



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



INSTITUTE OF FINANCE MANAGEMENT

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS AND COMPLIANCE AUDIT FOR THE FINANCIAL
YEAR ENDED 30 JUNE 2022

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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.

Vision

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

Mission

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

Motto: "Modernizing External Audit for Stronger Public Confidence"

Core values

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

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

We do this by:

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

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ABBREVIATIONS

AIDS	Acquired ImmunoDeficiency Syndrome
BOT	Bank of Tanzania
CPA	Certified Public Accountant
CAG	Controller and Auditor General
COVID -19	Corona Virus Disease of 2019
DR-PFA	Deputy-Rector Planning, Finance and Administration
DCS	Director of Computer Services
DF	Director of Finance
DHRA	Director of Human Resource and Administration
DPRC	Director of Postgraduate, Research and Consultancy
PhD	Doctor of Philosophy
ERP	Enterprise Resources Plan
HESLB	Higher Education Students Loans Board
HIV	Human Immunodeficiency Virus
ICT	Information Communication Technology
IFM	Institute of Finance Management
IFMSO	Institute of Finance Management Students Organization
IPSAS	International Public Sector Accounting Standards
LAN	Local Area Network
MBA	Masters of Business Administration
MAKISATU	Mashindano ya Kitaifa ya Sayansi, Teknolojia na Ubunifu
NBC	National Bank of Commerce
NBAA	National Board of Accountants and Auditors
NACTVET	National Council for Technical and Vocational Education and Training
NMB	National Microfinance Bank
NSSF	National Social Security Fund
PE	Procuring Entity
PPF	Parastatal Pension Fund
SSL	Secure Sockets Layer
TANePS	Tanzania e-Procurement System
TCB	Tanzania Commercial Bank
TCU	Tanzania Commission for Universities
TFRS	Tanzania Financial Reporting Standards
TZS	Tanzanian Shillings
URT	United Republic of Tanzania
UDSM	University of Dar es Salaam
VPN	Virtual Private Network
WIP	Work In Progress

INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

The Chairperson of the Council,
The Institute of Finance Management,
P. O. Box 3918,
11101 DAR ES SALAAM.

1.1 REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of the Institute of Finance Management, which comprise the Statement of Financial Position as at 30 June 2022, 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 the Institute of Finance Management as at 30 June 2022, 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 the Institute of Finance Management 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 Report by those charged with Governance and the Declaration by the Head of Finance 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, 2011 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 procurement of works, goods and services in the Institute of Finance Management for the financial year 2021/22 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 the Institute of Finance Management is generally in compliance with the requirements of the Public Procurement laws.

Procurements made outside TANEPS TZS 1,148,652,758.00

Regulation 342 of the Public Procurement Regulations, 2013 requires the use of TANEPS system be implemented by all procuring entities. Additionally circular No.4 with Reference No. EB/AG/485/01/Vol. XII/26 of 23 November 2019 issued by the

Treasury Registrar directed all procuring entities to use TANEPS with effect from 1 January 2020.

Out of 93 procurements worth TZS 3,037,425,329 done by the Institute in 2021/22, 15 procurements of various goods worth TZS 1,148,652,758 were made outside the TANEPS system.

Anomalies in Direct Procurements from Manufacturers or Dealers

Regulation 15 of the PPR, 2013 requires a procuring entity to maintain records of the procurement and disposal proceedings. It further details that where a procuring entity uses a method of procurement other than international and national competitive tendering; the entity should include a statement of the grounds and circumstances with a view to justify the use of the other method of procurement.

Regulation 149 of the Public Procurement Regulations, 2013 as amended by Regulation 51 of the Public Procurement (Amendment) Act, Regulations, 2016 allowed procuring entities to procure directly from manufacturers, dealers or services providers. It goes on to state that "A procuring entity shall in its Annual Procurement Plan identify, goods and services to be procured directly from the manufacturer, dealer or service provider". Additionally, Regulation 149A (4) state that "where there is more than one manufacturer, dealer or service provider the PE shall ensure best value for money by inviting quotations from each manufacturer, dealer, or service provider and evaluate all quotations received and where necessary negotiate with the manufacturer, dealer or service provider with a view to ensure compliance with the requirements for the goods or services"

My review found 14 contracts for the supply of construction materials and stationeries worth TZS 1,253,941,369 were procured directly from manufacturers or dealers without justification of the method of procurement used i.e. Direct Procurement Method.

Furthermore, after review of the Institute Annual Procurement Plan I found that the goods and services that were to be procured directly from manufacturers or dealers were not identified in its Annual Procurement Plan.

Additionally, I found that awarded tenderers were not sole manufacturers or dealers who could supply the goods for which they were awarded the tenders. Contrary to the regulation above, quotations were not issued to more than one manufacturer or dealer.

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 in the Institute of Finance Management for the financial year 2021/22 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that Budget formulation and execution of the Institute of Finance Management 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 2023



REPORT OF THE GOVERNING COUNCIL FOR THE YEAR ENDED 30 JUNE 2022

2.1 INTRODUCTION

In compliance with the Tanzania Financial Reporting Standards (TFRS) No. 1 on the Governance Report, the Governing Council submits this report and financial statements of the Institute of Finance Management for the year ended 30 June 2022. The Financial Statements are prepared in accordance with the International Public Sector Accounting Standards (IPSAS).

2.2 ESTABLISHMENT

The historical background of the Institute of Finance Management goes back to the then National Bank of Commerce (NBC) Training College established by NBC soon after the nationalization of private banks in 1967, with the aim of training the recruited but inexperienced bankers and conducting short-term training programmes for practicing bankers.

The Institute of Finance Management was established by the Institute of Finance Management Act. Cap. 91 R.E. 2002 on 8 February 1972. The Institute came into operation in July 1972. The sources of income to the Institute include tuition fees collected from students, Government subsidies for capital development and personnel emoluments, fees from consultancy and short courses, and other miscellaneous income.

2.3 VISION STATEMENT

To be a reputable world-class higher learning institution that is responsive to global development needs through provision of knowledge and competences in finance management and related disciplines.

2.4 MISSION STATEMENT

To provide quality academic and professional training that nurture creativity and innovation through integrated training, research and consultancy in financial studies and related disciplines.

2.5 CORE VALUES OF THE INSTITUTE

In line with its Vision and the need to fulfil its Mission and live to her philosophy, the Institute adheres to eight (8) core values, abbreviated as ATTITUDE;

- a) **Accountability;** Demonstrating high degree of accountability to our stakeholders and to the community for the mandated functions of the Institute.

- b) **Transparency and fairness;** Being transparent in our work and dealings, stand ready for public scrutiny as well as applying uniform rules and standards.
- c) **Teamwork;** Promoting the culture of team spirit and compassion in order to create synergy in operations.
- d) **Integrity and innovativeness;** Demonstrating high fidelity, honesty, faithful and trustworthy behaviour in all our operations as well as embracing new technologies and innovative methods of doing our work.
- e) **Trust;** Seeking to build trust in every interaction with customers and other stakeholders.
- f) **Unity;** Promoting unity for effective teamwork.
- g) **Diversity & gender equity;** Embracing diversity and gender equity in the life of the Institute in order to promote gender balance and reap the most from the human resource potentials of the Institute.
- h) **Excellence and efficiency;** Delivering prompt and exemplary services to Institute's stakeholders at all times.

2.6 PRINCIPAL ACTIVITIES

The Institute of Finance Management was established by the Act of Parliament No. 3 of 1972 as corporate body with the following general objectives:

- i. To provide facilities for the study of, and training in principles, procedures and techniques of Banking, Insurance, Finance Management and such other related subjects as the Council may decide from time to time;
- ii. To conduct training programs leading to professional qualifications in Banking, Insurance, Financial Management and other related subjects;
- iii. To conduct examinations and grant diplomas, certificate, and other awards of the Institute;
- iv. To sponsor, arrange and provide facilities for conferences and seminars; and

To arrange for the publication and general dissemination of materials produced in connection with the work and activities of the Institute.

2.7 KEY STRENGTHS AND RESOURCES

The Institute has the following key strengths and resources, some are tangible and others are intangible: -

a) Governing Council

The Council serves as the focal point and custodian of corporate governance in the Institute. The Council has been effective in its role of providing direction and oversight to Management and employees since its appointment on 18 April 2019. They exercised oversight of the implementation of strategy and operational plans by Management against the agreed performance measures and targets. The Council's roles and responsibilities included policy development, strategic planning, financial and operational oversight. Generally, the Council members were effective in discharging their oversight responsibilities.

b) Operation and Regulatory Instruments

In the discharge of its functions, the Institute adhered to the IFM Act No.3 of 1972, and all the relevant regulations including the staff regulations, financial regulations, Standing Orders for the Public Service, Examination Regulations, TCU and NACTVET rules and regulations. These instruments were key in the Institute's discharge of its functions judiciously and fairly during the financial year under review.

c) Human Capital Perspective

The Institute has skilled, committed, motivated and competent employees dedicated to the provision of quality services that meet and exceed customers' expectations. In addition, Management adheres to the principles of good governance and promotes good working environment and labour relations. By 30 June 2022, the Institute had campuses in five Regions in Mainland Tanzania namely; Dar-es Salaam, Mwanza, Dodoma, Simiyu and Geita and a total of 305 employees (30 June 2021: 301 employees). Plan was underway to recruit seventy four academicians to ensure the mandate of the Institute is effectively implemented. During the year under review the Institute was permitted to recruit fifty academicians, the process of recruitment is handled by the President's Office Public Service Recruitment Secretariat (PSRS).

d) Financial Perspective

The Institute enhances its financial sufficiency by improving management of its resources through prioritisation of initiatives, and implementing planned activities to generate revenue that meets the required funding. The sources of funds of the Institute are provided in Section 16(a-d) of IFM Act No.3 of 1972 and consist of the following:-

- i. Tuition Fees, or charges, that shall be prescribed;
- ii. Sums as the Institute may receive by way of grant or loan from any person or organisation;
- iii. Consultancy, research and consultancy fees; and
- iv. All other payments due to the Institute in respect of any matter incidental to its functions.

e) Technological Perspective

The Institute has made significant efforts of adopting modern technology and has become the think tank in banking, financial and insurance sectors. The Institute has ICT application systems which has automated and modernized operations, thus, improved provision of academic services and administrative operations. The Institute's ICT systems in operation include the following:-

- i) Enterprises Management System (EMS);
- ii) Student Information System (SIS);
- iii) E-Learning;
- iv) Sage Evolution Accounting Package;
- v) e-Office Management System;
- vi) E-Revenue Collection System (GePG); and
- vii) Time Attendance (Biometric) System.

Generally, the ICT application systems designed and acquired by the Institute are expected to improve efficiency in service delivery. The Institute shall continue with its initiative to automate business operations to enhance efficiency and reduce costs of business operations.

2.8 REVIEW OF THE INSTITUTE'S PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

The Institute has in place a Corporate Strategic Plan (CSP) which describes the Vision, Mission, Core Values, Strategic Objectives, Targets and Key Performance Indicators. During the year, the Institute's Strategic Plan focused on attaining eight major strategic objectives that translate into its primary mandate. These strategic objectives are: -

- i. Improve the quantity and quality of training, research and consultancy services;
- ii. Expand and maintain physical infrastructure;
- iii. Enhance the capacity and motivation of human resources;
- iv. Improve business processes and governance;
- v. Improve students' academic and social experience;

- vi. Enhance financial capacity and sustainability;
- vii. Adhere to the national policy of communicable and non-communicable diseases;
and
- viii. Adhere and implement the national anti-corruption strategy.

The Implementation of the Corporate Strategic Plan is evaluated quarterly, basing on key performance indicators and its report compiled semi-annually and annually. The assessment of performance includes both financial and non-financial aspects. During the financial year 2021/22, the Strategic Plan was implemented at an average of 88.2 percent. The respective objective(s) and targets against performance (% of achievement) are as shown in **Table 1.**

Table 1: Strategic Plan Performance Review

Strategic Objectives	S/No	Targets	Achievements	Performance (%)
Improve the quantity and quality of training, research and consultancy services	1	Student's enrolment increased from 12,565 to 14,500 by June 2022	Students enrolled in all Campuses are 15,528 (IFM Main Campus = 14,088, Dodoma Campus = 153, Simiyu Campus = 186, and Mwanza Campus = 1101)	107
	2	Registration of 14,500 students in various programmes offered by the Institute.	Total Registered students (new and continuing), as at 30 June 2022 were 15,528.	107
	3	Facilitation of HESLB Loans activities for all beneficiaries	All HESLB beneficiaries facilitated as planned	100
	4	Facilitation of conduct of examination (Assessment) for all programmes at Dar Campus (five sessions)	Conduct of assessments (i.e. class tests and final examinations) facilitated as planned	100
	5	Monitoring and evaluation of exams invigilation conducted by June 2022	Exams monitored and evaluated (all undergraduate and postgraduate) as planned	100
	6	Monitoring of teaching and learning process in all IFM campuses conducted by June 2022	Academic audit conducted as planned.	100
	7	At least six curricula developed and accredited by June 2022.	One programme i.e. Bachelor of Science in Cyber Security was developed and submitted to NACTVET for approval. One master of Science in Banking and Information Systems Management was developed and approved by NACTVET. Six other programmes are in the stage of involving external stakeholders.	60
	8	Thirty curricula reviewed and accredited by June 2022	Thirty-five curricula reviewed and approved/accredited by NACTVET	117
	9	At least seventeen consultancy assignments undertaken annually, by June 2022	13 consultancies have been completed and 2 on progress	76
	10	At least thirty-five short courses conducted annually by June 2022	19 short courses were conducted	54
	11	Visibility of the institute's programmes enhanced through conducting five promotion and awareness events annually	The Institute participated into four public exhibitions including SABASABA, TCU AND NANENANE, and MAKISATU.	80
	12	At least sixty-nine research papers completed and published annually by June, 2022	41 research papers were published in different platforms.	59
	14	Four research skill seminars conducted annually by June 2022.	2 seminars were conducted to academicians to equip them with research skills.	50

Strategic Objectives	S/No	Targets	Achievements	Performance (%)
Expand and maintain physical infrastructure	15	Coordination of Land acquisition in Mwanza by June 2022	The Institute have secured the Title Deed for 37 acres at Kiseke plot Mwanza.	100
	16	Coordination and implementation of Simiyu Construction Project by June 2022	The construction of additional staff houses and student hostels by VETA - Singida was completed.	100
	17	Coordination and implementation of Geita Construction Project by June 2022	First phase of construction is on progress. This includes construction of Administration Block, Class rooms, Multipurpose Hall and Cafeteria. -The Institute has started construction activities of phase two which include hostels, staff houses and library. -The building permit for proposed Mwanza Campus at Kiseke plot have been secured. -The drawings for proposed phase one construction of Mwanza Campus at Kiseke have been completed. -The procurement process for contractors and consultant of proposed construction have started.	85
	18	Coordination and implementation of Mwanza Construction Project by June 2022	Classrooms and offices at Main campus rehabilitated and maintained as planned. 4 staff houses were rehabilitated as planned.	100
	19	At least 80% of the demanded classroom and offices facilities at IFM main campus rehabilitated and maintained annually by 2022	One hostel block was rehabilitated as planned.	100
	20	At least 4 Staff Houses rehabilitated by June 2022	Motor vehicles, generator, photocopier and other facilities routine services were carried out and repairs were effected	100
	21	At least one students Hostels at main campus rehabilitated by June 2022	Seats, tables, white boards and furniture were rehabilitated as planned.	90
	22	Repaired and maintained vehicles, generator and other facilities by June 2022.	Cleaning, security and utilities facilitated to the Institute as planned.	90
	23	Rehabilitated the IFM teaching, offices and staff facilities by June 2022.		
	24	Supported administrative services to all Directorates and Faculties by June 2022		

Strategic Objectives	S/No	Targets	Achievements	Performance (%)	
Enhance the capacity and motivation of human resources	25	30 staff attended professional conferences to improve competence by June 2022	29 staff attended professional conferences to improve members of staff competence.	97	
	26	At least 50% of staff equipped with customer care skills by June 2022	94 out of 152 members of staff were equipped with customer care skills	62	
	27	At least two Staff enrolled at bachelor level by June 2022.	2 staff members were enrolled for bachelor studies as planned.	100	
	28	At least three Staff enrolled at Masters level by June 2022.	5 staff enrolled were enrolled for masters studies as planned	167	
	29	At least four, Staff trained at PhD level by June 2022.	5 staff enrolled were enrolled for PhD studies as planned.	125	
	30	At least two staff sports events conducted by June 2022	2 sport events were conducted as planned.	100	
	31	Staff sport teams conducted at least three times weekly training sessions by June 2022	Sport teams trainings conducted 3 times per week	100	
	32	At least one family day event conducted by June 2022	1 family day event conducted as planned.	100	
	33	Four Policies developed and reviewed by June 2022	Four Policies were reviewed as planned this include; Risk Management and Business Continuity Plan, Teaching and Assessment Guideline, Regulation and Guidelines for Research and Publication and Accounting Manual. Six other guidelines are on progress'	100	
	34	Fifty percentage of all of Institute's documents handled electronically by June 2022	Institute's documents are handled electronically through E-Office as planned.	100	
	Improve business processes and governance.	35	Three modules of ERP System implemented by June 2022	Three modules completed successfully as planned.	100
		36	Wireless internet speed increased to 100 mbps by June 2022	-Wireless Internet speed increased to 70 mbps	70
		37	The Institute local area network and bandwidth expanded to 200 mbps by June 2022	Local Area Network for Block D were restructured and bandwidth expanded to 155 mbps.	78
		38	Three Video conferencing facilities installed by June 2022	Installation of three video conferencing facilities is on the process, and will be finalized during the financial year 2022/23.	75

Strategic Objectives	S/No	Targets	Achievements	Performance (%)
	39	Security appliance and software licenses are renewed by June 2022	Security appliances and software licenses were renewed this include: SSL certificate, Turnitin software, Government Mailing System services, E-view software, Backup and VPN service, Sage pastel evolution, technical support of Sage pastel evolution, Kaspersky Antivirus software, Adobe creative cloud software, Sophos.	100
	40	One hundred and fifty computers, two servers and ten printers and scanners are installed by June 2022	<ul style="list-style-type: none"> One hundred and forty-six tower computers and 17 laptops were acquired and installed on staff offices, libraries and computer labs. Servers, printers and scanners were not installed. 	80
	41	Two photocopiers are installed by June 2022.	Two photocopier machines are installed at Mwanza and Dodoma Campuses	100
	42	Six classrooms equipped with modern ICT facilities (projectors and computers) by 2022	Four classrooms were equipped with modern ICT facilities which comprise of: Procurement of PA systems are on the process, Four multimedia projectors acquired for replacement of old projectors, Six new projectors acquired for installation in classes, Two projector screen is installed and Various multimedia accessories for Projectors are installed.	67
Improve students' academic and social experience Enhance financial and capacity	43	Power back-up for ICT facilities enhanced by June 2022	<ul style="list-style-type: none"> Three centralized UPS and ten standalone UPS are acquired. New solar power battery system is installed. 	100
	44	Access and efficiency of ICT services increased by June 2022	<ul style="list-style-type: none"> Efficiency of ICT services increased through repairs and maintenance of Heavy-duty photocopiers and printers, Replacement of three multifunction D-Link switches is on the process, and Installation of fibre at Block C is on the process. 	100
	45	Eight sports and games events for students facilitated by June 2022	Seven events were conducted.	88
	46	Four programs on sexuality education provided by June 2022	Four seminars were conducted as planned	100
	47	Two community social responsibility events conducted by June 2022	Two events were conducted as planned.	100
	48	Four sexual harassment seminars conducted to students by June 2022	Three sexual harassment seminars conducted)	75
	49	Budget and annual work plan prepared, processed and at least 95% implemented	Preparation of the Annual Work-plans and Budget for 2022/23 has been completed successfully in line with the	100

Strategic Objectives	S/No	Targets	Achievements	Performance (%)
sustainability		annually.	Institute's Strategic Plan 2021/22 - 2025/26.	
	50	Quarterly audit reports prepared annually by June 2022.	Audit reports were prepared and successfully presented to the Audit Committee	100
Adhere to the national policy of communicable and non-communicable diseases	51	Two voluntary counselling and testing sessions conducted by June 2022	2 voluntary counselling and testing for members of staff were conducted as planned.	100
	52	Four HIV/AIDS and Non-Communicable diseases awareness programs conducted by June 2022	Four HIV/AIDS and Non-Communicable diseases awareness programs were conducted as planned.	100
	53	Two ant-corruption seminar conducted by June 2022	Two ant-corruption seminar were conducted as planned.	100
Adhere and implement the national anti-corruption strategy	54	IFM integrity committee trained by June 2022	Not implemented, committee was formed in July 2022	N/A
	55	IFM integrity committee conducting meeting semi- by June 2022	Not implemented, committee was formed in July 2022	N/A
Overall Performance (%)				88.2

Source: Monitoring

2021/22

year

financial

for

Report

and Evaluation

and

for

2021/22

2.9 THE INSTITUTE'S GOVERNING COUNCIL

2.9.1 Members of the Governing Council

The Governing Council comprises of ten members including the Chairperson with a mix of skills, experience and diversity as shown in **Table 2**. The Chairperson of the Governing Council is appointed by the President of United Republic of Tanzania for a term of three years renewable in accordance with Section 2(a) of IFM Act No. 3 of 1972. Other members of the Governing Council are appointed by the Minister responsible for Finance and Planning.

