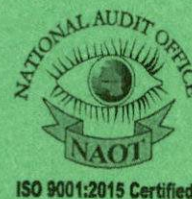




THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



REPORT OF THE CONTROLLER AND AUDITOR GENERAL

INSTITUTE OF FINANCE MANAGEMENT (IFM)

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

Controller and Auditor General,
National Audit Office,
Audit House,
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March 2024

AR/PA/IFM/2022/23



**THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE**



INSTITUTE OF FINANCE MANAGEMENT (IFM)

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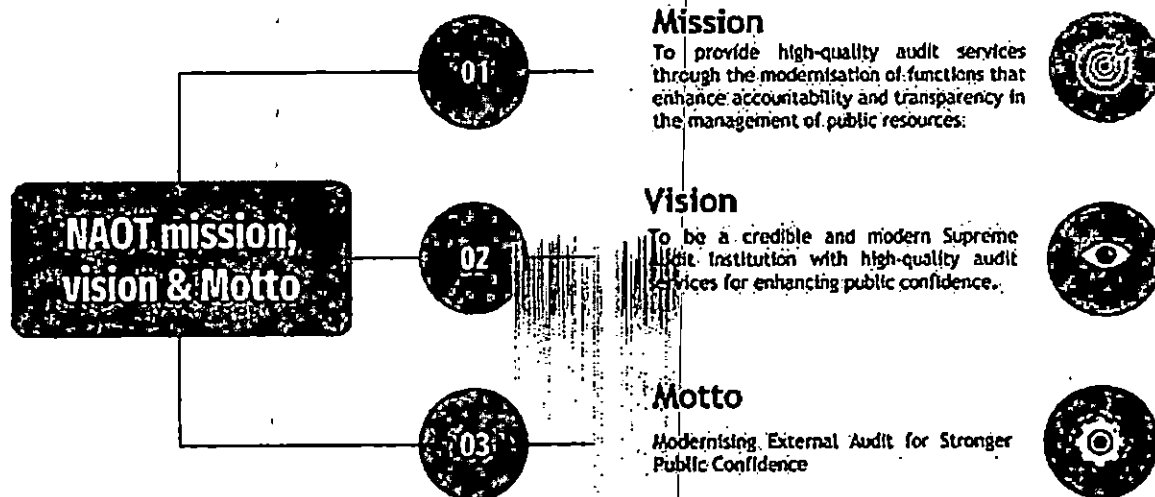
March 2024

AR/PA/IFM/2022/23

About the National Audit Office

Mandate

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



Independence and objectivity

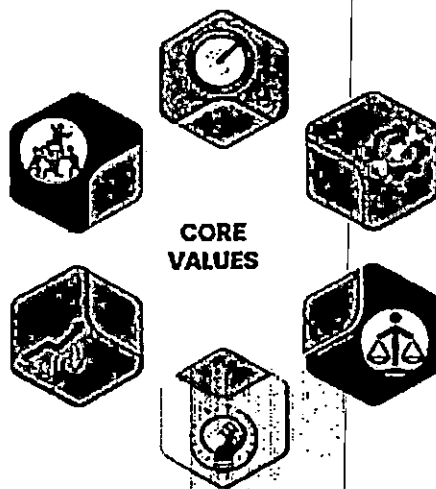
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

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



Professional competence

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

Integrity

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

Creativity and Innovation

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

© This audit report is intended to be used by Institute of Finance Management and may form part of the annual general report, which once tabled to National Assembly, becomes a public document; hence, its distribution may not be limited.

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Abbreviations

AIDS	Acquired Immuno-Deficiency 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
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
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

KEY INFORMATION OF THE INSTITUTE

Principal Place of Business:	5 Shaaban Robert Street P. O. Box 3918 11101 Dar Es Salaam Email: rector@ifm.ac.tz Phone: +255 222 112931-4
Principal Auditor:	The Controller and Auditor General National Audit Office Audit House P. O. Box 950 Dodoma.
Delegated Auditor:	Quintex Financial Services P. O. Box 11201 Dar Es Salaam
Secretary to the Governing Council: Rector	The Institute of Finance Management 5 Shaaban Robert Street P. O. Box 3918 11101 Dar Es Salaam Email: rector@ifm.ac.tz Phone: +255 222 112931-4
Lawyer:	Adv. James Igakinga The Institute of Finance Management 5 Shaaban Robert Street P. O. Box 3918 11101 Dar Es Salaam Email: rector@ifm.ac.tz Phone: +255 222 112931-4
Banker	Bank of Tanzania 2 Mirambo Street P. O. Box 2939 11884 Dar Es Salaam NMB Bank Plc Bank House Branch P.O. Box 9031 Dar Es Salaam EXIM Bank Mwanza Branch P.O.BOX 1431

Mwanza

CRDB Bank Plc
PPF Tower Branch
P. O. Box 2302
Dar Es Salaam

NBC
Samora Branch
P. O. Box 9062
Dar Es Salaam

TCB Bank
P.O. Box 9300
Dar Es Salaam

Controller and Auditor General

AR/PA/IFM/2022/23

v

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

The Chairperson of the Governing Council,
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 2023, and the Statement of Financial Performance, Statement of Changes in Net Assets and Statement of Cash Flow 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 Institute of Finance Management as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348.

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of 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 and but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the Financial Statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with IPSAS and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the Financial Statements of the current period and are, therefore, the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap 418 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.



Further, Section 48(3) of the Public Procurement Act, Cap 410 requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I performed a compliance audit on the procurement of works, goods, and services in the Institute of Finance Management for the financial year 2022/23 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that procurement of goods, works and services of Institute of Finance Management is generally in compliance with the requirements of the Public Procurement laws in Tanzania.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

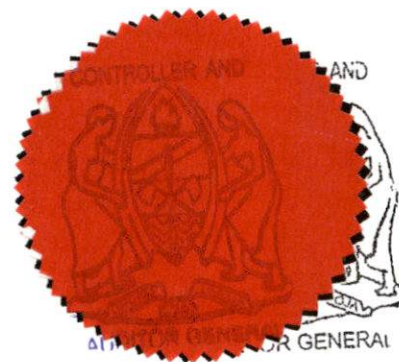
I performed a compliance audit on budget formulation and execution in the Institute of Finance Management for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that Budget formulation and execution of 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 2024



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

2.1 INTRODUCTION

Those Charged with Governance (TCWG) at the Institute of Finance Management (IFM) is the Governing Council. The Governing Council presents this report together with the Financial Statements for the year ended 30 June 2023, which provides the results of the Institute's operations and its state of affairs. The report has been prepared in compliance with changes made on the Tanzania Financial Reporting Standard 1 (TFRS 1)- Report by Those Charged with Governance issued by the National Board of Accountants and Auditors (NBAA) which became effective on 1 January 2021.

The report is addressed to internal and external stakeholders who are both primary and secondary users of financial reports. It sets out an analysis of the Institute's operations and financial review, with a forward-looking orientation in order to assist stakeholders in assessing the strategies adopted by the Institute and the potential for those strategies to succeed towards creating value over the short, medium and long-term periods.

The Institute's internal stakeholders include the Governing Council and employees. External stakeholders comprise of Government of the United Republic of Tanzania (URT), the Parliament of Tanzania, development partners, regulatory authorities, service providers, researchers, academia, professional associations and the general public.

The objective of the report includes provision to users with an understanding of the Institute's culture, principal activities, key strengths and resources, 2022/23 performance, governance matters, relationship with stakeholders, liquidity and financial performance, current and future development plans, financial reporting and auditing, employee's welfare matters and risk management

The Financial Statements are prepared in accordance with the International Public Sector Accounting Standards (IPSASs).

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 Act of Parliament No. 3 of 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 CORPORATE CULTURE

The Institute's culture consists of vision, mission and core values as stipulated herewith below.

2.3.1 VISION STATEMENT

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

2.3.2 MISSION STATEMENT

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

2.3.3 CORE VALUES OF THE INSTITUTE

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

- (a) **Accountability**; Demonstrating a high degree of accountability to our stakeholders and 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 to create synergy in operations;
- (d) **Integrity and innovativeness**; Demonstrating high fidelity, honesty, faithful and trustworthy behavior 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; and
- (h) **Excellence and efficiency**; Delivering prompt and exemplary services to the Institute's stakeholders at all times.

2.4 PRINCIPAL ACTIVITIES

The Institute of Finance Management was established by the Act of Parliament No. 3 of 1972 as a 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, certificates, and other awards of the Institute;
- iv. To sponsor, arrange and provide facilities for conferences and seminars; and
- v. To arrange for the publication and general dissemination of materials produced in connection with the work and activities of the Institute.

2.5 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 24 June 2022. 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, and 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 a good working environment and labour relations. By 30 June 2023, the Institute had campuses in five Regions in Mainland Tanzania namely; Dar-es Salaam, Mwanza, Dodoma, Simiyu and Geita and a total of 338 employees as at 30 June 2023 (30 June 2022: 305 employees). Plan was underway to recruit seventy-four academicians to ensure the mandate of the Institute was 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 has adequate financial resources to support its strategic and operational initiatives. The financial resources comprise of capital TZS 3,439.1 million and accumulated surplus of TZS 83,019.5 million as at 30 June 2023.

The Institute enhances its financial sufficiency by improving management of its resources through prioritization 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 organization;
- 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 in 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, improving 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. Mfumo wa Uhasibu Serikalini (MUSE);
- 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.

(f) Intellectual Resources

The Institute staff knowledge is a very significant strategic resource that has played a great role in modernizing its operations by developing in-house modern technology to improve its day-to-day operations. The Institute staff have developed various in-house software which allows efficient execution of its mandate.

(g) Social and Relationship Resources

The Institute maintains strong relationships with its stakeholders to understand their expectations and create values that ensure satisfaction. To maintain good relationships with the communities in which the Institute operates, we provide support in the form of charitable contributions to good causes. During the year, the Institute donated a total amount of TZS 7.9 million to various community groups and contributions to various organizations. The Institute shall continue engaging its stakeholders and contribute on improving their welfare.

(h) Natural Resources

This forms the basis for other forms of capital which together make up the productive capacity of the organization. While the Institute does not use natural resources for its productivity, its operations are sensitive to the ecosystem to sustain life and economic activity. Recognizing the loss of ecosystems such as the atmosphere's ability to absorb carbon dioxide without becoming dangerously unstable and threatening to the economy. The Institute considers the impact of its operations on the environment and thus promotes the green environment agenda. The Institute currently uses energy-serving systems; It has set its motor vehicles' mileage and age limits; and has continued to automate its operations so that it becomes a near-paperless office in its efforts to use modern, environmentally friendly systems that use water, land, and energy sparingly; and minimize air pollution.

2.6 REVIEW OF THE INSTITUTE'S PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

The Institute has in place a Strategic Plan (SP) 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 translated 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 Strategic Plan is evaluated quarterly, based on Key Performance Indicators (KPIs) and its report compiled semi-annually and annually. The assessment of performance includes both financial and non-financial aspects. During the financial year 2022/23, the Strategic Plan was implemented at an average of 89.9 per cent. The respective objective(s) and targets against performance (% of achievement) are shown in Table 1.

Table 1: Strategic Plan Performance Review

Strategic Objectives	S/ N	Targets	Achievements	Performance (%)
Strengthen the quantity and quality of training, research and consultancy services (Objective A)	1.	15,667 students enrolled/ registered by June 2023	14,491 students were registered for various programmes offered by the Institute in the 2022/23 academic year as at 30 June 2023 <ul style="list-style-type: none"> IFM Main Campus: 13,042. Dodoma Campus: 144 Mwanza Campus: 1118 Simiyu Campus: 187 The registration of students is 92.5% of the annual target.	92.5
	2.	Students assessed in various programmes at all IFM campuses by June 2023	Assessments for undergraduate and Masters programmes were conducted as scheduled. Semester 1 Final Examination for the academic year 2022/23 was successfully facilitated (Exam, venues were prepared, Invigilators were oriented and all consumables for exams were provided) while the Semester 2 Final Examination was in progress and expected to be completed in the first quarter of Financial 2023/24.	100
	3.	Students trained in various programmes at all IFM campuses by June 2023	Teaching activities for undergraduate and Master programmes in all campuses (Sem I and II for the academic year 2022-23) were conducted as scheduled.	100
	4.	Obtained allowances allotted on time to students who are HESLB beneficiaries by June 2023	All eligible students were facilitated with payments for meals and accommodation allowances from HELSB. Total allocations: 9022 <ul style="list-style-type: none"> Dar Campus: 8,492 students; Mwanza campus: 530 students. Tuition fee paid Dar: 10,545,439,154 Tuition fee paid Mwanza: 616,586,500 Total: 11,162,025,654	100
	5.	Two (2) workshops with Alumni and potential clients to introduce intervention programs conducted by June 2023	The list of alumni and the contacts have been established and the alumni link is created and found on the Institute website to register (A web-based facility for registration purposes was created).	10
	6.	Eight (8) staff seminars on consultancy and research skills conducted during the ending June 2023	Five (5) staff seminars on research and consultancy skills were conducted.	62.5

Strategic Objectives	S/N	Targets	Achievements	Performance (%)
	7.	At least seventeen (17) consultancy assignments undertaken by June 2023	Four (4) consultancy assignments were undertaken, were completed and two (2) were still in progress as at 30 June 2023.	23.5
	8.	At least 90% of the registered finalists from various programmes at IFM campuses graduated by the ended June 2023	85.4% of registered finalists from various programmes at IFM campuses graduated during the last graduation and academic certificates were prepared and issued. <ul style="list-style-type: none"> A total of 6131 academic certificates which include 1510 from previous years were prepared. All requests for transcripts were timely accomplished. 	94.9
	9.	At least thirty-five (35) short courses conducted by June 2023	Nineteen (23) short courses including 4 training-based consultancy assignments were conducted and completed.	65.7
	10.	Sixty-nine (69) research papers are published by June 2023	One (1) book and twenty-eight (28) research papers were published, and thirty (16) research papers were in different stages of publication. Further 39 book chapters have been accepted for publication through the IFM Book Project. This is expected to be published in the first quarter of the financial year 2023-24.	67.6
	11.	Two (2) training workshops conducted to improve competence of staff on the application of CBET conducted by June 2023	Two (2) training workshops to improve the competence of staff on the application of CBET were conducted across the Institute Campuses as planned.	100
	12.	At least eight (8) market-driven programmes from all faculties accredited by June 2023	One (1) programme of Bachelor of Science in Cyber and One (1) Masters of Banking and Information System Management were accredited. Two (2) Master programmes (MSc. Cyber Security and MSc. Applied Data and Analytics) were submitted for final approval by NACTVET after addressing the comments. Two (2) programmes, i.e., Bachelor of Software Engineering and Bachelor Degree of Computer Network Systems have been submitted to NACTVET for review and approval.	50
	13.	Six thousand (6000) field placements secured for various students by June 2023	Four thousand nine hundred and twenty (4920) field placements were secured. Three thousand nine hundred and two (3902) students were given projects.	82
	14.	Fifteen (15) classrooms equipped with modern Information and Communication Technology (ICT) facilities by June 2023	Fifteen (15) multimedia projectors, nine (9) podiums and other ICT equipment for multimedia projectors were installed.	100
	15.	700 print books procured by June 2023	A total of 939 books were procured.	134

Strategic Objectives	S/ N	Targets	Achievements	Performance (%)
	16.	Local newspapers purchased and made available by June 2023	Newspapers were made available as per plan after a new vendor was engaged.	100
	17.	Standard of books improved by June 2023	1900 books were repaired and quality improved.	100
	18.	Modern library guides, book supports and standing banners purchased by June 2023	The procurement process for purchasing modern library guides, book supports and standing banners was started but could not be finalized on account of limited financial resources.	50
	19.	Subscription to five (5) databases of e-books facilitated by June 2023	The subscription was finalized and payments for e-books were made. Users are accessing e-books through Ebsco Host, Emerald and other databases.	100
	20.	Monitoring of teaching and learning process conducted by June 2023	Monitoring of teaching and learning process was conducted as planned.	100
	21.	Invigilation assessment exercise conducted by June 2023	Final Semester Examinations undergraduate programs and postgraduate final examinations moderation and invigilation exercises for semester one of the 2022/23 academic year were assessed. The assessment report was prepared and submitted to DR- ARC plus the respective Faculty Deans and Heads of Department for action.	75
	22.	Staff sensitization on Quality Assurance by June 2023	Sensitization seminars and regular reminders on quality assurance were conducted as planned.	100
	23.	Conduct Training on Quality and Risk Management by June 2023.	Management members from all campuses were trained on leadership skills and ethics to enhance quality assurance and risk management. Further, Risk Champions were trained in Quality Assurance and Risk Management.	100
	24.	Six (6) staff facilitated Training on Quality and Risk Management by June 2023	Six (6) staff attended training on Quality and Risk Management as planned	100
	25.	Inspection of quality assurance at Simiyu, Dodoma and Mwanza conducted by June 2023.	Quality assurance inspection at Simiyu, Dodoma and Mwanza Campuses was conducted as planned.	100
	26.	Repair and maintain vehicles, generators and other facilities Quarterly by June 2023.	Motor vehicles, generator, photocopier and other facilities routine services were carried out and repairs were done as planned.	100
	27.	Support administrative services to all Directorates and Faculties facilitated by June 2023	Cleaning, security and utilities were facilitated as planned.	100
	28.	At least one (1) training workshop on electronic resources usage to enhance	No workshop was conducted during the year under review.	0

Strategic Objectives	S/ N	Targets	Achievements	Performance (%)
		utilization conducted to academic staff by June 2023		
	29.	At least four (4) research skills seminars conducted by June 2023	Four (4) research skill seminars were conducted as planned.	100
	30.	One (1) convocation conducted by June 2023	The convocation was conducted as part of the IFM 50 anniversary.	100
Overall Cumulative Performance on Strategic Objective (A)				85
Expand and maintain physical infrastructure (Objective B)	31.	Construction of the phase I Project of Mwanza Campus completed by June 2023.	The Institute managed to procure a supervisory consultant for the construction of Mwanza Campus and started construction activities of Mwanza Campus at Kiseke, Illemela District. Construction will continue to the next financial year.	8.2
	32.	Construction Project for Geita Campus completed by June 2023	Construction of Phase one (1) of the Geita Campus had attained a 97.1% level of completion. Further, construction activities for phase two (2) continued attaining a 65.1% level of completion. Overall, the Geita construction project [Phase I and Phase II] is at a 70.5 per cent level of completion. The project is expected to be completed by December 2023. Further, contracts for performing external works have been signed with two Government Institutions (TANROAD) and Chato Water Supply and Sanitation Authority.	70.5
	33.	Complete construction of Simiyu Campus by June 2023	Construction of phase 2 structures was completed and officially entered into a Defect Liability Period (DLP). The DLP is expected to last for twelve (12) months (1 st Jan to 31 st Dec, 2023). No defect has been noted until the end of the financial year (30 June 2023).	100
	34.	Facilitate land and site maintenance at Msata by June 2023.	Two activities for maintaining boundaries for Msata - Kihangaiko land assets were undertaken as planned in the financial year under review (2022/23).	100
	35.	Facilitate land and site maintenance at Dodoma (Njedegwa and Nala) by June 2023.	Activities of maintaining boundaries of land assets in Dodoma were undertaken as planned except for Nala Plot (712 acres) which was in the final stage of subdivision following the Government directive. Until the end of the year, the process of subdivision large Nala (712 acres) was at the final stage. The Institute continues to make close follow-ups on the subdivision process.	75

Strategic Objectives	S/ N	Targets	Achievements	Performance (%)
	36.	At least twelve (12) Staff Houses rehabilitated by June 2023	Twelve (12) staff houses were repaired during the financial year under review.	100
	37.	At least one (1) student Hostels at main campus rehabilitated by June 2023	Block C hostel was rehabilitated during the financial year under review.	100
	38.	At least 80% (613 chairs and tables) of the demanded classroom and office facilities at IFM main campus rehabilitated and maintained by 2023	348 classroom chairs and tables were fixed, 18 ACs were installed, 646 Tube lights were fixed and 5 white boards were fixed. Further, the procurement of a service provider to fix 265 chairs and tables was completed. This activity will be executed during the vacation.	80
	Overall Cumulative Performance on Strategic Objective (B)			79.2
Enhance the capacity of human resources and staff welfare (Objective C)	39.	At least 70 staff equipped with customer care skills by June 2023	85 staff members were equipped with customer care skills during the year under review.	100
	40.	Thirty (30) staff attended professional conferences and short courses to improve competence by June 2023	47 staff members attended professional conferences and short courses to improve competencies.	156
	41.	Three (3) academic staff undertake professional certifications	Two (2) staff were selected for undertaking CISA certification and another one was selected to undertake certification in Data Analytics.	100
	42.	Five (5) staff facilitated to attend local ICT professional short courses and certification courses by June 2023	Six (6) staff facilitated to attend local ICT short courses.	125
	43.	At least six (6) library staff facilitated to attend relevant professional short courses by June 2023	Six (6) library staff attended short courses.	100
	44.	Three (3) Staff trained at bachelor level by June 2023	Two (2) staff members are enrolled for bachelor's degrees and one continues for bachelor studies while two (2) staff members graduated.	100
	45.	At least six (6) library staff facilitated to attend relevant professional short courses by June 2023	Six (6) library staff attended short courses during the financial year.	100
	46.	Three (3) Staff trained at Masters level by June 2023.	Three (3) staff members enrolled, and six (6) continue with Master's studies.	100
	47.	Four (4) Staff trained at PhD level by June 2023.	Four (4) staff members enrolled, and 30 continue with PhD studies.	100
	48.	Eleven (11) finance staff attend capacity-building training by June 2023	Eleven (11) staff members attended professional courses on Auditing, Taxation and Financial reporting.	100

Strategic Objectives	S/ N	Targets	Achievements	Performance (%)
	49.	To enhance staff welfare (extra duty allowances) quarterly by June 2023	Extra duties were carried out to include supporting students' utilization of the library until 22:00 hrs. Extra duties were facilitated as per the prescribed DLS annual work plan.	100
	50.	At least three (3) staff sports events and three (3) training sessions conducted by June 2023	Three (3) staff sports events were conducted and three (3) weekly training sessions were conducted for IFM Sports teams.	100
	51.	At least one (1) family day event conducted by June 2023	One (1) family day event was conducted as planned.	100
	52.	To conduct Recruitment process and Induction training	Recruitment process was facilitated.	100
Improve business processes and governance (Objective D)	53.	Access and efficiency of ICT services increased by June 2023	The following main activities were executed to enhance access and efficiency to ICT: i) Heavy-duty photocopier and printer machines are serviced and maintained. ii) Annual service and maintenance contract for four (4) heavy-duty photocopier machines completed. iii) Three Layer two (2) switches at Block E and Procurement office installed. iv) Three Layer two (2) switches at Block E and Procurement office installed. v) Two (2) digital cameras and signature pads for printing students' IDs at Dodoma and Simiyu Campus installed.	100
			vi) Thirty-one (31) additional CCTV cameras for the main campus were installed. vii) ICT equipment for preventive maintenance to all IFM campuses distributed. viii) ICT Systems and services (Email, e-office, EMS, Turnitin, Intranet, E-Learning, Library Information systems, Web Portal, Sophos, LAN, CCTV, Zoom Video Conference and Backup systems) maintained. ix) Critical information systems backups completed.	
	54.	Wireless internet access extended by June 2023	i) Installation of six (6) indoor wireless access points at Block A (5th and 6th floors) offices at Main Campus completed. ii) Installation of six (6) outdoor wireless access points at Main Campus is in progress.	80

