and measurement of exploration and evaluation assets. IPSAS 45 removed IPSAS</p>	January 1, 2025

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Standard	Impact	Effective date
	<p>17's scope exclusion of Heritage Asset. This standard will be effective on 1 January 2025 with earlier application permitted.</p> <p>The Institute is currently assessing impact of this standard to the financial statements.</p>	
IPSAS 46- Measurement	<p>The objective of this Standard is to define measurement bases that assist in reflecting fairly the cost of services, operational capacity and financial capacity of assets and liabilities. The Standard identifies approaches under those measurement bases to be applied through individual IPSAS to achieve the objectives of financial reporting. An entity that prepares and presents financial statements under the accrual basis of accounting shall apply IPSAS 46, Measurement in measuring assets and liabilities. The measurement requirements described in this Standard apply to both initial and subsequent measurement, unless specific guidance is included in the individual IPSAS. IPSAS 46 will be effective for periods beginning on or after January 1, 2025.</p> <p>The Institute is currently assessing impact of this standard to the financial statements.</p>	January 1, 2025.
IPSAS 47- Revenue	<p>IPSAS 47 is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of a binding arrangement. This new Standard provides focused guidance to help entities apply the principles to account for public sector revenue transactions. IPSAS 47 is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of a binding arrangement. This new Standard provides focused guidance to help entities apply the principles to account for public sector revenue transactions. To meet this objective requires an entity to consider the terms of the transaction, and all relevant facts and circumstances, to determine the type of revenue transaction and set out the accounting requirements to account for the revenue transaction. IPSAS 47 will be effective for periods beginning on or after January 1, 2026</p> <p>The Institute is currently assessing impact of this standard to the financial statements.</p>	January 1, 2026
IPSAS 48- Transfer Expenses	<p>The objective of this standard is to establish the principles that a transfer provider (an entity) shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. In order to meet the objective, This Standard requires an entity to consider the terms of the transaction and all relevant facts and circumstances to determine the type of transfer expense transaction and sets out the accounting requirements for the transfer expense transaction. IPSAS 48 will be effective for periods beginning on or after January 1, 2026.</p> <p>The Institute is currently assessing impact of this standard to the financial statements.</p>	January 1, 2026

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Standard	Impact	Effective date
IPSAS 49- Retirement Benefit Plans	<p>The objective of this standard is to prescribe the accounting and reporting requirements for public sector retirement benefit plans, which primarily provide retirement benefits to public sector employees. This standard deals with accounting and reporting requirements for the plan for all participants as a group. It does not deal with reports to individual participants about their retirement benefit rights. IPSAS 49 will be effective for periods beginning on or after January 1, 2026.</p> <p>The Institute is currently assessing impact of this standard to the financial statements.</p>	January 1, 2026

International Public Sector Accounting Standards (IPSAS) not used by the institute

The following standards have not been used by the Institute as they are not applicable due to the nature of the activities the Institute is carrying out and none of these are expected to have a significant effect on the financial statements of the Institute.

IPSAS 10: Financial Reporting in Hyperinflationary Economies
 IPSAS 18: Segment Reporting
 IPSAS 27: Agriculture
 IPSAS 32: Service Concession Agreements
 IPSAS 34: Separate Financial Statements
 IPSAS 35: Consolidated Financial Statements
 IPSAS 36: Investments in Associates and Joint Entities
 IPSAS 37: Joint Arrangements
 IPSAS 38: Disclosure of Interest in Other Entities
 IPSAS 40: Public Sector Combination.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

• **Functional and presentation currency**

The Institute has chosen Tanzania Shilling (TZS) as the functional currency reflecting the fact that it is the currency of primary economic environment in which the Institute operates ("the functional currency") and also the fact that substantially all of the capital and transactions are denominated in TZS. Therefore, the Institute considers Tanzania Shillings to be the Institute's functional and presentation currency.

• **Transactions and balances**

Foreign currency transactions are translated into the Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities at the statement of financial position date, which are expressed in foreign currencies, are translated in Tanzanian Shillings at the rate ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the accounting period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Financial Performance and Statement of Changes in Equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Revenue and expenditure recognition

a) Revenue

- **Revenue from Exchange Transactions**

Internal generated sources of revenue of the Institute include Tuition fees, Accommodation fee, Sale of Application forms and Academic Transcript, Renting of TIA buildings, Canteen, Shops and Academic gown, Consultancy and Research fees and miscellaneous receipts. These are accounted for on accrual basis. Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the Institute and the revenue can be reliably measured.

- **Revenue from Non-Exchange Transactions**

Revenue from Non-Exchange Transactions is governed by IPSAS 23 and mainly comprises taxes and transfers.

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the institute, which represents an increase in Net asset/equity, other than increases relating to contributions from owners. Moreover, revenue is recognized to the extent that it is probable that the economic benefits will flow to the Tanzania Institute of Accountancy and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognized:

- **Government Grants**

Government grants are not recognized until there is reasonable assurance that the Institute will comply with the conditions attaching to them and the grants will be received. Government grants whose Primary condition is that the Institute should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the Statement of Financial Position and transferred to Statement of Financial Performance on a systematic and rational basis over the useful lives of the related assets. Other government grants are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Government with no future related costs are recognized in the Statement of Financial Performance in the period in which they become receivable.

- **Other Transfers**

For the Tanzania Institute of Accountancy, Other transfers includes fines, penalties, licenses, gifts, donation (including goods-in-kind), and transfers from other government entities. These are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and the fair value of the asset can be measured reliably. Services-in-kind are not recognized as revenue, but are disclosed in the Financial Statements. However, during the year under review there was no such transaction.

Hence the policy was not applied to the Tanzania Institute of Accountancy.

- **Taxes and Levies**

The Tanzania Institute of Accountancy recognizes taxes and levies when the taxable event occurs and the asset recognition criteria are met.