The Governing Council takes overall responsibility for the Institute, including identifying key risk areas, considering and monitoring academic and administrative decisions, financial matters, and reviewing the performance of annual plans and budgets. The Council is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Council is required to meet at least four times a year. The Council delegates the day to day management of the Institute to the Rector assisted by Deputy Rectors and senior management. Members of Senior Management are invited to attend Board meetings and facilitates effective control of all operational activities, acting as a medium of communication and coordination between various operational areas.

During the year under review no conflict of interest existed among the Board Members, Senior Management and the Institute. All Key Management Personnel made declarations by adhering to the National Board of Accountants and Auditors (NBAA) directives for the purpose of making sure that every transaction done by IFM with related parties is adequately disclosed and thus provides users of financial statements with adequate information for decision making. The details on Related Party Transactions are disclosed in **Note 29** of these financial statements.

Table 2: Composition of Members of the Governing Council¹

S/NO	Name	Position	Nationality	Gender	Age (Yrs.)	Date of Appointment	Experience	Qualifications
1.	Dr. Benson A. Bana ²	Chairman	Tanzanian	Male	61	16.06.2019	i. Senior Lecturer at UDSM. ii. Diplomat	PhD (Human Resource Management), MA (Political Science & Admn.), BA (Political Science and Administration)
2.	Prof. Emmanuel A. Mjema	Vice Chairman	Tanzanian	Male	62	18.04.2019	i. Rector of College of Business Education (CBE) for 7 yrs ii. Professor for 16 yrs in ICT	PhD (Computer Simulation), M.Sc. (Engineering Management), B.Sc. (Mechanical Engineering)
3.	Prof. Eleuther A. Mwangeni ³	Member	Tanzanian	Male	63	18.04.2019	(i) Executive Secretary, Tanzania Commission for Universities for 2 yrs (ii) Deputy Vice-Chancellor (Planning, Finance & Administration) for 9 yrs (iii) Professor for 15 yrs	Ph.D. (Applied Population Research), MA Demography, BA (Education)
4.	Mr. William E. Erio	Member	Tanzanian	Male	58	18.04.2019	i. Director General NSSF for 3 yrs. ii. Director General PPF/ NSSF & FCC for 12 yrs	Master of Laws in International Law, Bachelor of Laws
5.	Ms. Mwanaidi A.	Member	Tanzanian	Female	66	18.04.2019	i. Accountant General	CPA, Master of Business

¹The tenure of Governing Council ended on 17 April 2022.

²The Chairman of the Governing Council was appointed to the position of Ambassador by the then H.E. Dr. John Pombe Joseph Magufuli, President of the United Republic of Tanzania on 20 September 2019; nonetheless the chairmanship was not removed from him.

³The Council Member Passed away on Monday 26 July 2021.

S/NO	Name	Position	Nationality	Gender	Age (Yrs.)	Date of Appointment	Experience	Qualifications
	Mtanda						Tanzania for 8 yrs ii. Deputy Director Management Accounting for 4 yrs	Administration, B. Com (Accounting)
6.	Ms. Anne C. Mbughuni	Member	Tanzanian	Female	63	18.04.2019	i. Director of Corporate Affairs for 2yrs ii. Director of Finance and Administration for 13 yrs	CPA, Master of Social Science (Accounting & Finance), Advanced Diploma in Certified Accountancy
7.	Dr. Onesmo B. Selejo	Member	Tanzanian	Male	50	18.04.2019	University Lecturer for 16 yrs	PhD in Economics, M.Sc. (Agricultural Economics), B.Sc. (Animal Science and Production)
8.	Ms. Margaret S. Mngumi	Member	Tanzanian	Female	52	18.04.2019	i. Ag. Registrar of Complaints for 2 yrs ii. Manager Legal Counsel for 5 yrs	Masters in Law - Mediation and Arbitration, Masters in Law - Women's Law, Bachelor of Laws, Advocate.
9.	Mr. Martin J. Mmari	Member	Tanzanian	Male	59	18.04.2019	i. PPF- Director of Finance for 16 yrs ii. Bank of Tanzania- Bank Examiner for 9 yrs iii. Board Members to various Inst.	CPA, MBA (International Banking and Finance), B.Com (Accounting)
10.	Ms. Severa S. Kazaura	Member	Tanzanian	Female	48	18.04.2019	i. Assistant Administrative Secretary-Administration and Human Resources Management and Development for 2 yrs. ii. Assistant Director- Human Resources Management and Development for 7 yrs	Master of Public Sector Management, BA (Sociology)

Source: Governing Council Appointment Letters

2.9.2 Committees of the Governing Council

The Institute is committed to the principles of effective corporate governance. The Council also recognizes the importance of integrity, transparency and accountability. To ensure a high standard of corporate governance, the Institute has three Committees of the Board namely:-

- i. The Audit Committee (AC) which is responsible for oversight of the financial reporting process, the audit process, the Institute's system of internal controls and compliance with laws, standards and regulations;
- ii. The Finance and Development Planning Committee (FDPC) which is responsible for all matters relating to the Institute's finances, policy and planning; and
- iii. The Staff and Student Affairs Committee (SSAC) which is responsible for all staff and student matters. The Committee handles all appointments and promotion of staff of the Institute. It is also responsible for all disciplinary matters of the staff members and students.

Members of the Committees of the Governing Council were as shown in Table 3.

Table 3: Members of Committees of the Governing Council

S/NO	Name	Audit Committee (AC)	Finance and Development Planning Committee (FDPC)	Staff and Student Affairs Committee (SSAC)
1.	Prof. Emmanuel A. Mjema			Chairman
2.	Prof. Eleuther A. Mwangeni		Chairman	Member
3.	Mr. William E. Erio		Member	
4.	Ms. Mwanaidi A. Mtanda	Chairperson		
5.	Ms. Anne C. Mbughuni	Member		
6.	Dr. Onesmo B. Selejio		Member	Member
7.	Ms. Margaret S. Mngumi			Member
8.	Ms. Severa S. Kazaura	Member		
9.	Mr. Martin J. Mmari		Member	

Source: Governing Council File

2.9.3 Meetings of the Governing Council and Committees

To maintain and operationalise good governance practices, during the year under review, the Institute convened statutory meetings of the Council and its Committees according to the set almanac. Some of the meetings were rescheduled and where necessary, special meetings were conducted in order to deliberate on specific issues which emerged. The Council meetings deliberated, approved and gave directives on various issues submitted by the Committees.

The Governing council and its Committees met after every three months with additional meetings convened when it was necessary. During the year ended 30 June 2022 the Governing Council held seven meetings, of which three were ordinary and four were extra-ordinary. In addition, there were various Meetings of the Governing Council Committees as shown in Table 4.

Table 4: Meetings of the Committees

S/No	Name of Committee	Ordinary Meetings	Extraordinary Meeting	Total Meetings
1.	Audit Committee (AC)	2	2	4
2.	Finance and Development Planning Committee (FDPC)	3	1	4
3.	Staff and Student Affairs Committee (SSAC)	3	0	3

Source: Governing Council File

With exception of Chairman of the Governing Council, other members of the Governing Council were able to devote their time required for the committee's meetings.

Table 5 indicates the number of meetings held and attended by members of the Governing Council and its committees from 1 July 2021 to 30 June 2022.

Table 5: Numbers of Meetings held and attended by members of the Governing Council

S/No	Name	Governing Council	Audit Committee	Finance and Development Planning Committee	Staff and Student Affairs Committee
Number of Meetings Held		7	4	4	3
1.	Dr. Benson Bana ⁴	N/A	N/A	N/A	N/A
2.	Prof. Emmanuel A. Mjema ⁵	7	N/A	N/A	N/A
3.	Prof. Eleuther A. Mwageni	N/A	N/A	N/A	N/A
4.	Mr. William E. Erio	4	N/A	4	3
5.	Ms. Mwanaidi A. Mtanda	6	4	N/A	N/A
6.	Ms. Anne C. Mbughuni	5	4	N/A	N/A
7.	Dr. Onesmo B. Selejio	6	N/A	4	3
8.	Ms. Margaret S. Mngumi	6	N/A	N/A	3
9.	Ms. Severa S. Kazaura	6	4	N/A	N/A
10.	Mr. Martin J. Mmari	6	N/A	4	N/A

Source: Attendance Register

⁴The Chairman of the Governing Council was appointed to the position of Ambassador by the then H.E. Dr. John Pombe Joseph Magufuli, President of the United Republic of Tanzania on 20 September 2019; nonetheless the chairmanship was not removed from him.

2.9.4 Responsibilities of the Governing Council and Its Committees

a) Governing Council Responsibilities and Meetings

During the year the Governing Council performed its responsibilities in accordance with the Institute Act Cap.91 R.E. 2002.

A summary of matters dealt with during the Governing Council's seven meetings is summarized in Table 6.

Table 6: Key Issues Deliberated on by the Governing Council in 2021/22

S/No	DATE	ORDINARY	EXTRA ORDINARY	KEY ISSUE DELIBERATED ON
1.	29 September 2021		1	<ul style="list-style-type: none"> • Draft Financial Statements for the year ended 30 June 2021.
2.	6 October 2021	227		<ul style="list-style-type: none"> • Requested for Promotions of four academic staff members. • Requested for appointment of Dr. Suleiman Mohamed on two years contract employment after attaining retirement age. • Physical Expansion Report for development of campuses at Geita, and Simiyu. • Annual Budgetary Performance Report. • Annual Performance Report for the Directorate of Finance, Directorate of Policy and Planning and the Procurement Management Unit. • Annual Monitoring and Evaluation Performance Report for the period ended 30 June 2021. • Requested for approval of Annual Procurement Plan for 2021/22 financial year. • Audit Report for the Quarter ended 30 June 2021. • Audit Report for the year ended 30 June 2021.
3.	24 November 2021	228		<ul style="list-style-type: none"> • Requested for Promotion of Dr. Lilian Georgette Nyamizi to lecturer. • Physical Expansion Report for development of campuses at Geita, and Simiyu. • Quarterly Budgetary Performance Report. • Quarterly Performance Report for the Directorate of Finance, Directorate of Policy and Planning and the Procurement Management Unit.
4.	10 January		2	<ul style="list-style-type: none"> • Report of the Controller and Auditor

S/No	DATE	ORDINARY	EXTRA ORDINARY	KEY ISSUE DELIBERATED ON
	2022			General on the Audit of Financial Statements of the Institute of Finance Management for the financial year ended 30 June 2021 <ul style="list-style-type: none"> • Management Letter on the Financial Statements of the Institute of Finance Management (IFM) for the year ended 30 June 2021.
5.	7 February 2022		3	<ul style="list-style-type: none"> • Revised Budget for Financial Year 2021/22. • The Institute's Annual Work Plan and Forward Budget for the year 2022/23 - 2024/25.
6.	14 March 2022	229		<ul style="list-style-type: none"> • Quarterly Performance Reports for the Directorate of Human Resource and Administration and Directorate of Students Services. • Requested for promotions of two staff members from Assistant Lecturers to Lecturers and one staff member from Lecturer to Senior Lecturer. • Physical Expansion Report for development of campuses at Geita, and Simiyu. • Quarterly Performance Report for the Directorate of Finance, Directorate of Policy and Planning and the Procurement Management Unit. • Requested for approval of Annual Procurement Plan for 2022/23 financial year. • Quarterly Monitoring and Evaluation Performance Report for the period ended 31 December 2021.
7.	11 April 2022		4	<ul style="list-style-type: none"> • Confirmation of Minutes of 229 Ordinary Meeting held on 14 March 2022. • Governing Council Report for three years from 2019/20 - 2021/22.

Source: Minutes of the Governing Council meetings for the financial year 2021/22.

b) Finance Development and Planning Committee Meetings

The Finance Development and Planning committee monitors the financial performance of the Institute. It considers financial policies, budget preparation and other related issues and makes recommendations to the Council on these matters taking into consideration of the importance of financial sustainability.

The Finance and Development Planning Committee met four times during the year and performed its duties as summarized in Table 7.

Table 7: Key Issues Deliberated on by the Finance and Development Planning Committee in 2021/22

S/No.	DATE	ORDINARY	EXTRA ORDINARY	KEY ISSUES DELIBERATED ON
1.	27 September 2021	42		<ul style="list-style-type: none"> Physical Expansion Report. Annual Budgetary Financial Performance Report for the year ended 30 June 2021. Annual Performance Report of the Directorate of Policy and Planning, Directorate of Finance, and Procurement Management Unit for the year ended 30 June 2021.
2.	17 November, 2021	43		<ul style="list-style-type: none"> Physical Expansion Quarterly Report for the Period of 1 July to 30 September 2021. Quarterly Budgetary Performance Report for the Period of 1 July to 30 September 2021. Quarterly Performance Reports for the Directorate of Finance, Directorate of Policy and Planning, and Procurement Management Unit for the Period of 1 July to 30 September 2021. Quarterly Monitoring and Evaluation Performance Report for the Period of 1 July to 30 September 2021.
3.	1 February, 2022		1	<ul style="list-style-type: none"> Revised Budget for Financial Year 2021/22. The Institute's Annual Work Plan and Forward Budget for the Year 2022/23 - 2024/25.
4.	22 February, 2022	44		<ul style="list-style-type: none"> Physical Expansion Report for the Quarter ended 31 December 2021. Six Months Budgetary Performance Report for the Period ended 31 December 2021. Quarterly Performance Report of the Directorate of Policy and Planning, Directorate of Finance, and Procurement Management Unit for the period ended 31 December 2021. Annual Procurement Plan for 2022/23

Source: Minutes of the Finance and Development Planning Committee meetings for the financial year 2020/21.

c) Audit Committee Meetings

The responsibilities of the Audit Committee are to assist the Council in its oversight responsibility with respect to internal audit functions, internal control systems, internal and external audit reports, financial statements, and implementation of the auditors' and Parliamentary Accounts Committee (PAC) recommendations. The Committee is composed of a Chairman and two members, who are also the Council Members and normally meets four times in a year.

During the year under review the Audit Committee met four times and performed its duties as elaborated in Table 8.

Table 8: Key Issues Deliberated on by the Audit Committee in 2021/22

S/No.	DATE	ORDINARY	EXTRA ORDINARY	KEY ISSUE DELIBERATED ON
1.	23 September 2021		1	<ul style="list-style-type: none"> Draft Financial Statements for the year ended 30 June 2021.
2.	16 November 2021	50		<ul style="list-style-type: none"> Internal Audit Report for the Quarter ended 30 September 2021. Internal Audit Budget for the financial year 2022/23. Internal Audit Assurance strategy and Plans for the financial year 2022/23.
3.	20 December 2021		2	<ul style="list-style-type: none"> Report of the Controller and Auditor General on the Audit of Financial Statements of the Institute of Finance Management for the Financial Year Ended 30 June 2021 Management Letter on the Financial Statements of the Institute of Finance Management (IFM) for the year ended 30 June 2021.
4.	14 February 2022	51		<ul style="list-style-type: none"> Internal Audit Report for the Quarter ended 31 December 2021. Writing Off of Uncollectable Receivables.

Source: Minutes of the Audit Committee Meetings for the Financial Year 2021/22

d) Staff and Students Affairs Committee Meetings

The responsibilities of the Staff and Students Affairs Committee are to assist the Council in its oversight responsibility with respect to Human Resource Management, Administration matters and Students Affairs. The Committee is composed of a Chairman and two members, who are also the Council Members.

During the year ended 30 June 2022, the Staff and Students Affairs Committee met three times and performed activities as summarized in Table 9:

Table 9: Key Issues Deliberated on by the Staff & Students Affairs Committee in 2021/22

S/No.	DATE	ORDINARY	EXTRA ORDINARY	KEY ISSUES DELIBERATED ON
1.	17 September, 2021	23		<ul style="list-style-type: none"> Annual Performance Report of Directorate of Human Resource and Administration and Directorate of Student Services for the year ended 30 June 2021 Requested for approval of

S/No.	DATE	ORDINARY	EXTRA ORDINARY	KEY ISSUES DELIBERATED ON
				<p>promotion of one academic staff and ten administrative staff members.</p> <ul style="list-style-type: none"> • Confirmation of thirteen staff members. • Recommended to the Governing Council for approval of four academic staff members.
2.	17 November, 2021	24		<ul style="list-style-type: none"> • Quarterly Performance Reports of Directorate of Human Resources and Administration and Directorate of Students Services for the Quarter ended 30 September 2021. • Recommended promotion of one academic staff member from Assistant Lecturer to Lecturer. • Recategorized six staff members. • Confirmation of three staff members.
3.	22 February, 2022	25		<ul style="list-style-type: none"> • Quarterly Performance Reports for the Quarter ended 31 December 2021 for the Directorate of Human Resources and Administration and Directorate of Students Services. • Recommended to the Governing Council for approval of three academic staff members; two from Assistant Lecturer to Lecturer and one from Lecturer to Senior Lecturer.