Strategic Objectives	S/N	Targets	Achievements	Performance (%)
	55.	Nine (9) printers and fifteen (15) scanners are installed by June 2023.	Fifteen (15) scanners and nine (9) printers were installed as per the action plan.	100
	56.	The Institute's local area network restructured by June 2023	Restructuring of Local Area Network (LAN) at Block A (5 th and 6 th Floors) offices at the main Campus completed.	100
	57.	One hundred and fifty (150) computers and fifteen (15) laptops installed by June 2023.	Fifteen (15) laptops were procured, configured and distributed to users and one hundred and fifty (150) computers were installed. The installation of an additional seven (7) laptops was in progress.	104.2
	58.	Three (3) modules of the ERP System implemented by June 2023	The following ERP Modules were developed:- i) ERP Student Welfare Management module developed. ii) E-help desk module was developed. iii) Configuration and Integration of Koha and EMS is in progress.	100
	59.	Ninety-five per cent (95%) of policies and guidelines due for review are timely reviewed or developed annually by June 2023.	Six (6) guidelines and operating manuals due for review were facilitated. These included: Business Continuity Plan (BCP), Risk Management Guidelines, Quality Assurance Guidelines, Quality Assurance Plan and Examination Regulations.	100
	60.	Fifty percentage (50%) of all of Institute's documents handled electronically by June 2023	Electronic handling of documents was as follows: i) Management meeting documents are uploaded into the Khanbalik system for sharing electronically. ii) Students appealed online through the EMS system. iii) Students complain online through the EMS system. iv) Students applied field attachment online through the EMS system. v) Students fill out clearance forms online through the EMS system. vi) Staff files and Internal memos are shared through the e-Office system. vii) Documents, news, forms, policies, regulations and guidelines are shared online to each staff through the Intranet system. viii) Internal communications such as meetings and announcements are shared through the E-mail system.	100
	61.	ICT Services and software licenses are renewed by June 2023	The following ICT services and software were renewed during the financial year: i) E-office services license renewed	99.3

Strategic Objectives	S/N	Targets	Achievements	Performance (%)
			ii) Adobe license and SPSS license renewed iii) Kaspersky Antivirus Software iv) Zoom video conference license renewed v) Sage Evolution annual maintenance renewed vi) SSL certificates renewed vii) Backup service renewed viii) Turn it in software renewed ix) Tele form software renewed x) Internet service charges are in progress	
	62.	Power back-up for ICT facilities enhanced by June 2023	The installation of two (2) centralized UPS was in progress.	95
	63.	At least 50% of management members trained in leadership skills by June 2023	Fifty-eight (58) management members were trained in leadership skills.	96.7
	64.	Meetings for governance organs facilitated quarterly by June 2023	The governance organs meetings for respective quarters were facilitated as planned.	100
	65.	Risk register reviewed and updated by June 2023.	Institutional Risk Register and related Risk Treatment Action Plan were reviewed and updated as planned.	100
	66.	Audit procedures /programs for various auditable universes developed by June 2023.	Procedures or programs for various auditable universes were developed as per plan.	100
	67.	Risk-based Internal audit plan developed, approved and implemented by June 2023.	Annual Internal Audit Plan was prepared and approved by the Audit Committee. The approved plan comprised twenty-two (22) auditable universes. The remaining 12% of audit activities relate to ICT and human resources for which the Office of Internal Audit lacks the expertise. It is expected to be prepared in the next financial year.	88
Overall Cumulative Performance on Strategic Objective (D)				95.7
Improve students' academic and social experience.	68.	Facilitate six (6) staff to attend a short course on student management by June 2023	Six (6) staff attended short training on student management as planned.	100
	69.	Conduct four (4) leadership and career development seminars by June 2023	Four (4) seminars on leadership and career development were conducted as per the annual work plan.	100
	70.	Four (4) students' group counselling sessions facilitated by June 2023	Four (4) students' group counselling sessions were successfully facilitated as per plan.	100
	71.	One thousand three hundred seventeen (1,317) students were allocated in the hostels owned by the Institute.	Eight hundred forty-three (843) students were allocated in hostels.	64

Strategic Objectives	S/ N	Targets	Achievements	Performance (%)
	72.	Two (2) community social responsibility events conducted by June 2023	Two (2) community social responsibility events were conducted as planned.	100
	73.	Four (4) sexual harassment seminars conducted to students by June 2023	Four (4) sexual harassment seminars were conducted as planned.	100
	74.	Eight (8) sports and games events for students facilitated by June 2023	Eight (8) sports and games events for students were facilitated during the year under review.	100
Overall Cumulative Performance on Strategic Objective (E)				94.9
Enhance financial capacity and sustainability (F)	75.	Monitoring and Evaluation of the Institute budget and annual work plan conducted by June 2023.	The performance reports and Monitoring and Evaluation (M&E) reports were prepared and disseminated to appropriate governance organs for deliberations, guidance and decision-making.	100
	76.	The MTEF, annual budget and related work plan for 2023/24 prepared and approved by June 2023	Preparation of the Institute's MTEF, annual budget and work plan for the financial year 2023/24 was completed and submitted to relevant authorities for approval. Until the end of the financial year, the MTEF, Budget and Annual Work Plan had been approved by all relevant Authorities. The implementation of the MTEF Annual Budget and Work Plan for FY 2023/24 will start in July 2023.	100
	77.	Midterm Review of the Institute Strategic Plan (2021/22-2025/26) conducted by June 2023.	The Institute Strategic Plan (2021/22 - 2025/26) was reviewed as planned to reflect changed operational and economic realities and lessons learnt from two years of implementation. Until the end of the financial year, the reviewed Strategic Plan was ready for the internal approval process before final approval by relevant Government Authorities.	80
	78.	Report for those charged with Governance and Financial Statement for the year ended June 2022 submitted to Controller and Auditor General on or before 30 Sept 2022 and audit completed and approved by CAG by June 2023	Report for those charged with Governance and Financial Statement for the year ended June 2022 were submitted and approved by the Controller and Auditor General (CAG) as per plan.	100
	79.	At least 95% of revenue collected annually by June 2023	Revenue amounting to TZS 26,411.5 million was collected out of TZS 27,575.1 million planned from own sources as at 30 June 2023 which is 95.8% of annual plan target.	100
	80.	Government subvention for salaries, OC and development facilitated by June 2023.	Government paid personal emoluments for July 2022 to June 2023 for staff on the payroll as budgeted.	100.6

Strategic Objectives	S/ N	Targets	Achievements	Performance (%)
			The Government released funds for development for the financial year 2022/23 for construction activities at Geita and Mwanza.	74.3
	81.	Quarterly budgetary report produced by 20 of the following month.	All quarterly budgetary performance reports were prepared and submitted to the respective Ministry on time.	100
	82.	Unmodified audit report obtained by June 2023	The Institute obtained an unqualified audit opinion for the financial reports of the financial year ended 30 June 2022.	100
Overall Performance on Strategic Objective (F)				95
Compliance to the National Policy of Communicable and Non-communicable Diseases (G)	83.	Four (4) staff sports events conducted by June 2023	Four (4) staff sports events were conducted during the financial year ended 30 June 2023.	100
	84.	Two (2) voluntary counselling and testing sessions conducted by June 2023	115 staff attended a testing session conducted by OSHA	100
	85.	Four (4) awareness programs on HIV/AIDS and non-communicable diseases conducted for staff by June 2023	Four (4) sessions were conducted during the financial year where one hundred and twenty (120) staff attended.	100
	86.	Four (4) HIV/AIDS and Non-Communicable diseases awareness programs conducted by June 2023	Four (4) awareness sessions on HIV/AIDS were conducted as per plan.	100
Overall Performance on Strategic Objective (G)				93.8
Comply and implement the National anti-corruption strategy (Objective H)	87.	Two (2) awareness seminars on anti-corruption and code of ethics seminars facilitated to staff by June 2023	Two (2) awareness seminars on anti-corruption and code of conduct were conducted and 145 staff attended.	100
	88.	Four (4) awareness seminars on anti-corruption facilitated by June 2023	Four (4) awareness seminars on anti-corruption were conducted as per plan.	100
	89.	IFM integrity committee trained by June 2023	No training was conducted as the President's Office, Public Service Management rescheduled the training.	0
	90.	IFM integrity committee conducting meeting semi-annually by June 2023	One (1) Integrity Committee meeting was conducted during the during the year.	50
	91.	All procurements conducted competitively by June 2023	All procurements were conducted competitively.	100
Overall Performance on Strategic Objective (H)				70
Overall Performance on All Objectives				89.9

Source: Monitoring and Evaluation Report for financial year 2022/23

2.7 STATEMENT OF SERVICE PERFORMANCE INFORMATION

The Institute generates competent graduates by transforming inputs from the approved curricula by NACTVET by using appropriate teaching methodologies, competent academicians, pedagogies, and conducive infrastructures. The available competent graduates are supplied in the labour market to support national economic growth and create job opportunities. The Institute improves its infrastructure base by acquiring new infrastructures and technologies, as well as through maintenance and refurbishment of existing infrastructures at Dar es Salaam and other upcountry campuses.

The Institute's human capital is contributed by employees, service providers, suppliers, and contractors with their competencies, capabilities, and experience. The Institute provides an equal employment opportunity and therefore the process of recruitment is transparent, thereby improving the employee base. Furthermore, the Institute continues to enhance human capital by conducting timely training needs assessments and developing new skills and training for employees to ensure efficiency and effectiveness to attain its strategic objectives. The Institute also continues to engage with key stakeholders and maintain good relationships.

The Institute's social and relationship capital is based on interactions with customers, suppliers, communities, and the public in general. The Institute contributes in many ways towards development, including enabling economic growth through appropriate graduates supplied yearly to the economy, job creation, and skills development as well as improving the lives of many citizens through the Institute's corporate social programmes and socio-economic development activities. Strong stakeholder relationships are critical to the Institute's ability to create value and therefore one of the main areas of focus is restoring the trust of the Institute's stakeholders. The Institute's intellectual capital includes technology, a key enabler of the business, which comprises, information, and operational technology; organizational knowledge, systems, policies, and procedures; as well as research and innovation to industrialize future technologies and improve current operations.

The Institute also plays a significant developmental role in supporting the National Development Plan by supporting job creation, economic and skills development, transformation, and other national initiatives. This is in addition to the Institute's mandate: to offer certificates, diplomas, bachelor's degrees and postgraduate programmes.

The key performance objective of the Institute is the delivery of academic services to stakeholders most effectively and efficiently. The Institute has several customers to whom service is provided ranging from regulatory authorities to normal stakeholders such as students, suppliers and donors. To assess whether the Institute has achieved its performance objective, the Institute reviews its planned operational performance by comparing actual performance against the budget during the year. The operational performance of the Institute during the year under review is summarized in Table 2 as follows:

Table 2: Operational Performance

S/N	Activities	Planned by June 2023	Actual by June 2023	Percentage Change against Plan (%)	Reasons for Variation
1.	Students enrolled/ registered for academic year 2022/23.	15,667	14,491	7.5	Stiff Competition among Higher Learning Institutions offered the same courses as IFM.
2.	All eligible students were facilitated with payments for meals and accommodation allowances from HELSB.	9,022	9,022	NIL	N/A
3.	Staff seminars on consultancy and research skills are conducted.	8	5	37.5	Tight schedule of academic staff.
4.	Consultancy assignments are undertaken.	17	4	23.5	i. Tight schedule of academic staff due to inadequate staffing. ii. Inadequate skills required to solicit consultancy assignments. iii. Consultancy and training guidelines are not favourable to attracting faculty members to conduct and apply for consultancy.
5.	Registered finalists from various programmes at IFM campuses graduated.	90%	85.4%	4.6	Failure of some of the students to meet the standards of the Institute.
6.	Short courses conducted.	35	23	65.7	i. Tight schedule of academic staff. ii. Consultancy and training guidelines are not favourable to attracting faculty members to conduct short courses.

S/N	Activities	Planned by June 2023	Actual by June 2023	Percentage Change against Plan (%)	Reasons for Variation
7.	Research papers published by academicians in reputable journals.	69	28	59.4	Tight schedule of academic staff due to the existence of other activities.
8.	Market-driven programmes from all faculties accredited by NACTVET.	8	2	25	Tight schedule of academic staff who are responsible for curricula development due to inadequate staffing.
9.	Field placements are secured for various students.	6,000	4,920	18	Inadequate linkage and collaboration with industry and employers.
10.	Classrooms equipped with modern Information and Communication Technology (ICT) facilities.	15	15	NIL	N/A
11.	Print books procured to facilitate various programmes offered at the Institute.	700	939	-34	Prices of printed books were reasonable which led the Institute to procure more books within the same budget.
12.	Construction of Phase I Project of Mwanza Campus.	Phase completed.	1 Preliminary Activities Partially Completed.	8.2	Prolonged procurement process of a consultant, which delayed the construction process.
13.	Construction Project for Geita Campus completed.	Geita Campus Completed	Construction of Phase one (1) of Geita Campus had attained a 97.1% level of completion. Further, construction activities for phase two (2) continued attaining a 65.1% level of completion. Overall, the Geita construction project [Phase I and Phase II] is at a 70.5 per cent level of completion. The project is expected to be completed by	70.5	Delay in the procurement process.

S/N	Activities	Planned by June 2023	Actual by June 2023	Percentage Change against Plan (%)	Reasons for Variation
			December 2023. Further, contracts for performing external works have been signed with two Government Institutions (TANROAD) and Chato Water Supply and Sanitation Authority.		
14.	Complete construction of Simiyu Campus.	Simiyu Campus Completed	Construction of phase 2 structures was completed and officially entered into a Defect Liability Period (DLP). The DLP is expected to last for twelve (12) months (1 January to 31 December, 2023). No defect has so far been noted until the end of the financial year (30 June 2023).	NIL	N/A
15.	Facilitate land and site maintenance at Msata, Nala and Njedengwa.	Maintenance at Msata, Nala and Njedengwa facilitated.	Facilitated as Planned.	NIL	N/A
16.	Staff Houses rehabilitated.	12	12	NIL	N/A
17.	Student Hostels at main campus were rehabilitated.	1	1	NIL	N/A
18.	Chairs and tables of the demanded classroom and office facilities at IFM main campus were rehabilitated and maintained.	80%	80%	NIL	N/A
19.	Staff equipped with customer care skills, Professional conferences and short courses to improve competence and efficiency.	80%	80%	NIL	N/A
20.	Staff trained at Masters level.	3	3	NIL	N/A

S/N	Activities	Planned by June 2023	Actual by June 2023	Percentage Change against Plan (%)	Reasons for Variation
21.	Staff trained at PhD level.	4	4	NIL	N/A
22.	Staff sports events, retreats and family events	3	3	NIL	N/A
23.	Conduct Recruitment process and Induction training.	1	1	NIL	N/A
24.	Wireless internet access extended.	Wireless internet access extended at Main Campus.	i. Installation of six (6) indoor wireless access points at Block A (5th and 6th floors) offices at Main Campus completed. ii. Installation of six (6) outdoor wireless access points at Main Campus is in progress.	80	Financial constraints.
25.	Institute local area network restructured.	The local area network was restructured.	Restructuring of Local Area Network (LAN) as planned.	NIL	N/A
26.	Modules of ERP System implemented.	3	3	NIL	N/A
27.	Governance is enhanced by ensuring policies and guidelines due for review are timely reviewed or developed.	95%	95%	NIL	N/A
28.	The institute's documents are handled electronically	The institute's documents are handled electronically	Completed as Planned	NIL	N/A
29.	Internal Audit Activities performed as planned	Internal Audit Functions enhanced	Completed as Planned	NIL	N/A
30.	Students are allocated to the hostels owned by the Institute.	1317	843	36	Difficult caused by the old Hostel building structures.
31.	Community social responsibility events conducted	2	2	NIL	N/A
32.	Sports and games events for students facilitated	8	8	NIL	N/A
33.	Monitoring and Evaluation of the Institute budget and annual work plan conducted	Monitoring and Evaluation of the Institute's	Conducted as planned and reports submitted	100	N/A

S/N	Activities	Planned by June 2023	Actual by June 2023	Percentage Change against Plan (%)	Reasons for Variation
		activities timely conducted.	to the Governing Council.		
34.	The MTEF, annual budget and related work plan prepared and approved	The MTEF, annual budget and related work plan for prepared and approved	Completed and approved as planned	NIL	N/A
35.	Enhance Compliance with the Public Audit Act by ensuring that the Reports for those charged with Governance and Financial Statements are prepared and submitted to the CAG	Report for those charged with Governance and Financial Statements prepared and submitted to the CAG	Prepared and submitted as planned.	NIL	N/A
36.	Ensure Revenue from all sources is collected	95%	95%	NIL	N/A
37.	Ensure the Institute's Financial records are properly maintained in the books of accounts	Unmodified audit report obtained by	Obtained as planned	NIL	N/A
38.	Ensure compliance with the National HIV/ AIDS Policy and non-communicable diseases programmes	Training, Awareness programmes and testing sessions.	Completed as Planned	NIL	N/A
39.	Ensure compliance with the Anti-Corruption Policy and Code of ethics	Fully compliance with anti-corruption policy and code of ethics on academic services, procurement and other related activities.	Comply as planned	NIL	N/A

Source: Institute's Budget/ Work Plan for the financial year 2022/23

2.8 INSTITUTE OPERATING MODEL

The Institute is wholly owned by the Government of Tanzania. In undertaking its core functions, the IFM is guided by the Parliament Act No. 3 of 1972 as R.E. 2004

The IFM is currently an autonomous institution with full accreditation of the National Council for Technical and Vocational Education and Training (NACTVET), providing training, research and consultancy services in banking, insurance, financial management and other related disciplines. Table 3 explains the Institute's Operating Model.

Table 3: Institute Operating Model

CODE	OBJECTIVE	STRATEGY	INPUTS	PROCESSES	OUTPUTS	OUTCOMES
A	Strengthen the quantity and quality of training, research and consultancy services	A.1. Develop new innovative and market-driven programmes	<ul style="list-style-type: none"> i. Financial Resources ii. Human Capital 	<ul style="list-style-type: none"> i. CBET Delivery Model; ii. Programme differentiation techniques and modules; iii. Modern Marketing strategies (Online) to capture the intended market; iv. Involvement of Internal and external stakeholders. 	<ul style="list-style-type: none"> i. Accredited innovative and market-driven programmes; ii. Provision of curricula of a good standard iii. Increase the number of experts in the market; iv. Increase programmes offered by the Institute; v. Increase the total Revenue of the Institute; and vi. Increase the Visibility of the Institute. 	<ul style="list-style-type: none"> i. Stakeholders' Satisfaction; ii. Competent graduates; iii. Increase Employee Morale iv. Institute's Reputation v. Increase Revenue from exchange transactions of the Institute.
		A.2. Transform the existing programmes into innovative and market-driven programmes	<ul style="list-style-type: none"> i. Financial Resources ii. Human Capital 	<ul style="list-style-type: none"> i. Establish reliable, modern and constantly updated information systems; ii. Provision of good quality books and publications; iii. Establish simplified learning systems and structures; and iv. Provision of modern training 	<ul style="list-style-type: none"> i. Accredited innovative and market-driven programmes; ii. Provision of curricula of a good standard; iii. Increase the total Revenue of the Institute; and iv. Increase the Visibility of the Institute. 	<ul style="list-style-type: none"> i. Provide quality training programmes; ii. Providing excellent services to meet and exceed customers' expectations.

Table 3: Institute Operating Model

CODE	OBJECTIVE	STRATEGY	INPUTS	PROCESSES	OUTPUTS	OUTCOMES
				facilities and infrastructures.		
		A.3. Adopt innovative teaching and learning approaches and methodologies	i. Financial Resources ii. Human Capital iii. Modern Infrastructures	i. Transform training culture; ii. Encourage staff to enhance their capabilities and talents; iii. Introduce new teaching strategies and methods; iv. Build flexible learning environments	i. Enhance student learning process; ii. Improve student retention and engagement; iii. Fostering critical thinking skills and creativity	i. Increase the number of students who finally acquire educational success; ii. Improved problem-solving and decision-making ability.
		A.4. Enhance academic performance	i. Financial Resources ii. Human Capital iii. Availability of Teaching Infrastructures	i. Having competent teaching staff; ii. Developing essential learning skills; iii. Enhancing teacher-student communication; iv. Updated educational materials available; v. Availability and use of technology for teaching and learning	i. Number of students graduating with high grade point average (GPA); ii. Number of students graduating; iii. Increasing students with intellectual level, highly motivated and who are skilled; iv. Students who have higher self-esteem and self-confidence	Producing qualified human power that accelerates economic development and solves the real problems of a community;

Table 3: Institute Operating Model

CODE	OBJECTIVE	STRATEGY	INPUTS	PROCESSES	OUTPUTS	OUTCOMES
		A.5. Improve partnerships and linkages with industry and stakeholders	i. Financial Resources ii. Human Capital iii. Industrial Linkage Guidelines	i. Availability of Memorandum of Understanding (Mou) with Industries; ii. Conduct conference, research and innovation programmes iii. Establish of External Linkage unit iv. Aligning the Institute's semester schedule with the professional's time	i. Secure field placements for the Institute's students; ii. Increase collaboration with industrial; iii. Increase Revenue for the Institute.	i. Enhancing the Industrial Linkage portfolio. ii. Ensure proactive and timely planning with professionals.
		A.6. Increase the volume and quality of research, publications and consultancy	i. Financial Resources ii. Human Capital iii. Availability of Research and Consultancy Guidelines	i. Comply with Research Guidelines to enhance the quality of publications ii. Equip academic staff with research and consultancy skills	i. Number of research publications ii. Number of consultancy secured and performed iii. Quality Research Publications	i. Enhance academic staff with research and consultancy skills ii. Increase the visibility of the Institute worldwide. iii. Increase the budget for research funds mobilization skills seminars.
		A.7. Increase externally funded research	i. Financial Resources ii. Human Capital iii. Training/ Seminar to secure externally funded research iv. Availability of a proper plan	i. Establish a proper plan to conduct a seminar on research fund mobilization. ii. Motivate academicians to apply for externally funded research	i. Number of external funds secured. ii. Increase the level of collaboration with external stakeholders.	i. Enhance academic staff with research. ii. Increase the visibility of the Institute worldwide. iii. Continue to solicit external funds for research. iv. Proper plan to prepare research fundable proposal

Table 3: Institute Operating Model

CODE	OBJECTIVE	STRATEGY	INPUTS	PROCESSES	OUTPUTS	OUTCOMES
		A.8. Improve the learning environment	i. Financial Resources ii. Human Capital	i. Availability of maintenance and rehabilitation Plan. ii. Availability of Annual Procurement Plan ii. Quality of the learning environment assessed by OSHA and other internal organs such as the Quality Assurance Unit.	i. Report on the Condition of the learning environment rehabilitated and maintained. ii. Availability of a conducive learning environment.	Routine maintenance to improve the learning environment
B	Expand and maintain physical infrastructure	B.1. Acquire and develop new physical facilities	i. Financial Resources ii. Availability of Strategic Plan iii. Availability of Technical Human Capital	i. Availability of Project Plan ii. Adherence to project management controls	Number of physical facilities acquired and developed.	Improve project management controls
		B.2. Rehabilitation and Maintenance of Teaching and other facilities	i. Financial Resources ii. Human Capital iii. Availability of Annual Procurement Plan	i. Availability of Rehabilitation Plan ii. Adherence to rehabilitation management controls; and Procurement Procedures.	Number of teaching and other facilities rehabilitated and maintained.	Routine maintenance to improve the learning environment
C	Enhance the capacity of human resources and staff welfare	C.1. Improve staff capacity	i. Financial Resources ii. Training Needs Assessment iii. Training Policy	i. Identify Skill Gaps ii. Develop Training Programs iii. Monitor Progress iv. Evaluate Results	Human Capital of the Institute improved to achieve strategic objectives.	i. Enhance the quality of service offered at the Institute. ii. Increase revenue by attracting more research, consultancy and other activities.
		C.2. Enhance staff welfare and retention	i. Financial Resources	i. Assess the current state of	i. Efficient Performance	i. Job Satisfaction ii. Enhance Productivity

Table 3: Institute Operating Model

CODE	OBJECTIVE	STRATEGY	INPUTS	PROCESSES	OUTPUTS	OUTCOMES
			ii. Availability of Incentive Scheme	ii. staff welfare and retention. ii. Develop a plan that targets identified areas for improvement. iii. Training and Support personal growth and development. iv. Availability of recognition programs that reward employees for their contributions to the Institute's success. v. Work Environment: Create a safe, healthy, and inclusive work environment where employees feel valued and respected.	ii. Low staff turnover rate. ii. High level of employee satisfaction. iv. Increase employee commitment	iii. Reduced Absenteeism iv. Reduced Turnover Costs v. Increase employee's creativity and innovation vi. Reduced Turnover Costs vii. Increase Institute Reputation iii. Build Corporate Culture.
D	Improve business processes and governance	J.1. Design and develop effective business processes and systems	i. Financial Resources ii. Human Capital	i. Designing and developing effective business processes and systems by clearly understanding the Institute's objectives ii. Design Process Flow	i. Understand the Business Goals and Objectives ii. Analyze Existing Processes: A thorough analysis of current processes is critical to look for	Enhance business processes and systems to ensure the attainability of strategic objectives.