- **Expenditure**

Expenditure/expenses are recognized in the financial statements on accrual basis when service is rendered or goods supplied to the Institute.

- **Property, Plant and Equipment**

Property, Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any and excluding the costs of day-to-day servicing. Such costs include the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Institute recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement cost if the recognition criteria are satisfied. All other repair and maintenance costs are charged to the profit or loss as and when incurred. Depreciation on property and equipment is computed on a straight-line method over the estimated useful lives of the assets.

No depreciation of Property, Plant and equipment is charged when the assets are purchased/acquired during the year. In the Financial Year 2021 there were re-assessment of useful life as per GAMIS as stipulated in summary of significant accounting policies 6.5.2.2.3

The Institute has adopted 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 Revised Edition, 2019 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. In the Financial Year 2021 there were

re-assessment of useful life as stipulated in summary of significant accounting policies 6.5.2.2.3 causes changes in depreciation charges for the year compared with previous year

Estimated Remaining Economic Life (EREL)

Assets run an economic life peculiar to themselves depending on make, constant handling and operational use. Some assets are continued in use much beyond the EUL due to periodical maintenance and repairs.

In the Financial Year 2021 there were re-assessment of useful life and the annual rates applied for new acquired assets that are not consistent with those of previous years as follows:

Table 10: Estimated Remaining Economic Life for each asset classes

Assets	Previous Years Rate per year (Percentage %)	Revised Rate per GAMD 2019 (Percentage %)
Motor Vehicles	25	20
Equipment	25	10, 20
Furniture and Fittings	10	10, 20
ICT Equipment	33.3	14.29, 20, 25
Buildings - Residential	4	2
Buildings - Office	4	2
Buildings - School	4	1.33
Office Machines and Equipment (Plant & Machinery)	12.5	6.66

An item of property and equipment and any significant part initially recognized at cost when acquired and is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included.

in profit or loss when the asset is derecognized. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

During the year 2021, the asset remaining useful life has been re assessed based on the Treasury circular No 2 issued on 15th July 2021.

- **Impairment of Non-Financial Assets**

For assets excluding goodwill, an assessment is made at each reporting date as to

whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Authority estimates the assets or cash-generating unit's recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Financial Performance.

- **Land**

Currently the Institute has all Title Deed for Land at Dar-es-salaam, Singida, Mbeya, Mtwara and Mwanza campuses. Efforts are made by Management to make sure that it owns land in the respective Campuses. Paragraph 7 of IAS 16 sets it clear that, costs of the items of Property, Plant and Equipment shall be recognized as an asset when;

- i. It is probable that future economic benefits associated with the item will flow to the entity; and
- ii. The cost of the item can be measured reliably.

- **Inventories**

Inventories are valued at the lower of cost and net realizable value/current replacement costs. Cost is determined on a weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the open market less applicable selling expenses. Specific provision for obsolescence and damaged inventories is made at 100 per cent of the value of specific inventories items identified by management. The Costs incurred in bringing each product to its present location and condition, are accounted for as follows;

- i. Stationeries and Other consumables - Cost is determined on weighted average basis
- ii. Finished Goods and Work in Progress -Cost of direct materials and labour and a manufacturing overhead based on normal capacity but excluding borrowing costs.

- **Accounts Receivables**

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivable are amounts due from customers for services performed or amounts due from employees for car loans and advances issued to them.

Trade receivables are recognized and carried at fair value. A provision for impairment of receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables. Evidence of impairment may include indications that the debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments; the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognized in the profit or loss. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

- **Cash and Cash Equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents are stated in the Statement of Financial Position at face value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held with financial institutions.

- **Accounts Payable**

Accounts 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 (or in the normal operating cycle of the business). If not, they are presented as non-current liabilities.

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

- **Provisions for Liabilities**

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

Contingent Assets

The Institute does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Institute in the notes

to the financial statements. Contingent assets are assessed continually to ensure that development is appropriately reflected in the financial statements. If it has become virtually certain that, an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

Contingent Liability

The Institute does not recognize a contingent liability, rather discloses details of a possible liability whose existence is contingent on the occurrence or non- occurrence of one or more uncertain future events not wholly within the control of the Institute in the notes to the financial statements. Contingent liabilities are assessed continually to ensure that development is properly reflected in the financial statements. If it has become virtually certain that, an outflow of economic benefits or service potential will arise and the liability value can be measured.

- **Retained Surplus**

Retained Surplus is made up of the donor and government contributed assets to the Institute. The value of properties which appreciates over time such as land is not amortized.

- **Grants**

Government grants are not recognized until there is reasonable assurance that, the Institute will comply with the conditions attaching to them and that the grants will be received. Government grants whose primary condition is that they should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the statement of financial position and transferred to Statement of Financial Performance on a systematic and rational basis over the useful lives of the related assets.

Other Government grants are recognized as Revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a Systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Institute with no future related costs are recognized in the Statement of Financial performance in the period in which they become receivable

- **Deferred Income Revenue**

This relates to revenue grant received in which the related expenses have not been incurred, therefore the amount has been deferred to the next financial period. Grants received in monetary form for recurrent expenditure are recognized as Deferred Income revenue in the statement of Financial Position and are released to the statement of performance when recurrent expenditure is incurred, however, under the current

government procedures/policies the unspent balances as at the end of the financial year are transferred to the pay master general account.

- **Deferred Income Capital**

This relates to capital grant received in which the related expenditure has not been incurred, therefore the amount has been deferred to the next financial period. Grants received in monetary form for capital expenditure are recognized as deferred income-capital in the statement of Financial Position and are released to the statement of performance during the useful life of the respective non-monetary assets, however, under the current government procedures/policies the unspent balances as at the end of the financial year are transferred to the Pay Master General Account.