Source: Minutes of the Staff and Students Affairs Committee Meetings for the Financial Year 2021/22.

2.10 CESSATION OF MEMBERSHIP

Membership to the Governing Council ceases after completion of a term of three years or following death or resignation as stipulated in Section 4 (First Schedule) of IFM Act No.3 of 1972. Members of the Governing Council as shown in the Table 2 completed their three years term in April 2022.

2.11 FIDUCIARY RESPONSIBILITY

All Non-executive Directors/Members are considered by the Governing Council to be independent both in character, judgment and free of relationships or circumstances, which could affect their judgment.

2.12 EQUITY STRUCTURE

The Institute Equity structure for the year under review is shown in the Statement of Financial Position. The source of funding has been through Government, development partners, and internally generated funds. Table: 10 Summarizes the Equity Structure of the Institute.

Table 10: Equity Structure

Capital and Reserves	30 JUNE 2022 (TZS '000)	30 JUNE 2021 (TZS '000)
Capital Fund	3,439,082	3,439,082
Accumulated Surplus/(Deficit)	79,724,346	72,202,838
Total Equity	83,163,428	75,641,920

Source: Statement of Financial Position as at 30 June 2022.

2.13 LIQUIDITY

During the financial year ended 30 June 2022, the Institute managed its liquidity level to ensure there is sufficient funds to meet its liabilities when due without damage to the Institute's reputation. The Institute's current ratio for the financial year ended 30 June 2022, which measures the ability of the current assets to meet its short term obligations (current liabilities) was 4.35:1 (2020/21: 4.03:1).

Moreover, the Acid (quick) test ratio which also measures the ability of current assets without inventories, to meet its short term obligations (current liabilities) was 4.19:1(30 June 2021: 4.02:1).

2.14 RELATIONSHIP WITH STAKEHOLDERS

The Institute recognizes the importance of addressing the needs and expectations of its key stakeholders in order to add value and to fulfil its mission. The key stakeholders include development partners, general public, students, sponsors and staff. The Institute is committed to delivering value to its stakeholders through better services and good customer care while maintaining good relationship in its engagement.

2.15 CASH FLOW PROJECTION

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

The cash flow from operations decreased from TZS 6,191,718,000 in 2020/21 to TZS 3,147,794,000 during 2021/22. The decline was attributed to non-receipt of tuition fees for the second instalment by 30th June 2022 in respect of students sponsored by

HESLB amounting to TZS 3,836,581,070 The drivers for the strong cash flow were from the growth on Other Revenue and students' fees.

a) Cash Flows from Operating Activities

The net cash flows from operating activities of TZS 3,147,794,000 (2020/21: TZS 6,191,718,000) was derived as the difference between cash receipts amounting to TZS 31,670,442,000 (2020/21: TZS 36,354,698,000) from Fees, Government subvention and other Income; and payments amounting to TZS 28,522,648,000 (2020/21: TZS 30,162,980,000) for wages, salaries and employee benefits; operating expenses and administration expenses.

b) Cash Flows from Investing Activities

The net cash flows from investing activities of TZS 3,331,869,000 (2020/21: TZS 4,685,433,000) was derived from difference between cash receipts amounting to TZS 1,631,513,000 (2020/21: TZS 1,496,000,000) from the Government for construction work and capital expenditures including work in progress in respect of construction work and ERP development; acquisition of intangible assets, property and equipment's amounting to TZS 3,331,869,000 (2020/21: TZS 4,685,433,000).

c) Cash flows from Financing Activities

There were no net cash flows from financing activities during the year ended 30 June 2022 (2020/21: TZS 17,177,000). The net cash flows of TZS 17,177,000 for the year ended 30 June 2021 was attributed to dividend received from Tanzania Portland Cement where the Institute owns shares.

2.16 MANAGEMENT

In accordance with Section 10 (1) of the IFM Act, 1972, the Institute of Finance Management is led by the Rector assisted by two deputies, one responsible for Academic, Research and Consultancy and the other for Planning, Finance and Administration. The Institute has nine directorates, four faculties and four units. The directorates include Human Resources and Administration, Planning and Policy, Computer Services, Library, Finance, Registrar, Internal Audit, Undergraduate, Postgraduate Research and Consultancy. The faculties are Accounting, Banking and Finance, Computing, Information System and Mathematics, Insurance and Social Protection, and Economics and Management Science. The units includes the Procurement Management, Legal, Public Relations, and Quality Assurance and Risk Management.

2.17 COUNCIL REMUNERATIONS

The Council expenses which also include statutory payments to key management personnel during the year are as disclosed under **Note 29** to the Financial Statements.

2.18 ACADEMIC ACTIVITIES

During the reporting period, the Institute conducted thirty two out of thirty-five programmes at the level of Certificate, Ordinary Diploma, Bachelor and masters degrees in the areas of Banking, Finance, Insurance, Social Protection, Accounting, Tax Management, Economics, Business Administration, Actuarial Science, Human Resource Management, Computer Science and Information Technology. These programmes were conducted at the Campuses in Dar es Salaam, Mwanza, Dodoma and Simiyu.

The Institute also conducted various programmes at the level of Postgraduate diploma in areas of Tax Management, Human Resource management, Accountancy, Financial Management, Business Administration, Insurance and Actuarial Science. The Institute also conducted a Master of Science degree in Information Technology and Management in collaboration with the Avinashilingam University of India.

2.19 OTHER CORE ACTIVITIES

The Institute continued to conduct research, consultancy and short courses during the year under review compliance with section 4(e) of the IFM Act No.3 of 1972.

2.20 INSTITUTIONAL CAPACITY BUILDING

a) Physical Facilities and Infrastructures

The Institute continued to provide and maintain conducive working facilities and infrastructure to enable employees to execute its roles and functions efficiently. Physical facilities include provision of office chairs and tables, computers, printing facilities, maintenance of building, vehicles and equipment.

During the year under review, the Institute completed the construction, rehabilitation and repairs and maintenance as follows:

i) Completed

- a. Repairs and maintenance of classrooms facilities at the Main Campus which were carried out using the internally generated funds; and
- b. Internal Earth roads network at Simiyu Campus.

ii) **Work in Progress covers construction of:**

- a. Two hostel block and four residential houses at Simiyu Campus (completed by 99%);
- b. Fence at Simiyu Campus (completed by 95%);
- c. Cafeteria at Simiyu Campus (completed by 95%); and
- d. Cafeteria, classrooms and administration blocks at Geita Campus (Completed by 85%).

iii) **Improvement of ICT Infrastructures**

The Institute continued to improve the ICT infrastructure. ICT is used in the admission of students, academic assessment processing and students registration. It is also used in financial management, and human capital management.

b) Staff development

The Institute continuously develop training programs to ensure the employees are adequately trained at all levels. Employees are given opportunity to attend short and long training programmes both locally and outside the country to upgrade their skills and enhance career development. During the year under review, 39 members of staff were undergoing training as compared to 36 in the year 2020/21 as analysed in **Table 11**.

Table 11: Number of Staff on Training for the year 2021/22

Level	Training	Administrative staff		Academic staff	
		2021/22	2020/21	2021/22	2020/21
PhD		-	01	29	25
Master's Degree		04	07	03	-
Degree		03	03	-	-
Total		07	11	32	25

Source: Training Report

2.21 KEY PERFORMANCE INDICATORS

i) **Teaching Assessments**

About 64% of the teaching is undertaken by the permanent staff of the Institute and the remaining (36%) is carried out by the part-time lecturers. The target of the Institute is to have 90% of the teaching done by the permanent teaching staff as analysed in **Table 12**.

Table 12: Analysis of Teaching Staff

S/No	Faculties	Permanent Academic Staff		Part-Time Academic Staff		Total
		Number	Per (%)	Number	(%)	
1.	Faculty of Accounting, Banking and Finance (FABF)	46	63.9	26	36.1	72
2.	Faculty of Computing Information Systems and Mathematics (FCIM)	57	57.0	43	43.0	100
3.	Faculty of Insurance and Social Protection (FISP)	34	79.1	09	20.9	43
4.	Faculty of Economics and Management Science (FEMS)	20	47.6	22	52.4	42
5.	Mwanza Campus	29	69.0	13	31.0	42
6.	Dodoma Campus	12	70.6	05	29.4	17
7.	Simiyu Campus	14	87.5	02	12.5	16
TOTAL		212	63.9	120	36.1	332

Source: Reports of the Academic Development Committee for financial year 2021/22

ii) Academic Performance of Final Year Students

During the academic year of 2021/22, a total of 5,817 students sat for their final examinations for the second semester as shown in Table 13, and 2,258 (equivalent to 38.8%) students passed their examinations, compared to 2020/21 whereby 3,376 (equivalent to 74.6%) passed their examinations. This indicates a decline in academic performance for the year under review by 35.8%.

Table 13: Academic Performance of Final Year Students

Main Courses	2021/22		2020/21	
	No. of students enrolled	No. of students passed	No. of students enrolled	No. of students passed
Certificate	1,227	379	1,316	648
Basic Technician	NIL*	NIL*	NIL*	1
Ordinary Diploma	919	429	530	356
Higher Diploma	NIL**	NIL**	NIL**	6
Bachelor Degree	3,437	1,425	2,646	2,350
Postgraduate Diploma	42	25	16	5
Master's program	192	***	18	10
Total	5,817	2,258	4,526	3,376

Source: Enterprise Management System

Key:-

- * Basic Technician Certificates students who enrolled for Ordinary Diploma were given certificate of completion after passing one year of study and could not proceed for the 2 year of Diploma Programs.

** Students who enrolled for Bachelor's Degree but could not proceed to the final year were awarded Higher Diploma after successful completion of the 2 year of studies.

*** Master's programmes registered during the year are still progressing with block examinations.

iii) Registration Performance

During the year 2021/22 a total of 14,987 students (2020/21: 14,395) were registered to undertake various courses offered at the Institute, which represent an increase of 4.1% from previous year. Out of this 8,350 are male and 6,547 are female as analysed in Table 14.

Table 14: Registration Analysis

S/No	Campuses	2021/22		2020/21	
		Male	Female	Male	Female
1.	Dar es Salaam	7,699	5,925	7,685	5,895
2.	Mwanza	510	476	321	286
3.	Dodoma	65	53	49	52
4	Simiyu	76	93	55	52
Total		8,350	6,547	8,110	6,285

Source: Reports of the Academic Development Committee for financial year 2021/22.

iv) Research and Publications Activities

The Institute invites researchers and other scholars from foreign and local institutions to conduct research and publish the results in various field of Accounting, Finance, Banking, Insurance, Information Technology and other related fields.

During the year under review, 41 (2020/21:40) journal articles were published by the Institute's academic members and sixteen research papers are in progress and under-review. Also, two books have been published namely; Mathematics and Statistics for ordinary diploma programs and Income tax in Tanzania: The application of Income tax Act, 2004 for corporate and individual taxpayers.

Furthermore, during the year under review thirty-nine book chapters were received, thirty-eight being complete and one being incomplete. The complete book chapters were sent-off to reviewers and were all sent to the authors for review. Twenty-three chapters have been received after the review from authors.

v) Short courses Activities

During the year under review, the Institute managed to conduct nineteen (2020/21:33) short courses on various field funded by Individuals and entities carried out across the country and earned a total of TZS 200,000,000 (2020/21: TZS 580,000,000).

vi) Consultancy Activities

During the year under review, the Institute managed to offer ten (2020/21: twenty one) professional services to registered entities in the country and earned a total of TZS 460,000,000 (2020/21: TZS 710,000,000). The decrease in consultancy activities is mainly caused by the decline in needs by the public entities and unfavourable competition from other private entities.

2.22 CURRENT AND FUTURE DEVELOPMENT PLANS

The Institute will continue to improve its provision of services through competent and motivated employees by complying with all rules and regulations while focusing on value-added customer services. In addition, The Institute will continue with its expansion strategies through development of Campuses in Geita and Mwanza with the aim of increasing student's enrolment. In the next financial year, the Institute plan to initiate construction of Mwanza Campus at Kiseke Area. This facility will have the capacity to accommodate 2,520 students at once, this infrastructures will be able to run programmes of about 10,000 students in a typical semester.

The Institute plans to shift Mwanza Campus operations from the current rented facilities at Rock City Mall by the commencement of the 2023/24 academic year. The Institute expects to enrol 2,000 students in the academic year 2022/23 and 2,100 students in the year 2023/24.

The construction of Simiyu and Geita Campuses are expected to be completed during the financial year 2022/23. The Simiyu Campus has enrolled 198 students and the number is expected to increase to 300 students in the academic year 2022/23. The first batch of 100 students at the Geita Campus is expected to be enrolled in November 2023.

The Institute will continue to improve and modernize its business operation and services to the satisfaction of its stakeholders.

2.23 RESULTS AND DIVIDENDS

The Institute of Finance Management is a public institution that is not for profit motive rather for implementing it is core responsibilities as defined in the IFM Act, 1972. The management plans to utilise the surplus of TZS 6,014,301,000 (2020/21 TZS 6,980,427,000) for financing future activities of the Institute in line with the Approved Strategic Plan.

2.24 FINANCIAL PERFORMANCE AND POSITION

a) Statement of Financial Performance

The performance of the Institute is measured basing on the achievements it makes in implementing its core functions as stipulated under Section 4 of the IFM Act No. 3 of 1972. However, the Institute needs to generate adequate resources in order to support its operations.

i) Revenue

During the financial year ended 30 June 2022 total revenue was TZS 35,852,211,000 (2020/21: TZS 35,323,741,000) and hence revenue increased by TZS 528,470,000 representing an increase of 1.1 %. The increased revenue was mainly attributed to income from exchange transactions (tuition fees) and Government subvention.

ii) Expenses

The Institute expenses for the financial year ended 30 June 2022 aggregated to TZS 29,837,910,000 (2020/21: TZS 28,343,314,000). The increase in expenses of TZS 1,494,596,000, representing 5.3%, was mainly associated with salaries, transport and employees related benefits. As a result, the Institute recorded a surplus TZS 6,014,301,000 (2020/21: TZS 6,980,427,000).

The major components of the expenses during the year ended 30 June 2022 were Wages, Salaries and employee benefits amounting to TZS 15,141,359,000 (2020/21: TZS 14,815,523,000), this increase is attributed to rise in increased operating expenses to TZS 8,039,949,000 (2020/21: TZS 6,723,546,000). The increase in operating expenses is attributed to academic operating cost including office and general supplies associated with the rise in the enrolment of students. Administration expenses have decreased to TZS 6,589,487,000(2020/21: TZS 6,804,245,000). In 2021/22 the Institute contributed TZS 300,000,000 to the Consolidated Fund compared with TZS 1,300,000,000 of 2020/21

Capital Expenditure incurred amounted to TZS 3,331,869,000 (2020/21: TZS 4,685,433,000), being costs for acquisition of various non-current assets and work in progress in respect of construction of new campuses.

b) Financial Position

The Institute total assets increased by TZS 7,547,236,000 to TZS 86,790,680,000 (30 June 2021: TZS 79,243,444,000). The increase was mainly on account of acquisition of property and equipment, capital work in progress and cash and cash equivalents. Likewise Net Assets increased by TZS 7,547,236,000 (30 June 2021: TZS.

79,243,444,000). The noted increase was mainly attributed to additional surplus for the year 2021/22 amounting to TZS 6,014,301,000.

i) Cash and Cash Equivalents

The Institute cash and cash equivalent as at 30 June 2022 was TZS 8,642,133,000 (2020/21: TZS 8,826,208,000) which is a decrease of TZS 184,075,000 equivalent to 2.1% as per Note 5. This decrease is attributed by under collection of tuition fees from students sponsored by HESLB for the second semester of academic year 2021/22.

ii) Receivables and Prepayments

The analysis of the recorded performance on recognized revenue as at 30 June 2022 indicates that the Institute had cumulative revenue receivables from exchange transactions of TZS 5,743,731,000 (30.6.2021: TZS 4,280,710,000) out of these, receivables with the age to one year, that is, in respect of the financial year ended 30 June 2022 was TZS 4,108,579,954 and the long outstanding receivables beyond one year was TZS 1,506,429,100. Out of the reported revenue receivables, TZS 4,139,175,970 is from HESLB and other receivables from exchange transaction are consultancy fees amounting to TZS 196,522,000 (2020/21: TZS 71,339,000), representing unsettled invoices as at 30 June 2022.

Prepayments includes advance to suppliers at TZS 1,016,232,000 (30.6.2021: TZS 2,622,872,000) hence a decrease of TZS 1,606,640,000. The advance was paid to Government Procurement Services Agency (GPSA) in 2020/21 to facilitate acquisition of motor vehicle which were not delivered up to the year end.

Staff Loans receivables amounted to TZS 61,541,000 (30.6.2021: TZS 86,282,000) and these includes staff advance issued to staffs during the financial year.

Other receivables is IFMSO and Student allowances TZS 173,337,000 (30.6.2021: TZS 220,755,000) these is the funds paid in advance to students whose activities begins after closing the financial year but within the academic year. The full amount are to be recovered once the new academic year begins.

iii) Property, Plant and Equipment

The property, plant and equipment during the year ended 30 June 2022 stood at historical cost of TZS 76,221,362,000 (30.6.2021: TZS 72,236,377,000). The increase was attributed to purchase of motor vehicles, furniture and fittings, ICT equipment, office machines, graduation gowns, and other assets as classified as other non-current assets. There was also a work in progress for the construction of Geita Campus, Simiyu, Dodoma and Msata. The Institute could not capitalize this as the work is still in progress.

iv) Intangible Assets

The intangible assets as at 30 June 2022 based on net book value was TZS 150,102,000 (30 June 2021: TZS 104,983,000) the increase was attributed to purchase of new software. There was also work in progress for development of ERP system whose cost aggregated to TZS 341,134,000 (2020/21: TZS 190,600,000).

v) Payables and Accrued Expenses

Total payables and accrued expenses as at 30 June 2022 were TZS 3,278,614,000 (30 June 2021: TZS 3,135,121,000). The major part of the payables and accrued expenses were cash deposits received from students which are expected to be refunded back after completion of studies amounting to TZS 1,748,053,000 (30 June 2021: TZS 1,875,595,000).

2.25 OWNERSHIP

The Institute of Finance Management is wholly owned by the Government of the United Republic of Tanzania as stipulated in the IFM Act No.3 of 1972.

2.26 FINANCIAL REPORTING AND AUDITING

The Council accepts final responsibility for the preparation of the annual report and financial statements. The financial statements are as follows: -

- a) A Statement of Financial Position;
- b) A Statement of Financial Performance;
- c) A Statement of Changes in Net Assets for the period;
- d) A Statement of Cash Flows for the period;
- e) A Statement of comparison of Budget and Actual;
- f) Notes, comprising a summary of significant accounting policies and other explanatory notes; and
- g) The Report by those Charged with Governance.