Table 3: Institute Operating Model

CODE	OBJECTIVE	STRATEGY	INPUTS	PROCESSES	OUTPUTS	OUTCOMES
				iii. Develop a system to capture the Institute's core activities such as ERP. iv. Implement and Monitor; v. Continuous Improvement to enhance effective business processes.	inefficiencies, bottlenecks, redundancies, and areas that require improvement. iii. Integrate Technology iv. Develop Metrics for Measurement v. Monitor and Review.	
		J.2. Compliance with regulatory requirements	i. Financial Resources ii. Human Capital iii. Training/ Seminars on compliance matters	i. Understanding Applicable Rules and Regulations; ii. Conduct Risk Assessment iii. Develop Policies and Procedures iv. Training and Seminars v. Implementation of Compliance Programs. vi. Monitoring and Auditing. vii. Proper maintenance of Documentation	i. Legal Obligations ii. Risk Mitigation iii. Stakeholder's Trust iv. Increase the Institute's Reputation v. Create competitive advantage.	Enhancing a high level of compliance may minimize the occurrence of material misstatements and related legal impacts.
		J.3. Strengthen management and leadership skills	i. Financial Resources ii. Training Programme iii. Succession Plan	i. Seek Education and Training ii. Gain Practical Experience iii. Attached to a Mentor or Coach iv. Stay Updated with Best Practices v. Encourage feedback from colleagues, superiors, and	i. Building an effective Institute ii. Encouraging teamwork and collaboration iii. Providing mentorship and coaching iv. Adapting to change	Enhance leadership skills to allow members to make appropriate decisions for the betterment of the Institute and the nation at large.

Table 3: Institute Operating Model

CODE	OBJECTIVE	STRATEGY	INPUTS	PROCESSES	OUTPUTS	OUTCOMES
				subordinates. Generally, Constructive criticism is invaluable for continuous improvement in management skills.		
				vi. Practice Resilience: Leadership involves facing challenges head-on. Developing resilience can help manage stress and overcome obstacles effectively.		
		J.4. Enhance security systems	i. Financial Resources ii. Human Capital iii. Government Directives, Policies, Frameworks and Guidelines.	i. Assessment of Current Security Posture: ii. Risk Analysis: iii. Development of a Security Plan: iv. Implementation of Security Measures: v. Training and Awareness: vi. Monitoring and Detection: vii. Incident Response Planning: viii. Regular Updates and Patches: ix. Audit and Compliance: x. Continuous Improvement:	i. Allows for the identification of vulnerabilities and weaknesses that need immediate action to address them. ii. Update and patch all software and hardware components regularly. iii. Implementing multi-factor authentication (MFA) to enhance security systems. iv. Ensuring that all sensitive information is encrypted can help prevent	Enhance security systems to ensure the Institute's information, physical items and members of staff are safe from intruders/hackers.

Table 3: Institute Operating Model

CODE	OBJECTIVE	STRATEGY	INPUTS	PROCESSES	OUTPUTS	OUTCOMES
					<p>unauthorized access even if other security measures fail.</p> <p>v. Regularly backing up data ensures that in the event of a breach or data loss incident, critical information can be recovered.</p> <p>vi. Network monitoring and intrusion detection systems that can detect unusual patterns that may indicate a security breach.</p>	
		J.5. Increase reliability and accessibility of ICT infrastructure to support the operation of the Institute	<p>i. Financial Resources</p> <p>ii. Human Capital</p> <p>iii. Availability of ICT guidelines to cover for proper usage of facilities and infrastructures.</p>	<p>i. Assessment of Current Infrastructure</p> <p>ii. Risk Management</p> <p>iii. Redundancy and Failover Systems</p> <p>iv. Regular Updates and Maintenance</p> <p>v. Disaster Recovery Plan</p> <p>vi. Scalable Architecture</p> <p>vii. Monitoring Tools</p> <p>viii. Training and Support</p> <p>ix. Ensure Quality Service Providers</p>	<p>i. Enhanced Efficiency:</p> <p>ii. Improved Communication:</p> <p>iii. Streamlined Institute's Operations:</p> <p>iv. Enhanced Collaboration with industry and other stakeholders:</p> <p>v. Scalability:</p>	Ensure reliability and accessibility of ICT infrastructure to support the operation of the Institute to attain strategic objectives.

Table 3: Institute Operating Model

CODE	OBJECTIVE	STRATEGY	INPUTS	PROCESSES	OUTPUTS	OUTCOMES
				<ul style="list-style-type: none"> x. Compliance with Standards xi. Investment in Modern Technologies xii. User Accessibility Considerations: 		
		J.6. Increase the visibility and marketing of the Institute	<ul style="list-style-type: none"> i. Financial Resources ii. Human Capital iii. Availability of Marketing Guidelines. 	<ul style="list-style-type: none"> i. Develop a Strong Online Presence through Website Optimization and Social Media Engagement ii. Content Marketing such as Blogging and Video Content iii. Search Engine Marketing (SEM) through Google AdWords and Remarketing Campaigns iv. Public Relations and Media Outreach by using Press Releases and Media Coverage v. Alumni Engagement through Alumni Networks, and Alumni Events vi. Collaborate with Industry Partners vii. Attend Conferences and Events viii. Utilize Influencer Marketing ix. Measure and Analyze Results 	<ul style="list-style-type: none"> i. Implementing a robust digital marketing strategy to increase the visibility of an institute ii. Developing high-quality and relevant content is a powerful way to increase visibility and attract the attention of potential students and other stakeholders. iii. Hosting events, workshops, webinars, and seminars related to the institute's areas of expertise can help in showcasing its thought leadership and expertise. iv. Effective public relations efforts can contribute to raising awareness about the institute's achievements, 	Proper Marketing strategies can increase the visibility of the Institute.

Table 3: Institute Operating Model

CODE	OBJECTIVE	STRATEGY	INPUTS	PROCESSES	OUTPUTS	OUTCOMES
					initiatives, and contributions to the community.	
		J.7. Manage institutional risks	i. Financial Resources ii. Availability of Risk champions iii. Guidelines for Developing Risk and Fraud Management	i. Risk Identification ii. Risk Assessment iii. Risk Mitigation iv. Risk Monitoring and Reporting v. Crisis Management vi. Compliance and Regulatory Considerations vii. Risk Culture and Governance viii. Training and Education	i. Comprehensive identification and assessment of potential risks. ii. Reduce the probability of risk occurrence or minimize their potential impact. iii. Involves ongoing monitoring and reporting mechanisms to track the status of identified risks and evaluate the effectiveness of mitigation strategies. iv. Ensure compliance with relevant laws, regulations, and industry standards. v. Development of crisis preparedness and response plans. vi. Enhanced Organizational Resilience	Managing institutional risks contributes to an Institute's overall stability, sustainability, and ability to navigate uncertainties effectively.
		J.8. Develop quality audit management programmes and procedures	i. Financial Resources ii. Human Capital	i. Define the scope and objectives of the quality audit ii. Establish an audit team.	i. Quality audit management programs and procedures for ensuring that an Institute's operations meet the	Developing quality audit management programs and procedures for the Institute enhanced compliance, improved operational efficiency,

Table 3: Institute Operating Model

CODE	OBJECTIVE	STRATEGY	INPUTS	PROCESSES	OUTPUTS	OUTCOMES
				iii. Develop a comprehensive Risk-based audit plan. iv. Conduct the audit. v. Analyze and report on the audit findings. vi. Implement corrective actions and follow-up.	required standards and regulations. ii. Implementing a Risk-Based Approach in audit assignments. iii. Training and Competency Development for internal auditors. iv. Utilizing Technology for Audit Management to improve efficiency and effectiveness. v. Quality audit management programs include mechanisms for continuous improvement and monitoring.	risk mitigation, quality improvement, stakeholder confidence, data-driven decision making, continuous monitoring and evaluation, as well as standardization of processes.
E	Improve students' academic and social experience	E.1. Improve academic and social support for students	i. Financial Resources ii. Human Capital iii. Students Programme	i. Assessment of Current Support Systems in place Identifying Areas of Improvement. ii. Professional Development for Educators. iii. Collaboration with Community Partners. iv. Utilizing Technology. v. Promoting a Positive Academic Climate. vi. Continuous monitoring of the	i. Enhanced Counselling Services. ii. Peer Mentoring Programs. iii. Academic Tutoring Services. iv. Community Engagement Initiatives. v. Accessible Mental Health Resources. vi. Collaborative Learning Environments. vii. Holistic Wellness Programs	Improving academic and social support for students can create an environment that nurtures student success and well-being.

Table 3: Institute Operating Model

CODE	OBJECTIVE	STRATEGY	INPUTS	PROCESSES	OUTPUTS	OUTCOMES
				Implemented interventions is crucial to assess their impact on student academic performance and well-being.	viii. Access Academic Resources to	
F	Enhance financial capacity and sustainability	F.1 Enhance revenue collection	<ul style="list-style-type: none"> i. Increase enrolment ii. Training facilities iii. Human Capital 	<ul style="list-style-type: none"> i. Strengthening Collection Policies. ii. Conducting Regular Customer Communication. iii. Monitoring Key Performance Indicators (KPIs). iv. Training and Empowering Collection Teams. v. Continuous Improvement through Feedback Analysis: 	<ul style="list-style-type: none"> i. Fiscal Sustainability. ii. Reduced Budget Deficits. iii. Encourage Investment in major projects iv. Attainability of strategic objectives. 	Enhanced revenue collection is vital for sustaining the Institute's operations, compliance, policy reforms, and capacity building.
		F.2. Increase revenue from external sources	<ul style="list-style-type: none"> i. Increase research and consultancies ii. Human Capital iii. Availability of External sources programmes/ plan. 	<ul style="list-style-type: none"> i. Market Research and Analysis. ii. Diversification of Service offerings by the Institute. iii. Strategic Partnerships and Alliances. iv. Customer Retention Strategies v. Investing in Innovation and Research and Development (R&D) initiatives can lead to the creation of innovative services 	<ul style="list-style-type: none"> i. Market Expansion and Diversification. ii. Strategic Partnerships and Alliances such as Collaborations with Other Businesses. iii. Pricing Strategies and Revenue Optimization. 	Increasing revenue from external sources can enhance the Institute's ability to foster sustainable and profitability.

Table 3: Institute Operating Model

CODE	OBJECTIVE	STRATEGY	INPUTS	PROCESSES that appeal to external markets.	OUTPUTS	OUTCOMES
		F.3 Improve Financial Management Processes	i. Human Capital ii. Availability of Financial Regulations iii. Financial Resources	i. Assess Current Processes ii. Implement Robust Financial Systems. iii. Enhance Budgeting and Forecasting. iv. Strengthen Internal Controls. v. Develop Key Performance Indicators (KPIs). vi. Invest in Employee Training. vii. Embrace Continuous Improvement.	i. Enhanced Financial Reporting. ii. Better Cash Flow Management. iii. Increased Cost Control. iv. Strengthened Compliance and Risk Management. v. Enhanced Strategic Planning. vi. Improved Stakeholder Confidence. vii. Efficient Resource Allocation. viii. Facilitated Performance Evaluation.	Improving financial management processes yields the overall success and sustainability of the Institute.
G	Compliance with the national policy of communicable and non-communicable diseases	G.1. Establish and enhance services that support personal health, safety and wellness	i. Financial Resources ii. Availability of frameworks for communicable and non-communicable diseases. iii. Human Capital iv. Training and voluntary test programs.	i. Assessment of Needs ii. Collaboration with Stakeholders iii. Development of Comprehensive Programs iv. Education and Awareness activities v. Continuous Evaluation and Improvement	i. Establishing and Enhancing Services for members of staff Health, Safety, and Wellness. ii. Education and Training Initiatives.	Play an essential role in empowering individuals to prioritize members of staff's well-being while creating an environment conducive to overall wellness.
H	Comply and implement the National anti-	H.1. Facilitate students' Anti-corruption	i. Financial Resources ii. Human Capital	i. Identifying Key Stakeholders. ii. Forming a Core Team.	Facilitating Students' Anti-Corruption Seminars and	Play a vital strategy for instilling values of integrity, transparency, and

Table 3: Institute Operating Model

CODE	OBJECTIVE	STRATEGY	INPUTS	PROCESSES	OUTPUTS	OUTCOMES
	corruption strategy	seminars and Anti-corruption club sustained	iii. Training/ seminar schedule/ plan.	ii. Developing a Curriculum for the anti-corruption seminar. iv. Promoting Student Engagement. v. Establishing the Anti-Corruption Club. vi. Sustaining Momentum.	Sustaining Anti-Corruption Clubs.	accountability among the students at the Institute. These initiatives not only raise awareness about the detrimental effects of corruption but also empower students to actively participate in combating corruption practices within the Institute and communities at large.
		H.2.Strengthen Staff awareness on Anti-Corruption Strategies and Ethics	i. Financial Resources ii. Human capital iii. Training/ seminar schedule/ plan. iv. Availability of whistle-blowing policy. v. Availability of Fraud control framework.	i. Assessment of Current Understanding. ii. Development of Training Programs. iii. Leadership Commitment. iv. Communication Strategies. v. Integration into Policies and Procedures. vi. Monitoring and Evaluation. vii. Encouraging Ethical Behaviour. viii. Collaboration with External Partners.	i. Strengthening Staff Awareness on Anti-Corruption Strategies and Ethics. ii. Incorporating Ethics into Performance Evaluation. iii. Regular monitoring of anti-corruption initiatives is essential to assess effectiveness and identify areas for improvement.	The Institute can significantly enhance staff awareness on anti-corruption strategies and ethics. Also, It is important to recognize that building a culture of integrity requires ongoing commitment and reinforcement at all levels of the Institute.
		H.3.Enhance transparency in procurement	i. Financial Resources ii. Human Capital iii. Availability of Annual	i. Clear and Accessible Procurement Policies and Procedures.	i. Ensuring fairness, accountability, and cost savings for the Institute.	Institute can increase transparency, reduce the risk of fraud and corruption, and improve the efficiency

Table 3: Institute Operating Model

CODE	OBJECTIVE	STRATEGY	INPUTS	PROCESSES	OUTPUTS	OUTCOMES
			Procurement Plan	ii. Open Competition. iii. Use of Technology such as NeST. iv. Independent Oversight and Review. v. Capacity Building and Training to procurement officers, approving authority, auditors, user department and tender board. vi. Collaboration with Civil Society and other authorities to enhance transparency	ii. High quality of goods or services procured or rendered.	of procurement activities.
		H.4.Strengthen measures against sexual harassment	i. Financial Resources ii. Human Capital iii. Availability of sexual harassment guidelines iv. Training/ seminar schedule/ programme.	i. Creating and Enforcing Policies. ii. Provide education and Training. iii. Fostering Supportive Environment. iv. Implementing Reporting and Support Systems.	i. Strengthening Measures Against Sexual Harassment. ii. Establish and enforce robust legal frameworks and policies. iii. Raising awareness on what constitutes sexual harassment, promoting respectful behaviour, and providing guidance on how to respond to incidents, the Institute can empower individuals to recognize and address	The Institute can create environments where individuals are respected, valued, and free from the threat of sexual harassment.

Table 3: Institute Operating Model

CODE	OBJECTIVE	STRATEGY	INPUTS	PROCESSES	OUTPUTS	OUTCOMES
					inappropriate conduct. iv. Promoting a Culture of Respect. v. Support for Victims.	

2.9 THE INSTITUTE'S GOVERNING COUNCIL

2.9.1 Members of the Governing Council

The Governing Council comprises of eleven members including the Chairperson with a mix of skills, experience and diversity as shown in Table 4. The Chairperson of the Governing Council is appointed by the President of the 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, and 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 facilitate 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 Governing Council Members, Senior Management and the Institute. All Key Management Personnel made declarations by adhering to the National Board of Accountants and Auditors (NBAA) directives to make 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 35 of these financial statements.

Table 4: Composition of Members of the Governing Council¹

S/NO	Name	Position	Nationality	Gender	Age (Yrs.)	Date of Appointment	Qualifications	Experience
1.	Prof. Emmanuel A. Mjema	Chairman	Tanzanian	Male	63	24.06.2022	(i) PhD (Computer Simulation) (ii) M.Sc. (Engineering Management) (iii) B.Sc. (Mechanical Engineering)	(i) Rector College of Business Education (CBE) for 7 years. (ii) Professor for 17 years. in ICT
2.	CPA Mwanafidi A. Mtanda	Vice Chairman	Tanzanian	Female	67	19.07.2022	(i) CPA (ii) Master of Business Administration (iii) B. Com (Accounting)	(i) Accountant General Tanzania for 8 years. (ii) Deputy Director Management Accounting for 4 years
3.	Prof. Zacharia M. Mganilwa	Member	Tanzanian	Male	60	19.07.2022	(i) PhD (Machine Design) (ii) Msc (Machine Design) (iii) B.Sc(Mech. Engineering)	(i) Rector National Institute of Transport (NIT) for 12 years (ii) Professor for 8 years in Mechanical Engineering
4.	Prof. William A. Pallangyo	Member	Tanzanian	Male	55	19.07.2022	(i) PhD in Development Policy and Management (ii) Masters of Governance and Development Advanced Diploma in Public Administration (ADPA)	(i) Chief Executive Office/ Rector of Tanzania Institute of Accountancy (ii) Deputy Principal Planning, Finance and Administration for 7 years Associate Professor in Management
5.	Ms. Agness A. Kessy	Member	Tanzanian	Female	58	19.07.2022	(i) Masters in Management (ii) LLB	(i) Ag. Executive Director / In charge, Dodoma Office (ii) Chief Legal Officer, National Board of

¹The tenure of Governing Council started on 24 June 2022.

S/NO	Name	Position	Nationality	Gender	Age (Yrs.)	Date of Appointment	Qualifications	Experience
								Accountants and Auditors (NBAA)
6.	Dr. Gladness L. Salema	Member	Tanzanian	Female	47	19.07.2022	(i) PhD in Logistics (ii) Master's Degree in Business Administration (MBA) (iii) BSc Food Science and Technology	(i) Senior Lecturer Business School, UDSM for 4 years (ii) Chairperson, National Entrepreneurship Development Committee- NEEC for 3 years (iii) Chairperson of the research technical committee, Institute of Tax Administration for 3 years (iv) Member of University Computing Centre tender board for 3 years
7.	Dr. Charles A. Mwamwaja	Member	Tanzanian	Male	55	19.07.2022	(i) PhD (Finance) (ii) Master in Business Administration (MBA) (Finance & Banking) (iii) Postgraduate Diploma in Finance Management (PGDFM) (iv) Advanced Diploma in Accountancy (ADA)	(i) Commissioner of Financial Sector Development, Ministry of Finance (ii) Board Member for SUA Council and Chairperson of SUA Audit Committee for 3 years (iii) Board Member for Mzumbe University Council and Chairperson of Finance and Development Committee for 6 years
8.	Dr. George N. Mwaiondole	Member	Tanzanian	Male	46	19.07.2022	(i) PhD in Law (ii) LLM in Human Rights (iii) LLB	(i) Lecturer in Law St. Augustine University of Tanzania

S/NO	Name	Position	Nationality	Gender	Age (Yrs.)	Date of Appointment	Qualifications	Experience
								(ii) Dean, School of Law (iii) An advocate of the High Court of Tanzania. An Attorney at Law and a Partner at Galati Law Chambers
9.	Prof. Johaveness A. Urassa	Member	Tanzanian	Male	55	19.07.2022	(i) PhD in Economics (ii) Master of Arts in Economics (iii) Bachelor of Arts in Economics	(i) Chairperson of Associate Professor in Economics for a year (ii) Senior Lecturer in Economics for 10 years (iii) Head of Department of Economics for 6 years (iv) Economist & Senior Economist at the Bank of Tanzania for 9 years
10.	Mr. Henry J. Bwogi	Member	Tanzanian	Male	58	19.07.2022	(i) MBA in Marketing (ii) Postgraduate Diploma (PGD) in Financial Management (iii) Advanced Diploma in Marketing Management	(i) Director of Retail and Business Banking at the Tanzania Commercial Bank (TCB) (ii) Chief Manager - Personal Loans (iii) Divisional Manager - Postal Savings and WADU
11.	Dr. Fortunatus M. Makore	Member	Tanzanian	Male	54	19.07.2022	(i) Dutch Doctoral Program -Doctorandus (Drs) in Financial Economics (ii) MSc (Economics) Bachelor of Business Administration (Finance & Accounting)	(i) Director of Planning, Investments and Projects, PSSSF for 4 years (ii) Treasury Manager cum Planning and Investments Manager for 12 years

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 5.

Table 5: 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	N/A	N/A	N/A
2.	Prof. Zacharia M. Mganilwa		Chairman	
3.	Prof. William A. Pallangyo			Chairman
4.	Ms. Mwanaidi A. Mtanda	Chairperson		
5.	Dr. Charles A. Mwamwaja	Member		
6.	Dr. George N. Mwaisondola		Member	
7.	Ms. Agness A. Kessy			Member
8.	Dr. Gladness L. Salema			Member
9.	Prof. Johaveness A. Urassa		Member	
10.	Mr. Henry J. Bwogi	Member		
11.	Dr. Fortunatus M. Makore		Member	

Source: Governing Council File

2.9.3 Meetings of the Governing Council and Committees

To maintain and operationalize 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 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 every three months with additional meetings convened when it was necessary. During the year ended 30 June 2023 the Governing Council

held six meetings, of which four were ordinary and two were extra-ordinary. In addition, there were various Meetings of the Governing Council Committees as shown in Table 6.

Table 6: Meetings of the Committees

S/No	Name of Committee	Ordinary Meetings	Extraordinary Meeting	Total Meetings
1.	Audit Committee (AC)	4	2	6
2.	Finance and Development Planning Committee (FDPC)	4	1	5
3.	Staff and Student Affairs Committee (SSAC)	4	0	4

Source: Governing Council File

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

Table 7 indicates the number of meetings held and attended by members of the Governing Council and its committees from 1 July 2022 to 30 June 2023.