- **Employee Benefits**

- i. **Defined Contribution plan**

A defined contribution plan is a pension plan under which the Institute pays fixed contributions into a separate entity. The Institute has no Legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Institute has defined contribution plans to cater for pension obligations for the employees by paying on monthly basis agreed contributions to the Public Service Social Security Fund (PSSSF). The Institute's contributions to the defined contribution scheme are charged to the Financial Position in the year to which they relate.

- ii. **Gratuity Scheme**

Employee on contract terms shall be entitled to gratuity the rates specified in the contract terms although the normal gratuity rate shall be 25% of the total basic salary or as may be amended from time to time; and gratuity shall be paid at the end of contract period given that the employee has rendered satisfactory services where the contract is terminated premature the officer will be paid gratuity proportionate with the total period served.

6. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Government's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

- **Judgments**

In the process of applying the accounting Institute policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognized in the financial statements.

- **Determination of the useful lives of Property, Plant and Equipment**

Management uses Public Asset Management Guideline of 2019 and Treasury Circular No 2 of 2021/22 issued 15th July 2021 in determining the useful life and hence depreciation rates of the items of property, plant and equipment.

- **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

7. FINANCIAL RISK MANAGEMENT

The Institute's activities potentially expose it to a variety of financial risks, including credit risk and the effects of the changes in foreign currency exchange rates. The Institute's overall risk management programme takes account of the unpredictability of foreign exchange rate trends and seeks to minimize potential adverse effects on its financial performance.

Market Risk

i. Foreign exchange risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates and it is managed and monitored at operational level by Finance Department. Losses arising from holding of foreign currency denominated liabilities are controlled and or minimized through timely payment of outstanding liabilities. The Institute does not hold assets or liabilities in foreign currencies.

ii. Interest Rate Risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Institute does not have long-term deposits or borrowings therefore, statement of profit or loss and operating cash flows are not highly affected by changes in market interest rates.

iii. Risks Management

The Institute is subject to a number of financial and operational risks, hazards and strategic risks and is responsible for ensuring appropriate risk management strategies and policies are in place within any mandate provided by legislation. All types of risk associated with the Institute activities are managed through the Tanzania Institute of Accountancy Risk Management Policy.

iv. Interest Rate Risk

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Interest rate risk refers to the risk of loss due to adverse movement in interest rates. In general, Interest rate risk is managed strategically by issuing a mix of fixed and floating rate debt.

v. Foreign Exchange Risk

Foreign exchange risk refers to the risk of loss due to adverse movements in foreign exchange rates. A range of instruments is currently being used to minimize the Institute's exposure to foreign exchange risk which include currency.

vi. Liquidity Risk

Liquidity risk refers to the loss due to the lack of liquidity preventing quick or cost-effective liquidation products, positions or portfolios. Liquidity risk is managed on an individual entity basis, which generally requires entities to hold assets of appropriate quantity and quality to meet all their obligations as they fall due.

Aging for Receivables

The Institute maintains age accounts receivables balance of every year end. As at 30th June, 2023, the outstanding accounts receivable were amounted to TZS 2,665,025,564.00, which includes tuition fees, staff loans receivables and staff imprest receivables. The aging analysis indicates that TZS 646,975,132.95 which is equal to (24.28 percent) were outstanding for the periods up to 12 months while TZS 2,018,050,431.06 (75.72 percent) were outstanding for more than 12 months. The table below shows age analysis of receivables.

Table 11: Age analysis of receivables

Period	Financial year ended 30 th June, 2023		Financial year ended 30 th June, 2022	
	Amount (TZS)	%	Amount (TZS)	%
Within 12 months	646,975,133	24.28	2,348,220,895	96.74
More than 12 months	2,018,050,431	75.72	79,080,408	3.26
Total	2,665,025,564.00	100.00	2,427,301,303	100.00

vii. Credit Risk

Credit risk refers to the risk of a loss due to the non-performance by counterparties to discharge an obligation. Financial instruments which subject the Government to credit risk include bank balances and receivables, advances and investments.

The Institute manage exposure to credit risk by:

- (a) Maintaining credit exposure only with highly rated institutions, for which the probability of default is low. The credit worthiness of counterparties is continuously monitored.
- (b) Ensuring diversification of credit exposure by limiting the exposure to any one financial institution.
- (c) In some instances, requiring a form of collateral from counterparties.

Aging for Payables

The Institute maintains age accounts payable balance of every year end. As at 30th June, 2023, the outstanding accounts payables were amounted to TZS. 2,458,363,886.17. The aging analysis indicate that TZS 2,229,188,829.17 which is equal to (90.67 percent) were outstanding for the periods up to 12 months, while TZS 229,175,057.00 (9.33 percent) were outstanding for more than 12 months. The table below shows age analysis of payables.

Table 12: Age analysis of payables

Period	Financial year ended 30 th June, 2023		Financial year ended 30 th June, 2022	
	Amount (TZS)	%	Amount (TZS)	%
Within 12 months	4,515,817,000	95	2,229,188,829.17	90.67
More than 12 months	229,175,057	5	229,175,057.00	9.33
Total	4,744,992,057	100	2,458,363,886.17	100.00

viii. Risk and Internal Control Assessment

The Institute has developed risk management policy and framework, which approved by the Board. Further, the Institute developed Risk. Management Manual for effective implementation of the Policy and the Risk Based Internal Audit Manual for internal audit functions.

ix. Safeguarding of Institute's Assets

The Deputy Rectors are responsible for safeguarding the assets of the Institute. Safeguarding assets include the methods of protecting and maintaining the Institute's daily business operations. The Financial Rules and Regulations of the Institute has provided for the methods of safeguarding the Institute's assets.

x. Other Policies and Regulations

The Institute has in place various policies and regulations documents including but not limited to HIV/AIDS Policy at Workplace, ICT Policy, TIA Employees Salary Advance Policy, TIA Staff Rules and Regulations, Financial Rules and Regulations and Scheme of Service. These policies and regulations documents were developed to strengthen the internal control environment and enhance efficiency within the Institute. During the year under review, there was an incident of motor vehicle accident recorded.