The responsibility for compiling the annual financial statements is vested with the management and the Institute complied with all applicable laws, standards, regulations, Government Circulars and guidelines in preparation of annual financial reports. The external auditors of the Institute report on whether or not the annual

financial statements are fairly presented. The Members of the Governing Council were satisfied that during the year under review the following issues were undertaken effectively: -

- a) Adequate accounting records were maintained.
- b) System of internal control and risk management, monitored by management, was maintained.
- c) Appropriate accounting policies, supported by reasonable and prudent judgments and estimates, were used consistently; and
- d) The financial statements were prepared in accordance with:-
 - i. International Public Sector Accounting Standards;
 - ii. Tanzanian Public Finance Act No. 6 of 2001;
 - iii. TFRS No.1 issued by the NBAA; and
 - iv. Guidelines issued by the Accountant General through Circular No. 1 of 2021/22 on the preparation and presentation of financial reports and closure in respect of the year under review.

The Councillors are also satisfied that no material event has occurred between the financial year-end and the date of this report which affects the business or has not been reported.

2.27 RELATED PARTY TRANSACTIONS

Related party is the one who has the ability, authority and responsibility for planning, directing and controlling the activities or exercise significant influence in making financial and operating decisions. A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged or not. Under the Institute's circumstance, the Governing Council Members and Senior Management Employees are related parties. The related party transactions refer only to council members' annual fees and the management emoluments as disclosed under **Note 29** of the Financial Statements.

2.28 EMPLOYEES WELFARE

The Institute provides employees welfare in accordance with the Government's directives, Staff Regulations, and Scheme of Service and incentive package approved by the Governing Council.

a) Management - employees' relationship

A healthy relationship continues to exist between management and employees. There were no unresolved complaints received by the management from the employees during the financial year 2021/22.

Employees were represented at various levels of decision making particularly through their leaders' participation in the Workers' Council as well as in the meetings of the Committees of the Governing Council.

The Institute is an equal opportunity employer. It gives equal access to employment opportunities and it ensures that the best available person is appointed to any given position, free from discrimination of any kind and without regarding factors like gender, marital status, tribe, religion or disability.

b) Training

Human resource plays significant roles in developing and reinforcing positive performance within an organization. Likewise, at the Institute human resource is one of the key components that facilitate fulfilment of the Institute core functions.

When organisations develop their employees, they are strengthening their assets and making these employees even more valuable. For the purpose of improving efficiency and effectiveness of employees work performance, the Institute in 2021/22 financial year spent TZS 700,000,000 (2020/21 TZS 450,000,000) in training both academic staff and non-academic staff. Training of staff members is guided by the Training Policy of the Institute. Training efforts were focused on short-term and long-term training geared towards enhancing academic and professional competence.

c) Promotions

The Institute budgeted and received the approval of 87 staff promotions from the Permanent Secretary (Establishment) for the financial year 2021/22. These promotions were implemented during the year under review.

d) Health, Safety and Working Environment

Effective health, safety and risk management is a priority for the Institute. The Institute safety management system delivers a safe working environment by continuous and effectively assessing the working environment.

Management believes that its employees should find working for the Institute an inspiring and personally elevating experience, and consequently accepts co-responsibility for the development of each employee to his/her full potential. Career progress is based on the individual initiative towards the fulfilment of their

responsibilities complemented by the Institute. This encompasses individual commitment towards innovative thinking and professional expertise resulting to reward.

e) Opportunities and Fairness

Management is convinced that equal opportunities for all employees, irrespective of ethnicity, race, gender, disability or religion, should be pursued. Management accepts that only through total commitment, loyalty and dedication of its employees will be able to achieve its performance targets.

f) Financial Assistance to Staff

This is available to all employees depending on the merit of each case assessed by management as well as liquidity position of the Institute. However, employees are also encouraged to obtain loans or advances from Commercial banks to meet their various needs in as far as finance is concerned. The Institute continues to grant financial assistance in accordance with the Financial Regulations (2016). During the year under review the Institute made internal financial assistance to staff in the form of staff loans amounting to TZS 60,000,000 (2021: TZS 80,000,000).

g) Persons with Disabilities

The recruitment policy of the Institute does not discriminate against persons with physical disabilities. There are persons with disabilities among the members of staff as well as among students. Further, in case an employee becomes disabled in the course of employment the Institute ensures that his employment continues. Furthermore, the Institute provides training, career development and promotion to disabled employees like other employees.

h) Employees benefit plan

The Institute operates an unfunded and budgeted based benefit scheme for its employees. The provision is made in the financial statement for the estimated cost of the future benefits under the scheme, but employees' contributions are not made to the scheme. The Institute has a defined contributions plan to cater for pension obligations for her employees by paying on monthly basis agreed contributions to the Pension Funds.

Employees working on contract basis are paid gratuity which is equal to 25% of the total emoluments during the contract period. In order to ensure that employee's welfare is safeguarded, the Institute complies fully with workmen's compensation act which requires compensation with employees injured in course of their employment.

i) Medical facilities

The Institute meets the cost of medical consultation and treatment for all employees and their immediate family dependents through contributions made to the National Health Insurance Fund (NHIF).

j) Voluntary Agreement and Workers Council

The Institute has a voluntary agreement with Researchers Academician and Allied Workers Union (RAAWU) which assists to enhance good industrial relations, employee's welfare and retaining of high skilled staff.

2.29 GENDER PARITY

The Institute attempts to abide to the national gender balance policy and it has been very keen in considering gender balance in appointment at various levels based on ability, qualifications and integrity. Currently nine female members of staff are heading directorates or departments. The gender parity of staff members at the Institute was as shown in Table 15.

Table 15: Gender Parity

Gender	2022		2021	
	Number	Percentage	Number	Percentage
Males	205	67	200	66
Females	100	33	101	34
Total	305	100	301	100

Source: Human Capital Management Information System

2.30 SOLVENCY AND GOING CONCERN EVALUATION

The Institute Council confirms that, in the course of preparing these financial statements, International Public Sector Accounting Standards (IPSAS) have been complied with. The Institute Council ensures that Institute of Finance Management has adequate funds to meet its main]

Objectives which comprise of training, research, and consultancy activities. During the year under review, the Institute's cash and cash equivalent was TZS 8,640,000,000. The Government of the United Republic of Tanzania will continue to provide grants to the Institute to meet operational expenses especially personnel emoluments and development activities. In view of this assessment, the Governing Council is of the opinion that the Institute has a sound financial position and will continue to operate for the unforeseeable future.

2.31 ENVIRONMENTAL CONSERVATION

The Institute believes that environmental awareness plays a vital role in shaping public attitudes. In order to conserve the environment, the Institute is keen to ensure that all kind of wastes generated are safely disposed of.

2.32 ANTI-CORRUPTION MOVES

In conducting its activities, IFM maintains transparency and observes the principles of good governance. In this respect, the Institute has established an Ethics Committee that deals with mitigation of unethical issues including corruption.

2.33 CORPORATE GOVERNANCE

a) Code of Corporate Practice and Conduct

Institute is committed to the principles of effective Corporate Governance. The Governing Council complies with principles of good Corporate Governance. In observing good governance, it has established and maintained Committees including the Audit Committee, Finance Development and Planning Committee, Staff and Students Affairs Committee.

b) Flexibility towards Change

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

c) Business ethics and organizational integrity

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

d) Performance evaluation and reward

The Institute ensures compliance with the the government's directives on salaries and other benefits payable to staff, while at the same time taking into account the intrinsic

value of the individual contributions. Details of the remuneration paid to key management staff are disclosed in Note 28 (b) to the financial statements.

2.34 CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Institute encourages employees to participate in partnerships and supportive relationships to make a tangible impact on local and national communities. We believe in creating a better world for our employees, their families and our neighbours. During the year under review the Institute engaged in various corporate social responsibility activities. These included financial support of;

- i. TZS 11,500,000 to Sapiwi Ward in Bariadi District;
- ii. TZS 1,540,000 to IFMSO to support charity event that was held in Kibiti District-Pwani Region;
- iii. TZS 2,000,000 Muhimbili Orthopaedic Institute;
- iv. TZS 5,000,000 to the ICT Commission;
- v. TZS 500,000 to Chama cha Wasioona;
- vi. TZS 760,000 to the Peace Disabled Development Group;
- vii. TZS 5,000,000 to Wanawake na Maendeleo (WAMA) Tanzania; and
- viii. TZS 200,000 to Kamati ya Maendeleo ya Nyamanoro.

2.35 HIV/AIDS AWARENESS PROGRAMME

The Institute recognizes the seriousness of the HIV/AIDS epidemic and its negative impacts on the capacity to realize the National Agenda on making Tanzania free from the epidemic. The Institute has adopted the National HIV/AIDS Policy and prepared its HIV/AIDS strategies, which aims at raising HIV/ AIDS awareness to her employees and students. During the year under review it conducted two awareness seminars to the employees and the students. Also, The Institute encourages her employees to undergo regular voluntary HIV tests and for those in need of medical assistance such assistance is provided free of charge by the Institute.

2.36 INTERNAL CONTROL SYSTEM

- a) **Governing Council's Responsibility**

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

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

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

b) Key elements of the internal control system

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

i) Budgets

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

ii) Staff Competence

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

iii) Risk and Internal Control Assessment

The Institute implements enterprise-wide risk management policy and framework. Each Directorate, Department and Unit has established its Risk Register which is being monitored by the Quality Assurance and Risk Management Unit (QARM) for mitigations. Furthermore, the Institute developed Risk Management Guidelines, Business Continuity Plan and Disaster Recovery Plan.

iv) Safeguarding of Institute's Assets

The warrant holders are responsible for safeguarding the assets of the Institute by adhering to Public Finance Act 2001 (Revised 2021) and the Public Assets Management Guideline 2012 (Revised 2019). 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.

v) Development of Tools and Guidelines

For effective and efficient implementation of core functions and operational services and maintaining good governance, institutions are required to have operational tools and guidelines that fit their working environment. During the year under review, the Institute developed and reviewed some tools and guidelines in line with government directive for effective and efficient implementation of core functions and operational services for the aim of maintaining good governance.

vi) The Institute's Rolling Strategic Plan 2017/18- 2021/22

The Institute continued to implement the five-year Strategic Plan for the (2017/18-2021/22) during the financial year 2021/22. The plan is operationalised on the basis of the Annual Action Plans.

c) Function of Internal Audit Unit

The Institute has a sound internal audit unit an internal auditor which independently and objectively evaluates the organization's operations. The unit reports functionally to the Council Audit Committee and administratively to the Rector. It assesses risk and reviews controls. The unit ensures that recommendations to improve controls are implemented by the Management.

d) Function of the Audit Committee

The Audit Committee's role in this area is confined to a high level review of the arrangement for internal control. The Institute's Internal Auditors monitor the system of internal control, risk management control and governance processes in accordance with an agreed plan, and report their findings to management and the Audit Committee.

Management is responsible for the implementation of agreed audit recommendations and the Internal Auditors undertake prevailing follow up reviews to ensure that such recommendations have been implemented. The Audit Committee considers summarized reports together with recommendations for the improvement of the Institute systems of internal control and management's responses and implementation plans. Whilst senior management members attend meeting of the Audit Committee as necessary, they are not members of the committee. The committee meets the internal and external auditors separately for independent discussion.

e) Council's Opinion in Assessment of Regular Reports of the Audit Committee

The Council is of a view that there is an ongoing process for identifying, evaluating and managing the Institute's significant risks, and that it has been in place throughout the year ended 30 June 2022 up to the date of approval of the annual reports and financial statements and is of the opinion that met accepted criteria.

2.37 PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

The Institute developed Risk Management Policy and Framework in accordance with the Circular No.12 of 2012/13 dated 31 May 2013 issued by the Permanent Secretary Ministry of Finance and Planning the Guidance on Preparation of Risk Management issued by the Internal Auditor General in the year 2012. The Institute's Risk Management Policy and Framework was approved for implementation. Training and awareness programmes to principal risk owners and risk champions were undertaken, and Risk Register was updated accordingly.

The Governing Council understands the specific sources of risk and analysis of their impact on the operations at the Institute. In the financial year 2021/22 the Governing Council used risk assessment frameworks to enable the analysis of cost-effective mitigation strategies. Among the types of risks that the Governing Council is aware of and their mitigation strategies are provided in **Table 16**.

Table 16: Types of Risks and mitigation measures

S/No	Risk Title	Causes	Management Action
1.	Failure to deliver quality services that meet clients' expectations (DPRC/R.01)	Arises from business environment - emergence of new strong competitor	Increase number of enrolments and Improving quality of graduates. Develop programmes which suit market and future demands
2.	Failure to develop and maintain infrastructures on time (DHRA/R.01)	Inadequate compliance with construction and building regulations, Inadequate supply of construction materials, Price fluctuations of construction materials, Lack of guideline for maintenance of infrastructure and facilities, and Failure to conduct environmental risk assessment.	Recruitment of adequate staff, Enhance sources of revenue (finance), Engage in pre-purchase framework agreements, Develop project guideline, Develop and effectively implement procurement plan, Establish social events that engage local residents and Develop preventive maintenance schedule.
3.	ICT systems failure (Website, Mailing System, e-Learning, Staff IS, e-Office, EMS, IUMS, NIP, e-library, TANEPS)- (DCS/R.01)	Power outage (Lack/inadequate power back up system), Cyber-attack(s), Virus infection, System network infrastructure failure, Server's hardware and software failure, Hardware failure, Rapid technological changes and obsolesces.	Conduct regular ICT Steering Committee meetings, Recruit competent ICT programmers, Ensure professional certification among ICT staff, Conduct specialized ICT training programs (e.g., Oracle, data Base Management), Conduct awareness on effective use and safety of ICT services to staff users, Operationalize ICT maintenance and replacement services, Procure additional power back-up supply (acquire additional (one) standby generator/solar system), Regular maintenance of the existing power back-up supply (electricity, generator and Solar), Review Business Continuity Guideline (BCP) and align it with Institute Risk Management Guideline, Procure in-house data backup system, and Regular Penetration test in place.
4.	Failure to provide adequate support to staff leading to reduced performance and low morale (DHRA/R.01).	Inadequate staff motivation, Absence of policies, procedures, standards and guidelines, Ineffective communication (untimely sharing of information), Poor organizational culture (poor staff relation, team spirit - silo syndrome), Inadequate	Ensure improved working conditions and working facilities, Conduct objective staff satisfaction survey annually, Conduct training on leadership and soft skills to all levels of management, Equip management with skills to manage and support staff (Soft skills- emotional

S/No	Risk Title	Causes	Management Action
		remuneration and benefits, inappropriate placement, and Unconducive work environment and lack of working facilities.	intelligence, interpersonal intelligence), Finalize and operationalize customer service charter, Develop internal communication guidelines, Organize staff bonanza annually, Conduct and implement results of human resources audit, Make follow up to ensure full approval of staff incentive scheme, Review and communicate capacity building and skills development programs to the staff, Develop and raise awareness of OSHA guidelines, and Establish and implement rotation in appointed positions.
5.	Financial - currency and credit risk (DPRC/R.01)	Inadequate capacity building on skills to write fundable proposals, Inadequate external research funding proposals (e.g. write ups to attract funds for researches), Lack of detailed financial forecast, Inadequate follow-up on fee collection. No dedicated Financial Resources Mobilization Committee (IFRMC for the Institute)	Develop and communicate external research funding proposals (e.g. write ups to attract funds for researches), Train staff on the preparation fundable research proposals, Prepare detailed financial forecast, Ensure close follow-up and prompt fee collection, Conduct training enhance staff capacity to increase consultancy activities (as source of finance), Establish and operationalize Institute Financial Resources Mobilization Committee (IFRMC) (to be chaired by DR-PFA with DPRC, DF, Deans).

Source: Institute's Risk Register

2.38 COMPLIANCE WITH THE LAWS AND REGULATIONS

The principal functions and operations of the Institute are governed by the IFM Act No.3 of 1972. The Councillors confirm that the activities and operations of the Institute were conducted in accordance with the Acts and there was no information on non-compliance with other applicable written laws and regulations that would have material impact on the Institute.

2.39 SERIOUS PREJUDICIAL MATTERS

During the year ended 30 June 2022, there were no serious prejudicial matters to report as required by the Tanzania Financial Reporting Standards No. 1-Governance Report.

2.40 EVENTS AFTER REPORTING PERIOD

There were no material events, adjusting or non-adjusting, which have occurred between the reporting date and the date when financial statements are authorized for issue.

2.41 ACCOUNTING POLICIES

A summary of key accounting policies as per International Public Sector Accounting Standards (IPSAS's) is in **Note 2** to the Financial Statements and were consistently applied during the year under review.

2.42 IMPACT AND RESPONSES TO COVID-19 PANDEMIC

There is no major impact of COVID -19 pandemic during the financial year ended 30 June 2022. Generally, the Institute responded positively to the Government's strategies of combating the Covid-19 pandemic through formulation of awareness team which was charged with the responsibility of ensuring that stakeholders wear face masks, wash their hands and use hand sanitizer whenever they are at the Institute.

2.43 STATEMENT OF COMPLIANCE

The Governance Report is prepared in line with the Tanzania Financial Reporting Standard No. 1 (TFRS No. 1) as issued by the National Board of Accountants and Auditors (NBAA). The Institute's financial statements have been prepared in compliance with the International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board (IPSASB).


2.44 AUDIT MANDATE

The Controller and Auditor General is the statutory auditor of the Institute of Finance Management by virtue of Article 143 of the Constitution of the United Republic of Tanzania as amplified under Section 10 (1) of the Public Audit Act No 11 of 2008. However, in accordance with Section 33 of the same Act, the Controller and Auditor General and M/s Quintex Financial Services will jointly carry out the audit of the Institute for the year ended 30 June 2022.

The Institute through the Audit Committee approves the remuneration of the external auditors.

2.45 APPROVAL

This Report was approved and authorised for issue by the Governing Council and signed on its behalf by:

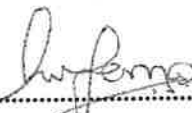

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Prof. Emmanuel A. Mjema
Chairman of the Governing Council
Date: 22/03/2023
.....

1.0 STATEMENT OF COUNCILORS' RESPONSIBILITIES

The Institute of Finance Management Act, RE 2002 requires the Governing Council to ensure that financial statements are prepared for each financial year, which presents fairly, in all material respects, the state of affairs as at the end of the financial year and of its operating results for the year that ended. The Governing Council is also required to ensure that the Institute keeps proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the Institute. The Governing Council Members are also responsible for safeguarding the assets of the Institute.

The Governing Council Members are responsible for ensuring the preparation of financial statements that present fairly, in all material respects, in accordance with the International Public Sector Accounting Standards (IPSAS). The Governing Council Members accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable estimates, in conformity with the International Public Sector Accounting Standards. The Governing Council Members are of the opinion that, the financial statements present fairly, in all material respects of the state of affairs of the financial position of the Institute and of its financial performance and its cash flows in accordance with the International Public Sector Accounting Standards.

The Governing Council Members further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate system of internal controls. Nothing has come to the attention of the Governing Council Members to indicate that the Institute will not remain a going concern for at least twelve months from the date of this statement. The Governing Council confirms that all the existing laws and regulations applicable in running the Institute have been complied with during the reporting period. They include the Public Finance Act of 2001 and its amendments, the Public Procurement Act of 2011 and its Regulations, and other laws, circulars and regulations applicable to the Institute.