Table 7: 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		6	6	5	4
1.	Prof. Emmanuel A. Mjema	6	N/A	N/A	N/A
2.	Prof. Zacharia M. Mganilwa	4	N/A	5	N/A
3.	Prof. William A. Pallangyo	5	N/A	N/A	4
4.	Ms. Mwanaidi A. Mtanda	4	4	N/A	N/A
5.	Dr. Charles A. Mwamwaja	4	3	N/A	N/A
6.	Dr. George N. Mwaisondola	5	N/A	4	N/A
7.	Ms. Agness A. Kessy	6	N/A	N/A	3
8.	Dr. Gladness L. Salema	6	N/A	N/A	3
9.	Prof. Johaveness A. Urassa	5	N/A	4	N/A
10.	Mr. Henry J. Bwogi	5	4	N/A	N/A
11.	Dr. Fortunatus M. Makore	4	N/A	3	N/A

Source: Attendance Register

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's Act No.3 of 1972.

A summary of matters dealt with during the Governing Council's six meetings is summarized in Table 8.

Table 8: Key Issues Deliberated on by the Governing Council in 2022/23

S/No	DATE	ORDINARY	EXTRAORDINARY	KEY ISSUE DELIBERATED ON
1.	25 August 2022		1	<ul style="list-style-type: none"> • Introduction of the Council. • Election of Vice Chair and Nomination of members to the Council Committees. • Orientation of the Council.
2.	28 September 2022	230		<ul style="list-style-type: none"> • Withdrew promotion of Dr. Freddy J. Gamba until a second reviewer is obtained. • Annual performance report from the Directorates of Human Resource and Administration and the Directorate of Students Services. • 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 2022. • Draft Audit Report for the year ended 30 June 2022. • Annual Academic Reports for the period ended 30 June 2022.
3.	23 November 2022	231		<ul style="list-style-type: none"> • Quarterly performance reports from the Directorates of Human Resource and Administration and the Directorate of Students Services. • 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. • Quarterly Monitoring and Evaluation Performance Report for the period ended 30 June 2022. • Quarterly Academic Reports for the period ended 30 September 2022.

S/No	DATE	ORDINARY	EXTRAORDINARY	KEY ISSUE DELIBERATED ON
4.	25 January 2023		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 2022 Management Letter on the Financial Statements of the Institute of Finance Management (IFM) for the year ended 30 June 2022. Revised Budget for Financial Year 2022/23. Annual Work Plan and Forward Budget for 2023/24 - 2025/26. Institute's Incentive Scheme.
5.	14 March 2023	232		<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 four staff members; Dr. TausiA. Mkasiwa from Senior Lecturer to Associate Professor; Dr. Freddy J. Gamba from Lecturer to Senior Lecturer and Dr. Steven C. Shekiondo and Dr. Hussein A. Bakiri from Assistant Lecturers to Lecturers. Physical Expansion Report for development of campuses at Geita, Simiyu and Mwanza. Quarterly Performance Report for the Directorate of Finance, Directorate of Policy and Planning and the Procurement Management Unit. Quarterly Monitoring and Evaluation Performance Report for the period ended 31 December 2022. Audit Report for the period ended 31 December 2022. Risk Register. Interim Financial Statements for the period ended 31 December 2022. Risk Management Implementation Report for the period ended 31 December 2022. Quarterly Academic Reports for the period ended 31 December 2022.

S/No	DATE	ORDINARY	EXTRAORDINARY	KEY ISSUE DELIBERATED ON
6.	14 June 2023	233		<ul style="list-style-type: none"> Quarterly Performance Reports for the Directorate of Human Resource and Administration and Directorate of Students Services. Physical Expansion Report for development of campuses at Geita, Simiyu and Mwanza. Higher Education Economic Transformation (HEET) Project. Quarterly Performance Report for the Directorate of Finance, Directorate of Policy and Planning and the Procurement Management Unit. Quarterly Monitoring and Evaluation Performance Report for the period ended 31 March 2023. Annual Procurement Plan for 2023/24 financial year. Audit Report for the period ended 31 March 2023. Interim Financial Statements for the period ended 31 March 2023. Risk Management Implementation Report for the period ended 31 March 2023. Quarterly Academic Reports for the period ended 31 March 2023.

Source: Minutes of the Governing Council meetings for the financial year 2022/23.

(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 the importance of financial sustainability.

The Finance and Development Planning Committee met five times during the year and performed its duties as summarized in Table 9.

Table 9: Key Issues Deliberated on by the Finance and Development Planning Committee in 2022/23

S/No.	DATE	ORDINARY	EXTRA ORDINARY	KEY ISSUES DELIBERATED ON
1.	14 September 2022	45		<ul style="list-style-type: none"> 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 2022.
2.	16 November 2022	46		<ul style="list-style-type: none"> 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. Quarterly Monitoring and Evaluation Performance Report for the period ended 30 September 2022.
3.	20 January 2023		1	<ul style="list-style-type: none"> Revised Budget for Financial Year 2022/23. Annual Work Plan and Forward Budget for 2023/24 - 2025/26. Institute's Incentive Scheme.
4.	22 February, 2023	47		<ul style="list-style-type: none"> Physical Expansion Report for development of campuses at Geita, Simiyu and Mwanza. Quarterly Performance Report for the Directorate of Finance, Directorate of Policy and Planning and the Procurement Management Unit. Quarterly Monitoring and Evaluation Performance Report for the period ended 31 December 2022.
5.	31 May 2023	48		<ul style="list-style-type: none"> Physical Expansion Report for development of campuses at Geita, Simiyu and Mwanza. Higher Education Economic Transformation (HEET) Project. Quarterly Performance Report for the Directorate of Finance, Directorate of Policy and Planning and the Procurement Management Unit. Quarterly Monitoring and Evaluation Performance Report for the period ended 31 March 2023. Annual Procurement Plan for 2023/24 financial year.

Source: Minutes of the Finance and Development Planning Committee meetings for the financial year 2022/23.

(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 a year.

During the year under review, the Audit Committee met six times and performed its duties as elaborated in Table 10.

Table 10: Key Issues Deliberated on by the Audit Committee in 2022/23

S/No.	DATE	ORDINARY	EXTRA ORDINARY	KEY ISSUE DELIBERATED ON
1.	1 September 2022	52		<ul style="list-style-type: none"> Internal Audit Report for the Quarter ended June 2022. Internal Audit Report for the year ended 30 June 2022.
2.	27 September 2022		1	<ul style="list-style-type: none"> Draft Financial Statements for the Year Ended 30 June 2022. Audit Plan for the Year Ended 30 June 2022
3.	27 October 2022	53		<ul style="list-style-type: none"> Internal Audit Report for the Quarter ended 30 September 2022. Risk Register. Interim Financial Statements for the period ended 30 September 2022.
4.	13 January 2023		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 2022 Management Letter on the Financial Statements of the Institute of Finance Management (IFM) for the year ended 30 June 2022.
5.	1 February 2022	54		<ul style="list-style-type: none"> Internal Audit Report for the Quarter ended 31 December 2022. Internal Audit Assurance Strategy and Plan for Financial Year 2023/24. Risks Register. Risk Management Implementation Report for the period ended 31 December 2022.
6.	30 May 2023	55		<ul style="list-style-type: none"> Audit Report for the period ended 31 March 2023. Interim Financial Statements for the period ended 31 March 2023. Risk Management Implementation Report for the period ended 31 March 2023.

Source: Minutes of the Audit Committee Meetings for the Financial Year 2022/23

(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 student affairs. The Committee is composed of a chairman and two members, who are also Council Members.

During the year ended 30 June 2023, the Staff and Students Affairs Committee met four times and performed activities as summarized in Table 11:

Table 11: Key Issues Deliberated on by the Staff & Students Affairs Committee in 2022/23

S/No.	DATE	ORDINARY	EXTRA ORDINARY	KEY ISSUES DELIBERATED ON
1.	14 September 2022	26		<ul style="list-style-type: none"> Withdrew promotion of Dr. Freddy J. Gamba until a second reviewer is obtained. Annual performance report from the Directorates of Human Resource and Administration and the Directorate of Students Services.
2.	14 November 2022	27		<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 2022. Confirmed promotion of 52 staff members from their respective positions after a successful probation period.
3.	23 February 2023	28		<ul style="list-style-type: none"> Quarterly Performance Reports for the Quarter ended 31st December 2022 for the Directorate of Human Resources and Administration and Directorate of Students Services. Recommended to the Governing Council for approval of four academic staff members; two from Assistant Lecturer to Lecturer and one from Lecturer to Senior Lecturer and one from Senior Lecturer to Associate Professor.
4.	30 May 2023			<ul style="list-style-type: none"> Quarterly Performance Reports for the Quarter ended 31st March 2023 for the Directorate of Human Resources and Administration and Directorate of Students Services. Resolved that Dr. Shufaa Mohamed Albeity submit an additional publication, which can qualify her for promotion from the post of Lecturer to Senior Lecturer upon evaluation.

Source: Minutes of the Staff and Students Affairs Committee Meetings for the Financial Year 2022/23.

2.9.5 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.

2.9.6 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.

2.10 CAPITAL STRUCTURE AND TREASURY POLICIES

As at 30 June 2023, the capital of the institute aggregated to TZS 3,439.1 million (30 June 2022 TZS 3,459.1 million.) In addition, the institute has accumulated a Surplus of TZS 83,141.6 million (30 June 2022: TZS 79,724.3 million) as shown in Table 12. The source of funding has been through Government, development partners, and internally generated funds. Table: 12 Summarizes the Capital Structure of the Institute.

The Institute of Finance Management (IFM) maintain a Treasury Policy such as Financial Regulations, and Accounting Manual which entails procedures to be adhered to during opening of bank accounts, closing and maintenance, cash handling procedures, selecting and introducing signatories in approving wire cash/funds transfers and cheque payments, short-term investments of surplus cash, approving short-term financing of deficit, forex exchange exposure and related risk management.

The objective of the policy is to ensure that the Institute's cash, investments and other cash-related assets are adequately managed, controlled and safeguarded. Adherence to the policy and control procedures also ensures that an Institute's foreign exchange and other exposures are effectively managed.

During the period under review, the Institute's treasury policy was adhered and thus there was no potential effect occurred.

Table 12: Capital Structure

	30 JUNE 2023 (TZS '000')	30 JUNE 2022 (TZS '000')
Capital and Reserves		
Capital Fund	3,439,082	3,439,082
Accumulated Surplus/(Deficit)	83,141,604	79,724,346
Total Equity	86,580,686	83,163,428

Source: Statement of Financial Position as at 30 June 2023.

2.11 LIQUIDITY

During the financial year ended 30 June 2023, the Institute managed its liquidity level to ensure there are 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 2023, which measures the ability of the current assets to meet its short-term obligations (current liabilities) was 2.9:1 (2022: 4.1:1).

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 2.7:1 (2022: 4.0:1).

2.12 RELATIONSHIP WITH STAKEHOLDERS

The Institute believes that the stakeholders are what make its existence. Several measures have been taken to institute responsible behavior to employees of the Institute and other stakeholders. These measures include, but are not limited to, holding interactive stakeholders' meetings or engagements, staff meetings, seminars, research, consultancy and workshops; provide academic services through the use of modern technology and improving customer services at our campuses in the country.

In this regard, the Institute has identified eight (08) categories of stakeholders as summarized in Table 13; the Government; employees; regulatory bodies; students; those charged with governance; suppliers; business and development partners; and general public (society). Before making its decisions, the Council considers the interests of all stakeholders and ensures that engagement with stakeholders is deliberate and planned and that communication is always transparent and effective.

Table 13: Details of Stakeholders' Relationship

S/NO	Stakeholders	Their Interests/Concerns	Value we create
1.0	The Government The Government established the Institute with a set of objectives and functions to provide facilities for the study 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.	The Government's concerns to the Institute include the following: <ul style="list-style-type: none"> Receive 15% of gross revenue contribution quarterly for remittance to the Government Consolidated Fund; High-quality training programmes for various professional disciplines; Innovative problem-solving services. Publication of actionable research outputs. 	<ul style="list-style-type: none"> Remittance of 15% gross revenue contribution within every quarter to the Government Consolidated Fund with the view of future growth; Provide quality training programmes, research outputs and consultancy services. Provide competent graduates who are employable or can employ themselves. Provide the best governance, transparency and accountability systems.

S/NO	Stakeholders	Their Interests / Concerns	Value we create
		<ul style="list-style-type: none"> Innovativeness in expansion and self-financing. Transparency and Accountability. Increase in enrolment of students. <p>Source: The Treasury Registrar (Powers and Functions) Act, Cap 370 and the IFM Act No.3 of 1972.</p>	<ul style="list-style-type: none"> Adhere to government policies, guidelines and procedures.
2.0	<p>Employees</p> <p>Employees are key to make the Institute a great place to work. They should find working for IFM an inspiring place for elevating personal experience and consequently accept co-responsibility for the development of each employee to the full potential. Together with efficient and value-creating solutions, services and operations offer value to our customers. Career progress is based on the individual initiative towards the fulfillment of their responsibilities complemented by the Institute.</p>	<p>Employees want a friendly, safe and conducive working environment, defined career progression, better salary and benefits, motivation and recognition, and opportunities to contribute to society.</p> <p>Source: IFM Staff meetings and the Workers Council meetings.</p>	<ul style="list-style-type: none"> Transforming into an inclusive society through employment equity and gender equality; We focus on developing our employees through targeted training programs and skills upgrading to further their careers and improve academic services; Rewarding employees for the value they add; Motivating and energizing our workforce; and Timely payments of employees' entitlements.
3.0	<p>Regulatory Bodies</p> <p>(NACTVET and TCU)</p> <p>Regulatory Bodies have important roles in academic development specifically in the provision of regulated services.</p>	<ul style="list-style-type: none"> Provision of curricula of a good standard; Availability of shared resources; Accredited programmes; and Compliance with procedures and guidelines. <p>Source: Stakeholder's meetings, Directives from Regulators.</p>	<ul style="list-style-type: none"> Presence of accredited programmes; Competent graduates; Qualified trainers and teachers; Availability of shared resources; and Adherence to regulatory guidelines and directives.

Sl. No.	Stakeholders	Their Interests/Concerns	Value we create
4.0	Students Meeting students' needs with innovative solutions and superior experience is critical to maintaining high-quality relationships with our students.	<ul style="list-style-type: none"> Reliable information on the availability of various training programmes; Updated market-driven and innovative curricula; Enrolment opportunities; Simplified systems, processes and structures; and Timely delivery of excellent service to students and ensure confidentiality of students' and business data and information. Source: IFMSO meetings, Trace study report.	<ul style="list-style-type: none"> Establish reliable, modern and constantly updated information systems; Provide quality training programmes; Provision of good quality books and publications; Establish simplified learning systems and structures; Provision of modern training facilities and infrastructures; and Providing excellent services to meet and exceed customers' expectations.
5.0	Suppliers Suppliers are stakeholders who provide goods and services to the Institute and they are closely monitored to ensure they deliver required or ordered goods and services in time.	<ul style="list-style-type: none"> Transparent and fair procurement process of goods, works and services; Receiving feedback on delivered goods and rendered services; and Timely settlement of suppliers' invoices. Source: Suppliers visited IFM campuses and received official letters, Invoices and emails.	<ul style="list-style-type: none"> Effective use of online procurement system (TANePS). Inclusion of fair terms and proper vetting of procurement contracts; and Settle genuine suppliers' invoices timely.
6.0	Business & Development Partners The business partners are private sector and public sector entities that have direct or indirect working relationships with the Institute when performing its statutory functions. These include TRA, e-GA, PSSSF, NAOT, NBAA, PPRA, Banks, Insurance companies, MoF, MoEST, and External Collaboration i.e., HEET, Groningen etc.	<ul style="list-style-type: none"> Cooperation on areas of common interest in serving the public; Sharing business data and information; and Honouring business relationships. Collaborative opportunities for various training programmes, research and consultancy activities. Source: Stakeholder's forums, official communication by letters and emails, Memorandum of	<ul style="list-style-type: none"> Participating in meetings and events related to the areas of common interest; Providing necessary data and information requested by business partners; Strengthening long-lasting business relations with a focus on customers' satisfaction.

S/NO	Stakeholders	Their Interests /Concerns	Value we create for
		Understanding (MoU), external collaborations, and Contracts.	
7.0	Those Charged with Governance (Council, Parliamentary Committees) The Institute complies with a wide spectrum of legislation, conventions, protocols, resolutions, directives and guidelines which are issued from time to time by the Government entities including MoF, OTR, ACGEN and Tanzania Parliamentary Committees (Budget Committee and Parliamentary Accounts Committee).	The Institute complies with the relevant legislation, guidelines and directives to ensure smooth conduct of academic and other related services Source: those charged with governance consultative meetings; official letters and emails.	<ul style="list-style-type: none"> Operating within the scope of the legislation, directives and guidelines; and Complying with protocols issued by those charged with governance.
8.0	General Public (Society) The Institute acknowledges its responsibility to respond to community social needs. The Corporate Social Responsibility (CSR) interventions included a commitment to active participation in environment protection and promotion of socio-economic development of our society through extension of financial support to implementation of community activities.	<ul style="list-style-type: none"> Supporting social development programs organized by the communities for socio-economic development where IFM has campuses; Awareness on IFM functions and applicable legislation; and Compliance with environmental, social and governance matters. Source: Stakeholder's meetings, Corporate Social Responsibility (CSR) schedule of activities.	<ul style="list-style-type: none"> Supporting social community programs using donations and other sources of funds; Providing awareness on IFM functions and environmental protection; and Undertake Environmental and Social Impact Assessments periodically.

2.13 CASH FLOW

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 quarterly. 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 increased from TZS 33,302.0 million in 2021/22 to TZS 46,541.6 million during 2022/23. The increase was attributed to revenue collection from students sponsored by HESLB for their second instalment of tuition fees which was fully collected.

(a) Cash Flows from Operating Activities

The net cash flows from operating activities of TZS 14,275.9 million (2022: TZS 4,779.3 million) was derived as the difference between cash receipts amounting to TZS 46,541.6 million (2022: TZS 33,302.0 million) from Fees, Government subvention and other Income; and payments amounting to TZS 32,265.7 million (2022: TZS 28,522.6 million) for wages, salaries and employee benefits; maintenance expenses and use of goods and services expenses.

(b) Cash Flows from Investing Activities

The net cash flows from investing activities of TZS 6,386.1 million (2022: TZS 4,963.4 million) was derived from cash outflows in respect of advance payment for acquisition of Property, Plant and Equipment amounted to TZS 688.0 million (2022: TZS 2,516.2 million); and acquisition of Property, Plant and Equipment amounted to TZS 5,698.1 million (2022: TZS 2,447.2 million).

(c) Cash flows from Financing Activities

There were no net cash flows from financing activities during the year ended 30 June 2023 as it was the case in the preceding year.

2.14 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 however, from 01st April 2023 the Institute implemented a new structure which changed the number of directorates from nine to twelve, faculties from four to three and units from four to six. The directorates before new structure 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 Systems and Mathematics, Insurance and Social Protection, and Economics and Management Science. The units include Procurement Management, Legal, Public Relations, and Quality Assurance and Risk Management. Directorates under the new structure include Library Services, Academic Support Services, Research Consultancy and Publication, Human Resources Management and Administration, Planning and Development, Finance and Accounts, Students Support Services, Information and Communication and Campuses. Faculties include Business and Economics, Insurance and Banking, Computing and Mathematics. While Units include Legal Services, Internal Audit, Procurement Management, Communication and Marketing, Quality Assurance and External Linkages.

2.15 COUNCIL REMUNERATIONS

The Council expenses which also include statutory payments to key management personnel during the year are as disclosed under Note 35 to the Financial Statements.

2.16 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 master's 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.

2.17 OTHER CORE ACTIVITIES

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

2.18 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 their roles and functions efficiently. Physical facilities include the provision of office chairs and tables, computers, printing facilities, and maintenance of buildings, vehicles and equipment.

During the year under review, the Institute continued with construction activities for Geita and Mwanza, rehabilitation and repairs and maintenance as follows:

i. Completed

Repairs and maintenance of hostel facilities at the Main Campus which were carried out using the internally generated funds.

ii. Work in Progress covers the construction of:

- At the Institute's Kiseke plot in Ilmela District Mwanza, until the end of the financial year under review, the construction activities of the referred Campus had attained an 8.2% level of completion.
- Geita project, as at 30 June 2023, the average physical completion of structures under phase one was at 97.1%; whereas, construction activities of phase two had attained a 65.1% level of completion. Overall, the Geita construction project (Phase I and Phase

II) was at a 70.5% level of completion as at the end of the financial year of this report. Phase one involves the construction of four structures, namely, administration block, classroom block, multipurpose hall and cafeteria. Phase two involves the construction of four buildings, i.e., students' hostels, a library and a computer lab building, two (2) bedrooms and three (3) bedrooms-staff houses.

The Institute continued to improve the ICT infrastructure. ICT is used in the admission of students, academic assessment processing and student 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 allowed to attend short and long-term training programmes both locally and outside the country to upgrade their skills and enhance career development. During the year under review, 42 members of staff were undergoing training as compared to 39 in the year 2021/22 as analyzed in Table 14.

Table 14: Number of Staff on Training for the year 2022/23

Training Level	Administrative Staff		Academic staff	
	2022/23	2021/22	2022/23	2021/22
PhD	-	-	31	29
Master's Degree	06	04	03	03
Degree	02	03	-	-
Total	08	07	34	32

Source: Training Report

2.19 KEY PERFORMANCE INDICATORS

(a) Teaching Assessments

About 64% of the teaching is undertaken by the unspecified staff of the Institute and the remaining (36%) is carried out by the specified staff. The target of the Institute is to have 90% of the teaching done by the unspecified teaching staff as analyzed in Table 15.

Table 15: Analysis of Teaching Staff

S/No	Faculties	Unspecified Academic Staff		Specified Academic Staff		Total
		Number	Per (%)	Number	(%)	
1.	Faculty of Business and Economics (FBE)	94	64.4	52	35.6	146
2.	Faculty of Computing and Mathematics (FCM)	46	73.0	17	27	63
3.	Faculty of Insurance and Social Protection (FISP)	34	79.1	09	20.9	43

S/No	Faculties	Unspecified Academic Staff		Specified Academic Staff		Total
		Number	Per (%)	Number	(%)	
4.	Faculty of Economics and Management Science (FEMS)	20	47.6	22	52.4	42
5.	Mwanza Campus	16	44.4	20	55.6	36
6.	Dodoma Campus	4	40.0	06	60.0	10
7.	Simiyu Campus	6	42.9	08	57.1	14
TOTAL		220	62.1	134	37.9	354

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

(b) Academic Performance of Final Year Students

During the academic year of 2022/23, a total of 4,851 students sat for their final examinations for the second semester as shown in Table 16, and 3,075 (equivalent to 63.4%) students passed their examinations, compared to 2021/22 whereby 2,258 (equivalent to 38.8%) passed their examinations. This indicates an increase in academic performance for the year under review by 24.6%.

Table 16: Academic Performance of Final Year Students

Main Courses	2022/23		2021/22	
	No. of students enrolled	No. of students passed	No. of students enrolled	No. of students passed
Certificate	1098	550	1,227	605
Ordinary Diploma	946	775	919	703
Bachelor Degree	3,451	3,074	3,439	2,909
Postgraduate Diploma	43	35	42	39
Master's program	248	188	364	253
Total	5,786	4,602	6,006	4,509

Source: Enterprise Management System

(c) Registration Performance

During the year 2022/23, a total of 14,491 students (2021/22: 14,987) were registered to undertake various courses offered at the Institute, which represents a decrease of 3.3% from previous year. Out of this 8,097 are male and 6,394 are female as analyzed in Table 17.