xi. Compliance with Laws and Regulations

The principal functions and operations of the Institute are governed by the Executive Agency Act, No. 30 of 1997 and NACTE. The Directors confirm that the activities and

operations of the Institute were conducted in accordance with the Act and there was no information on non-compliance with other applicable laws and regulations that would have material impact on the Institute.

xii. Reliability of Accounting Records

The Institute has few numbers of employee but competent staff in the Finance Department and has in place a computerized accounting system (Epicor 10 IFMS). Accordingly, proper books of account have been maintained and the financial statements are prepared and presented in compliance with the International Public Sector Accounting Standards (IPSAS)

8. Budget Information

The annual budget is prepared on the Cash Basis IPSAS while Financial Reporting Framework is under the Accrual Basis of Accounting as issued by the International Public Sector Accounting Standards Board (IPSASB) and as stipulated by the Public Finance Act, Cap. 348.

The budget is approved on a cash basis by function classification. The approved budget covered the fiscal period from 1 July 2022 to 30 June 2023 and includes all activities within the Institute. Differences between the original and final budgets are attributed to recast of the budget.

- (a) The Institute's budget and the accounting bases differ. The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on cash basis. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. Reconciliation between the actual amounts on a comparable basis as presented in the Statement of Comparison of Budget and Actual Amounts and the actual amounts in the Statement of Cash Flows for the Year Ended 30th June 2023 is presented in the Statement of Comparison of Budget and Actual Amounts.
- (b) Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. As a result of the adoption of the cash basis for budgeting purposes, there are no timing differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.
- (c) Entity differences occur when the budget omits programmes/activities or an entity that is part of the entity for which the financial statements are prepared. There are no entity differences for Tanzania Institute of Accountancy.

- (d) The annual budget figures included in the financial statements are for the whole Institute. These budget figures are those approved by the Ministerial Advisory Body (MAB) both at the beginning and during the year following a period of recasting the original budget. The figures included in the financial statements are not made publicly available.

Explanation of Variances between Budget and Actual Amounts

According to Para 14 of IPSAS 24, The Institute's actual revenues for the year 2022/2023 were TZS 48,159,577,010 below the budget of TZS 50,928,500,401 by 5 percent. The significant decrease in revenue is attributed by inadequate collection of some revenue sources such as consultancy services non release of government subventions as per agreed budget.

The expenditure for the Institute operations were amounted to TZS 47,092,093,317, which is below the approved budget of TZS 50,928,500,401 by 7.5 percent.

The Institute under spent in all items of payments "operating and investment" due to under release and failure to collect all budgeted revenue, as a result there are budgeted activities were not effectively implemented and ultimately their budgeted expenditure not utilised accordingly.

9. Events After the Reporting Date

There were no other events after the reporting period which requires adjustment or disclosure in the financial statements.

10. Related Parties Transactions

The Institute regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Institute, or vice versa. Members of key Management are regarded as related parties and comprise the Board Members and Management employees.

Related party transactions are disclosed below transfer of resources and/or obligations between related parties in Tanzania Institute of Accountancy during the year ended 30th June 2023 included the following:

(a) Board Expenses

The Board of Directors is the body of appointed members who jointly oversee the activities of the Institute.

Their expenses for are set out below:

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	2022/2023 TZS	2021/2022 TZS
Board Meetings and Relates:		
Expenses	250,940,000.00	300,368,000
Directors Fees	65,200,000	65,200,000
	<u>316,140,000.00</u>	<u>365,568,000.00</u>

(b) Remuneration of Key Management Employees

Key management personnel include CEO and other members of Management having authority and responsibility for planning, directing and controlling the activities of the Institute.

Related Parties

Their remunerations are set out below:

	30/06/2023 TZS	30/06/2022 TZS
Short-term employee benefits	406,224,000.00	669,775,600.00
Pension employment benefits	-	-

(c) Loans to Key Management Employees

No any loan that has been issued by the Institute to the (Key Management Employees

	2,023 TZS	2,022 TZS
17 - Revenue from Exchange Transactions		
Graduation Gown hire	417,435,000	321,805,000
Transcript Fees	513,640,000	488,580,000
Tuition Fees for University/College Students	29,579,574,671	30,609,183,023
	<u>30,510,649,671</u>	<u>31,419,568,023</u>
31 - Other Revenue		
Application fee	198,901,311	221,921,900
Donation-Non cash	3,971,366	313,369,480
Miscellaneous Receipts	127,218,296	14,147,482
Receipt from Consultancy Fees	205,502,700	72,650,000
Rent	-	13,525,000
Rent fee	65,700,000	80,113,083
Revenue from Rent of Government Quarters	12,037,583	23,665,000
Student Accommodation Fee	441,425,000	479,500,000
	<u>1,054,756,256</u>	<u>1,218,891,945</u>

The previous audited Revenue from Exchange Transactions in 2022 has been split into Notes 17 and 31, but receipt in kind of TZS 313,369,480 has been reclassified from Revenue from Non-Exchange Transactions "Grants" to Other Revenue.

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	<u>2,023 TZS</u>	<u>2,022 TZS</u>
32 - Subvention from other Government entities		
Government Grant Development Foreign	304,433,225	-
Government Grant Development Local	1,765,175,272	786,457,197
Subvention for Personal Emolument	9,578,668,995	7,986,699,268
Subvention Recurrent Grants	-	-
	<u>11,648,277,492</u>	<u>8,773,156,465</u>

The comparative Subvention from other Government entities TZS 8,773,156,465 is a result of reallocated donated library books valued TZS 313,369,480 from Tanzania Library Services and COTUL. Refer Note 31,17 and 98.