Signed by: 

Prof. Emmanuel A. Mjema

Chairman of the Governing Council


Date: 22/03/2023

2.0 DECLARATION OF THE HEAD OF FINANCE OF THE INSTITUTE OF FINANCE MANAGEMENT

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

It is the duty of the Professional Accountant to assist the Governing Council to discharge the responsibility of preparing financial statements of an entity which shows true and fair view of the entity's position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Governing Council under the Statement of Councillors Responsibility.

I, CPA Christina K. Akwilin, being the Acting Head of Finance of the Institute of Finance Management hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2022 have been prepared in compliance with applicable accounting standards and statutory requirements. I thus confirm that the financial statements give a true and a fair view of the position of the Institute of Finance Management as on that date and that they have been prepared based on the properly maintained financial records.

Signed by: .....
CPA Christina K. Akwilin
Position: Acting Director of Finance
NBAA Membership No: ACPA 1696
Date: 22.03.2023.....

**THE UNITED REPUBLIC OF TANZANIA
THE INSTITUTE OF FINANCE MANAGEMENT**

3.0 FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

ASSETS	NOTES	2021/22	2020/21
		TZS	Restated
		000'	TZS
			000'
Current Assets			
Cash and Cash Equivalents	5	8,642,133	8,826,208
Trade and other Receivables under exchange transactions	7	5,743,731	4,280,710
Inventories	6	540,739	43,752
TOTAL CURRENT ASSETS		14,926,603	13,150,670
Non-Current Assets			
Financial Assets	8	434,710	429,148
Work in Progress	9	5,161,483	2,859,158
Property, Plant and Equipment	10a	66,117,782	62,699,486
Intangible Assets	10b	150,102	104,983
Total Non-Current Assets		71,864,077	66,092,774
TOTAL ASSETS		86,790,680	79,243,444
LIABILITIES			
Current Liabilities			
Payables and accruals under exchange transactions	13	3,278,614	3,135,121
Deferred income under exchange transactions	14	136,859	109,010
Deferred income under non-exchange transactions	15	17,649	17,649
Total Current Liabilities		3,433,122	3,261,780
Long term Liabilities			
Provision for employment benefits	12	194,130	339,744
TOTAL LIABILITIES		3,627,252	3,601,524
NET ASSETS		83,163,428	75,641,920
CAPITAL AND RESERVE			
Capital Fund	11	3,439,082	3,439,082
Accumulated Surplus		79,724,346	72,202,838
TOTAL NET ASSETS/EQUITY		83,163,428	75,641,920


.....
Prof. Emmanuel A. Mjema
CHAIRMAN-GOVERNING COUNCIL

.....
Prof. Josephat D. Lotto
RECTOR

Date: 22.03.2023.....

**THE UNITED REPUBLIC OF TANZANIA
THE INSTITUTE OF FINANCE MANAGEMENT
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022**

REVENUE	NOTES	2021/22 TZS '000'	2020/21 TZS '000' Restated
Revenue from exchange transactions - Tuition Fees	16	22,244,781	21,533,809
Revenue from non- exchange transactions -			
Recurrent grant & Development	17	10,086,476	9,972,676
Fair value adjustment and exchange gains	18	(101,942)	107,109
Other Revenue	19	<u>3,622,896</u>	<u>3,710,147</u>
Total Revenue		35,852,211	35,323,741
Less: - EXPENSES			
Operating expenses	20	8,039,949	6,723,546
Wages, salaries, and employee benefits	21	15,141,359	14,815,523
Administration expenses	22	6,589,487	6,804,245
Impairment Loss	23	67,115	0
Total Expenses		29,837,910	28,343,314
SURPLUS FOR THE YEAR		<u>6,014,301</u>	<u>6,980,427</u>


.....
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RECTOR

Date: 22.03.2023
.....

**THE UNITED REPUBLIC OF TANZANIA
THE INSTITUTE OF FINANCE MANAGEMENT**

CASH FLOWS STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

		2021/22	2020/21
CASH FLOWS FROM OPERATING ACTIVITIES	Notes	TZS 000'	TZS. 000'
Receipts			
Subsidies from other government entities		8,454,963	8,476,676
Tuition Fees	28(i)	19,886,583	24,263,239
Other Revenue	28(ii)	<u>3,328,896</u>	<u>3,614,783</u>
Total Receipts		<u>31,670,442</u>	<u>36,354,698</u>
Payments			
Wages, Salaries and Employee Benefits	28(iii)	(14,947,229)	(14,665,921)
Other expenses	28(iv)	(13,575,419)	(15,497,059)
Total Payments		<u>(28,522,648)</u>	<u>(30,162,980)</u>
Net Cash Flows from Operating Activities-A	28(v)	<u>3,147,794</u>	<u>6,191,718</u>
Cash Flows from Investing Activities			
Receipts			
Subsidies from other government entities		1,631,513	1,496,000
Payments			
Purchase of Property, Plant and Equipment	28(vi)	(2,516,173)	(4,567,746)
Capital Work in Progress	28(vii)	<u>(2,447,209)</u>	<u>(1,613,687)</u>
Net Cash Flows from Investing Activities-B		<u>(3,331,869)</u>	<u>(4,685,433)</u>
Cash Flows from Financing Activities			
Financing Income - Dividend		=	<u>17,177</u>
Net Cash Flows from Financing Activities-C		=	<u>17,177</u>
Net Increase/(Decrease) In Cash And Cash Equivalents (A+B+C)		(184,075)	1,523,462
Cash and Cash Equivalents at the beginning of the year		<u>8,826,208</u>	<u>7,302,746</u>
Cash and Cash Equivalent as at 30 June 2022		<u>8,642,133</u>	<u>8,826,208</u>

.....
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STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

	Taxpayers	Accumulated Surplus	Total
	Fund		
		Restated	Restated
	TZS	TZS	TZS
	000'	000'	000'
Balance on 1 July, 2020	3,439,082	65,222,411	68,661,493
Surplus for the year	-	<u>6,980,427</u>	<u>6,980,427</u>
Balance on 30 June, 2021	3,439,082	<u>72,202,838</u>	<u>75,641,920</u>
Balance on 1 July 2021	3,439,082	72,202,838	75,641,920
Accumulated Depreciation Adjustment - Note 10a & 10b		1,507,207	1,507,207
Surplus for the year At 30 June 2022	<u>3,439,082</u>	<u>6,014,301</u> <u>79,724,346</u>	<u>6,014,301</u> <u>83,163,428</u>


.....
Prof. Emmanuel A. Mjema
CHAIRMAN-GOVERNING COUNCIL


.....
Prof. Josephat D. Lotto
RECTOR

Date: 22.03.2023.....

**THE UNITED REPUBLIC OF TANZANIA
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**4.0 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022
REPORTING ENTITY**

The historical background of the Institute of Finance Management goes way back to the then National Bank of Commerce (NBC) Training College established by NBC soon after the nationalization of private banks in 1967 with the aim of training recruited newly bankers and conducting short-term training programmes for practicing bankers. The construction of the National Institute of Banking and Insurance (now the Institute of Finance Management - IFM) started in 1970 and due to the increased requirement of trained personnel in the fields of Banking, Insurance, Financial Management and the related subjects, the Institute of Finance Management was established by Act No. 3 of 1972 as a corporate body and became operational in July 1972.

Currently IFM has four Campuses: The Main Campus which is located between Samora Avenue /Shaaban Robert Street and Mirambo Streets/ Sokoine Drive in Dar es Salaam, Mwanza Campus located in Mwanza City (Rock City Mall), Simiyu Campus located at Bariadi District, and Dodoma Campus located at Uhindini Street.

The Head Office address of the Institute during the year was:

5 Shaaban Robert Street,
P. O. Box 3918,
11101DAR ES SALAAM,
Email: rector@ifm.ac.tz.
Phone: +255 222 112931-4.

1.2 PRINCIPAL ACTIVITIES

The Institute of Finance Management was established by Act of Parliament No. 3 of 1972 as corporate body with the following general objectives:

- i. To provide facilities for the study of, and training in principles, procedures and techniques of Banking, Insurance, Finance Management and such other related subjects as the Council may decide from time to time;
- ii. To conduct training programs leading to professional qualifications in Banking, Insurance, Financial Management and other related subjects;
- iii. To conduct examinations and grant diplomas, certificate, and other awards of the Institute; and
- iv. To arrange for the publication and general dissemination of materials produced in connection with the work and activities of the Institute.

**THE UNITED REPUBLIC OF TANZANIA
THE INSTITUTE OF FINANCE MANAGEMENT**

1.3 REPORTING PERIOD

The reporting period for these financial statements is the financial year of the Institute which runs from 1 July 2021 to 30 June 2022.

1.0 SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements is set out below. These policies have been applied consistently across the reporting years unless otherwise stated.

2.1 Statement of compliance

The accompanying financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS - Accrual) and its interpretations as issued by the International Public Sector Accounting Standards Board (IPSASB). The Director's Report has been prepared in line with the requirements of the Tanzania Financial Reporting standard (TFRS) No. 1 as issued by the National Board of Accountants and Auditors (NBAA).

2.1.1 Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments measured at fair value whose changes have been measured through the Statement of Financial Performance. There were no adjustments made for inflationary factors affecting the accompanying financial Statements. The Cash Flows Statement is prepared using the direct method. The financial statements are prepared on accrual basis.

2.1.2 Use of estimates and judgements

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

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

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a. Judgments

In the process of applying the Institute's accounting policies, management has made judgments, which have the most significant effect on the amounts recognized in the financial statements.

b. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Institute based its assumptions and estimates on parameters available when the financial statements were prepared, However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Institute. Such changes are reflected in the assumptions when they occur.

c. Useful life and residual values

The useful life and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal: -

- The condition of the asset based on the assessment of experts employed by the Institute.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.
- Changes in the market in relation to the asset.

d. Provisions

Provisions were made and the management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date.

e. Going concern

The management of the Institute has made an assessment of its ability to continue as a going concern. The Institute is satisfied that it has adequate resources to continue in operation for the foreseeable future. Furthermore, the Management is not aware of any material uncertainties that may cast significant doubt upon its ability to continue as a

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going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

f. Impairment of assets carried at amortised cost

Impairment losses on items in cash and balances with commercial banks, loans and receivables and other assets have been undertaken. The Institute reviews its financial assets measured at amortized cost at each reporting date to assess whether an impairment loss should be recognized in the Statement of Financial Performance. In particular, judgment by the Management is required to estimate the amount and timing of future cash flows, when determining the level of impairment loss required. Such estimates are based on the assumptions about a number of factors and hence actual results may differ, resulting in future changes in the impairment.

The Institute makes judgment as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows in an individual asset in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers or local economic conditions that correlate with defaults on assets. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss incurred.

g. Impairment of other financial assets

Impairment exists when the carrying amount exceeds its recoverable amount and the asset is written down to the recoverable amount. Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with characteristics similar to those in the group. Historical loss experience is adjusted on the basis of the current observable data to reflect the effects of current conditions that did not affect the years on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Estimates of changes in the future cash flows reflect, and are directionally consistent with, changes in the related observable data from year to year (such as changes in unemployment rates, property prices, commodity prices, payment status, or other factors that are indicative of incurred losses and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

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h. Useful life of Property and Equipment

Pursuant to the requirements of IPSAS 17 (Property, Plant and Equipment) and IPSAS 3 (Accounting Policies, Changes in Accounting Estimates and Errors) the Institute makes

accounting estimation of the useful lives of assets based on the expected patterns of consumption of the future economic benefits and reviews its depreciation rates at each reporting date.

The Institute expects some or all of the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is recognized in profit or loss net of any reimbursement.

i. Lease

a) The Institute as a Lessee

Operating leases are leases that do not transfer substantially all the the risks and benefits incidental to ownership of the leased item to the Institute. Operating lease payments are recognized as an operating expense in the Statement of Financial Performance on a straight line basis over the lease term.

b) The Institute as a Lessor

Leases in which the Institute does not transfer substantially all the risks and benefits of ownership of an asset are classified as an operating lease. Initial direct costs incurred in maintaining the leased assets are recognized in the operating expense in the Statement of Financial Performance. Lease income is recognised on the straight line basis over the lease term.

2.1.3 Changes in Accounting Standards

a) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2022.

In January 2020, the International Public Sector Accounting Standards Board (IPSASB) issued various amendments and improvements to IPSASs made in 2019. The objective of Improvements to IPSAS, 2019 is to address issues raised by stakeholders. *Improvements to*

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IPSASs made in 2019 deals with non-substantive changes to IPSAS through a collection of amendments which are unrelated.

b) Relevant New standards and Amendments published and which are not yet effective

(i) COVID-19: Deferral of Effective Date

On 6 November 2020 the International Public Sector Accounting Standards Board (IPSASB) published the final pronouncement, COVID-19: Deferral of Effective Dates. The pronouncement delays the effective dates of recently published Standards and Amendments to IPSAS by one year to 1 January 2023. Responding to the global COVID-19 pandemic and the challenges it has created, the purpose of this pronouncement is to provide stakeholders with additional implementation time. The Standards and Amendments which are impacted include:

- IPSAS 41: Financial Instruments;
- IPSAS 42: Social Benefits;
- Long-term Interests in Associates and Joint Ventures (Amendments to IPSAS 36);
- Prepayment Features with Negative Compensation (Amendments to IPSAS 41);

c) Amendments of standards which have no impact on the financial statements of the Institute are: -

(i) Amendments to IPSAS 5, *Borrowing Costs*

Paragraph 6 was amended by *Improvements to IPSAS, 2019*, issued in January 2020. Accordingly, borrowing costs will include:

- Interest on bank overdrafts and short-term and long-term borrowings Interest expense calculated using the effective interest method as described in IPSAS 41, *Financial Instruments*;
- Finance charges in respect of finance leases and service concession arrangements; and
- (e) Exchange differences arising from foreign currency borrowings, to the extent that they are regarded as an adjustment to interest costs.

An entity shall apply this amendment for annual financial statements covering periods beginning on or after 1 January 2022. Earlier application is permitted. If an entity applies this amendment for a period beginning before 1 January 2022, it shall disclose that fact and apply IPSAS 41 at the same time.

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Management has made evaluation that this standard will not affect the Institute's reporting framework.

(ii) **Amendments to IPSAS 30, *Financial Instruments: Disclosures***

- Paragraphs IG13A-IG13C and IG22A-IG22D are added. Paragraph IG23 is amended. New text is underlined and deleted text is struck through **Hedge Accounting (Paragraphs 28A-28C)**.
- Paragraph 28A of IPSAS 30 requires that an entity discloses amounts related to items designated as hedging instruments in a tabular format.
- Paragraph 28B of IPSAS 30 requires that an entity discloses amounts related to items designated as hedged items in a tabular format.
- Paragraph 28C of IPSAS 30 requires that an entity discloses amounts that have affected the Statement of Financial Performance as a result of applying hedge accounting in a tabular format.

An entity shall apply these amendments for annual financial statements covering periods beginning on or after January 1, 2022. Earlier application is permitted. If an entity applies these amendments for a period beginning before 1 January 2022, it shall disclose that fact and apply IPSAS 41 at the same time.

Management has made evaluation and is of the view that the standard will have impact on the financial statements of the Institute.

(ii) **Amendments to IPSAS 33, *First Time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs)***

A first-time adopter may designate a financial asset or financial liability as a financial asset or financial liability at fair value through surplus or deficit that meet the criteria for designation in IPSAS 41, in accordance with paragraph 114113A. A first-time adopter shall disclose the fair value of financial assets and financial liabilities designated into each category at the date of designation, their classification and carrying amount.

IPSAS 41 permits a financial asset or financial liability to be designated on initial recognition (provided it meets certain criteria) as a financial asset or financial liability as at fair value through surplus or deficit. Despite this requirement, an exception applies when a first-time adopter is permitted to designate, at the date of adoption of IPSASs, any financial asset or financial liability as at fair value through surplus or deficit provided the asset meets the criteria in paragraph 44 of IPSAS 41 or liability meets the criteria in paragraph 46 of IPSAS 41 at that date.

An entity shall apply these amendments for annual financial statements covering periods beginning on or after 1 January 2022. Earlier application is permitted. If an

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entity applies these amendments for a period beginning before 1 January 2022, it shall disclose that fact and apply IPSAS 41 at the same time. The standard will have no impact on the financial statements of the Institute.

(iii) Amendments to IPSAS 17: *Property, Plant, and Equipment*

Paragraph 106 has been deleted and paragraph 107 added. The scope of this standard applies to property, plant, and equipment including weapons systems, infrastructure assets; and service concession arrangement assets after initial recognition and measurement in accordance with IPSAS 32, *Service Concession Arrangements: Grantor*.

An entity shall apply these amendments for annual financial statements covering periods beginning on or after 1 January 2021. Earlier application is permitted.

Management has adopted the requirements of this standard effective from 2021/22.

(iv) Amendments to IPSAS 21: *Impairment of Non-Cash-Generating Assets*

Amendments deal with:

- **Recognizing and Measuring an Impairment Loss**

Impairment loss on a non-revalued asset is recognized in surplus or deficit. However, an impairment loss on a revalued asset is recognized in revaluation surplus to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that individual asset in accordance with IPSAS 31 or class of assets in accordance with IPSAS 17. Such an impairment loss on a revalued asset reduces the revaluation surplus for that individual asset in accordance with IPSAS 31 or class of assets in accordance with IPSAS 17.

- **Reversing an Impairment Loss**

Reversal of an impairment loss on a revalued asset is recognized directly in the revaluation reserve and increases the revaluation surplus for that individual asset in accordance with IPSAS 31 or class of assets in accordance with IPSAS 17. However, to the extent that an impairment loss on the same individual revalued asset or class of revalued assets was previously recognized in surplus or deficit, a reversal of that impairment loss is also recognized in surplus or deficit in accordance with IPSAS 31 or IPSAS 17.

An entity shall apply these amendments for annual financial statements covering periods beginning on or after 1 January 2021. Earlier application is permitted.

Management has evaluated the requirements of these amendments and their impact on the Institute financial reporting framework and complied effective 2021/22.

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(v) Amendments to IPSAS 26, *Impairment of Cash-Generating Assets*

• Recognizing and Measuring an Impairment Loss

An impairment loss on a non-revalued asset is recognized in surplus or deficit. However, an impairment loss on a revalued asset is recognized in revaluation surplus

to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that individual asset in accordance with IPSAS 31 or class of assets in accordance with IPSAS 17. Such an impairment loss on a revalued asset reduces the revaluation surplus for that individual asset in accordance with IPSAS 31 or class of assets in accordance with IPSAS 17.

• Reversing an Impairment Loss for an Individual Asset or Class of Asset

A reversal of an impairment loss on a revalued asset is recognized directly in the revaluation reserve and increases the revaluation surplus for that individual asset in accordance with IPSAS 31 or class of assets in accordance with IPSAS 17. However, to the extent that an impairment loss on the same individual revalued asset or class of revalued assets was previously recognized in surplus or deficit, a reversal of that impairment loss is also recognized in surplus or deficit in accordance with IPSAS 31 or IPSAS 17.