Table 17: Registration Analysis

S/No	Campuses	2022/23		2021/22	
		Male	Female	Male	Female
1.	Dar es Salaam	7,332	5,710	7,699	5,925
2.	Mwanza	594	524	510	476
3.	Dodoma	77	67	65	53
4.	Simiyu	94	93	76	93
Total		8,097	6,394	8,350	6,547

Source: Reports of the Academic Development Committee for financial year 2022/23.

(d) 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 fields of Accounting, Finance, Banking, Insurance, Information Technology and other related fields.

During the year under review, 10 (2021/22:41) journal articles were published by the Institute's academic members and thirty-four research papers are in progress and under review. Also, two books were in progress and not yet completed for publication.

Furthermore, during the year under review, thirty book chapters were received, eleven being complete and nineteen being under review. The complete book chapters were sent off to reviewers and were all sent to the authors for review. Twenty-two chapters have been received after the review from the authors.

(e) Short courses Activities

During the year under review, the Institute managed to conduct twenty-three (2022:33) short courses on various fields funded by Individuals and entities carried out across the country and earned a total of TZS 330.7 million (2022: TZS 200.0 million) and included as part of miscellaneous income in the statement of financial performance during the financial year ended 30 June 2023.

(f) Consultancy Activities

During the year under review, the Institute managed to offer professional services to registered entities in the country and earned a total of TZS 70.5 million (2022: TZS 466.6 million). The decrease in consultancy activities was mainly caused by the decline in needs and change in modality to conduct consultancy works by public entities; and the high level of competition from other private sectors. However, the Institute continue to apply various consultancy tenders to improve income from consultancy activities.

(g) Procurement Performance

This section analyses the performance of the Institute in the procurement of goods, services, and works for the period ended 30 June 2023; The Institute has developed all Procurement Procedures in line with the Public Procurement Act (2021) and its Regulations as amended, to;

- i. Promote best practices, transparency and professionalism in all acquisition processes within the Corporation;
- ii. Ensure that suppliers of goods and services are subjected to a competitive tendering process in order to achieve quality, price competitiveness and reliability;
- iii. Ensure that all expenditures are incurred in accordance with the approved plan and budget and the Annual Procurement Plan (APP); and
- iv. Ensure compliance with applicable regulations and legislation.

The variance noted on the Approved Annual Procurement Plan is as stipulated in Table 18.

Table 18: Procurement Performance for the financial year ended 30 June 2023

OBJECTIVE	TARGETS AS PER THE ANNUAL WORK PLAN	PERFORMANCE ON TARGETS	EXPENDITURE STATUS				Remarks
		Actual Progress in Relation to Key Performance Indicators (KPI)	Annual Budget (A) (TZS '000')	Actual Cumulative Expenditure (B) (TZS '000')	Variance (C=A-B) (TZS '000')	Change (%) Spent (D=C/A)	
Strengthen the quantity and quality of training, research and consultancy services;	Various Goods procured by 30 June 2023	Office stationeries and consumables procured for all campuses during the year.	1,011,200	1,011,200	1	0	Implemented as planned.
		ID Printing materials were procured during the year as planned.	230,000	227,991	2,009	0.9	Implemented as planned.
		Books for the Institute Library procured during the year	150,000	0	150,000	100	Delayed in the procurement process.
		Fuel and related products for the Institute's vehicles were procured during the year as per plan.	255,000	255,000	0	0	Implemented as planned.
		Procurement of scanners and printers during the year as per plan.	45,000	39,120	5,880	13.1	The Institute continued to use the current photocopier machine it has.
		Computers, Laptops, projectors and podiums, ICT Equipment, Cisco, wireless access points and data cabinets were procured during the year as per plan.	813,500	711,638	101,862	12.5	Implemented as planned. The variance was due to improper estimation of needs.

OBJECTIVE	TARGETS/AS PER THE ANNUAL WORK PLAN	PERFORMANCE-ON TARGETS	EXPENDITURE STATUS				Remarks
		Actual Progress in Relation to Key Performance Indicators (KPI)	Annual Budget (A) (TZS '000')	Actual Cumulative Expenditure (B) (TZS '000')	Variance (C=A-B) (TZS '000')	Change (%) Spent (D=C/A)	
		Furniture and fittings were procured during the year as per plan.	500,000	442,868	57,132	11.4	Implemented as planned. The variance was due to improper estimation of needs.
		Kitchen appliances were procured during the year as per plan.	3,000	2,950	50	1.7	Implemented as planned.
		Calendars, diaries, Annual reports, Newsletters and IFM Journals were procured during the year as per plan.	100,600	70,901	29,699	29.5	Implemented as planned. The variance was due to improper estimation of needs.
		Procurement of staff uniforms and Graduation Gowns were procured during the year as per plan.	125,000	108,489	16,511	13.2	Implemented as planned. The variance was due to improper estimation of needs.
		Building materials for all Campuses were procured during the year.	918,700	573,073	345,627	37.6	Partially Implemented due to prolonged procurement processes.
Expand and maintain physical infrastructure;	Various Goods procured by 30 June 2023	Air conditioners for the Institute's main campus were procured during the year	88,000	42,430	45,570	51.9	Partially Implemented due to prolonged procurement processes.
		Vehicles for the Institute. procured during the year	400,000	0	400,000	100	Not Implemented due to prolonged

OBJECTIVE	TARGETS/AS PER THE ANNUAL WORK PLAN	PERFORMANCE ON TARGETS	EXPENDITURE STATUS				Remarks
		Actual Progress in Relation to Key Performance Indicators (KPI)	Annual Budget (A) (TZS '000')	Actual Cumulative Expenditure (B) (TZS '000')	Variance (C=A-B) (TZS '000')	Change (%) Spent (D=C/A)	
							procurement processes.
		Tyres batteries and mechanical tools procured during the year	96,400	85,453	10,947	11.4	Only 10 Tyres for two vehicles were procured during the 3 rd and 4 th quarters and the rest were procured during the end of the previous financial year.
		First aid kit for the Institute campuses procured during the year	6,600	6,450	150	2.3	Implemented as planned.
Strengthen the quantity and quality of training, research and consultancy services;	Various services procured by 30 June 2023	Cleaning services were procured for the year as planned.	330,000	202,101	127,899	38.8	Implemented as planned. The variance was due to improper estimation of needs.
		Provision of security services procured for the year as planned.	360,000	243,046	116,954	32.5	Implemented as planned. The variance was due to improper estimation of needs.
		Catering services were provided during the year as planned	453,000	357,762	95,238	21.0	Implemented as planned. The variance was due to improper estimation of needs.
		Procurement of advertisement and	85,000	30,310	54,690	64.3	Partially Implemented as per

OBJECTIVE	TARGETS AS PER THE ANNUAL WORK PLAN	PERFORMANCE ON TARGETS	EXPENDITURE STATUS				Remarks
		Actual Progress in Relation to Key Performance Indicators (KPI)	Annual Budget (A) (TZS '000')	Actual Cumulative Expenditure (B) (TZS '000')	Variance (C=A-B) (TZS '000')	Change (%) Spent (D=C/A)	
		publication services procured for the year as planned.					plan because few adverts and publications were held during the 1 st and 2 nd quarters
		Service of motor vehicles procured for the year as planned.	225,600	102,182	123,418	54.4	Partially implemented vehicles were rarely serviced because they were still new.
		Service of office equipment for the year procured as planned.	411,500	156,677	254,823	61.9	Partially implemented office equipment was rarely serviced because most of them were new.
		Conference facilities were procured for the year as planned.	638,672	548,189	90,483	14.2	Implemented as planned. The variance was due to a limited number of activities organized by the Institute.
		Air Travel Services are provided during the year as planned.	317,500	317,295	205	0.1	Implemented as planned.
		Fumigation services were provided during the year as planned.	30,000	29,215	785	2.6	Implemented as planned.
		Internet services are provided during the year as planned.	296,000	220,150	75,850	25.6	Implemented as per plan and the contract is in

OBJECTIVE	TARGETS AS PER THE ANNUAL WORK PLAN	PERFORMANCE ON TARGETS	EXPENDITURE STATUS				Remarks
		Actual Progress in Relation to Key Performance Indicators (KPI)	Annual Budget (A) (TZS '000')	Actual Cumulative Expenditure (B) (TZS '000')	Variance (C=A-B) (TZS '000')	Change (%) Spent (D=C/A)	
							progress to improve internet service.
Improve business processes and governance;	Various services procured by 30 June 2023	Printing examination scripts and certificates for the year as per plan	230,020	227,991	2,029	0.1	Implemented as planned.
Expand and maintain physical infrastructure;	Various consultancy services procured by 30 June 2023	Consultancy services for supervision of construction works at Mwanza Campus procured as per plan.	250,000	47,500	202,500	81.0	Under Implementation: Contract in progress and the consultant is at the site supervising the construction works.
Improve business processes and governance;	Conduct four Tender Board meetings by 30 June 2023	One Tender Board meeting was being held every quarter.	33,200	30,050	3,150	9.5	Implemented as planned.
Enhance the capacity of human resources and staff welfare;	TB, PMU and user department attend at least one PPA No. 7 of 2011 and the amendment 2016 by 30 June 2023	TB, PMU and the user department attended training on PPA No. 7 of 2011 and the amendment 2016 by 30 June 2023	42,000	24,060	17,940	42.7	Implemented as planned, however, due to stiff schedule internal auditors failed to attend training.
Overall Performance			8,445,492	6,114,091	2,331,401	27.6	

2.20 CURRENT, FUTURE DEVELOPMENT AND PERFORMANCE RESOURCES

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 the development of Campuses in Geita and Mwanza to increase student enrolment. In the next financial year, the Institute plans to initiate construction of the Mwanza Campus in the Kiseke Area. This facility will have the capacity to accommodate 2,520 students at once, these 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 2024/25 academic year. The Institute expects to enroll 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 2023/24. The Simiyu Campus has enrolled 198 students and the number is expected to increase to 300 students in the academic year 2023/24.

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

2.21 RESULTS AND DIVIDENDS

The Institute of Finance Management is a public institution that is not for profit motive but rather for implementing its core responsibilities as defined in the IFM Act, 1972. The management plans to utilize the surplus of TZS 3,417.2 million (2022: TZS 6,014.3 million) for financing future activities of the Institute in line with the Approved Strategic Plan of 2021/22-2025/26.

2.22 FINANCIAL PERFORMANCE AND POSITION

(a) Statement of Financial Performance

The performance of the Institute is measured based 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 2023 total revenue amounted to TZS 39,138.7 million (2022: TZS 35,852.2 million) resulting into an increase of TZS 3,286.5 million representing an increase of 9.2 %. The increased revenue was mainly attributed to income from exchange transactions (tuition fees), Government subvention and HEET Project Funds.

ii) Expenses

The Institute expenses and transfers for the financial year ended 30 June 2023 aggregated to TZS 35,721.5 million (2022: TZS 29,837.9 million). The increase in expenses of TZS 5,883.6

million, representing 19.7%, was mainly associated with maintenance activities of our buildings, increase in salaries and employee benefits, at our campuses and HEET project activities. Overall, the Institute recorded a surplus of TZS 3,417.2 million (2022: TZS 6,014.3 million).

The major components of the expenses during the year ended 30 June 2023 were wages, salaries and employee benefits amounting to TZS 16,583.6 million (2022: TZS 15,251.4 million) where the increase of TZS 1,332.2 million was on account of salaries for new employed staff and heavy teaching workloads for academic staff. Further expenses related to use of goods and services aggregated to TZS 11,909.9 million (2022: TZS 9,605.1 million) mainly on account of the increase of academic service activities and HEET project expenditure. Furthermore, depreciation and amortization amounted to TZS 3,176.5 million (2022: TZS 1,972.8 million). The noted increase of TZS 1,203.7 million was attributed to newly acquired property and equipment. Further, the increases in maintenance expenses to TZS 1,493.3 million (2022: TZS 1,116.6 million) was on account of maintenance of buildings and major rehabilitation of plumbing system in Hostel Block D. Social Benefits expenses have increased to TZS 915.3 million (2022: TZS 820.8 million) on account of provision for four members of staff expected to retire in the financial year 2023/24.

Capital Expenditure

The Institute continued to improve its infrastructures to ensure smooth conduct of academic services which led to an increase in Capital Expenditure to TZS 5,573.6 million (2022: TZS 2,444.7 million). Out of this amount TZS 3,143.2 million and TZS 2,430.2 million were related to Work In Progress and acquisition of non-current assets respectively. Financial Position

The Institute's total assets increased by TZS 6,252.6 million to TZS 93,043.3 million (2022: TZS 86,790.7 million) on account of additional acquisition of property and equipment, capital work in progress and cash and cash equivalents. Likewise, total capital, reserves and liabilities increased by TZS 6,252.6 million to TZS 93,043.3 million (2022: TZS. 86,790.7 million). The noted increase was mainly attributed to an additional surplus for the year 2022/23 amounting to TZS 3,417.2 million.

i) Cash and Cash Equivalents

The Institute cash and cash equivalent as at 30 June 2023 was TZS 16,531.9 million (2022: TZS 8,642.1 million) increased by TZS 7,889.8 million, equivalent to 91.3%. This increase was attributed to the full collection of tuition fees from students sponsored by HESLB for the second semester of the academic year 2022/23 and balance of HEET project funds received by the Institute from the Ministry of Finance on 6 March 2023 to undertake academic transformation.

ii) Trade and other Receivables from Exchange Transactions

The analysis of the recorded performance on recognized revenue as at 30 June 2023 indicates that the Institute had cumulative revenue receivables from exchange transactions of TZS 1,039.5 million (2022: TZS 5,743.7 million). This substantial decrease was attributed to the settlement of HESLB dues made within 2022/23. Receivables with the age up to one year, in respect of the financial year ended 30 June 2023 was TZS 722.3 million (2022: TZS 4,108.6 million) and the long outstanding receivables beyond one year was TZS 1,111.4 million (2022: TZS 1,506.4 million). Refer to note 7 of the Financial Statements. Prepayments decreased by

TZS 902.8 million and were mainly contributed by the delivery of four (4) motor vehicles which were paid in the financial year 2021/22; and other advance payments for operating expenses.

Staff Loans receivables amounted to TZS 38.9 million (2022: TZS 61.5 million), and these indicate a large portion of amount collected from staff who were issued with advances during the financial year.

iii) Property, Plant and Equipment

The Property, Plant and Equipment during the year ended 30 June 2023 stood at TZS 78,651.6 million (2022: TZS 76,221.4 million). The increase of TZS 2,430.2 million was attributed to the acquisition of four motor vehicles, furniture and fittings, ICT equipment, office machines, graduation gowns and library books. The figures are based on cost.

In addition, Work in Progress aggregated to TZS 8,304.9 million as at 30 June 2023 (30 June 2022 TZS 5,161.5). The increase of TZS 3,143.4 was mainly attributed to work in progress is related to construction activities for Geita and Kiseke Mwanza Campus. The Institute could not capitalize on this as the work is still in progress. Accordingly, they are shown separately under Capital Work in Progress.

iv) Intangible Assets

The net book value of intangible assets as at 30 June 2023 was TZS 124.8 million (2022: TZS 150.1 million). The decrease was due to amortization charges made during the financial year.

v) Payables and Accrued Expenses

Total payables and accrued expenses as at 30 June 2023 were TZS 5,171.3 million (2022: TZS 3,278.6 million). The major part of the payables and accrued expenses were Debtors with credit balances (Deposit General) which increased by TZS 1,370.2 million, on account of HESLB funds where a large portion of students were granted full sponsorship, which resulted in a claim of tuition fees refund in the next financial year 2023/24. Also, Caution money payable increased by TZS 199.8 million due to a large number of first-year students registered in the academic year 2022/23. Furthermore, other creditors of goods and services increased by TZS 228.5 million due to expansion of academic services offered at the Institute.

(b) Budget Performance

The Institute prepares its budget on an annual basis for which an assessment is done to compare the actual performance against the budget. For the period under review, the Institute's actual performance is summarized in the following Table 19:

Table 19: Budget Performance

Description	Budget for 2022/23	Actual for 2022/23	Variance	Variance	Reasons/Remark
	(TZS'000')	(TZS'000')	(TZS'000')	(%)	
Revenue					
Revenue from Exchange Transactions	29,721,030	28,826,910	894,120	3.0	The difference was attributed to a few cons obtained and fees from students who have p studies in the second semester and have not p respective tuition fees.
Subvention from other Government Entities	12,702,186	9,254,439	3,447,747	27.1	The budget for salaries was fixed following r the ceiling from the Government. Furthermo were delays in promoting staff and fill vacancies which were budgeted during the year
Revenue Grant	3,500,000	2,618,179	881,821	25.2	Delay on procurement process.
Other Revenue	2,932,382	1,814,953	1,117,429	28.1	The decrease is due to decrease in short cour supervision fee, ID processing fees and T application fees.
Total Revenue	48,855,598	42,514,481	6,341,117	13.0	
Expenses					
Wages, Salaries and Employee Benefits	17,766,376	16,583,622	1,182,754	6.7	The under expenditure is mainly related to c promoting staff and filling new vacancies-b during the year.
Use of Goods and Service	13,284,427	11,909,893	1,374,534	10.3	The difference is due to some planned a activities which were not conducted and a control of expenditures.
Social Benefits	490,000	631,569	-141,569	-28.9	The difference is due to the under-budgeted an retirement benefits
Other Transfers	300,000	300,000	-	-	N/A
Other Expenses	3,392,157	1,288,927	2,103,230	62.0	The difference is due to some carry-over funds financial year 2021/22 which were included budget for the year 2022/23
Depreciation Expenses	-	3,151,240	-3,151,240		N/A

Maintenance Expenses	1,960,350	1,493,304	467,046	23.8	The difference is due to adequate control expenditures related to general maintenance of buildings
Acquisition of Property and Equipments	11,199,788	-	11,199,788	100	This is capital budget which is disclosed in other re (Cash flow statement, PPE Schedule Note 10A Work in Progress Note 9)
Acquisition of Intangible Assets	462,500	-	462,500	100	The intangible assets are disclosed in Note 10B
Fair value adjustment	-	-2,142	2,142	-	N/A
Impairment loss of assets	-	53,859	(53,859)	-	N/A
Total Expenses	48,855,598	35,410,272	13,445,326	27.5	

2.23 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.

2.24 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 circumstances, the Governing Council Members and Senior Management Employees are related parties. The related party transactions refer only to Governing Council members' annual fees and senior management emoluments as disclosed under Note 35 of the Financial Statements.

2.25 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 2022/23.

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 regard for factors like gender, marital status, tribe, religion or disability.

(b) Training

Human resources play a significant role in developing and reinforcing positive performance within an organization. Likewise, at the Institute human resources is one of the key components that facilitate fulfillment of the Institute's core functions.

When organizations develop their employees, they are strengthening their assets and making these employees even more valuable. To improve efficiency and effectiveness of employees' work performance, the Institute in 2022/23 financial year spent TZS 792.6 million (2022: TZS

700.0 million) 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 2022/23. 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's safety management system delivers a safe working environment by continuously 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 38.9 million (2022: TZS 61.5 million).

(g) Employees' benefit plan

The Institute operates an unfunded and budgeted 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 a monthly basis agreed contributions to the Pension Funds.

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

(h) 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).

(i) Voluntary Agreement and Workers Council

The Institute has a voluntary agreement with Researchers Academician and Allied Workers Union (RAAWU) which assists in enhancing good industrial relations, employee welfare and retaining of highly skilled staff.

2.26 DISABLED PERSONS AND GENDER BALANCE

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.

The Institute attempts to abide to the national gender balance policy and it has been very keen in considering gender balance in appointments 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 20.

Table 20: Gender Balance

Gender	2023		2022	
	Number	Percentage	Number	Percentage
Males	223	66	205	67
Females	115	34	100	33
Total	338	100	305	100

Source: Human Capital Management Information System

2.27 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 training, research and consultancy activities. During the year under review, the Institute's cash and cash equivalent was TZS 16,531.9 million. 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.

2.28 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 environments. 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 Councilors continue to strengthen good governance system by reviewing various performance reports and approving policies and guidelines to enhance 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 government's directives on salaries and other benefits payable to staff, while at the same time considering the intrinsic value of the individual contributions. Details of the remuneration paid to key management staff are disclosed in Note 34 to the financial statements.

2.29 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 neighbors. During the year under review, the

Institute engaged in various corporate social responsibility activities. These included financial support of;

- i. TZS 6.1 million Donated to students who had accidents during SHIMIVUTA completion;
- ii. TZS 0.3 million Donated to Tanzania Association of the Blind;
- iii. TZS 1.1 million "Mchango wa Mbio za Mwenge Msata";
- iv. TZS 0.4 million Paid to Misungwi hospital for Student treatment who got an accident;

2.30 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 aim 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 its 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.

2.31 PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

2.31.1 Internal Control and Risk Management

a) Council's Responsibility

The 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 to provide reasonable assurance with regard to: -

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

The efficiency of the internal control system is dependent on the strict observance of prescribed measures. Always, there is a risk of non-compliance with 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 system of internal control

The management receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms. 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 Council for review and subsequently approved by the Council. The budget briefings take place yearly and are attended by the Deans of Faculties, Heads of Academic and Administrative Departments and stakeholders including; the trade union and 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. 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 competencies.

iii. Risk Assessment

The Council understands the specific sources of risk and analysis of their impact on its 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 Council is aware of and their mitigation strategies are provided in Table 21.