34 - Wages, Salaries and Employee Benefits

Casual Labourers	31,332,176	38,593,882
Civil Servants	9,597,564,891	7,986,699,268
Court Attire Allowance	1,000,000	-
Electricity	95,878,964	71,216,546
Extra-Duty	1,852,409,114	1,864,054,489
Facilitation Allowance	17,700,000	-
Field (Practical Allowance)	246,870,000	261,570,000
Food and Refreshment	1,312,272,140	1,083,279,691
Furniture	76,000,000	29,081,702
Honoraria	1,826,000,000	1,895,497,874
Housing allowance	138,040,000	117,420,000
Invigilators Allowances	804,063,000	726,332,200
Leave Travel	41,092,000	45,400,600
Moving Expenses	1,108,000,000	1,032,000,000
Outfit Allowance	2,100,000	300,000
Responsibility Allowance	284,420,800	274,676,484
Sitting Allowance	890,880,000	760,071,706
Special Allowance	2,549,870,382	2,661,804,309
Subsistence Allowance	90,300,000	41,000,000
Telephone	74,986,308	59,742,734
	<u>21,040,779,775</u>	<u>18,948,741,485</u>

The reclassification of comparative figures results to decrease by TZS 5,290,599,821 from audited staff cost TZS 24,239,341,305.83 to a comparative amount of Wages, Salaries and Employee Benefits TZS 18,948,741,485. Refer Note 98 for more analysis.

35 - Use of Goods and Service

Accommodation	38,943,676	35,200,000
Advertising and Publication	82,000,821	139,410,744
Air Travel Tickets	239,270,470	174,766,160
Books, Reference and Periodicals	1,180,670,614	6,000,000
Catering Services	26,975,000	-
Classroom Teaching Supplies	4,995,000	7,388,258
Cleaning Supplies	656,997,876	411,130,304
Clothing and Attachment	1,500,000	-
Communication Network Services	-	20,801,497
Computer Supplies and Accessories	650,035,618	307,832,372

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	2,023 TZS	2,022 TZS
Conference Facilities	41,150,000	37,628,930
Contract based training services	847,403,330	863,566,702
Depreciation Charge for Library Books	13,344,000	11,801,750
Diesel	672,521,069	307,865,652
Donation	4,900,000	4,900,000
Educational Radio and TV broadcasting programming	4,100,000	5,507,724
Electricity	309,607,005	285,884,844
Entertainment	250,679,000	252,749,000
Examination Expenses	245,670,000	225,321,168
Exhibition, Festivals and Celebrations	144,363,704	81,047,600
Food and Refreshments	402,611,631	357,690,476
Fumigation	21,471,881	61,678,775
Gifts and Prizes	5,393,000	5,000,000
Ground Transport (Bus, Train, Water)	-	30,708,515
Ground travel (bus, railway taxi, etc)	1,486,410,591	983,675,664
Hiring of Training Facilities	1,250,000	440,000
Internet and Email connections	243,194,591	248,476,191
Lubricants	800,000	540,000
Mobile Charges	3,900,000	1,000,000
Motor Oil	888,005	-
Newspapers and Magazines	3,878,000	11,987,700
Office Consumables (papers, pencils, pens and stationaries)	1,282,338,205	593,355,641
Outsourcing Costs (includes cleaning and security services)	532,530,136	370,467,461
Per Diem - Domestic	4,067,030,780	2,302,288,451
Per Diem - Foreign	71,536,376	9,200,000
Posts and Telegraphs	2,081,000	2,337,900
Printing and Photocopy paper	-	-
Printing and Photocopying Costs	293,867,545	469,323,725
Protective Clothing, footwear and gears	-	1,000,000
Publicity	11,300,000	19,620,000
Remuneration of Instructors	15,350,000	15,350,000
Rent - Office Accommodation	584,798,737	554,000,000
Rent of Vehicles and Crafts	86,551,519	84,886,000
Research and Dissertation	117,000,000	149,282,730
Sewage Charges	102,449,476	72,643,361
Small engineering tools and equipment	2,500,000	-
Special Women Clothes	-	1,820,000
Sporting Supplies	120,778,913	121,294,592
Subscription Fees	48,389,532	44,634,070
Telephone Charges (Land Lines)	489,225	1,124,312
Training Allowances	403,630,029	374,520,414
Training Materials	39,250,218	87,950,000
Tuition Fees	353,375,960	284,336,820
Uniforms and Ceremonial Dresses	74,973,800	46,935,500
Upkeep Allowances	13,855,926	-
Upkeep of Grounds and Amenities	3,435,145	9,393,695
Water Charges	95,816,942	128,965,685
Wire, Wireless, Telephone, Telex Services and Facsimile	3,165,386	-
	15,911,419,732	10,624,730,383

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	<u>2,023</u> TZS	<u>2,022</u> TZS
The enhancement results to changes from an audited administrative expense of TZS 6,538,880,128.27 to comparative figure of Use of Goods and Service TZS 10,624,730,255. The increased amount TZS 4,085,850,255 was previously charged to the staff cost.		
36 - Maintenance Expenses		
Air conditioners	6,841,389	545,000
Computers, printers, scanners, and other computer related equipment	62,351,100	132,001,672
Direct labour (contracted or casual hire)	152,175,954	667,265,730
Electrical and Other Cabling Materials	81,457,481	155,621,202
Electrical and Telephone Cable Installations	-	591,700
Fax machines and other small office equipment	500,000	
Fire Protection Equipment	16,155,639	15,573,538
Motor Vehicles and Water Craft	150,641,734	150,921,932
Oil, grease, and other chemical materials	1,459,522	
Outsource maintenance contract services	80,269,302	464,328,863
Photocopiers	9,411,762	8,083,799
Plumbing Supplies and Fixtures	16,455,000	60,919,320
Servers	-	4,500,000
Telephone Equipment (mobile)	2,000,000	2,000,000
Tyres and Batteries	12,315,660	89,518,800
	<u>592,034,541</u>	<u>1,751,871,556</u>

Also, the enhancement in Maintenance expenses result to an increase of maintenance expenses from TZS 1,745,370,118 after reclassified TZS 6,501,438 that was previously fall under staff cost.