An entity shall apply these amendments for annual financial statements covering periods beginning on or after January 1, 2021. Earlier application is permitted.

Management has evaluated the requirements of these amendments and their impact on the Institute's financial reporting framework and will comply effective 2021/22.

(vi) Amendments to IPSAS 40, *Public Sector Combinations*

When an entity adopts the accrual basis IPSASs as defined in IPSAS 33, *First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs)*, for financial reporting purposes subsequent to this effective date. This Standard applies to the entity's annual financial statements covering periods beginning on or after the date of adoption of IPSASs. An entity shall apply this amendment for annual financial statements covering periods beginning on or after 1 January 2021. Earlier application is permitted.

The standard will have no impact on the financial statements of the Institute.

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Amendments to IPSAS 42 - Social Benefits, which is effective on or after 1 January 2023. This Standard will help users of the financial statements to assess the nature of social benefits provided by the Institute, the features of the operation of social benefit schemes and the impact of social benefits on the Institute's financial performance, financial position and cash flows.

(vii) Amendment of IPSAS 13/43, Leases

Which is effective on or after 1 January 2025. Amendments to IPSAS 13/43, to include the appropriate references to IPSAS on impairment, in place of the current references to other international and/or national accounting frameworks. Also, the new feature of right to use asset (controlling on both operating and finance leases) by an entity.

The Institute is evaluating the impact of these Standards on its financial statements and will adopt them in the preparation and presentation of its future financial statements, where applicable.

(X) Amendments to TFRS No.1 Report of those Charged with Governance

The NBAA Governing Board during its 182 meeting held on 22 June, 2020, approved amendments/changes on TFRS No.1. The changes /amendments are effective for accounting period beginning on or after 1 January 2021.

The Institute's management made evaluation of the impact of these amendments on its financial statements and adopted them effective financial year 2021/22.

2.2 Foreign currency translation

a) Functional and presentation

Items included in the financial statements of the Institute are measured using the currency of the primary economic environment in which the Institute operates ("the functional currency"). The financial statements are presented in Tanzanian Shillings (TZS'000), which is the Institute's functional and presentation currency.

b) Transaction and balance

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transactions. Monetary assets and

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liabilities at the year end, expressed in foreign currencies are translated into functional currency using the exchange rates prevailing at the end of the financial year. Translation losses/ (gains) on loans used to finance capital construction projects are capitalized as part of construction work in progress. All other exchange rates gains and losses are reflected in the Statement of Financial Performance.

2.3 Revenue classification

The Institute classifies its revenue into Exchange and Non-exchange transactions during the year by adhering to core and other related activities undertaken by the Institute.

2.3.1 Exchange Transactions

These are transactions, in which the Institute receives assets or services, or it has liabilities extinguished, and they directly give approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange. Tuition fee is the main revenue exchange transaction.

2.3.2 Non-Exchange Transactions

In a non-exchange transaction, the Institute either receives value from another entity without directly receiving approximately equal value in exchange. Grants from the government are the main revenue from non-exchange transactions.

2.4 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Institute and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and Value Added Tax or duty. The Institute assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Institute has concluded that it is acting as a principal in all of its revenue arrangements. The following

Specific recognition criteria must also be met before revenue is recognised:-

a) Government grants

Subvention and assistance received from the government and other donors are recognized when received by the Institute.

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b) Tuition Fees and Other Incomes

Tuition and other fees from students and short courses participants are recognized in the accounting period in which the courses are offered/ conducted. Fees paid in advance are carried forward under the trade payables.

c) Interest and Dividend Income

Interest income is mainly from banks especially on the fixed deposits and is recognized on a time proportion basis net of withholding tax. Dividend income is from the investment in shares at various listed companies and it is recognized when the right to receive payment is established.

d) Rental Income

Rental income is mainly from the rented properties to third parties such as office accommodation and residential properties. Rental income is recognized on time proportion basis when earned and accounted in the respective accounting period.

e) Donation

Donation income is recognized when received. Non-monetary donations, i.e. assets donated are measured at the fair value of the non-monetary item received which is determined by reference to observable market values or by independent appraisal by a member of the valuation profession. Receivable is recognized when a binding transfer agreement is in place but cash or other asset has not been received. When a donation is subject to a condition that, if unfulfilled, it requires the return of the transferred resources, the Institute recognizes it as a liability until the condition is fulfilled.

2.5 Property, Plant and Equipment

Plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the 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 in 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 if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the Statement of Financial Performance as incurred. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

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Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognized after the date of the revaluation. Review are performed frequently to ensure that the fair value of asset does not differ materially from its carrying amount.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the re-valued carrying amount of the assets and depreciation based on the assets original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. The annual depreciation rates which have been consistently applied are as shown in Table 17.

Table 17: Depreciation Rates and Useful life

Item	Depreciation Rate %	Useful Life (Yrs.)
IFM Office buildings , houses and flats	2	50
Furniture, fixtures and fittings	20	5
Kitchen equipment	10	10
Office Equipment	20	5
Library Books	10	10
Motor Vehicles	20	5
Loose tools	10	10
Computers, printers and IT consoles	25	4
Graduation Gowns	10	10
Other Non-Current Assets	10	10
Software	14	7.1
Earth Roads & Surroundings	33.3	3

Source: Accounting Circular No. 2 of 2017/2018.

An item of property, plant and equipment and any significant part initially recognized 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 the Statement of Financial Performance when the asset is derecognized.

Generally, The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end as required by circular No.2 of 2017/18, and adjusted retrospectively, if appropriate. In addition, the Institute stops charging depreciation on an asset when carrying amount equals its residual value.

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a) Assets Held for sale

During the year ending 30 June 2022, a total of 1697 non-current assets were in the process of disposal. Those assets are old age assets, fully depreciated and they were removed from carrying value during the last valuation of assets. Therefore they were not reported in the Statement of Financial Position as at 30 June 2022.

These assets have met all criteria prescribed by accounting standards and there is management commitment to dispose them and approval has been granted by the Treasury. Further, the process of sale is expected to be completed within one year. Accordingly, following their classification as held for sale, depreciation/amortisation charges ceased effective 2020/21.

b) Physical Verification and Valuation of Assets

During the year 2021/22, The Ministry of Lands, Housing and Human Settlements Development, Valuation Section, Dar es Salaam was requested by the Ministry of Finance and Planning, Government Assets Management Division Dar es salaam to carry out physical verification and valuation of assets of the Institute of Finance Management (IFM), Dar es Salaam. The valuation was undertaken in accordance with the requirements of the International Valuation Standards, 2017 (IVS 300 and International Public Sector Accounting Standards (IPSAS) no.17 -Property, Plant and Equipment.

The valuation used the "Replacement Cost Approach". The valuation of 5,809 donated books resulted into a total depreciated replacement cost of TZS 98,200,000. Review of assets useful lives resulted into a net decrease in accumulated depreciation of TZS 1,507,200,000 million. Review of depreciation rates applied on review of useful life is as shown in Table 18.

Table 18: Depreciation Rates and Useful life

ASSETS CATEGORY	Economic life (Yrs)	Depreciation rate (%)
Residential	50	2
Schools	75	1.333
Office	50	2
Plant and Machinery	15	6.667
Furniture & Fixtures	5	20
Office Equipment	5	20
Heavy Duty (5 tons and above)	10	10
Light duty (below 5 tons)	5	20
Computers (Desk top and Laptops)	4	25
Video Conference Equipment	4	25
Servers	7	14.286
Network/ Telecom Equipment	7	14.286

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Equipment Racks	10	10
Other Equipment (with purchase value >or = \$ 50,000)	10	10
Automated File Storage Equipment	7	14.286
Equipment for production, storage and viewing of microforms	7	14.286
Document processing equipment (Photocopies, mail handling equipment and Shredders)	7	14.286
Television studio, cameras and other photographic equipment	7	14.286
Uninterruptable power Supplier (UPS)	7	14.286
Software	10	10
Infrastructural assets		
Earth Roads (initial cost) and Culverts / Drifts	Entity Judgment depending on the type of the Earth.	33.333

2.6 Intangible Assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets are not capitalized and expenditure is reflected in the Statement of Financial Performance in the year in which the expenditure is incurred. At the Institute intangible assets consist of computer application software.

The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The annual rate of amortization applied is 14% per annum.

The amortization period and the amortization method for an intangible asset are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

The amortization expense on intangible assets is recognized in the Statement of Financial Performance. Gains or losses arising from derecognizing of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Financial Performance when the asset is derecognized.

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2.7 Impairment of non-financial assets

a) Impairment of Cash-Generating Assets

At each reporting date, the Institute assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Institute estimates the asset's recoverable amount. An asset's recoverable amount is higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other asset or groups of an assets.

In assessing value in use, the estimated future cash flow is discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operation, including impairment on inventories, are recognized in the Statement of Financial Performance in those expense categories consistent with the nature of the impaired asset.

The Institute also makes assessment at each reporting date as to whether or not there is an indication that previously recognized impairment losses may have no longer existing or may have decreased. If such indication exists the recoverable amount is estimated.

b) Impairment of Non-Cash -Generating Assets

The Institute assesses at each reporting date whether there is an indication that a non-cash generating assets may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Institute estimates the asset's recoverable services amount.

An asset recoverable services amount is the highest of the non-cash generating assets fair value less costs to sell and its value in use.

Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and it's written down to its recoverable service amount.

In assessing value in use, the Institute has adopted the depreciation replacement costs approach. Under this approach, the present value of the remaining service potential of an asset is determined as the depreciated replacement cost of the asset. The

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depreciated replacement costs are measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

In determining fair value less costs to sell, the price of the asset in binding agreement in an arm's length transaction, adjusted for incremental costs that would be directly attributed to the disposal of the asset is used. If there is no binding agreement, but the asset is traded on an active market, fair value less cost to sell is the asset's market price less cost of disposal. If there is no binding sale agreement or active market for an asset, the Institute determines fair value less cost to sell based on the best available information

c) Impairment Losses

For each asset, 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 indications exist, the Institute estimates the impairment loss of the assets.

Recoverable service 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 service 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 service 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.

During the year 2021/22, The Ministry of Lands, Housing and Human Settlements Development, Valuation Section, Dar es Salaam was requested by the Ministry of Finance and Planning, Government Assets Management Division Dar es salaam to carry out physical verification and valuation of 1,143 books at the IFM and undertake impairment test. The impairment was undertaken in accordance with IPSAS 21- Impairment of Non-Cash Generating Assets. The test for impairment of library books registered a total of impairment loss of TZS 67,115,000 .

2.8 Investment in Shares

The Institute has invested in shares of one of the companies listed in the stock exchange. The quoted shares are held both for speculation (shares held for sale

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purposes) and shares held for earning dividend purposes. Investment in shares is reported in the financial statements at their current market values on the date of the financial statements. Any appreciation and or diminution in value of shares are recognized in the financial statements through the Statement of Financial Performance.

2.9 Financial Instruments

a) Financial Assets

i) Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments; Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Institute determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Institute commits to purchase or sell the asset.

The Institute's financial assets include: cash, trade and other receivables; staff loans and other receivables and quoted financial instruments.

ii) Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

- **Financial assets at fair value through surplus or deficit**

Financial assets at fair value through surplus or deficit include financial assets held for trading and financial assets designated upon initial recognition at fair value through surplus and deficit. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at fair value through surplus or deficit are carried in the Statement of Financial Position at fair value with changes in fair value recognized in surplus or deficit.

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- **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement loans and receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Gains and losses are recognized in the Statement of Financial Performance when the loans and receivables are derecognized or impaired, as well as through the amortization process.

- **Held-to-maturity**

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Institute has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

- **Available-for-sale financial assets**

The Institute classifies available-for-sale financial assets as non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity or financial assets at fair value through surplus or deficit.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value with gains or losses recognized directly in net assets through the Statement of Changes in Net Assets until the financial asset is derecognized, at which time the cumulative gain or loss is recognized in surplus or deficit.

iii) Derecognition

The Institute derecognizes a financial asset or, where applicable, a part of a financial asset or part of a group of similar financial assets when:-

- The rights to receive cash flows from the asset have expired or they have been waived; and

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- The Institute has transferred its rights to receive cash flows from the asset or it has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either: (a) the Institute has transferred substantially all the risks and rewards of the asset; or (b) the Institute has neither transferred nor retained substantially the risks and rewards of the asset, but it has transferred control of the asset.

iv) Impairment of financial assets

The Institute assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators: -

- The debtors or a group of debtors are experiencing significant financial difficulty;
- Default or delinquency in interest or principal payments;
- The probability that debtors will enter bankruptcy or other financial reorganization; and
- Observable data indicate a measurable decrease in estimated future cash flows (e.g. changes in arrears or economic conditions that correlate with defaults)

For financial assets carried at amortized cost, the Institute first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Institute determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets with similar credit risk characteristics are collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a

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variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral have been realized or transferred to the Institute.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreased because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in surplus or deficit.

- **Available-for-sale financial assets**

For available-for-sale financial assets, the Institute assesses at each reporting date whether there is objective evidence that an investment or a group of investments is impaired. In the case of financial assets classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value was below its original cost. Where there is evidence of impairment, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in the surplus or deficit - is removed from the reserve in net assets and recognized in surplus or deficit.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortized cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in surplus deficit.

b) Financial liabilities

i) Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Institute determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans

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and borrowings, plus directly attributable transaction costs. The Institute's financial liabilities are trade and other payables.

ii) Subsequent measurement

The measurement of financial liabilities depends on their classification.

iii) Financial liabilities at fair value through surplus or deficit

Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through surplus or deficit.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.

This category includes derivative financial instruments entered into by the Institute that are not designated as hedging instruments in hedge relationships as defined by IPSAS 29. Gains or losses on liabilities held for trading are recognized in surplus or deficit.

- **Loans and borrowing**

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

iv) De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

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c) Off-setting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Consolidated Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

d) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for the transaction costs.

2.10 Leases

a) Institute as a lessee

Operating leases are leases that do not transfer substantially all the risks and the benefits incidental to ownership of the leased item to the Institute. Operating lease payments are recognized as an operating expense in the Statement of Financial Performance on a straight-line basis over the lease term.

b) Institute as lessor

Leases in which the Institute does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initially direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term.

Rent received from an operating lease is recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

2.11 Inventories

Inventories consist of stationery and materials for construction. They are measured at cost upon initial recognition. To the extent that inventories were received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventories are at their fair value at the date of acquisition.

After initial recognition, inventory is measured at the lower of cost and net realizable value. The Value is determined on First in First out (FIFO) basis as stipulated in the Financial Regulations (2016). However, to the extent that a class of inventory is

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distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost.

Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Institute. When there is objective evidence that the value of inventories is impaired either through damage and or obsolescence, provision for impairment is made to that effect through the Statement of Financial Performance.

2.12 Deposits, prepayments and receivables

Deposits, prepayments and receivables are recognized initially at fair value and subsequently measured at amortized cost net of provision for impairment.

Provision for impairment of receivables is established when there is objective evidence that the Institute will not be able to collect all amounts due according to the original terms of the specific receivables. The loss is recognized through the Statement of Financial Performance.

2.13 Provisions

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

Where the Institute expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Financial Performance net of any reimbursement.

- **Contingent liabilities**

The Institute does not recognize a contingent liability, but discloses details of any contingencies in the Notes to the Financial Statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

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- **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 developments are 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.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three (3) months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purposes of Statement of Cash flows, cash is comprised of cash on hand and deposits held at call with banks. Cash equivalents are short term deposits with original maturities of three (3) months or less.

2.15 Related party 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. The Councillors and key members of Management, including the Rector, Deputies and Deans/Directors are regarded as related parties as disclosed under Note 29.

2.16 Trade and other payables

Accounts payable 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 longer). 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.

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2.17 Taxes

Income Tax

The Institute of Finance Management is a Government agency, thus is not liable to pay income tax. The Institute is exempted under Second Schedule of Income Tax Act, 2004.

2.18 Capital Work In progress

Capital Work in Progress (WIP), which is an asset category of property and equipment, is stated at cost and not depreciated. Recognition amount of Capital WIP is shown under property t Note 11A. Depreciation of WIP commences when the assets are ready for their intended use. The balance of unrecognized amount of the WIP compared to the contracted full price is disclosed as Capital Commitment.

2.19 Presentation of the budget information

IPSAS 24 requires the management of a public sector entity to show comparison of budget amounts arising from execution of the approved budget to be included in the financial statements of the entity. The Institute prepares its financial statements indicating the actual expenditure in comparison with the approved budgetary provisions and in so doing fully complies with this standard. The Statement of Comparison of Budgeted and Actual Amounts has been presented using accrual basis of accounting.

2.20 Employees benefits

a. Short term benefits

These include salaries and wages, annual leave and other short-term benefits. Liabilities related to annual leave at the end of the financial year are accrued in the financial statements.

b. Defined contribution plan

The Institute's employees are members of the state-owned pension's schemes, the Public Service Security Pension Fund (PSSPF). The Institute/government and the employees contribute 15% and 5% respectively, of the employee's gross salary. The Institute's contributions to the funds are charged to the Statement of Financial Performance in the year to which they relate.

c. Gratuity

Employees working on contract basis are paid gratuity equal to 25% of the total emoluments during the contract period.

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d. Workman's compensation scheme and group personal accident

In order to ensure that employee's welfare is safeguarded, the Institute complies fully with the Workman's Compensation Act which requires compensation to employees injured in the course of their employment.

Also, the Institute contributes to workers compensation Fund and ensures that staff and management employees injured at work are compensated.

e. Termination benefits

Termination benefits are payable to employees who are terminated before their normal retirement dates or where an employee accepts voluntary redundancy in exchange of these benefits.

f. Retirement benefits

The Institute pays retirement benefits to retiring employees in accordance with entitlements stipulated in the staff regulations as approved by the Governing Council.

2.0 Significant Judgments and Sources of Estimation Uncertainty

The preparation of the Institute's financial statements in conformity with IPSAS 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 end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.0 Financial Risk Management

Exposure to currency, interest rate, liquidity and credit risk arises in the normal course of the Institute's operations. This note presents information about the Institute's exposure to each of the above risks, policies and processes for measuring and managing risk, and the Institute's management of capital. Further quantitative disclosures are included throughout these financial statements.

3.1 Credit risk

Credit risk is the risk of financial loss to the Institute if customers or counterparties to financial instruments fail to meet their contractual obligations, and it arises principally from the Institute's investments, loans to staff, receivables, and cash and cash equivalents.

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The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk as at 30 June were:

Details	2022	2021
	<u>TZS' 000</u>	<u>TZS'000</u>
Investments in equity-Note 8	172,470	166,907
Trade receivables-Note 7	4,296,099	1,279,462
Other receivables	1,447,632	3,001,248
Cash and cash equivalent-Note 5	<u>8,642,133</u>	<u>8,826,208</u>
Total	<u>14,558,334</u>	<u>13,273,825</u>

- **Credit quality**

Credit quality is the assessed risk of default attached to counterparties to which the Institute extends credit and also those parties with whom the Institute invests. As such, the credit quality assessed extends to the students, investments and banks of the Institute.