Table 21: The Institute Risks, Impacts and Mitigation

S/N	Risks	Impacts	Risks Mitigation
1.0	Information and Communication Management	<p>The Institute's core activities are automated and the business data and information are properly managed in ICT systems.</p> <p>The fact that ICT systems are changed periodically in line with technology advancement, the threat of Cyber-attacks is becoming more sophisticated and greater numbers of third parties seek to access our business data and remove it from the safety of our systems and firewalls.</p>	<p>i. We have, and continue to invest significantly in our data, analytics and Cyber-security capabilities to better meet evolving customers' needs and expectations, and to reduce the potential for data breaches.</p> <p>ii. We actively engage with eGA to ensure that there is appropriate governance in place and that changes in eGA guidelines appropriately</p>

S/N	Risks	Impacts	Risks Mitigation
		If the Institute fails to ensure that its information is kept safe and used by intended stakeholders and specific users only, may significantly impact relationships with these stakeholders and the general public.	<p>balance the value of giving customers control of their data, with our duty to protect stakeholders' privacy and security.</p> <p>iii. We continuously invest in ICT systems security and enhance access management controls to secure the confidentiality, integrity and availability of Institute data.</p> <p>iv. Our ICT staff and selected ICT application systems users from other Directorates, Units and Sections undergo mandatory training modules to ensure they understand the importance of data security and their obligations in relation to the data they access.</p>
2.0	Financial Management	<p>The Institute's activities are potentially exposed to a variety of financial management risks including financial risk, market risk, credit risk and liquidity risk as briefly explained below:</p> <p>(a) Financial Risk The financial risk is the possibility that the Institute's cash flow will prove inadequate to meet the Institute's obligations.</p> <p>(b) 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 instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on the risk.</p> <p>(c) Credit Risk Credit risk is the risk that one party to a financial instrument</p>	<p>i. We prepare our annual plan and budget in line with the Government guidelines on the preparation of a Medium-Term Expenditure Framework (MTEF) to address financial risk management.</p> <p>ii. We opened and operated bank accounts in both Tanzania Shillings and United States Dollar (USD) to mitigate market risks.</p> <p>iii. We do not regard any significant concentration of credit risk; hence, we mitigate the credit risk by maintaining cash and cash equivalents with the preferred financial institutions; and recovering staff debts, imprest or salary advance in terms of the applicable financial regulations (2016) directly from the employee's salary and/or pension.</p>

S/N	Risks	Impacts	Risks Mitigation
		<p>will fail to discharge an obligation and cause the other party to incur a financial loss. The Institute is exposed to credit-related losses in the event of non-performance by counter parties to financial instruments.</p> <p>(d) 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 when due, without incurring unacceptable losses or risking damage to the Institute's reputation.</p>	<p>iv. We manage liquidity risk to ensure the Institute is able to meet estimated expenditure requirements based on approved budget and through the use of cash flow forecasts. This is achieved through practical liquidity risk management which includes maintaining sufficient cash and cash equivalents.</p> <p>v. Furthermore, the Institute strive to ensure that receivables are settled as prescribed in the financial regulations (2016), and payables are settled timely.</p>
3.0	Quality Service Delivery	<p>Meeting customer needs and expectations with innovative solutions and superior experiences is critical to maintaining high-quality relationships with our students, suppliers and other stakeholders.</p> <p>The fact that customers' and other stakeholders' expectations continue to evolve, the Institute strives in engaging to emerging technologies to improve effectiveness and efficiency in service delivery.</p> <p>Any failure to recognize and adapt to changing competitive forces in the academic sector promptly could reduce our revenue potential and service delivery improvements over a long term.</p>	<p>i. We are in process of implementing a Quality Management System (QMS) based on ISO 9001 which focuses on customer satisfaction with continuous improvement to our service delivery.</p> <p>ii. We actively monitor quality of service delivery to customers and stakeholders' preferences, technologies, and methods of service delivery and continuously improve customer experiences with our services by adhering to the Institute's Customer Service Delivery Charter (2022).</p> <p>iii. We invest in our employees and build capacity in key areas of technology capability, governance, customer care which are critical to our value proposition to customers and other stakeholders, including training on Cyber-security, digital channels, artificial</p>

S/N	Risks	Impacts	Risks Mitigation
			<p>intelligence, academic standards, data and analytics.</p> <p>iv. We are investing in emerging technologies through Enterprise Resource Planning (ERP) to ensure that the way we operate and the solutions we provide to our customers and other stakeholders are leading in the academic sector.</p> <p>v. We invest in employees' productivity to optimize our cost base and continue to remain competitive for our stakeholders.</p>
4.0	Reputation	<p>Our reputation is of critical importance to us and is directly related to how we conduct our services; make business decisions; and communicate with the Government and other public institutions; customers, regulatory bodies and the communities within our working environment.</p> <p>A negative shift in any of our stakeholder's perceptions may materially undermine our ability to advocate for positive outcomes that align to our vision, mission and core values; and our ability to drive long-term performance.</p> <p>This may also affect the cost and availability of financial resources necessary for the implementation of the Institute's annual plans and budgets.</p>	<p>i. We actively focus on improving the transparency of our service decisions and engage with our esteemed customers, employees and the general public especially those around the campuses in which we operate to understand their concerns and balance their needs.</p> <p>ii. We have embedded our Institute's culture which communicates what we expect of our employees in applying our vision, mission and core values as a guide for the Institute's core activities and decision-making.</p> <p>iii. We continue to drive deeper engagement with the Government, customers and other stakeholders in education sector to ensure we deliver better and consistently fair outcomes and remediate issues when we are made aware of them.</p>

S/N	Risks	Impacts	Risks Mitigation
5.0	Employee Capability	<p>Our employees are critical to the success of our strategic objectives and ensuring that we are able to continuously find better ways to operate and meet customers' and other stakeholders' needs and expectations.</p> <p>A shortage of key skills, a failure to help our people continuously update their capabilities, the emergence of new technologies and/or a fall in our attractiveness relative to other leading employers, could impact our ability to deliver on our strategic objectives, strategies, targets, vision and mission.</p>	<p>i. We are investing in our value proposition as an employer, through new ways of working, competitive benefits and a focus on culture and diversity. We develop a sound Scheme of Service and team up with the Public Service Recruitment Secretariat on the recruitment of competent staff.</p> <p>ii. We focus on developing and retaining our employees, including management staff, through targeted training programs and skills upgrading.</p> <p>iii. We are creating flexible and innovative work-spaces to enable stronger collaboration and foster an innovative culture.</p> <p>iv. We are building partnerships with leading higher learning institutions to further develop top talent and are investing in community awareness of potential future skills shortages.</p> <p>v. We are assessing how new technologies will impact the future workforce for our Institute. We are building these changes into our long-term people development and capability road map.</p>
6.0	Compliance with rules, legislation and regulations	<p>Compliance with legislation governing regulation of education sector and implementation as well as regulatory bodies are critical to how we continue to run our business and interact with our customers and other stakeholders.</p> <p>The academic sector and tax legislation are subject to changes. If we are unable to foresee, advocate for, plan for, and adapt</p>	<p>i. We allocate a material proportion of our budget to legislation compliance, risk prevention initiatives and engage with policymakers and communities to advocate for appropriate legislation reform.</p> <p>ii. We maintain constructive and proactive relationships with the Government; Parliamentary committees (Budget and Public Accounts);</p>

S/N	Risks	Impacts	Risks Mitigation
		to legislation change, this could negatively impact the Institute's compliance with academic sector regulations, and tax legislation together with our ability to serve customers and other stakeholders.	and the Parliament in general where we get an opportunity to share our comments on legislation changes. iii. We engage consultants to support the Institute in compliance with tax legislation and all other relevant sector legislation.
7.0	Social and Environmental impact	<p>We actively consider the social and environmental impact of our activities and are committed to operating sustainably and making a positive contribution beyond our established objective and statutory functions as stipulated in the establishing Act.</p> <p>We consider social and environmental issues to be significant long-term drivers of both financial and non-financial value. We appreciate the potential impact they have on our relationships with different customers and other stakeholders allocated in IFM campuses.</p>	<p>i. The Institute designs appropriate conservation programs that take a long-term view to ensure that we conduct our activities sustainably and efficiently, and appropriately use our influence to enhance social and environmental outcomes;</p> <p>ii. We are complying with the National Environment Management Council (NEMC); Occupational Safety and Health Authority (OSHA) rules, regulations and procedures.</p> <p>iii. We collaborate with public and private institutions on the protection of environmental pollution.</p>
8.0	Business Continuity	<p>The resilience and continuity of our operations are critical to providing our customers with quality and reliable services and experiences that they expect from the Institute.</p> <p>Events driven by our external environment, including Cyber-attacks, political instability, unfavourable business conditions, pandemics, and adverse weather conditions such as heavy rainfalls i.e., El Nino can significantly disrupt the systems and processes that enable the Institute to serve and protect our customers and other stakeholders.</p>	<p>i. We monitor the health of all ICT systems, documented Internal Operating Procedures (IOPs) and perform contingency planning for disruptions to critical systems and processes.</p> <p>ii. We are implementing several process and system simplification initiatives through investments in agile capability, automation and ICT systems resilience.</p> <p>iii. We are investing in our technology, processes and employee capabilities to mitigate the impact of Cyber-security risks on our business processes.</p>

S/N	Risks	Impacts	Risks Mitigation
			iv. The Institute policies and standards on supplier governance, selection and management and outsourcing or offshoring are applied to mitigate the risk and impact of third-party disruptions.

a) Opportunities

The Institute's risk assessment process identified opportunities that would enhance the strategic plan execution as summarized below:

- i. Technological advancement and avenues for digitization of processes and operations are opportunities for improving the Institute's performance. This is possible through the use of internally ICT-developed infrastructure systems. The Institute has potential to enhance quality service delivery and increase revenue generation by taking advantage of new technology in making transformative changes in its operations and processes.
- ii. Existence of international and regional collaboration and agreements to promote research, consultancy and increased regional agreements and policies on both academic and capital developments.

b) Assumptions on Risks, Uncertainties and Opportunities

The Institute is mindful of the following assumptions during assessments of the risks, uncertainties and opportunities:

- i. Macro- economic factors or conditions like Inflation, Interest rates, Gross Domestic Product, per capita income, economic growth rate, and terms of international trade exchange rate will continue to perform well and remain fairly stable;
- ii. Political environment will remain stable and political support to the education sector prevail during the implementation of the Institute's functions;
- iii. Stable and predictable regulatory environment like Policies, Laws and Regulations will exist during the implementation of IFM functions;
- iv. Competent, skilled and motivated staff will be available during the Strategic Plan implementation period;
- v. Good or stable relationships with key stakeholders will be maintained during the implementation of the Strategic Plan;
- vi. Availability of sufficient financial and physical resources like buildings, working tools, and Standard Operating Procedures (SOPs) for the implementation of the Strategic Plan; and
- vii. The revised organization structure will be intact for the implementation of Strategic Plan.

2.32 PREJUDICIAL ISSUES

During the year ended 30 June 2023, there were no prejudicial issues to report as required by the Tanzania Financial Reporting Standards No. 1-Governance Report.

2.33 EVENTS AFTER REPORTING PERIOD

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

2.34 ACCOUNTING POLICIES

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

2.35 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).

PUBLICATION OF THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND AUDITED FINANCIAL STATEMENTS

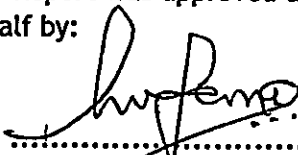
The report by Those Charged with Governance and Audited Financial Statements for the financial year 2021/22 was published in the Institute's Website as required by National Board of Accountants and Auditors Technical Pronouncement No. 1 of 2018.

2.36 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, M/s Quintex Financial Services was appointed by the Controller and Auditor General to carry out the audit of the Institute for the year ended 30 June 2023.

2.37 APPROVAL

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



.....
Prof. Emmanuel A. Mjema
Chairman of the Governing Council

Date: 28/03/2024

3.0 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 the state of affairs of the financial position of the Institute and 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 an 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. Mjenja

Chairman of the Governing Council

Date:.....

Emmanuel A. Mjenja
28/03/2024

4.0 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 a 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 Councilors Responsibility.

I, CPA Alfaksa K. Boniface, being the Acting Director of Finance and Accounts of the Institute of Finance Management hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2023 have been prepared in compliance with applicable accounting standards and statutory requirements. I thus confirm that the financial statements give a true and 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 Alfaksa K. Boniface

Position: Acting Director of Finance and Accounts

NBAA Membership No: ACPA 2578

Date: 28/03/2024

STATEMENT OF THE RECTOR

The Institute is pleased to present its Annual Report for the financial year 2022/23. The report presents the operational performance and the draft financial statements for the year ended 30 June 2023.

The Annual Report focuses on the principal activities of the Institute, namely teaching, research and consultancy, as well as on the implementation of the Strategic Plan 2021/22 - 2025/26

The financial year ended 30 June 2023 was the second year of implementation of the Strategic Plan for 2021/22 - 2025/26. The strategic plan provides a five-year road-map for the institutional growth, design and delivery of quality education and training programmes, innovative research and community outreach. During the financial year under review, the Institute directed its resources towards the achievement of the following eight strategic objectives:

- i. Strengthen the quantity and quality of training, research and consultancy services;
- ii. Expand and maintain physical infrastructure;
- iii. Enhance the capacity of human resources and staff welfare;
- iv. Improve business processes and governance;
- v. Improve students' academic and social experience;
- vi. Enhance financial capacity and sustainability;
- vii. Compliance with the national policy of communicable and non-communicable diseases; and
- viii. Comply and implement the National anti-corruption strategy.

The IFM Strategic Plan for 2021/22 - 2025/26 is guided by a vision "To be a reputable world-class higher learning institution that is responsive to global development needs through provision of knowledge and competencies in finance management and related disciplines".

In pursuing this vision, the Institute is committed to fulfil its mission of "providing quality academic and professional training that nurtures creativity and innovation through integrated training, research and consultancy in financial studies and related disciplines". In achieving its vision and fulfilling its mission, IFM will adhere to eight (8) core values, which are abbreviated as ATTITUDE: (i) Accountability, (ii) Transparency and fairness, (iii) Team work, (iv) Integrity and innovativeness, (v) Trust, (vi) Unity, (vii) Diversity & gender equity, (viii) Excellence and efficiency.

During the year under review, the following activities were implemented as per the annual work plan. As at 30 June 2023, a total of 14,491 students were enrolled, out of these 13,042 students were enrolled at the Main Campus (Dar es Salaam), 1,118 students at Mwanza campus (Mwanza), 187 students at Simiyu campus (Simiyu) and 144 students at Dodoma campus (Dodoma). The first phase of the development of the Geita Campus, which involved construction of Classrooms, Administration Block, Cafeteria and Multipurpose Hall was completed by 97.1% by 30 June 2023. Phase two of the project which involves the construction

of Computer Laboratory, Library, Hostels, and Staff Houses was completed by 65.1% by 30 June 2023. In addition, the contract for execution of external works of Geita Campus; which include landscaping, water management system, playgrounds and enhancement of internal road networks was signed during the period under review. The construction of the Geita campus is planned to be completed by December 2023. Students will be enrolled at the Geita Campus in October 2023. Meanwhile, the Institute has started the construction of buildings at Kiseke Mwanza. Until the end of the financial year under review, the construction of the referred Campus has attained an 8.2% level of completion. The construction is expected to be completed by July 2024.

During the financial year ended 30 June 2023 a new programme, Bachelor of Cyber Security was developed and approved by the regulator. Also, eleven new curricula were developed, five for master's and six for bachelor's degree programmes. Out of these three curricula comprising two for Master's degree level and one for Bachelor's degree level were submitted to the regulator for approval.

During the period under review, sixty-eight (against planned 69) research papers were published by faculty members; comprising of twenty-nine (29) journal articles and thirty-nine (39) book chapters. The Institute improved its business processes and governance through the enhancement of ICT services and development of various policy guideline documents. Capacity building and awareness programmes were conducted to the staff members and students to enhance the implementation of the National Anti-corruption Strategy and the National Policy of communicable and non-communicable diseases.

The Institute is among the beneficiaries of the World Bank's Higher Education for Economic Transformation (HEET) Project, through the Ministry of Education, Science and Technology (MoEST). The total project budget for the Institute is USD 10.65557 million, which is about TZS 24,946.1 million. A total of TZS 23,428.3 million (94%) is expected to be used for improving the teaching and learning environment (substantial physical infrastructure development in Simiyu and Mwanza Campus) by 2026, whereas, TZS 1,517.8 million (6%) will be used for building capacity on innovative researches and strengthening linkages with the industry.

In the financial year ended 30 June 2023, the Institute received the first instalment of the HEET fund amounting to TZS 1,556.6 million. This amount was intended for undertaking activities covering the first six months of the Institute's HEET work plan. Until the end of the financial year 2022/23, the Institute managed to utilize 45% of the received funds.

The general financial performance of the Institute during the financial year ended 30 June 2023 was very good. The total revenue earned during the year was TZS 39,138.7 million (2021/22: TZS 35,852.2 million), thus there was an increase of annual recognized revenue by TZS 3,286.5 million equivalent to 9.2%. The sources of revenue during the year under review were tuition fees at TZS 23,504.9 million (2021/22: TZS 22,244.8 million), Recurrent and development Grant from the Government TZS 12,577.9 million (2021/22: TZS 10,086.5 million), registration and field/project supervision fees at TZS 1,103.0 million (2021/22: TZS 1,495.7 million), Consultancy fees at TZS 70.5 million (2021/22: TZS 466.6 million), other miscellaneous income

at TZS 1,880.3 million (2021/22: TZS 1,660.5 million) and gain / (loss) on foreign currency translation at TZS 2.1 million (2021/22: 101.9 million).

The total expenses and transfers for the year was TZS 35,721.5 million (2021/22: TZS 29,837.9 million). The major components of expenses were wages, salaries and employee benefits TZS 16,583.6 million (2021/22: TZS 15,251.4 million), maintenance expenses TZS 1,493.3 million (2021/22: TZS 1,116.6 million), Use of Goods and Services expenses TZS 11,909.9 million (2021/22: TZS 9,605.1 million). Other major items of expenses are social benefits, depreciation and amortization expenses and other administrative expenses amounting to TZS 5,432.1 million (2021/22: TZS 3,389.9 million). During the financial year 2022/23, TZS 300.0 million was transferred to the Government Consolidated fund (2021/22: TZS 300.0 million).

The Management expresses its appreciation to the Government, Governing Council, stakeholders, and members of staff for their contribution to the reported achievements during the financial year ended 30 June 2023.



.....
Prof. Josephat D. Lotto
Rector

5.0 FINANCIAL STATEMENTS

THE INSTITUTE OF FINANCE MANAGEMENT

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	NOTES	2022/23 (TZS '000')	2021/22 (TZS '000')
Current Assets			
Inventories	6	994,397	540,739
Trade and other Receivables under exchange transaction	7	1,039,494	5,743,731
Cash and Cash Equivalents	5	<u>16,531,921</u>	<u>8,642,133</u>
		18,565,812	14,926,603
Non-Current Assets			
Property and Equipment	10A	65,600,024	66,117,782
Intangible asset (Software)	10B	124,832	150,102
Work in progress	9	8,304,906	5,161,483
Financial Assets	8	447,692	434,710
		<u>74,477,454</u>	<u>71,864,077</u>
Total Assets		<u>93,043,266</u>	<u>86,790,680</u>
RESERVE AND LIABILITIES			
Capital and Reserves			
Capital Fund	11	3,439,082	3,439,082
Accumulated Surplus		<u>83,141,575</u>	<u>79,724,346</u>
		86,580,657	83,163,428
Current Liabilities			
Provision for employment benefits	12	283,802	194,130
Payables and accruals under exchange transactions	13	5,171,313	3,278,614
Deferred income under exchange transactions	14	138,449	136,859
Deferred income under non-exchange transactions	15	<u>869,045</u>	<u>17,649</u>
		6,462,609	3,627,252
Total Reserve and Liabilities		<u>93,043,266</u>	<u>86,790,680</u>


 Prof. Emmanuel A. Mjema
 CHAIRMAN-GOVERNING COUNCIL


 Prof. Josephat D. Lotto
 RECTOR

Date: 28/03/2024

Controller and Auditor General

AR/PAD/IFM/2022/23

THE INSTITUTE OF FINANCE MANAGEMENT

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	NOTES	2022/23 (TZS'000')	2021/22 (TZS'000')
REVENUE			
Revenue from exchange transaction - Tuition Fees	16	23,504,986	22,244,781
Revenue from non-exchange transaction - Recurrent grant and Development	17	12,577,861 (2,142)	10,086,476 (101,942)
Fair value adjustment and exchange gain	18	3,030,178	3,622,896
Other Income	19	27,832	-
Gain from disposal of Non-Current Assets	29	39,138,715	35,852,211
TOTAL REVENUE			
Less: Expenses			
Maintenance Expenses	20	1,493,304	1,116,629
Wages, salaries, and employee benefits	21	16,583,622	15,251,423
Use of Goods and Services	22	11,909,893	9,605,082
Other Expenses	23	1,288,927	596,220
Social Benefits	24	915,371	820,841
Depreciation and Amortization expenses	25	3,176,510	1,972,840
Loss/Gain on Disposal	26	53,859	174,874
Impairment Loss	27	35,421,486	29,537,910
Total Expenses			
Transfers	28	300,000	300,000
Other Transfer		300,000	300,000
Total Transfer		35,721,486	29,837,910
TOTAL EXPENSES AND TRANSFERS		3,417,229	6,014,301
SURPLUS FOR THE YEAR			

Prof. Emmanuel W. Mjema
CHAIRMAN-GOVERNING COUNCIL

Date: 28/03/2024

Prof. Josephat D. Lotto
RECTOR

Controller and Auditor General

AR/PAD/IFM/2022/23

THE INSTITUTE OF FINANCE MANAGEMENT

THE INSTITUTE OF FINANCE MANAGEMENT
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

	Share Capital (TZS'000')	Accumulated Surplus Restated (TZS'000')	Revaluation reserve (TZS'000')	Total (TZS'000')
Balance on 30 June 2021	3,439,082	72,202,838	-	75,641,920
Prior year adjustment	-	1,507,207	-	1,507,207
Surplus / Deficit for the year	-	6,014,301	-	6,014,301
Balance on 30 June 2022	<u>3,439,082</u>	<u>79,724,346</u>	-	<u>83,163,428</u>
At 1 July 2022	3,439,082	79,724,346	-	83,163,428
	-	-	-	-
Surplus / Deficit for the year	-	<u>3,417,229</u>	-	<u>3,417,229</u>
At 30 June 2023	3,439,082	83,141,575	-	86,580,657
At 30 June 2022	3,439,082	79,724,346	-	83,163,428

Prof. Emmanuel A. Mjema
CHAIRMAN-GOVERNING COUNCIL

Date: 28/03/2024

Prof. Josephat D. Lotto
RECTOR

Controller and Auditor General

AR/PAD/IFM/2022/23

THE INSTITUTE OF FINANCE MANAGEMENT

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 30TH JUNE 2023

	NOTES	30-Jun-23 TZS'000'	30-Jun-22 TZS'000'
CASH FLOW FROM OPERATING ACTIVITIES			RESTATED
RECEIPTS			
Subvention from other Government entities		9,254,439	8,454,963.00
Revenue Grants		2,618,179	0.00
Revenue from Exchange Transactions	30(i)	28,826,910	19,886,583.00
Other Revenue	30(ii)	1,814,953	3,328,896.00
Revenue received from prior years	30(i)	3,664,970	-
Fees, Fines, Penalties and Forfeits		<u>362,117</u>	<u>-</u>
Total Receipts		46,541,568	31,670,442
PAYMENTS			
Wages, Salaries and Employee Benefits	30(iii)	16,583,622	14,347,058
Use of Goods and Service	30(iv)	11,909,893	7,570,140
Social Benefits	30(v)	631,569	600,171
Other Transfers	30(vi)	300,000	300,000
Other Expenses	30(vii)	1,288,927	4,727,388
Maintenance Expenses	30(viii)	1,493,304	977,891
Decrease in Deposit	30(ix)	<u>33,088</u>	<u>-</u>
Total Payments		32,265,674	28,522,648
Net Cash Flow from Operating Activities (A)		<u>14,275,894</u>	<u>3,147,794</u>
RECEIPTS			
Development grant			1,631,513
Advance Payments for the Acquisition of Property Plant and Equipment	30(x)	(687,992)	(2,516,173)
Acquisition of Property, Plant and Equipment	30(xi)	<u>(5,698,114)</u>	<u>(2,447,209)</u>
Total Investing Activities (B)		(6,386,106)	(4,963,382)
Cash Flows from Financing Activities			
Financing Income - Dividend		-	-
Net Cash Flows from Financing Activities-C		-	-
Net Increase/ (Decrease) in cash and cash equivalents (A+B+C)		7,889,788	(184,075)
Cash and cash equivalent at beginning of period		<u>8,642,133</u>	<u>8,826,208</u>
Cash and cash equivalent at end of period		<u>16,531,921</u>	<u>8,642,133</u>

THE INSTITUTE OF FINANCE MANAGEMENT

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30 JUNE 2023

	Original Budget (TZS'000')	Budgeted Re-allocations/ Adjustments (TZS'000')	Final Budget (B) (TZS'000')	Actual Amount on Comparison Basis (A) (TZS'000')	Different Final Budget & Actual (B-A) (TZS'000')
RECEIPTS					
Subvention from Other Government	12,702,186	-	12,702,186	9,254,439	3,447,747
Entitles	3,500,000	-	3,500,000	2,618,179	881,821
Revenue Grants	29,721,030	-	29,721,030	28,826,910	894,120
Revenue from Exchange Transactions	2,932,382	-	2,932,382	1,814,953	1,117,429
Other Revenue	-	-	-	3,664,970	(3,664,970)
Increase in Deposit	-	-	-	362,117	(362,117)
Fees, Fines, Penalties and Forfeits	-	-	-	46,541,568	2,314,030
Total Receipts	48,855,598	-	48,855,598		
PAYMENTS					
Wages, Salaries and Employee	17,793,076	(26,700)	17,766,376	16,583,622	1,182,754
Benefits	13,693,927	(409,500)	13,284,427	11,935,164	1,349,263
Use of Goods and Service	540,000	(50,000)	490,000	631,569	(141,569)
Social Benefits	300,000	-	300,000	300,000	-
Other Transfers	3,302,157	90,000	3,392,157	1,288,927	2,103,230
Other Expenses	1,799,850	160,500	1,960,350	1,493,304	467,046
Maintenance Expenses	-	-	-	33,088	(33,088)
Decrease in Deposit	-	-	-	-	-
Acquisition of Property, Plant and	10,734,088	465,700	11,199,788	-	11,199,788
Equipment	692,500	(230,000)	462,500	-	462,500
Acquisition of Intangibles	48,855,598	-	48,855,598	32,265,674	16,589,924
Total Payment	48,855,598	-	48,855,598	14,275,894	(14,275,894)
Net Receipts/Payments	-	-	-	-	-

The budget and financial statements are prepared on a different basis. The statement of comparison of the budget and actual amounts above is prepared on the same basis as the budget. Explanation details for the differences have been provided under Note 41.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1.0 GENERAL INFORMATION

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 new 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 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 five 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, Geita Campus located at Chato 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,
11101 Dar Es Salaam,
Email: rector@ifm.ac.tz.
Phone: +255 222 112931-4.