37 - Depreciation of Property, Plant and Equipment

Depreciation Motor Vehicles (Administrative)	329,015,096	258,591,789
Depreciation of Hardware: servers and equipment (incl. desktops, laptops etc.)	631,335,083	328,330,635
Depreciation Office buildings and structures	283,148,574	275,637,031
Depreciation Office Equipment	99,374,587	92,486,672
Depreciation Office Furniture and fittings	578,754,399	732,537,947
Plant and Machinery	49,126,703	22,509,677
	<u>1,970,754,443</u>	<u>1,710,093,751</u>

39 - Amortization of Intangible Assets

Other Intangible Assets	47,006,738	-
	<u>47,006,738</u>	<u>-</u>

52 - Other Expenses

Audit fees	300,000,000	160,000,000
Burial Expenses	25,505,000	27,680,000
consultancy fees	2,370,000	200,000
Director's Fee	316,140,000	365,568,000
Honorariums (expert opinion)	295,700,000	380,616,230
Legal fees	27,017,536	-
Sundry Expenses	165,706,282	176,745,222
Taxes Levied by another Level of Government	16,291,300	64,929,000

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	<u>2,023 TZS</u>	<u>2,022 TZS</u>
	<u>1,148,730,118</u>	<u>1,175,738,452</u>
The comparative figure of other expenses TZS 1,175,738,452 was not existed, but was previously charged to administrative expenses and staff cost.		
59 - Grants and Transfers		
Subscription to other International Institutions	-	22,509,677
	-	<u>22,509,677</u>
60 - Other Transfers		
Contribution to CF (15%)	200,000,000	150,000,000
	<u>200,000,000</u>	<u>150,000,000</u>
62 - Cash and Cash Equivalents		
BoT Own source Collection Account	3,116,255,308	2,066,152,348
Cash in hand	235,846,760	-
Development Expenditure Cash Account	210,680,130	-
imprest cash account	2,476,738	2,476,738
Own source Collection Account - CRDB	46,356,750	9,667,100
Own source Collection Account - NMB	20,000	9,280,600
Own source Development Expenditure	782,173,390	-
Owns source Recurrent Expenditure GF	1,439,439,114	3,170,151,844
Recurrent Expenditure Cash Account	1,340,200	11,356,716
Unapplied Cash Account	501,980,646	-
	<u>6,336,569,036</u>	<u>5,269,085,346</u>
67 - Receivables		
Imprest Receivable	98,957,217	159,528,458
Trade Receivables	2,566,068,347	2,267,772,845
	<u>2,665,025,564</u>	<u>2,427,301,303</u>
In both Imprest Receivable, there is the staff loans of TZS 3,635,408 not yet recovered.		
69 - Prepayments		
Advance Payment	-	-
Prepayment - Expenses	134,445,682	29,346,089
Prepayments - Assets	469,751,344	2,085,828,697
	<u>604,197,026</u>	<u>2,115,174,786</u>
70 - Inventories		
Books	-	1,064,006,615
Building Materials - Inventory	745,127,165	-
Consumables	561,769,862	1,113,142,630
	<u>1,306,897,027</u>	<u>2,177,149,245</u>

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Note 77 - Movement schedule of Property, Plant and Equipment (PPEs)

Details	Land	Buildings	M. Vehicles	Computer & ICT equipment	Plant & Machinery	Office Equipment	Furniture & Fittings	Total
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Financial year 2022/23								
Asset Costs								
Balance 1 July 2022	24,562,158,600	25,107,646,637	2,477,831,671	4,824,115,681	548,673,356	1,716,393,727	7,702,471,861	66,939,291,533
Additions	1,545,729,254	-	430,591,179	29,433,149	227,942,665	8,141,000	87,365,150	2,329,202,397
Reclassification to Expenses				(103,230,392)		(5,648,986)	(397,792,500)	(506,671,878)
Balance 30 June 2023	26,107,887,854	25,107,646,637	2,908,422,850	4,750,318,438	776,616,021	1,718,885,741	7,392,044,511	68,761,822,052
Accumulated Depreciation								
Balance 01 July 2022	-	4,464,467,815	1,428,035,628	2,028,401,775	301,066,919	1,259,844,863	3,865,578,835	13,347,395,835
Depreciation	-	283,148,574	329,015,096	631,335,083	49,126,703	99,374,587	578,754,399	1,970,754,443
Impairments	-	-	-	-	-	-	-	-
Reclassification to Expenses	-	-	-	(76,283,988)	-	(2,946,017)	(199,264,813)	(278,494,818)
Balance 30 June 2023	-	4,747,616,389	1,757,050,724	2,583,452,870	350,193,622	1,356,273,434	4,245,068,421	15,039,655,461
NBV at 30 June 2023	26,107,887,854	20,360,030,247	1,151,372,125	2,166,865,568	426,422,399	362,612,308	3,146,976,090	53,722,166,591
Details	Land	Buildings	M. Vehicles	Computer & ICT equipment	Plant & Machinery	Office Equipment	Furniture & Fittings	Total
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Financial year 2021/22								
Asset Costs								
Balance 1 July 2021	24,562,158,600	25,107,646,637	1,989,027,920	3,193,326,059	548,673,356	1,562,386,786	7,450,976,616	64,414,195,974
Additions	-	-	488,803,751	1,630,789,622	-	154,006,942	251,495,246	2,525,095,561
Balance 30 June 2022	24,562,158,600	25,107,646,637	2,477,831,671	4,824,115,681	548,673,356	1,716,393,727	7,702,471,861	66,939,291,533
Accumulated Depreciation								
Balance 1 July 2021	-	4,188,830,784	1,169,443,839	1,700,071,140	278,557,242	1,167,358,191	3,133,040,888	11,637,302,084
Depreciation charged	-	275,637,031	258,591,789	328,330,635	22,509,677	92,486,672	732,537,947	1,710,093,751
Balance 30 June 2022	-	4,464,467,815	1,428,035,628	2,028,401,775	301,066,919	1,259,844,863	3,865,578,835	13,347,395,835
NBV at 30 June 2022	24,562,158,600	20,643,178,821	1,049,796,043	2,795,713,906	247,606,437	456,548,864	3,836,893,026	53,591,895,697

A reclassified asset cost of TZS 506,671,878 and Accumulated depreciation of TZS 278,494,818 noted above, reflect wrongly capitalised assets with asset value less than TZS 100,000 contrary to directive issued by Public Asset Management Guideline, 2019. These were expensed in the current year surplus /deficit through Use of goods and Service.