For financial statement purposes, the investments and balances with banks are limited to the investments, trade receivable and cash equivalents line items in the Statement of Financial Position. The Institute determines credit quality of the investments and banks using information obtained from external ratings. The Institute does not have a financial management risk policy which describes how the Institute internally rates the entities to invest with. The Institute is required, by legislation, to extend services and extended payment terms to all customers irrespective of their financial standing. For the purpose of determining the quality of customers, the Institute applies its past experience with the customers in determining the risk of default posed by the customers.

- **Investment in equity**

The Institute limits its exposure to credit risk by investing with only reputable financial institutions and companies listed on stock exchange. Consequently, the Institute does not consider there to be any significant exposure to credit risk.

- **Receivables**

Receivables are amounts owed mainly by students, and they are presented net of impairment losses. The Institute does not have a credit risk policy in place, and therefore exposure to credit risk is not monitored on an ongoing basis. The Institute's maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Performance.

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The Institute establishes an allowance for impairment that represents its estimate of anticipated losses in respect of receivables. The Institute provided fifty percent for all receivables outstanding over 365 days but less than 730 days where there was no evidence of expected recovery. It provides in full for all receivables outstanding over 730 days.

- **Cash and cash equivalents**

The Institute limits its exposure to credit risk by investing cash and cash equivalents with only reputable financial institutions that have a sound credit rating and have not received bad publicity. Consequently, the Institute does not consider there to be any significant exposure to credit risk.

Liquidity risk

Liquidity risk is the risk of the Institute not being able to meet its obligations as they fall due. The Institute's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities available when due, without incurring unacceptable losses or risking damage to the Institute's reputation.

The Institute ensures that it maintains sufficient cash on demand balances to meet expected operating expenses through the use of cash flow forecasts.

The Sources of Funds include tuition fees from student, government subsidies, investment income, and fees on short courses, rental income and other miscellaneous income.

3.2 Market risk

Market risk is the risk of changes in market prices, such as foreign-exchange rates and interest rates, affecting the Institute's income or the value of its financial instrument holdings. In other words, it is the risk of changes in value of net asset of the Institute as a result of adverse price investments and financial assets and liabilities held by the Institute. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on the risk.

3.3 Currency risk

The currency risk is the risk arising from changes in the value of foreign currencies. The Institute generates foreign currency from tuition fees paid by the students. The foreign currency generated is deposited and maintained in the bank account denominated in foreign currency to hedge against continuous weakening of Tanzania Shilling.

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Foreign denominated monetary assets (All amounts are in thousand shillings)

30 June 2022

	<u>Pound</u>	<u>EURO</u>	<u>USD</u>
Receivables	47,123.80	51,174.20	158,423.29
Cash and cash equivalents	<u>18,080.88</u>	<u>0</u>	<u>196,072.01</u>
	<u>65,204.68</u>	<u>51,174.20</u>	<u>354,495.30</u>

30 June 2021

	<u>Pound</u>	<u>EURO</u>	<u>USD</u>
Receivables	55,031.92	56,028.61	228,035.90
Cash and cash equivalents	<u>18,080.88</u>	<u>0</u>	<u>173,725.00</u>
	<u>73,112.80</u>	<u>56,028.61</u>	<u>401,760.90</u>

The Institute had no liabilities denominated in foreign currency during the year under review.

3.4 Price risk management

The Institute is exposed to the equity security price risk because of investments in quoted shares classified as available for sale. To manage its price risk arising from investments in equity, the Institute diversifies its portfolio. All quoted shares held by the Institute are traded at the Dar es Salaam Stock Exchange (DSE).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2022

NOTE 5:	CASH AND CASH EQUIVALENTS	2021/22	2020/21
	NMB -DSM-Account	69,432	5,613
	CRDB -DSM-Deposit Account	32,178	21,940
	NBC Mwanza Account	375	(50)
	CRDB -Payments Account	40,712	53,227
	CRDB -HESLB Account	324,076	400,543
	NBC -NHIF Account	140,267	131,621
	EXIM -Mwanza Account	709	3,333
	BOT -TZS Account	7,447,506	7,751,051
	NBC -USD Account	410,632	360,011
	BOT- USD Account	41,157	41,267
	CRDB GBP Account	24,177	27,424
	BOT-GBP Account	26,763	30,357
	TCB Account	84,149	-
	TCB-EUR Account	-	(129)
	TOTAL	<u>8,642,133</u>	<u>8,826,208</u>

The balance of cash and cash equivalents as at 30 June 2022 aggregated to TZS 8,642,133,000 (2021: TZS 8,826,208,000). The net decrease of TZS 184,075,000 was mainly attributed to less collection in respect of second semester tuition fees for the students of academic year 2021/22. Most of them paid their debts after the end of financial financial year. Exchange Rates used during 2020/21 and 2021/22 were as follows.

	2021/22	2020/21
1 USD to TZS	2,315.66	2,310.37
1 GBP to TZS	2,831.59	3,195.70
1 EUR to TZS	2,446.49	2,747.02

NOTE 6:	INVENTORIES	2021/22	2020/21
		TZS'000	TZS'000
	Stationery Stocks	90,421	26,399
	Materials for Construction	<u>450,318</u>	<u>17,353</u>
	TOTAL	<u>540,739</u>	<u>43,752</u>

- a. The balance of materials for construction refers to items available at Geita Campus for ongoing phases 1 & 2 construction works.
- b. There were no Inventories held for sale during the year.

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NOTE 7: TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2021/22	2020/21
Trade debtors	5,615,009	3,026,579
Less: Provision for impairment of debtors	<u>(1,318,910)</u>	<u>(1,747,117)</u>
Net debtors	4,296,099	1,279,462
Prepayments	1,016,232	2,622,872
Staff Loans	61,541	86,282
Receivables from Consultancy	196,522	71,339
Creditors with debit balances	<u>173,337</u>	<u>220,755</u>
TOTAL	<u>5,743,731</u>	<u>4,280,710</u>

a. Trade and other receivables from exchange transactions amounted to TZS 5,743,731,000 (30 June 2021: TZS 4,280,710,000). The net increase of TZS 1,463,021,000 was mainly attributed to increase in debtors from TZS 3,026,579,000 in 2020/21 to TZS 5,615,009,000 billion in 2021/22. Further, the provision for impairment of debtors decreased by TZS 428,207,000 following write off of bad and doubtful debts.

b. Creditors with debit balances include IFMSO whose some of the activities for the new academic year begins before closure of the financial year. The Institute finances IFMSO activities and the same are recovered during enrolment of the new students upon payment of IFMSO fees.

c. The decrease of Prepayments by 61.2% was on account of capitalisation of the value of land acquired at Kiseke -Mwanza following receipt of the title deed amounting to TZS 1.31 billion and receipt of one motor vehicles with a cost value of TZS 0.09 billion previously paid in advance.

	2021/22	2020/21
	TZS'000	TZS'000
Movement in impairments provision		
Balance at the beginning of the period	1,747,117	1,641,389
Provision for receivables impairment raised during the period	-	105,728
Receivables written off during the period	<u>(428,207)</u>	-
Balance at the end of the period	<u>1,318,910</u>	<u>1,747,117</u>

AGEING OF RECEIVABLES	June 2022	June 2021
0-1	4,108,580	1,207,039
1-2 years	375,039	153,246
2-3 years	110,729	193,422
3-4 years	47,348	291,330
4-5 years	313,795	575,381
Above 5 years	<u>659,518</u>	<u>606,161</u>
	<u>5,615,009</u>	<u>3,026,579</u>

a. The Governing Council during its 229th Meeting held on 14th March 2022 approved TZS 0.42 billion write off of uncollectable receivables and

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adjustments for prior periods accounting errors.

- b. Receivables reported during the year include the amount of TZS 4.13 billion from HESLB, and Rent from tenants which amounted to TZS 0.20 billion.

NOTE 8:	FINANCIAL ASSETS		
	Current financial assets stated at fair value:	2021/22	2020/21
	Shares in quoted entities at Dar es Salaam	TZS'000	TZS'000
	Stock Exchange		
	Tanzania Portland Cement Company Ltd	172,470	166,907
	Government /Treasury Register	<u>262,240</u>	<u>262,240</u>
	TOTAL	<u>434,710</u>	<u>429,147</u>

SHARES ANALYSIS 2021/22						
ENTITY	RATE	NO. OF SHARE S 2022	NO. OF SHARE S 2021	VALUE AS	VALUE AS AT	GAIN/(LO SS) TZS '000'
				AT 30 JUNE 2021 TZS '000'	30 JUNE 2022 TZS '000'	
Tanzania Portland Cement	3,720	46,363	46,363	166,907	172,470	5,563
TOTAL				166,907	172,470	5,563

Disclosure as Per IPSAS 30-Financial Instruments

Securities Available for Sale comprise of listed equity investments and funds invested as Government Shares after closure of Twiga Bancorp. The Institute owns 46,363 shares of Tanzania Portland Cement Company Ltd. The financial assets are recognized at Fair values based on quoted share price of TZS 3,720 per share at DSE during the reporting date.

NOTE 9:	CAPITAL WORK IN PROGRES	2021/22	2020/21
		TZS '000'	TZS '000'
	Opening balance	2,859,158	3,460,269
	Additions	2,444,680	1,764,699
	Transfer to Property &Equipment(Note 10)	<u>(142,355)</u>	<u>(2,365,810)</u>
	Closing Balance	<u>5,161,483</u>	<u>2,859,158</u>

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- a. The work in progress relates to the costs incurred in acquiring/developing capital projects at Msata which amounted to TZS 0.09 billion. Further, the amount includes costs for construction of Geita Campus TZS 2.93 billion, Simiyu Campus TZS 1.00 billion, Preliminary work at Mwanza Kiseke TZS 0.04 billion, Msata Bagamoyo TZS 0.74 billion and Njedengwa Dodoma amounting to TZS 0.86 billion.
- b. Development of ERP system and new ICT software TZS 0.34 billion.
- c. The costs incurred on projects and reported as capital work in progress were financed from internally generated resources and funds from the Government, which was exclusively for Geita Campus project.

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NOTE: 10A PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	LAND PROPERTY	BUILDINGS	FURNITURE	LIBRARY BOOKS	COMPUTERS & ACCESSORIES	OFFICE EQUIPMENT	MOTOR VEHICLES	GRADUATION GOWNS	INFRASTRUCTURE - ROADS	PLANT & MACHINERY (OTHER ASSETS)	TOTAL
	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'
Cost as at 1 July 2021	39,179,267	22,237,026	4,200,810	1,481,823	1,959,737	981,986	1,208,476	200,620	-	786,632	72,236,377
Transfer from WIP & Prepayment	1,115,000	-	-	-	-	-	92,347	-	142,355	-	1,349,702
Additions for the year	-	-	403,764	-	588,894	146,867	-	80,000	-	591,558	2,537,089
2021/22	726,006	-	-	98,194	-	-	-	-	-	-	98,194
Cost as at 30 June 2022	41,020,273	22,237,026	4,604,574	1,580,017	2,548,631	1,128,853	1,300,823	280,620	142,355	1,378,190	76,221,362
Depreciation Costs:-											
Accumulated Depreciation As at 1 July 2021	-	3,026,116	2,584,654	1,202,290	1,094,186	351,539	968,525	37,539	-	272,041	9,536,890
Adjustment (Review of Useful life)	-	-	(712,365)	33,711	(344,204)	(43,341)	(424,845)	17,810	-	19,819	(1,453,415)
Charges for the Year 2021/22	-	444,740	567,773	158,002	316,791	129,501	102,578	36,483	47,452	149,670	1,952,990
Impairment Loss Accumulated	-	-	-	67,115	-	-	-	-	-	-	67,115
Depreciation as at 30 June 2022	-	3,470,856	2,440,062	1,461,118	1,066,773	437,699	646,258	91,832	47,452	441,530	10,103,580
Net Book Value as at 30 June 2022	41,020,273	18,766,170	2,164,512	118,899	1,481,858	691,154	654,565	188,788	94,903	936,660	66,117,782

Note: During the financial year 2021/22 the Institute through the Government Asset Department of the Ministry of Finance and Planning (MoFP) reviewed Non-current assets useful life in respect of Furniture, Computers, Office equipment, Motor Vehicles, Graduation Gowns and Other Fixed Assets, valued and carried out impairment test for Library books.

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NOTE: 10A PROPERTY, PLANT AND EQUIPMENT PARTICULARS	LAND PROPERTY	BUILDINGS	FURNITURE	LIBRARY BOOKS	COMPUTERS & ACCESSORIES	OFFICE EQUIPMENT	MOTOR VEHICLES	GRADUATIO N GOWNS	PLANT & MACHINERY (OTHER ASSETS)	TOTAL
	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'
Cost as at 1 July 2020	39,019,837	18,777,397	3,429,574	1,423,821	1,458,147	512,870	1,208,476	100,620	496,921	66,427,663
Transfer from WIP & Prepayment	92,421	2,348,419								2,440,840
Additions for the year 2020/21	67,009	1,111,210	771,236	58,001	501,590	469,116	-	100,000	289,711	3,367,873
Cost as at 30 June 2021	39,179,267	22,237,026	4,200,810	1,481,822	1,959,737	981,986	1,208,476	200,620	786,632	72,236,376
Depreciation Costs:										
Accumulated as at 1 July 2020	-	2,595,642	2,123,150	1,056,431	766,919	241,509	852,843	21,644	215,684	7,873,822
Charge for the Year 2020/21	-	430,474	461,504	145,859	327,267	110,030	115,682	15,895	56,357	1,663,068
Accumulated Depreciation as at 30 June 2021	-	3,026,116	2,584,654	1,202,290	1,094,186	351,539	968,525	37,539	272,041	9,536,890
Net Book Value as at 30 JUNE 2021	39,179,267	19,210,910	1,616,156	279,532	865,551	630,447	239,951	163,081	514,591	62,699,486

Note: Library books reported during the year exclude 10,096 donated books received from various donors whereby their fair value was not established by the Government Asset Department of the Finance and Ministry of Planning (MoFP).

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10 B: INTANGIBLE ASSETS

	Cost as at1 July 2021	Additions:	Cost as at 30 June 2022	Accumulated Amortization At 1 July 2021	Adjustment (Review of useful life)	Charges for the year	Accumulated Amortization As at 30 June 2022	Net Book Value as at 30 June 2022
SYSTEM SOFTWARE	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'
	241,521	11,177	252,698	136,538	(53,792)	19,850	102,596	150,102

10 B: INTANGIBLE ASSETS

	Cost as at1 July 2020	Additions:	Cost as at 30 June 2021	Accumulated Amortization at 1 July 2020	Charge for the year	Accumulated Amortization June 2021	Net Book Value as at 30 June 2021
SYSTEM SOFTWARE	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'
	228,519	13,002	241,521	104,198	32,340	136,538	104,983

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NOTE 11: CAPITAL FUND

The capital fund is made up of contributions that were made to the Institute by URT Government and other donors in the past towards financing the establishment of the Institute. No new contributions for capital fund were made by URT Government and donors during 2021/22.

	2021/22 TZS'000	2020/ 2021 TZS'000
Treasury Contributions	1,558,504	1,558,504
Tanzania Education Authority	36,824	36,824
Government Grant	711,691	711,691
Mac Donald Grant	131	131
CIDA Grants	2,297	2,297
World Bank	651,199	651,199
IDA Credit	449,438	449,438
Others Donors	<u>28,998</u>	<u>28,998</u>
TOTAL	<u>3,439,082</u>	<u>3,439,082</u>

NOTE 12: PROVISION FOR EMPLOYMENT BENEFITS

	2021/22 TZS'000	2020/21 TZS'000
Opening balance	339,744	264,004
Year-end Adjustment	(145,614)	(73,862)
Movement charge to Statement of Financial Performance	-	<u>149,602</u>
Closing balance	<u>194,130</u>	<u>339,744</u>

The Institute operates an unfunded defined benefit plan for qualifying employees. Under the scheme, the employees are entitled to retirement benefits of eighteen months' salary upon attaining the compulsory retirement age.

NOTE 13: PAYABLES AND ACCRUALS UNDER EXCHANGE TRANSACTIONS

	2021/22 TZS'000	2020/21 TZS'000
Suppliers Deductions payable	4,500	8,925
Students - NHIF	275,924	275,974
HESLB tuition fees	23,589	29,510
NACTVET fees	144,620	17,470
Accrued Expenses	240,686	127,180
Debtors with credit balances/Tuition fees refund	258,046	469,958
Deposit payable	1,190,494	1,100,153
Other creditors	<u>1,140,755</u>	<u>1,105,951</u>
TOTAL	<u>3,278,614</u>	<u>3,135,121</u>

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- a. Debtors with credit balances include students sponsored by HESLB who paid tuition fees before they were granted loans allocations. In 2021/22 financial year 7,900 students were financed by HELSB, compared with 6,500 students in the year 2020/21. For continuing students their previous balances were used to settle tuition fees during academic year 2021/22, and those who had graduated the Institute refunded the amount accordingly. This led to a decrease of the Debtors balance by 0.21 billion.
- b. Deposit payable increased due to a high number of first year students for the academic year 2021/22.
- c. NACTVET fees increased by 127,150,000 on account of the Invoice submitted by the NACTVET which was less than the amount that was supposed to be paid by the Institute. The balance was not paid as at 30 June 2022 waiting for the NACTVET to submit the invoice.

NOTE 14: DEFERRED INCOME UNDER EXCHANGE TRANSACTIONS

	2021/22	2020/21
	TZS'000	TZS'000
Welfare Funds	1,455	5,435
Tuition fees received from students not yet registered	<u>135,404</u>	<u>103,575</u>
TOTAL	<u>136,859</u>	<u>109,010</u>

- a. The balance of deferred income under exchange transactions increased to TZS 0.13 billion (2020/21: TZS 0.10 billion) on account of the number of students who were enrolled at the Institute and paid tuition fees but failed to register in order to comply with Section 8 of the Institute's Examination Regulations (2016).
- b. Account of welfare funds decreased by TZS 3,980,000 following payments effected to eligible staff in line with the procedures in place.

NOTE 15: DEFERRED INCOME UNDER NON EXCHANGE

	2021/22	2020/21
	TZS'000	TZS'000
Opening balance	<u>17,649</u>	<u>17,649</u>
Closing balance	<u>17,649</u>	<u>17,649</u>

The amount deferred is in respect of grants received from Tanzania Education Authority (TEA) during 2016/17.

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NOTE 16: REVENUE FROM EXCHANGE TRANSACTIONS - TUITION FEES

	2021/22	2020/21
	TZS'000	TZS'000
Professional accountancy	5,697,700	4,655,126
Banking programme	4,056,400	3,893,005
Insurance programme	3,123,600	2,951,629
Social Security programme	2,014,100	2,221,150
Tax Management & Economics programmes	4,559,159	3,846,140
Computing and Information technology	1,392,200	1,879,960
Postgraduate programme	<u>1,401,622</u>	<u>2,086,799</u>
TOTAL	<u>22,244,781</u>	<u>21,533,809</u>

NOTE 17: REVENUE FROM NON EXCHANGE TRANSACTIONS - GOVERNMENT SUBVENTION

This figure comprises the amount received from the Treasury for paying salaries and capital development projects during the period.