1.1 PRINCIPAL ACTIVITIES

The Institute of Finance Management was established by Act of Parliament No. 3 of 1972 as a 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, certificates, 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.

1.2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The Financial Statements of the Institute have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The Financial Statements are

presented in Tanzanian Shilling (TZS) which is the functional currency of the Institute. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared based on historical costs. The cash flow statement is prepared using the direct method. The financial statements are prepared on an accrual basis.

1.3 KEY JUDGEMENTS, SOURCES OF ESTIMATION AND UNCERTAINTY

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

The areas involving a higher degree of judgement 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 recognized prospectively.

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 is 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.

1.4 AUTHORISATION DATE

The financial statements were submitted to the Controller and Auditor General (CAG) on 31 August 2023 and will be authorized for issuance after being tabled on and discussed by the Parliament by 31 March 2024.

1.5 GOING-CONCERN

The Management of the Institute has assessed the Institute's ability to continue as a going concern and is satisfied that the Institute has the resources to continue for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Institute's ability to continue as a going concern. Therefore, the financial statements are prepared on a going-concern basis.

2.0 ADOPTION OF NEW AND REVISED STANDARDS

The International Public Sector Accounting Standards Board (IPSASB) issued new, amendments and improvements to IPSASs. The objective of Improvements to IPSASs is to address issues raised by stakeholders.

(i) Amendments to IPSAS 41: Financial Instruments

The International Public Sector Accounting Standards Board (IPSASB) has issued a new International Public Sector Accounting Standard 41 on financial instruments which replaces IPSAS 29: Financial Instruments: Recognition and Measurements.

IPSAS 41 improves financial reporting for financial instruments, by:

- Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;
- Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
- Applying an improved hedge accounting model that broadens the hedging arrangements in the scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

An entity shall apply these amendments for annual financial statements covering periods beginning on or after January 1, 2023. Earlier application is permitted.

Management has started to develop all requirements to support the adoption of the standards by appointing a team of experts to design a model for implementing IPSAS 41.

(ii) Amendments to IPSAS 42 - Social Benefits,

The standard provides guidance on accounting for social benefits expenditure. It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effect of social risk. Specific examples include state retirement benefits, disability benefits, income support and unemployment benefits.

The new standard requires an entity to recognize an expense and a liability for the next social benefit payment. It seeks to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits.

To accomplish this, IPSAS 42 establishes principles and requirements for:

- Recognizing expenses and liabilities for social benefits;
- Measuring expenses and liabilities for social benefits;
- Presenting information about social benefits in the financial statements;
- Determining what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the social benefits provided by the reporting entity.

An entity shall apply these amendments for annual financial statements covering periods beginning on or after January 1, 2023. Earlier application is permitted.

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

(iii) Amendment to IPSAS 13/43, Leases

The International Public Sector Accounting Standards Board (IPSASB) has issued a new International Public Sector Accounting Standard 43 which replaces IPSAS 13 on issues related to leases.

IPSAS 43 is a final product of phase one dealing with lease accounting model (s) for both lessees and lessors on the same definition of a lease as in IFRS 16.

Now, IPSAS 43 requires the lease to recognize: -

- A right-of-use asset because they control the right to use the underlying compared with IPSAS 13 where the lease recognizes the underlying asset when the lease is classified as a finance lease but not when it is classified as an operating lease.
- A lease liability because they have a present obligation to make future lease payments in accordance with the lease contract (once the underlying asset has been

made available and the lessee has the right to use it). Under IPSAS 13, a lease liability is not recognized when the lessee classifies the lease as an operating lease.

An entity shall apply these amendments for annual financial statements covering periods beginning on or after January 1, 2025. Earlier application is permitted.

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.

(iv) Amendment of IPSAS 44, Non-Current Assets Held for Sale and Discontinued Operations

Which is effective on or after 1st January 2025, IPSAS 44 specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. It requires assets that meet the criteria to be classified as held for sale to be: -

- Measured at the lower of carrying amount and fair value less costs to sell and depreciation on such assets to cease; and
- Presented separately in the statement of financial position and the results of discontinued operations are to be presented separately in the statement of financial performance.

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.

(v) New IPSAS 45: Property, Plant and Equipment

The International Public Sector Accounting Standards Board (IPSASB) has issued a new International Public Sector Accounting Standard 45 Property, Plant and Equipment.

IPSAS 45 intends to update principles drawn from IPSAS 17, Property, Plant, and Equipment by adding new guidance for heritage assets, infrastructure assets, and measurement of property, plant, and equipment.

This is after considering responses to the Consultation Paper (CP), Financial Reporting for Heritage in the Public Sector, and constituents' feedback on infrastructure assets the IPSASB concluded that:

- a. IPSAS 17 should fully apply to heritage assets that are property, plant, and equipment; and
- b. Additional authoritative and non-authoritative guidance should be included in IPSAS 45 to clarify its application to heritage and infrastructure assets.

An entity shall apply these amendments for annual financial statements covering periods beginning on or after January 1, 2025. Earlier application is permitted.

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.

(vi) New IPSAS 46: Measurement

The International Public Sector Accounting Standards Board (IPSASB) has issued a new International Public Sector Accounting Standard 46 Measurement.

The objective of IPSAS 46 is to improve measurement guidance across IPSAS by:

- a. Providing further detailed guidance on the implementation of commonly used measurement bases, and the circumstances under which they should be used;
- b. Clarifying transaction costs guidance to enhance consistency across IPSAS; and
- c. Amending, where appropriate, guidance across IPSAS related to measurement at recognition, subsequent measurement, and measurement-related disclosures.

An entity shall apply these amendments for annual financial statements covering periods beginning on or after 1 January 2025. Earlier application is permitted.

The Institute adopted the standard in the preparation and presentation of the financial statements for the period ended 30 June 2023.

(vii) New IPSAS 47: Revenue

The International Public Sector Accounting Standards Board (IPSASB) has issued a new International Public Sector Accounting Standard 47 Revenue.

The objective of IPSAS 47 is to:

- a. Present revenue guidance in a single standard by replacing IPSAS 9, Revenue from Exchange Transactions, IPSAS 11, Construction Contracts, and IPSAS 23, Revenue from Non-exchange Transactions (Taxes and Transfers);
- b. Clarify and refine the accounting principles and concepts to account for revenue transactions in the public sector; and
- c. Provide non-authoritative guidance to help preparers use professional judgment in applying the accounting principles consistently.

An entity shall apply these amendments for annual financial statements covering periods beginning on or after January 1, 2026. Earlier application is permitted.

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.

(viii) IPSAS 48: Transfer Expenses

The International Public Sector Accounting Standards Board (IPSASB) has issued a new International Public Sector Accounting Standard 48 Transfer Expenses.

The objective of IPSAS 48 is to:

- a. Revise the accounting of transfer expenses to move away from the Public Sector Performance Obligation Approach (PSPOA) and to focus on whether the transfer transaction results in the recognition of an asset;
- b. Focus on the accounting from the perspective of the transfer provider (the entity); and
- c. Streamline the requirements for measurement, as well as presentation and disclosure

An entity shall apply these amendments for annual financial statements covering periods beginning on or after 01 January 2026. Earlier application is permitted.

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.

3.0 ACCOUNTING POLICIES AND ESTIMATES

The accounting policies for the presentation of the Institute of Finance Management financial statements have been adopted from the International Accounting Standards (IPSASs). The adopted accounting policies are consistent with those of the Institute and have been applied throughout the reporting period. There were no changes in accounting policies or estimates during the financial year.

3.1 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 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 rate gains and losses are reflected in the Statement of Financial Performance.

3.2 Revenue

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.

i. 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.

ii. 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.

iii. Revenue Recognition

Revenue is recognized to the extent that the economic benefits will probably 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 recognized: -

iv. Government grants

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

v. Tuition Fees and Other Incomes

Tuition and other fees from students and short course 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.

vi. Interest and Dividend Income

Interest income is mainly from banks, especially on 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.

vii. Rental Income

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

viii. Donations

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, requires the return of the transferred resources, the Institute recognizes it as a liability until the condition is fulfilled.

3.3 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.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognized after the date of the revaluation. Review is performed frequently to ensure that the fair value of the 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 asset's 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 shown in Table 22.

Table 22: Depreciation / Amortization Rates and Useful Life

Item	Depreciation Rate %	Useful Life (Yrs.)
IFM Office buildings, houses and flats	2	50
Furniture, fixtures and fittings	20	5
Office Equipment	20	5
Library Books	10	10
Motor Vehicles	20	5
Computers and IT consoles	25	4
Graduation Gowns	10	10
Intangible Assets	14	7.1
Earth Roads and surroundings	33.3	3

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 the carrying amount equals its residual value.

3.4 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 are 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 the 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.

3.5 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 than assets 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 assets or groups of assets.

In assessing value in use, the estimated future cash flow is discounted to its 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 considered, 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 assesses at each reporting date as to whether or not there is an indication that previously recognized impairment losses may no longer exist 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 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 depreciated replacement costs are measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated based on 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 a 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.

3.6 Investment in Shares

The Institute has invested in shares of one of the companies listed on the stock exchange. The quoted shares are held both for speculation (shares held for sale 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 is recognized in the financial statements through the Statement of Financial Performance.

3.7 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.

- 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, with 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) De-recognition

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
- 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 have 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 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 has been realized or transferred to the Institute.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases 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 accumulate 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 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 to sell 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 considering 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.

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.

3.8 Leases

i. 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.

ii. 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.

3.9 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 a first-in-first-out (FIFO) basis as stipulated in the Financial Regulations (2019). However, to the extent that a class of inventory is 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.

3.10 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.

3.11 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.

3.12 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.

3.13 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.

3.14 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 an insignificant risk of changes in value. For 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.

3.15 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 Councilors and key members of Management, including the Rector, Deputies and Deans/Directors are regarded as related parties as disclosed under Note 35.

3.16 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.

3.17 Taxation

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.

3.18 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.

3.19 Presentation of the budget information

IPSAS 24 requires the management of a public sector entity to show a comparison of budget amounts arising from the 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 the accrual basis of accounting.

3.20 Employees benefits

i. 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.

ii. Defined contribution plan

The Institute's employees are members of the state-owned pension scheme, the Public Service Security Fund (PSSSF). 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.

iii. Gratuity

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

iv. 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.

v. 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.

vi. 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.

3.21 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 future periods.

4.0 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.

4.1 Credit risk

Credit risk is the risk of financial loss to the Institute if customers or counter parties 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. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risks as at 30 June 2023 were:

Details	2022/23 (TZS' 000')	2021/22 (TZS' 000')
Investments in equity-Note 8	185,452	172,470
Trade receivables-Note 7	700,437	4,296,099
Other receivables	339,058	1,447,632
Cash and cash equivalent-Note 5	16,531,921	8,642,133
Total	<u>17,756,838</u>	<u>14,558,334</u>

- **Credit quality**

Credit quality is the assessed risk of default attached to counter parties 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. To determine 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.

The Institute establishes an allowance for impairment that represents its estimate of anticipated losses in respect of receivables. The Institute provided fifty per cent 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.

4.2 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 students, government subsidies, investment income, and fees on short courses, rental income and other miscellaneous income.

4.3 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 the value of the 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.

4.4 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.

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

30 June 2023	<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>244,223.81</u>
	<u>65,204.68</u>	<u>51,174.20</u>	<u>402,647.10</u>
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>

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

4.5 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 equity investments, the Institute diversifies its portfolio. All quoted shares held by the Institute are traded at the Dar es Salaam Stock Exchange (DSE).

NOTE 5: CASH AND CASH EQUIVALENTS

	2022/23 (TZS'000')	2021/22 (TZS'000')
NMB -DSM-Account	7,368	69,432
CRDB -DSM-Deposit Account	13,222	32,178
NBC Mwanza Account	8,993	375
CRDB -Payments Account - MUSE	2,695,297	-
CRDB -Payments Account	40,712	40,712
CRDB -HESLB Account	324,176	324,076
CRDB -HESLB Account - MUSE	130,672	-
NBC -NHIF Account	140,267	140,267
EXIM -Mwanza Account	709	709
BOT -TZS Account	11,755,526	7,447,506
NBC -USD Account	522,383	410,632
BOT- USD Account	41,201	41,157
CRDB GBP Account	-	24,177
BOT-GBP Account	-	26,763
TPB Account	-	84,149
Total Bank Balances	15,680,525	8,642,133
CRDB-HEET Account	851,396	
TOTAL	<u>16,531,921</u>	<u>8,642,133</u>

The balance of cash and cash equivalents as at 30 June 2023 aggregated to TZS 16,531.9 million (2022: TZS 8,642.1 million). The net increase of TZS 7,889.8 million was mainly attributed to fees collection paid in full by the HESLB in respect of the second semester of the academic year 2022/23, and Fund to implement the HEET Project.

NOTE 6: INVENTORIES

	2022/23 (TZS'000')	2021/22 (TZS'000')
Stationery Stocks	172,903	90,421
Materials for Construction	<u>821,494</u>	<u>450,318</u>
TOTAL	<u>994,397</u>	<u>540,739</u>

- a) The increase of materials for construction by TZS 371.2 refers to items available at Geita Campus for finalization of construction works.
b) There were no inventories held for sale during the year.

NOTE 7: TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2022/23 (TZS'000')	2021/22 (TZS'000')
Trade debtors	1,833,682	5,615,009
Less: Provision for impairment of debtors	<u>(1,126,538)</u>	<u>(1,318,910)</u>
Net debtors	707,144	4,296,099
Prepayments	113,392	1,016,232
Staff Loans	38,851	61,541
Dividend Receivables (TPCC)	17,177	-
Receivables from Consultancy	113,816	196,522
Creditors with debit balances	<u>49,114</u>	<u>173,337</u>
TOTAL	<u>1,039,494</u>	<u>5,743,731</u>

a) Trade and other receivables from exchange transactions amounted to TZS 1,039.5 million (2022: TZS 5,743.7 million). The net decrease of TZS 4,704.2 million was mainly attributed to settlement obligations by some debtors.

b) Creditors with debit balances include IFMSO account which some activities for the new academic year begin before closure of the financial year. The Institute pre-finances IFMSO activities and the costs thereof are recovered during enrolment of the new students upon payment of IFMSO fees.

c) The decrease of balance by 88.8% in respect of Prepayment Account from TZS 1,016.2 million as at 30 June 2022 to TZS 113.4 million as at 30 June 2023 was mainly contributed to acquisition and delivery of four (4) motor vehicles which were earlier on paid in advance during financial year 2021/22 and other completed commitments made by the Institute during the year.

	2022/23 (TZS'000')	2021/22 (TZS'000')
Movement in impairments provision		
Balance at the beginning of the period	1,318,910	1,747,117
Provision for receivables impairment raised during the period	-	-
Receivables recovered & written off during the period	<u>(192,372)</u>	<u>428,207</u>
Balance at the end of the period	<u>1,126,538</u>	<u>1,318,910</u>

AGEING OF RECEIVABLES	2022/23 (TZS'000')	2022 (TZS'000')
0-1	722,268	4,108,580
1-2 years	-	375,039
2-3 years	-	110,729
3-4 years	100,729	47,348
4-5 years	37,372	313,795
Above 5 years	<u>973,313</u>	<u>659,518</u>
	<u>1,833,682</u>	<u>5,615,009</u>

NOTE 8: FINANCIAL ASSETS

	2022/23 (TZS'000')	2021/22 (TZS'000')
Current financial assets stated at fair value:		
Shares in quoted entities at Dar es Salaam Stock Exchange		
Tanzania Portland Cement Company Ltd	185,452	172,470
Government /Treasury Register	<u>262,240</u>	<u>262,240</u>
TOTAL	<u>447,692</u>	<u>434,710</u>

SHARES ANALYSIS 2022/23

ENTITY	RATE (TZS)	NO. OF SHARES	Value (TZS'000')
	4,000	46,363	185,452
Tanzania Portland Cement	3,720	46,363	172,470
	Gain on Investment (2022/23)		12,982

Disclosure as Per IPSAS 30-Financial Instruments

NB: TZS 4,000 per share is for financial year 2022/23

TZS 3,720 per share is for financial year 2021/22

Securities Available for Sale comprise of listed equity investments and funds invested as Government Shares after closure of Twiga Bancorp. IFM owns 46,363 shares of Tanzania Portland Cement Company Ltd. Fair values are based on the quoted share price of TZS 4,000 per share at DSE at reporting date.

NOTE 9: WORK IN PROGRESS

	2022/23 (TZS '000')	2021/22 (TZS '000')
Opening balance	5,161,483	2,859,158
Additions	3,143,173	2,444,680
HEET Project	250	
Transfer to property and equipment (Note 10)	-	(142,355)
TOTAL	<u>8,304,906</u>	<u>5,161,483</u>

- (a) The balance of TZS 8,304.9 million under work in progress relates to the costs incurred in acquiring/developing capital projects at Msata which amounted to TZS 164.0 million. Further, the amount includes costs for construction of Geita Campus TZS 6,195.3 million, Simiyu Campus TZS 1,000 million, Construction of Mwanza Kiseke TZS 763.2 million, and Njedengwa Dodoma amounting to TZS 86.0 million.
- (b) Development of ERP system and new ICT software TZS 96.2 million.
- (c) The HEET Project costs TZS 0.25 million related to preliminary activities of the Project such as Services for Undertaking Environmental and Social Impact Assessment (ESIA).

10 A: PROPERTY PLANT AND EQUIPMENT

PARTICULARS	LAND PROPERTY	OFFICE BUILDINGS & FLATS	FURNITURE, FIXTURES & FITTINGS	LIBRARY BOOKS	COMPUTER & IT CONSOLES	EARTH ROADS & SURROUNDINGS	OFFICE EQUIPMENTS	MOTOR VEHICLES	GRADUATION GOWNS	TOTAL
Details	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'
Cost At 1 July 2022	41,020,273	22,237,026	4,604,574	1,580,017	2,548,631	142,355	2,507,043	1,300,823	280,620	76,221,362
Additions: From Prepayment										
Additions:	-	-	670,076	80,769	582,700	-	261,606	739,048	96,040	2,430,239
Cost At 30 June 2023	41,020,273	22,237,026	5,274,650	1,660,786	3,131,331	142,355	2,768,649	2,039,871	376,660	78,651,601
Depreciation										
At 1 July 2022	-	3,470,856	2,440,062	1,461,118	1,066,773	47,452	879,229	646,258	91,832	10,103,580
Adjustment of Useful Life			(62,109)	-	-	-	879,229	646,258	91,832	10,103,580
Charge for the year	-	444,741	976,523	164,059	647,766	47,451	518,849	317,386	34,465	3,151,240
Adjustment on Accumulated	-	-	-	(3,388)	-	-	-	-	-	(3,388)
Impairment Loss	-	-	-	(53,859)	-	-	-	-	-	(53,859)
At 30 June 2023	-	3,915,597	3,354,476	1,567,930	1,714,539	94,903	1,314,191	963,644	126,297	13,051,577
NET BOOK VALUE:										
At 30 JUNE 2023	41,020,273	18,321,429	1,920,174	92,856	1,416,792	47,452	1,454,458	1,076,227	250,363	65,600,024
At 30 JUNE 2022	41,020,273	18,766,170	2,164,512	118,899	1,481,858	94,903	1,627,814	654,565	188,788	66,117,782

10B: INTANGIBLE ASSETS

SYSTEM SOFTWARE	Cost At 1 July 2022	Additions:	Cost At 30 June 2022	Amortization At 1 July 2022	Adjustments (Disposal/Review useful life)	Charge for the year	ACC Amortization AS 30 JUNE 2023	NET BOOK VALUE AS 30 JUNE 2023	NET BOOK VALUE AS 30 JUNE 2022
	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'
	252,698	-	252,698	102,596	-	25,270	127,866	124,832	150,102

NOTE 11: CAPITAL FUND

The capital fund is made up of contributions that were made to the Institute by the URT Government and other donors in the past towards financing the establishment of the Institute. No new contributions for capital funds were made by URT Government and donors during the financial year 2022/23.

	2022/23 (TZS'000')	2021/22 (TZS'000')
Treasury	1,558,504	1,558,504
Tanzania Education Authority	36,824	36,824
Government Grant	711,691	711,691
Mac Donald Grant	131	131
GIDA Grants	2,297	2,297
World Bank	651,199	651,199
IDA Credit	449,438	449,438
Others	<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

	2022/23 (TZS'000')	2021/22 (TZS'000')
Opening balance	194,130	339,744
Year-end Adjustment	(194,130)	(339,744)
Movement charge to the Statement of Financial Performance	<u>283,802</u>	<u>194,130</u>
TOTAL	<u>283,802</u>	<u>194,130</u>

The Institute operates an unfunded defined benefit plan for qualifying employees. Under the scheme, employees are entitled to retirement benefits of eighteen months' basic salary upon attaining the compulsory retirement age. The increase in employment benefits relates to four (4) members of staff who are expected to retire in the financial year 2023/24.

NOTE 13: PAYABLES AND ACCRUALS UNDER EXCHANGE TRANSACTIONS

	2022/23 (TZS'000')	2021/22 (TZS'000')
Unapplied Deposit Account	45,410	4,500
Other Payable	275,924	275,924
Tuition fee	312,857	23,589
NACTE Fees Payable	138,125	144,620
Accrued Leave Due	7,927	240,686
Deposit General (Debtors with a credit balance)	1,628,264	258,046
Withholding Tax Payable	3,268	-
Caution Money Payable	1,390,280	1,190,494
Suppliers of Goods and Services	<u>1,369,258</u>	<u>1,140,755</u>
TOTAL	<u>5,171,313</u>	<u>3,278,614</u>

- (a) Debtors with credit balances (Deposit General) increased by TZS 1,370.2 million was mainly contributed by HESLB where by large portion of students were granted full sponsorship, which resulted in a claim of tuition fees refund in the financial year 2022/23.
- (b) Caution money payable increased by TZS 199.8 million as an increase in number of first-year students registered in the academic year 2022/23 to the Institute's campuses.
- (c) The balance of suppliers of goods and services increased by TZS 228.5 million on account of academic services offered at the Institute when compared with the previous year.