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	2023 TZS	2022 TZS
Note 78 - Intangible Assets		
Asset Costs		
Opening balances as at 1 July	430,855,983	283,417,548
Additions	39,211,400	147,438,435
Reclassification		
Closing balance as at 30 June	<u>470,067,383</u>	<u>430,855,983</u>
Accumulated Amortisation		
Opening balances as at 1 July	-	-
Amortisation charge 2022-23	47,006,738	-
Impairments	-	-
Closing balance as at 30 June	<u>47,006,738</u>	<u>-</u>
Net Book Valued of Intangible Assets as 30 June	<u><u>423,060,645</u></u>	<u><u>430,855,983</u></u>
Note 82 - Work in Progress		
Asset Costs		
Opening balance as at 01 July	5,281,567,954	1,743,387,001
Additions	6,306,620,119	3,538,180,953
Transfer to PPEs		
Impairments		
Closing balance as at 30 June	<u><u>11,588,188,073</u></u>	<u><u>5,281,567,954</u></u>
89 - Payables and Accruals		
Other accounts payables	2,476,738	1,764,000
Advances received	2,496,829,718	32,302,417
Staff Claims	18,895,896	251,182,247
Supplies of goods and services	1,332,288,598	1,949,095,546
Work in Progress - Construction	894,501,108	224,019,676
	<u><u>4,744,992,056</u></u>	<u><u>2,458,363,886</u></u>
93 - Deferred Income		
Deferred Subvention Capital	-	-
Deferred Subvention Current	261,506,760	-
	<u><u>261,506,760</u></u>	<u><u>-</u></u>
94 - Deposits		
Unapplied Deposit Account	501,980,646	-
	<u><u>501,980,646</u></u>	<u><u>-</u></u>
Note 95 - Notes to the Cashflow Statements		
(a) Other Revenue		
Other Revenue as per Note 31	1,054,756,256	1,218,891,945
Less: Donation of Library Books	(3,971,366)	(313,369,480)
Cash receipts	<u><u>1,050,784,890</u></u>	<u><u>905,522,465</u></u>

**MINISTRY OF FINANCE
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	2023 TZS	2022 TZS
(b) Revenue from Exchange Transactions		
Revenue from Exchange Transactions as per Note 11	30,510,649,671	31,419,568,023
Add: Trade Receivables b/d	2,267,772,845	3,296,490,829
Add: Payable's c/d (Prepaid fees)	2,490,140,218	11,209,417
Less: Trade Receivables c/d	(2,566,068,347)	(2,267,772,845)
Less: Payable's b/d (Prepaid fees)	(11,209,417)	(31,927,758)
Cash receipts	32,691,284,970	32,427,567,666
(c) Subvention from other Government entities		
Open Balance	-	-
Add: Fund Received	11,909,784,252	8,773,156,465
Total	11,909,784,252	8,773,156,465
Less: Subvention Amortised as per Note 32	(11,648,277,492)	(8,773,156,465)
Closing Balance	261,506,760	-
(d) Wages, Salaries and Employee Benefits		
Expenses as per Statement of Financial Performance	21,040,779,775	18,948,741,484
Add: Imprest balance & staff loans c/d	98,957,217	159,528,458
Add: Payable's b/d (staff claims)	251,182,247	207,796,247
Less: Imprest & staff loans balance b/d	(159,528,458)	(3,635,408)
Less: Payable's c/d (staff claims)	(18,895,896)	(251,182,247)
Payments	21,212,494,885	19,061,248,534
(e) Use of Goods and Service		
Expenses as per Statement of Financial Performance	15,911,419,732	10,624,730,383
Add: Prepayment's c/d	134,445,682	29,346,089
Add: Inventory c/d	561,769,862	2,177,149,245
Add: Payable's b/d (Supplies, rental fee, and WHT)	540,433,518	1,642,229,748
Less: Prepayment's b/d	(29,346,089)	(15,316,142)
Less: Inventory b/d	(2,177,149,245)	(1,609,865,228)
Less: Payable's c/d (Supplies, rental fee, and WHT)	(683,081,994)	(540,433,518)
Less: Carrying Value of PPEs reclassified to PL	(228,177,060)	0
Less: Donation of Library Books	(3,971,366)	(313,369,480)
Payments	14,026,343,040	11,994,471,098
(f) Other Expenses		
Expenses as per Statement of Financial Performance	1,148,730,118	1,175,738,452
Add: Payable's b/d (Audit fees)	135,000,000	-
Less: Payable's c/d (Audit fees)	(300,000,000)	(135,000,000)
Payments	983,730,118	1,040,738,452
(g) Cashflow Other Depositor's funds		
Increase or (decrease) in refunds- HESLBD, NHIF & TIASO	(14,403,500)	14,541,000
Increase or (decrease) in MUSE Imprest Account	712,738	(399,036,161)
Changes in Depositor's funds /Refund Creditors	(13,690,762)	(384,495,161)
(h) Acquisition of PPEs		
Addition of PPEs (Note 77)	2,329,202,397	2,525,095,561