	2021/ 22	2021/22
	TZS'000	TZS'000
Personnel emoluments	8,454,963	8,476,676
Development funds	<u>1,631,513</u>	<u>1,496,000</u>
	<u>10,086,476</u>	<u>9,972,676</u>

NOTE 18: FAIR VALUE ADJUSTMENTS AND EXCHANGE GAINS

	2021/22	2020/21
	TZS' 000	TZS' 000
(Loss)/gain on investment in shares	5,563	64,908
Foreign exchange gains/(Loss)	<u>(107,505)</u>	<u>42,201</u>
TOTAL	<u>(101,942)</u>	<u>107,109</u>

NOTE 19: OTHER INCOME

	2021/22	2020/21
Registration and Identity fee	308,150	325,033
Field Supervision	1,187,597	1,048,000
Miscellaneous income	1,660,527	1,606,125
Consultancies	466,622	713,812
Dividend	-	<u>17,177</u>
TOTAL	<u>3,622,896</u>	<u>3,710,147</u>

Other income aggregated to TZS 3.62 billion (2021: TZS 3.71 billion). The noted decrease of TZS 0.09 billion was mainly caused by a significant decrease of consultancy and short course activities during the year.

NOTE 20: OPERATING EXPENSES

	2021/22	2020/21
	TZS'000	TZS'000
Estate and buildings (Routing Maintenance & Repair of Buildings)	704,946	719,291
Academic services (Educational materials, services& Supplies)	2,803,281	2,032,986
Utilities, Supplies and Services	702,999	967,118

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Rental Expenses	710,213	704,862
Printing & Research	637,457	574,088
Agency Fees	36,456	9,618
Office and General Supplies & Services	1,292,901	932,212
Communication and Information expenses	488,843	228,030
Outsource Cleaning & Security Service	<u>662,853</u>	<u>555,341</u>
TOTAL	<u>8,039,949</u>	<u>6,723,546</u>

- a. Operating expenses increased by TZS 1.31 billion to TZS 8.03 billion (2020/21: TZS 6.72 billion). The noted increase of 19.6%, was mainly caused by the increase of consumables and academic services expenses during the year.
- b. Expenses relating to academic services and hiring of venues increased to accommodate the significant increase in number of student's during the financial year.
- c. Agency fees increased by TZS 26.83 million following the new enrolment of students in Master of Business Administration International Business (MBA-IB) offered in collaboration with the Indian Institute of Foreign Trade (IIFT).

NOTE 21: SALARIES AND EMPLOYEES BENEFITS

	2021/22	2020/21
	TZS'000	TZS'000
Basic salaries - pensionable posts	8,463,434	8,458,108
Extra duty Allowances	854,133	780,430
Special Allowances & Teaching allowance	2,968,213	3,213,904
Retirement awards	794,301	359,882
House allowance	159,218	127,970
House Rent	-	7,200
Professional Allowances	492,168	948,918
Medical charges	19,347	11,118
Acting Allowances	44,318	49,811
Responsibility allowance	195,098	148,560
Leave passage	113,387	70,339
Sitting Allowances	235,040	200,901
Subsistence Allowances	-	31,039
Court Attire Allowance	4,000	4,000
Moving Expenses	23,602	192,198
Honoraria	762,100	182,000
Funeral expenses	<u>13,000</u>	<u>29,145</u>
TOTAL	<u>15,141,359</u>	<u>14,815,523</u>

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- a. Salaries Expenses and employees benefits aggregated to TZS 15.14 billion (2020/21: TZS 14.81 billion) equivalent to an increase of 2.2%. The noted increase was mainly contributed by payment of honoraria to the Institute's employees following increase in special activities to improve internal control systems.
- b. Retirement expenses for 2021/22 include a provision for retirement benefits amounting to TZS 0.19 billion payable to prospective retirees in 2022/23.
- c. Decline in consultancy activities mainly on account of increased competition had an impact in the expenses incurred on professional allowance paid during the period.

NOTE 22: ADMINISTRATIVE EXPENSES

	2021/22	2020/ 21
	TZS'000	TZS'000
Directors fees (Councillors)	92,045	100,842
Transport (Fuel, Oil & Lubricants)	432,556	443,000
Printing, Advertising and information supplies and services	308,841	346,192
Corporate Social Responsibility	26,540	20,000
Consultancy expenses	90,860	69,098
Maintenance and Repairs of Office	272,945	126,746
Equipment & appliance		
Hospitality, Supplies and Service expenses	267,649	216,983
Newspapers and magazines	15,804	18,107
Food Supplies & Services	381,317	304,896
Stamps and telegrams	35,736	18,137
Telephone and fax	111,043	103,352
Training- Domestic	414,523	312,354
Training -Foreign	293,658	138,853
Travel - In Country	1,076,852	923,725
Travel -Out of Country	49,937	747
Expenses on Professional fees and Charges	270,879	254,323
Other Operating Expenses	141,899	199,137
Depreciation Expenses	1,952,990	1,663,068
Amortization Expenses	19,850	32,340
Contribution to Consolidated Fund	300,000	1,300,000
Bad and Doubtful Debts	-	101,528
Subscriptions fees	<u>33,563</u>	<u>110,817</u>
TOTAL	<u>6,589,487</u>	<u>6,804,245</u>

- a. Administration expenses amounted to TZS TZS 6.59 billion (2020/21: TZS 6.80 billion). The noted decrease of TZS 0.21 billion was mainly on account of decline of the amount contributed to the Consolidated Fund to TZS 0.30 billion (2020/21: TZS 1.30 billion).
- b. Depreciation expenses increased to TZS 1.95 billion (2020/21: TZS 1.66 billion) mainly due to acquisition of new non-current assets and which

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were put into use during the year and review of useful life of non-current assets.

NOTE 23: IMPAIRMENT LOSS/GAIN

During the year impairment was done for library books and aggregated to TZS 67,115,000 and as follows.

	2021/22	2020/21
	TZS '000'	TZS '000'
Impairment Loss	67,115	-

During the year 2020/21 no Impairment test was done to non-current assets.

NOTE 24: FAIR VALUES OF FINANCIAL INSTRUMENTS

A comparison by class of the carrying amounts and fair value of the Institute's financial instruments.

	Carrying amounts	Fair value
	TZS '000'	TZS '000'
30-Jun-21		
Financial assets		
Receivables from exchange transactions-Note-7	4,280,710	4,280,710
Financial assets available for sale (Investments in quoted shares)-Note 8	166,907	166,907
Cash and cash equivalents-Note 5	<u>8,826,208</u>	<u>8,826,208</u>
TOTAL	<u>13,273,825</u>	<u>13,273,825</u>
Financial liabilities		
Financial liabilities at amortised cost	<u>3,135,121</u>	<u>3,135,121</u>
30-Jun-22		
Financial assets		
Receivable from exchange transactions-Note 7	5,743,731	5,743,731
Financial asset available for sale (Investment in quoted shares)-Note 8	172,470	172,470
Cash and cash equivalents-Note 5	<u>8,642,133</u>	<u>8,642,133</u>
	<u>14,558,334</u>	<u>14,558,334</u>
Financial liabilities		
Financial liabilities at amortised cost	<u>3,278,614</u>	<u>3,278,614</u>
Financial liabilities at amortised cost		

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The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. The following methods and assumptions were used to estimate the fair values:

- a. Cash and cash equivalents, trade receivables, trade payables and other current liabilities of these instruments.
- b. Fair value of investments in quoted shares based on share price quotations at the reporting date.

NOTE 25: FINANCIAL INSTRUMENTS CATEGORIES

	Loans and receivables TZS'000	Available for sale TZS'000	Available for sale TZS'000
30-Jun-21			
Financial assets			
Receivables from exchange transactions- Note 7	4,280,710	0	4,280,710
Financial assets available for sale			
Investment in quoted shares)- Note 8	=	<u>166,907</u>	<u>166,907</u>
Total	<u>4,280,710</u>	<u>166,907</u>	<u>4,447,617</u>
			Financial Liabilities at amortised cost
			TZS'000
Financial liabilities			3,135,121
Payables and accruals-Note 13			
	Loans and receivables TZS'000	Available for sale TZS'000	Available for sale TZS'000
30-Jun-22			
Financial assets			
Receivables from exchange transactions-Note 7	5,743,731	0	5,743,731
Financial asset available for sale			
Investment in quoted shares)- Note 8	-	<u>172,470</u>	<u>172,470</u>
Total	<u>5,743,731</u>	<u>172,470</u>	<u>5,916,201</u>
			Financial Liabilities at amortized

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	cost
Financial liabilities	TZS'000
Payables and accruals-Note 13	<u><u>3,278,614</u></u>

NOTE 26: FAIR VALUE HIERARCHY AND MEASUREMENT

	Level 1	Level 2	Total
30-Jun-21	TZS'000	TZS'000	TZS'000
Financial Assets			
Receivables from exchange transactions-Note 7	4,280,710	-	4,280,710
Financial Assets available for sale-Investment in quoted shares-Note 8	166,907	-	166,907
TOTAL	4,447,617		4,447,617

Financial liabilities		
Financial Liabilities at Amortised cost-Note 13	<u><u>3,135,121</u></u>	<u><u>3,135,121</u></u>

NOTE 27: FAIR VALUE HIERARCHY AND MEASUREMENT

	Level 1	Level 2	Total
30-Jun-22	TZS'000	TZS'000	TZS'000
Financial assets			
Receivables from exchange transactions-Note 7	5,743,731	-	5,743,731
Financial assets available for sale-Investment in quoted shares-Note 8	172,470	-	172,470
TOTAL	<u><u>5,916,201</u></u>		<u><u>5,916,201</u></u>

Financial liabilities		
Financial liabilities at Amortised Cost-Note 13	<u><u>3,278,614</u></u>	<u><u>3,278,614</u></u>

- a. Available for sale - These instruments are at quoted list prices in active markets, they are classified as level 1.
- b. Accounts receivables, cash and bank balances, trade payables and accruals are at amortized cost and their carrying amounts approximate their fair values as

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they have variable interest rate and the rates are market related. As the fair values are not based on quoted list prices, they are classified as level 2 as it is based on similar market transactions.

	2021/22 TZS'000'	2020/21 TZS'000'
Note 28 (i): TUITION FEES		
Tuition fees received in the year	19,030,160	23,340,881
Tuition fees received from HESLB & students for previous year	<u>856,423</u>	<u>922,358</u>
Total collection during the year	<u>19,886,583</u>	<u>24,263,239</u>
	2021/22 TZS'000'	2020/21 TZS'000'
Note 28 (ii): OTHER REVENUE		
Registration and identity fees	308,150	325,033
Field supervision	1,187,597	1,002,381
Miscellaneous income	1,528,527	1,573,557
Consultancies	<u>304,622</u>	<u>713,812</u>
Total	<u>3,328,896</u>	<u>3,614,783</u>
	2021/22 TZS '000'	2020/21 TZS '000'
Note 28 (iii): SALARIES, WAGES & EMPLOYEES BENEFITS		
Salaries, wages & employees benefits as per Note 21	15,141,359	14,815,523
Less: Provision for retirement benefits payable in following year (2021/22)	<u>(194,130)</u>	<u>(149,602)</u>
Paid salaries, wages & employees benefits per cash flow statement	<u>14,947,229</u>	<u>14,665,921</u>
	2021/22 TZS'000'	2020/21 TZS'000'
Note 28 (iv): OTHER EXPENSES		
Cash paid for operating expenses	9,225,320	10,121,846
Cash paid for administration expenses	<u>4,350,099</u>	<u>5,375,213</u>
Total as per Cash Flow Statement	<u>13,575,419</u>	<u>15,497,059</u>

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**NOTE: 28(v) RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES WITH
NET SURPLUS/ (DEFICIT)**

	2021/22	2020/21
	TZS '000'	TZS '000'
Surplus/(Deficit) for the year	4,382,788	5,440,581
Add: Non- Cash items		
Depreciation	1,952,990	1,663,068
Amortization	19,850	32,340
Impairment Loss	67,115	0
Bad and doubtful debts	(428,207)	101,528
Fair Value Adjustment and Exchange Gain	<u>101,942</u>	<u>(107,109)</u>
Surplus/(Deficit) after Non-Cash items	6,096,478	7,130,408
Add/ Less: Working Capital Movement		
Increase/(decrease) in Payables	(885,090)	1,714,385
(Increase)/decrease in Receivables	(2,588,430)	(2,585,227)
Increase/(decrease) in Inventories	496,987	(17,317)
Increase/(decrease) in deferred income under exchange transactions	<u>27,849</u>	<u>(50,531)</u>
Calculated NCF from Operating activities	<u>3,147,794</u>	<u>6,191,718</u>
Reported in FS NCF from Operating activities	<u>3,147,794</u>	<u>6,191,718</u>
Difference	<u>NIL</u>	<u>NIL</u>
 NOTE 28(vi) PROPERTY, PLANT AND EQUIPMENT		
	2021/22	2020/21
	TZS '000'	TZS '000'
Opening balance	(658,950)	540,923
Additional assets as per Note 10A	2,629,436	3,367,873
Paid during the year	<u>(2,516,173)</u>	<u>(4,567,746)</u>
Payables	<u>(545,687)</u>	<u>(658,950)</u>
 NOTE 28(vii) WORK IN PROGRESS		
	2021/22	2020/21
	TZS'000'	TZS'000'
Opening Balance	178,602	0
Additional WIP as per Note 9	2,444,680	1,792,289
Paid during the year	<u>(2,447,209)</u>	<u>(1,613,687)</u>
Payables	<u>176,073</u>	<u>178,602</u>

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**NOTE 29: RELATED PARTY TRANSACTIONS
AND BALANCES**

Related party transactions represent transactions with the Council members and senior management of the Institute. Transactions with the related parties and included in the Statement of Financial Performance are as follows:

Key management personnel

The key management personnel, as defined by IPSAS 20- Related Party Disclosures are members of Governing Council and management of the Institute. The total remuneration to members of the Council during 2021/22 and their numbers were as shown below:

Governing Council Members

	2021/22	2020/21
	TZS'000	TZS'000
Councillor's fees & Expenses	<u>92,045</u>	<u>100,842</u>
Number of Governing council members	10	10

Transactions with key management

The senior management members consist of the Rector, Deputy Rectors, Deans, Directors and Registrar. The aggregate remuneration of members of senior management and the number of management determined on a full-time equivalent basis are shown below:

	2021/22	2020/21
	TZS'000	TZS'000
Basic Salaries	900,279	917,736
Allowances	<u>262,590</u>	<u>250,920</u>
	<u>1,162,869</u>	<u>1,168,656</u>
Number of key management personnel	17	17

During the period loans amounting to TZS 0.06 billion were granted to key management personnel (2021: TZS 0.07 billion).

NOTE 30: COMPARATIVE FIGURES

Previous year's figures have been regrouped whenever appropriate to make them comparable with current year figures.

NOTE 31: EVENTS AFTER REPORTING DATE

There are no material non-adjusting events favourable or unfavourable that had occurred between the reporting date and the date when the financial statements were authorized for issue.

NOTE 32: PRIOR YEARS' ADJUSTMENTS

Revenue from exchange transactions of TZS 0.04 billion in respect of 72 students was incorrectly omitted from the financial statements of 2020/21. The financial statements of 2020/21 have been restated to correct this error. The changes on payable and work in progress is in respect of cancellation of supplier invoice for TZS 0.027 million. The effect of the restatement on those financial statements is summarized below. There is no effect in

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2021/22.

Details	Effect on 2020/21
	TZS'000
Increase revenue	43,846
Increase expenses	<u>0</u>
Increase in Surplus	<u>43,846</u>
Increase in debtors	43,846
Decrease in creditors	(27,590)
Decrease in Work in progress	<u>27,590</u>
Decrease in net assets/equity	<u>43,846</u>

NOTE 33: COMMITMENTS AND CONTINGENT LIABILITIES

Capital commitments

Outstanding capital commitments as at 30 June 2022 aggregated to TZS 3.58 billion for the development of Msata, Simiyu, Mwanza, Geita and Dodoma campuses. The Institute is confident that it will proceed with development of the capital projects next financial year without financial constraints.

Operating lease commitment

Institute as a lessee

Future minimum lease payments under non-cancellable operating leases for the following period are:

	2021/22	2020/21
	TZS'000	TZS'000
Due within one to five years	<u>989,725</u>	<u>1,724,877</u>
	<u>989,725</u>	<u>1,724,877</u>

Leased premises are contracted for the remaining periods of between one to five years for venues located at Mwanza (Mwanza City Commercial Complex Company Limited-MCCCCCL), Dodoma (Dodoma City Council) and Dar-es Salaam (Tanzania Library Service Board), with renewal options. The total operating lease commitment of the said contracts is TZS. 0.99 billion for the remaining period of these leases. The other leased premise is the Bank of Tanzania (BOT) building leased at no cost for the period of three years ending May 2022.

Contingent liabilities

The Institute has not provided for liabilities arising out of contractual obligations. Provisions for legal proceedings require a higher degree of judgments than other types of provisions. When cases are at an early stages, accounting judgments can be difficult because of the high degree of uncertainty associated with determining whether a present obligation exists as a result of past events, hence difficulty in estimating the probability of outflows and making

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estimates of the amount of any outflows that may arise. As a result, management with legal advisors evaluate all ongoing cases and decides on whether provisions should be recognized and the determine estimated amounts of any such provisions.

As at 30 June 2022, the Institute had a number of pending legal cases. Most of these involve disputes that are not recognised because the chances of losing are remote. However, there are four cases in which the potential cost to the Institute is estimated at TZS 0.16 billion (2020/21: TZS 0.29 billion) should the Institute lose the cases.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

NOTE34:

S/No	Description	Final Budget for 2021/22	Adjusted Actual Amounts (Cash Basis)	Variance	Reasons/Remark
		TZS'000	TZS'000		
		(A)	(B)	C= (A-B)	
Revenue					
1.	Tuition fees, consultancy and other students' fees.	24,490,550	19,936,570	(4,553,980)	The deficit was attributed to delays in payment of second semester tuition fees by private students and from HESLB.
2.	Recurrent grant	9,878,368	8,454,963	(1,423,405)	Budget for salaries was fixed following receipt of ceiling from the Government. Furthermore, there were delays in promoting staff and filling new vacancies which were budgeted during the year.
3.	Other Revenue	1,296,940	1,528,527	231,587	Increase in the number of students above target increased appeal fees and other related student's fees. There was also a major increase in revenue from short courses.
Expenses					
1.	Salaries and employees' benefits	16,741,172	14,947,229	1,793,943	The under expenditure is mainly related to delays in promoting staff and filling new vacancies budgeted during the year.
2.	Operating expenses	20,148,015	7,570,140	12,577,875	The total budget includes TZS 10.75 billion for capital development expenditure in respect of construction of office and classroom facilities.
3.	Administration expenses	4,356,468	4,254,897	101,571	(i) The under expenditure was attributed to unpaid expenditure as at 30 June 2022. (ii) Expenditure reported is on cash basis.