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	2023 TZS	2022 TZS
Add: Inventory - Building material c/d	745,127,165	-
Less: Payables of capital nature c/d	(349,206,604)	(1,273,662,028)
Add: Payables of capital nature b/d	1,273,662,028	229,175,057
Payments for Acquisition of Assets	3,998,784,986	1,480,608,590
 (i) Acquisition of Intangible assets		
Addition of Intangible assets (Note 78)	39,211,400	147,438,435
Less: Payables of capital nature c/d	-	-
Add: Payables of capital nature b/d	-	-
Payments for Acquisition of Assets	39,211,400	147,438,435
 (j) Payment for Work in Progress		
Addition of Work in Progress (Note 82)	6,306,620,119	3,538,180,953
Less: Payables of capital nature c/d	(894,501,108)	(224,019,676)
Add: Payables of capital nature b/d	224,019,676	-
Payments for Acquisition of Assets	5,636,138,687	3,314,161,277
 (k) Advance payments for acquisition of assets		
Prepayment Asset c/d	469,751,344	2,085,828,697
Add: Addition - Non monetary	-	-
Less: Prepayment Asset b/d	(2,085,828,697)	-
Recovery / Advance payments	(1,616,077,353)	2,085,828,697

NOTES 96: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES FOR THE YEAR ENDED JUNE 30TH, 2023

Surplus / Deficit for the Year	2,302,958,072	7,027,931,131
Add / Less: Non-Cash Items		
Depreciation of Property, Plant and Equipment	1,970,754,443	1,710,093,750
Amortization of Intangible Assets	47,006,738	
Carrying value of PPEs reclassified to expenses	228,177,060	
Changes in Working Capitals		
Deferred Income	261,506,760	
Deposit	501,980,646	
(Increase)/Decrease in Receivables	(237,724,261)	872,824,934
Increase/(Decrease) in Inventories	1,615,379,383	(567,284,017)
(Increase)/Decrease in Prepayments	(105,099,593)	(14,029,947)
(Increase)/Decrease in Payables and Accruals	2,540,602,163	(1,328,623,732)
Net Cash Flows from/(used) from Operating activities	9,125,541,412	7,700,912,119

NOTE 97: CAPITAL COMMITMENT, CONTINGENTS ASSETS, AND CONTINGENT LIABILITIES

Capital commitments

Outstanding capital commitment as at 30 June 2023 aggregated to TZS 7,083,728,252.00 (2022; TZS 1,497,681,704.30) for the development of the implementation of projects at Mwanza, Mbeya, and Mtwara Campus. The Institute is confident that it will settle the liability and continue with the outstanding and new capital works in the next financial year without financial constraints.

Contingent Assets

At year-end, the Institute had the following contingent assets:

	2023 TZS	2015 TZS
Loss of Cash at Mwanza Campus	NIL	404,866,000

This related to Tuition fee for Mwanza Campus amounted to TZS 404,866,000 which was collected as cash from students but not banked at all, but the Institute has instituted review proceedings and a special audit is yet carried out for report to the RCO Office and now the case is at hearing stage. Therefore, the full amount is included as a contingency.

Contingent Liabilities

During the year under review the Tanzania Institute of Accountancy had a one case. The Institute is the respondent in only one case claiming a relief of TZS 404,866,000. The list of cases is as summarized in Table below;

Table: Existing Litigations claims in the Courts

S/N	COURT/ COMMISSION	CASE NUMBER/PARTIES AND NATURE OF THE CASE	TYPE OF CLAIM	CLAIM AMOUNT (TZS)	STATUS
1	The resident Magistrate Court of Mwanza	Criminal case No. 5 of 2021 between Republic Vs Matola Maneno S/o Matola.	Criminal Case	404,866,000	Appealed by TIA

All cases are at hearing stage in different court. The last case for labour revision case no. 573/2019 is at appeal stage and has been scheduled for hearing on 24th August 2023.

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NOTES TO THE FINANCIAL STATEMENTS AS AT 30TH JUNE 2023

NOTE 98: Restatement of items of financial statements

In the financial year 2021/22, The institute had opted to maintain the old presentation format with items of statement of financial performance and cash flow statements that differ as compared to the established chart of account in MUSE. The current year changes in the presentation items of statement of financial performance to ensure uniformity and compliance with the MUSE financial reports have resulted in the restatement of some items of financial statements as shown below.

Financial Performance based on previously chart of Account		Financial Performance based on MUSE chart of Account	
NOTE	June, 2022 TZS	Restated June, 2022 TZS	Variance
REVENUE			
18 Revenue from Exchange Transactions	32,325,090,488	17 31,419,568,023	(905,522,465)
19 Revenue from Non-Exchange Transactions	9,086,525,945	31 1,218,891,945	1,218,891,945
		32 8,773,156,465	(313,369,480)
Total Revenue	41,411,616,433	41,411,616,433	0
LESS EXPENSES			
20 Staff Costs	24,239,341,306	34 18,948,741,484	(5,290,599,822)
21 Administrative Expenses	6,538,880,128	35 10,624,730,383	4,085,850,255
23 Depreciation Expenses	1,710,093,750	37 1,710,093,751	1

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NOTES TO THE FINANCIAL STATEMENTS AS AT 30TH JUNE 2023

Routine Maintenance Costs	24	1,745,370,118	Maintenance Expenses	36	1,751,871,555	6,501,437
Grants, Subsidies and other Transfer Payments	25	150,000,000	Other Transfers	60	150,000,000	-
			Other Expenses	52	1,175,738,452	1,175,738,452
			Grants and Transfers	59	22,509,677	22,509,677
Total Expenses		34,383,685,302	Total Expenses		34,383,685,302	0
Surplus / (Deficit) for the year		7,027,931,130	Surplus / (Deficit) for the year		7,027,931,131	1

Also, The Previous audited Property, Plant and Equipment TZS 58,873,463,653 has been split into Property, Plant and Equipment TZS 53,591,895,698 under Note 77 and Work in Progress TZS 5,281,567,955 under Note 82.