NOTE 14: DEFERRED INCOME UNDER EXCHANGE TRANSACTIONS

	2022/23 (TZS'000')	2021/22 (TZS'000')
Welfare Funds	3,045	1,455
Tuition received from students not yet registered	<u>135,404</u>	<u>135,404</u>
TOTAL	<u>138,449</u>	<u>136,859</u>

The balance of deferred income under exchange transactions increased to TZS 138.4 million (2022: TZS 136.9 million) mainly due to some students paying fees and failing to register to meet the criteria of registration, on account of welfare funds paid to eligible staff in line with the procedures in place.

NOTE 15: DEFERRED INCOME UNDER NON-EXCHANGE

	2022/23 (TZS'000')	2021/22 (TZS'000')
Opening balance	17,649	17,649
HEET Project	<u>851,396</u>	-
TOTAL	<u>869,045</u>	<u>17,649</u>

The amount deferred is in respect of grants received from the Tanzania Education Authority (TEA) during the financial year 2016/17, and HEET Project in the financial year 2022/23 to improve academic transformation.

NOTE 16: REVENUE FROM EXCHANGE TRANSACTIONS -

	2022/23 (TZS'000')	2021/22 (TZS'000')
Receipt from Tuition Fees	<u>23,504,986</u>	<u>22,244,781</u>
TOTAL	<u>23,504,986</u>	<u>22,244,781</u>

Revenue from exchange transactions increased by TZS 1,260.2 million which was mainly contributed by an increase of postgraduate students in the academic year 2022/23.

NOTE 17: REVENUE FROM NON-EXCHANGE TRANSACTIONS - GOVERNMENT SUBVENTION

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

	2022/23 (TZS'000')	2021/22 (TZS'000')
Subvention for Personnel emolument	9,254,439	8,454,963
Government Grant Development Local	2,618,179	1,631,513
HEET Project	<u>705,234</u>	
TOTAL	<u>12,577,861</u>	<u>10,086,476</u>

NOTE 18: FAIR VALUE ADJUSTMENTS AND EXCHANGE GAINS

	2022/23 (TZS' 000')	2021/22 (TZS' 000')
(Loss)/gain on investment in shares	12,982	5,563
Foreign exchange gain	<u>(15,124)</u>	<u>(107,505)</u>
TOTAL	<u>(2,142)</u>	<u>(101,942)</u>

NOTE 19: OTHER INCOME

	2022/23 (TZS '000')	2021/22 (TZS '000')
Registration fees	362,117	308,150
Field supervision	740,895	1,187,597
Miscellaneous income	1,806,187	1,660,527
Conference facilities	3,150	-
Consultancies	70,500	466,622
Research fees	30,152	-
Dividend	<u>17,177</u>	-
TOTAL	<u>3,030,178</u>	<u>3,622,896</u>

Total other income aggregated to TZS 3,030.2 million (2021/22: TZS 3,622.8 million). The noted decrease of TZS 593.7 million was mainly attributed to a decrease in consultancy and short courses; and field supervision fees.

NOTE 20: MAINTENANCE EXPENSES

	2022/23 (TZS '000')	2021/22 (TZS '000')
Air conditioners	33,435	83,493
Cement, Bricks and Building Materials	528,674	396,938
Computers, printers, scanners, and other computer-related equipment	264,378	123,736
Direct Labour (contracted or casual hire)	192,070	197,949
Electrical and Other Cabling Materials	20,061	53,761
Fire Protection Equipment	20,003	12,462
Mechanical, electrical, and electronic spare parts	1,481	12,695
Outsource maintenance contract services	68,056	75,613
Paint and Weather Protection Coatings	19,804	7,716
Photocopiers	67,330	40,559
Plumbing Supplies and Fixtures	155,925	29,304

Small Car Mechanics Tools	57,060	48,581
Small Tools and Implements	-	172
Tyres and Batteries	29,441	14,544
Water Pumps	9,869	-
Wood and Timber Supplies	<u>25,717</u>	<u>19,106</u>
TOTAL	<u>1,493,304</u>	<u>1,116,629</u>

Maintenance expenses increased by TZS 376.7 million which was contributed by procurement of maintenance materials to enhance the efficiency and effectiveness of the Institute's Non-Current Assets (NCA) such as computer accessories (TZS 264.4 million); Plumbing Supplies (TZS 155.9 million) and Photocopiers (TZS 67.3 million).

NOTE 21: WAGES, SALARIES AND EMPLOYEE BENEFITS

	2022/23 (TZS'000')	2021/22 (TZS'000')
Acting Allowance	48,147	44,318
Civil Servants	9,254,439	8,463,434
Civil Servants Contracts	3,598	-
Councilors Allowance	160,916	92,045
Court Attire Allowance	4,000	4,000
Electricity Allowance	6,680	-
Extra-Duty	907,434	854,134
Heavy Teaching Load Allowance	1,567,374	1,217,694
Honoraria	622,500	762,100
Housing allowance	157,983	159,218
Invigilators Allowances	848,567	898,220
Leave Travel	46,956	113,387
Medical and Dental Refunds	57,503	19,347
Moving Expenses	63,703	23,602
Outfit Allowance	2,100	-
Professional Allowances	433,976	492,168
Responsibility Allowance	259,825	195,098
Sitting Allowance	197,300	235,040
Special Allowance	856,664	953,118
Subsistence Allowance	64,360	-
Telephone Allowance	35,800	-
Transport Allowance	<u>983,397</u>	<u>724,500</u>
TOTAL	<u>16,583,222</u>	<u>15,251,423</u>

- Civil Servant's salaries and wages aggregated to TZS 9,254.4 million (2021/22: TZS 8,463.4 million) representing an increase equivalent to 9.3%. The noted increase was mainly attributed by the recruitment of new staff for the financial year 2022/23.
- Heavy Teaching Load allowance increased by TZS 349.7 million to TZS 1,567.4 million due to an increase in enrollment, programmes and inadequate infrastructures.

NOTE 22: USE OF GOODS AND SERVICES

	2022/23 (TZS'000')	2021/22 (TZS'000')
Advertising and publication	448,710	404,778
Air Travel Tickets	411,782	227,530
Catering Services	439,895	320,159
Computer Supplies and Accessories	113,741	194,733
Conference Facilities	178,062	95,212
Diesel	255,500	192,865
Electricity	469,291	528,351
Entertainment	243,234	267,650
Examination Expenses	1,516,972	1,630,530
Exhibition, Festivals and Celebrations	180,374	88,707
Food and Refreshments	195,629	61,158
Fumigation	29,215	21,124
Gifts and Prizes	16,650	19,555
Ground Transport (Bus, Train, Water)	322,861	211,351
Internet and Email connections	237,106	258,344
Lunch Allowance	2,642	8,650
Newspapers and Magazines	17,122	15,804
Office Consumables (papers, pencils, pens and stationaries)	1,218,089	906,523
Outsourcing Costs (includes cleaning and security services)	588,723	662,853
Per Diem - Domestic	1,071,949	695,081
Per Diem - Foreign	214,672	44,573
Petrol	117,371	100,953
Posts and Telegraphs	24,205	35,738
Printing accessories		47,509
	31,841	
Printing and Photocopying Costs	497,756	375,993
Printing Material	240,327	219,562
Production and Printing of Training Materials	-	700
Remuneration of Instructors	79,261	19,108
Rent - Office Accommodation	744,324	615,001
Research and Dissertation	78,207	72,000
Sewage Charges	8,217	6,455
Software License Fees	215,469	230,499
Special Uniforms and Clothing	11,849	-
Sporting Supplies	111,247	148,607
Subscription Fees	48,488	33,563
Telephone Charges (Land Lines)	46,750	111,043
Training Allowances	187,512	181,420
Training Materials	10,942	-
Tuition fees	264,775	227,360
Upkeep Allowances	140,000	155,029
Visa Application Fees	9,910	818
Water Charges	164,290	168,193
HEET Project Expenditure	704,933	
TOTAL	11,909,893	9,605,082

Use of Goods and services increased by TZS 2,304.8 million to TZS 11,909.9 million. The noted increase of 24% was on account of operating expenses aiming at ensuring smooth conduct of core activities of the Institute for the

financial year 2022/23. Furthermore, the increase was contributed by HEET Project Expenditure for financial year 2022/23 as one among the beneficiaries to implement education transformation in Tanzania.

NOTE 23: OTHER EXPENSES

	2022/23 (TZS'000')	2021/22 (TZS'000')
Agency fees	-	36,456
Audit fees	147,420	100,000
Audit supervision expenses	36,750	72,901
Bank Charges and Commissions	679	110,397
Burial Expenses	21,680	13,000
Consultancy fees	86,944	90,860
Insurance Expenses	-	60,482
Sundry Expenses	504,018	112,124
Taxes Levied by another Level of Government	<u>491,436</u>	-
TOTAL	<u>1,288,927</u>	<u>596,220</u>

Other expenses aggregated to TZS 1,288.9 million (2022: TZS 596.2 million). The noted increase of TZS 692.7 million, was mainly caused by penalties on assessment made by the Tanzania Revenue Authority (TRA) (TZS 491.4 million); and other minor costs to ensure efficiency and effectiveness of Institute to achieve its core functions.

NOTE 24: SOCIAL BENEFITS

	2022/23 (TZS'000')	2021/22 (TZS'000')
Assistant to Persons with Disability	17,957	26,540
Retirement benefits	<u>897,414</u>	<u>794,301</u>
TOTAL	<u>915,371</u>	<u>820,841</u>

The increase in expenses on retirement benefits is related to four (4) members of staff who are expected to retire in the financial year 2023/24.

NOTE 25: DEPRECIATION AND AMORTISATION EXPENSES

	2022/23 (TZS'000')	2021/22 (TZS'000')
Depreciation and amortization expenses	<u>3,176,510</u>	<u>1,972,840</u>
TOTAL	<u>3,176,510</u>	<u>1,972,840</u>

The increase in depreciation and amortization expenses TZS 1,203.7 million was attributed to a significant acquisition of non-current assets during the financial year ended 30 June 2023.

NOTE 26: LOSS ON DISPOSAL

2022/23 (TZS'000')	2021/22 (TZS'000')
-	<u>174,874</u>
-	<u>174,874</u>

Loss on Disposal

TOTAL**NOTE 27: IMPAIRMENT LOSS**

Impairment loss

TOTAL

2022/23 (TZS'000')	2021/22 (TZS'000')
<u>53,859</u>	<u>67,115</u>
<u>53,859</u>	<u>67,115</u>

The figure covers Impairment loss of Library books after the carrying value of NCA-Library books exceeded market value (Recoverable amount) during the financial year ended 30 June 2023.

NOTE 28: OTHER TRANSFERS

Contribution to Consolidated Fund

TOTAL

2022/23 (TZS'000')	2021/22 (TZS'000')
<u>300,000</u>	<u>300,000</u>
<u>300,000</u>	<u>300,000</u>

The amount was contributed to the Consolidated Fund to comply with the Office of the Treasury Registrar (OTR) rules and regulations.

NOTE 29: PROCEEDS FROM SALE OF ASSETS

Receipt from Disposal

TOTAL

2022/23 (TZS'000')	2021/22 (TZS'000')
<u>27,832</u>	-
<u>27,832</u>	=

The figure represents total receipts on the Disposal off Non-Current Assets located at Dar-es-Salaam and Mwanza campuses as per the approval granted by the Paymaster General via letter with Ref No. KA.32/159/01/PART A/14 dated 10 August 2022.

NOTE 30 CASH FLOW ITEMS

	2023 TZS'000'	2022 TZS'000'
(i) Revenue from exchange transactions		
Tuition fee received in the year	28,826,910	19,030,160
Tuition fee received from previous year	3,664,970	856,423
	<u>32,491,880</u>	<u>19,886,583</u>
(ii) Other Revenue		
Registration and Identity	362,117	308,150
Field Supervision	740,895	1,187,597
Miscellaneous Income	641,441	1,528,527
Consultancy	70,500	304,622
	<u>1,814,953</u>	<u>3,328,896</u>
(iii) Wages, Salaries and Employees Benefits	16,583,622	14,347,058
(iv) Cash paid for use of Goods and Services	11,909,893	7,570,140
(v) Cash paid for Social Benefits	631,569	600,171
(vi) Cash paid for Other Transfers	300,000	300,000
(vii) Cash paid for Other Expenses	1,288,927	4,727,388
(viii) Cash paid for Maintenance Expenses	1,493,304	977,891
(ix) Decrease in Deposits	33,088	-
	<u>32,240,404</u>	<u>28,522,648</u>
(x) Property and Equipment		
Paid During the year to PPE	2,430,239	2,516,173
Paid During the year to WIP	3,267,875	2,447,209
	<u>5,698,114</u>	<u>4,963,382</u>

FAIR VALUES OF FINANCIAL INSTRUMENTS**NOTE 31:**

Set out below, is a comparison by class of the carrying amounts and fair value of the Institute's financial instruments.

30-June-2022	Carrying amounts	Fair value
Financial assets	(TZS '000')	(TZS '000')
Receivables from exchange transactions (Note 7)	5,743,731	5,743,731

Financial assets available for sale (Investments in quoted shares) (Note 8)	172,470	172,470
Cash and cash equivalents (Note 5):	8,642,133	8,642,133
	<u>14,558,334</u>	<u>14,558,334</u>
Financial liabilities at amortized cost (Note 13)	<u>3,278,614</u>	<u>3,278,614</u>

30-June-2023	Carrying amounts (TZS '000')	Fair value (TZS '000')
Financial assets		
Receivables from exchange transactions (Note 7)	1,039,494	1,039,494
Financial assets available for sale (Investments in quoted shares) (Note 8)	185,452	185,452
Cash and cash equivalents (Note 5)	<u>16,531,921</u>	<u>16,531,921</u>
	<u>17,756,867</u>	<u>17,756,867</u>
Financial liabilities		
Financial liabilities at amortized cost (Note 13)	<u>5,171,313</u>	<u>5,171,313</u>

Financial liabilities at amortized cost

The fair value of the financial assets and liabilities are included in 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:

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

NOTE 32:	FINANCIAL INSTRUMENTS CATEGORIES	Loans and receivables (TZS'000')	Available for sale (TZS'000')	Available for sale (TZS'000')
	30-June-2022			
	Financial assets			
	Receivables 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
		<u>5,743,731</u>	<u>172,470</u>	<u>5,916,201</u>

Financial

		Liabilities at amortized cost (TZS'000')	
Financial liabilities			
Payables and accruals (Note 13)		<u>3,278,614</u>	
30-June-2023			
Financial assets			
Receivables from exchange transactions (Note 7)	1,039,494	-	1,039,494
Financial asset available for sale (Investment in quoted shares) (Note 8)	-	<u>185,452</u>	<u>185,452</u>
	<u>1,039,494</u>	<u>185,452</u>	<u>1,224,946</u>

	Financial Liabilities at amortized cost
Financial liabilities	(TZS'000')
Payables and accruals (Note 13)	<u>5,171,313</u>

NOTE 33: FAIR VALUE HIERARCHY AND MEASUREMENT 30 June 2022

	Level 1 (TZS'000')	Level 2 (TZS'000')	Total (TZS'000')
Financial assets			
Receivables from exchange transactions (Note 7)		4,296,099	4,296,099
Financial asset available for sale (Investment in quoted shares) (Note 8)	172,470	-	172,470
Cash and cash equivalents (Note 5)		8,642,133	<u>8,642,133</u>
	<u>172,470</u>	<u>12,938,232</u>	<u>13,110,702</u>
Financial liabilities			
Financial liabilities at amortized cost (Note 13)			
	-	<u>3,278,614</u>	<u>3,278,614</u>

**FAIR VALUE HIERARCHY AND MEASUREMENT
30-Jun-23**

	Level 1 (TZS'000')	Level 2 (TZS'000')	Total (TZS'000')
Financial assets			
Receivables from exchange transactions (Note 7)		707,144	707,144
Financial asset available for sale (Investment in quoted shares) (Note 8)	185,452	-	185,452

Cash and cash equivalents (Note 5)

16,531,921 16,531,921

Financial liabilities

185,452 17,239,065 17,424,517

Financial liabilities at amortized

cost (Note 13)

5,171,313 5,171,313

- i. Available for sale - these instruments are at quoted list prices in active markets, they are classified as level 1.
- ii. Accounts receivables, cash and bank balances, trade payables and accruals are at amortized cost and their carrying amounts approximate their fair values as they have variable interest rates 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.

**NOTE 34: RECONCILIATION OF CASH FLOW
STATEMENT NOTES**

	2022/23	2021/22
	TZS'000'	TZS'000'
Surplus/(Deficit) for the period	3,417,229	6,014,301
Add/(Less): Non - Cash Items		
Depreciation of PPE	3,151,240	1,952,990
Fair value gains on Assets and Liabilities	(12,982)	(5,564)
Amortization of Intangible Assets	25,270	19,850
Loss on disposal of Assets	-	174,874
Impairment Loss	53,859	-
Adjusted Surplus	<u>6,634,616</u>	<u>8,156,451</u>
Add/(Less) Change in Working Capital		
Increase in Deposit	1,411,128	456,676
Increase in Inventories	(82,482)	(90,421)
Increase in Payables and Accruals	605,794	465,339
Decrease in Prepayments	902,840	(225,242)
Decrease in Trade and other Receivables	3,951,012	(5,615,009)
Increase in Deferred under exchange Transactions	1,590	-
Increase in Deferred under non-exchange Transactions	851,396	-
Net Cash Flow from Operating Activities	<u>14,275,894</u>	<u>3,147,794</u>

NOTE 35: RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions represent transactions with Council members and senior management of the Institute. Transactions with the related parties 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 the Governing Council and management of the Institute. The total remunerations to members of the council and senior management staff during 2022/23 and their numbers were as shown below:

Governing Council Members

	2022/23	2021/22
	TZS'000	TZS'000
Councilor's fees	45,371	64,000
Sitting and other allowances	<u>46,674</u>	<u>36,842</u>
	<u>92,045</u>	<u>100,842</u>
Number of Council Members	10	10

Transactions: Senior Management

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

	2022/23	2021/22
	TZS'000	TZS'000
Basic salary	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 Senior Management Personnel	17	17

During the period loans amounting to TZS 41.0 million were granted to Senior Management Personnel (2022: 61.9 million).

NOTE 36: EVENTS AFTER THE REPORTING DATE

There are no material non-adjusting events favorable or unfavorable that occurred between the reporting date and the date when the Financial Statements were authorized for issue.

NOTE 37: PRIOR YEARS' ADJUSTMENTS

There were no prior year adjustments for the financial year ended 30 June 2023.

NOTE 38: GROUPING OF FINANCIAL YEAR 2021/22 BALANCES

Some balances relating to the 2021/22 Financial Statements have been regrouped to allow comparability with their respective 2022/23 balances following migration to MUSE from SAGE Evolution System as it is the main accounting package. This development has necessitated to change the nomenclature of some line items in the Financial Statements and some of the figures for the financial year 2021/22 were not comparable to the current year under review. In 2021/22 expenses were classified under three groups, namely: Operating Expenses; Administrative Expenses; and Wages, Salaries and Employees Benefits. Following migration to MUSE in 2022/23, expenses were regrouped into five categories which are: Maintenance Expenses; Wages, Salaries and Employees Benefits; Use of Goods and Services; Other Expenses; and Social Benefits. Table 23 provides a summary of the regrouped Expenses of 2021/22.

TABLE 23: REGROUPING OF COMPARATIVE EXPENSES FOR 2021/22		
EXPENSES AS REPORTED IN 2022/2023	REPORTED IN 2021/2022 UNDER	2021/22
NOTE 20: MAINTENANCE EXPENSES		TZS'000'
Air conditioners	Operating expenses	83,493
Cement, Bricks and Building Materials	Operating expenses	396,938
Computers, printers, scanners, and other computer-related equipment	Operating expenses	123,736
Direct Labour (contracted or casual hire)	Operating expenses	197,949
Electrical and Other Cabling Materials	Operating expenses	53,761
Fire Protection Equipment	Operating expenses	12,462
Mechanical, electrical, and electronic spares	Operating expenses	12,695
Outsource maintenance contract services	Operating expenses	75,613
Paint and Weather Protection Coatings	Operating expenses	7,716
Photocopiers	Operating expenses	40,559
Plumbing Supplies and Fixtures	Operating expenses	29,304
Small Car Mechanics Tools	Operating expenses	48,581
Small Tools and Implements	Operating expenses	172
Tyres and Batteries	Operating expenses	14,544
Water Pumps	Operating expenses	-
Wood and Timber Supplies	Operating expenses	19,106
		<u>1,116,629</u>
NOTE 21: WAGES, SALARIES AND EMPLOYEE BENEFITS		
Acting Allowance	Wages salaries and employee benefits	44,318
Civil Servants	Wages salaries and employee benefits	8,463,434
Civil Servants Contracts	Wages salaries and employee benefits	-
Councilors Allowance	Wages salaries and employee benefits	92,045
Court Attire Allowance	Wages salaries and employee benefits	4,000
Electricity Allowance	Wages salaries and employee benefits	-
Extra-Duty	Wages salaries and employee benefits	854,134
Heavy Teaching Load Allowance	Operating expenses	1,217,694
Honoraria	Wages salaries and employee benefits	762,100
Housing allowance	Operating expenses	159,218
Invigilators Allowances	Wages salaries and employee benefits	898,220
Leave Travel	Wages salaries and employee benefits	113,387
Medical and Dental Refunds	Wages salaries and employee benefits	19,347

Moving Expenses	Wages salaries and employee benefits	23,602
Outfit Allowance	Wages salaries and employee benefits	-
Professional Allowances	Wages salaries and employee benefits	492,168
Responsibility Allowance	Wages salaries and employee benefits	195,098
Sitting Allowance	Wages salaries and employee benefits	235,040
Special Allowance	Wages salaries and employee benefits	953,118
Subsistence Allowance	Wages salaries and employee benefits	-
Telephone Allowance	Wages salaries and employee benefits	-
Transport Allowance	Wages salaries and employee benefits	<u>724,500</u>
NOTE 22: USE OF GOODS AND SERVICES		
Advertising and publication	Administrative expenses	404,778
Air Travel Tickets	Administrative expenses	227,530
Catering Services	Administrative expenses	320,159
Computer Supplies and Accessories	Administrative expenses	194,733
Conference Facilities	Administrative expenses	95,212
Diesel	Administrative expenses	192,865
Electricity	Operating expenses	528,351
Entertainment	Administrative expenses	267,650
Examination Expenses	Operating expenses	1,630,530
Exhibition, Festivals and Celebrations	Administrative expenses	88,707
Food and Refreshments	Administrative expenses	61,158
Fumigation	Administrative expenses	21,124
Gifts and Prizes	Administrative expenses	19,555
Ground Transport (Bus, Train, Water)	Administrative expenses	211,351
Internet and Email connections	Administrative expenses	258,344
Lunch Allowance	Administrative expenses	8,650
Newspapers and Magazines	Administrative expenses	15,804
Office Consumables (papers, pencils, pens and stationaries)	Operating expenses	906,523
Outsourcing Costs (includes cleaning and security services)	Operating expenses	662,853
Per Diem - Domestic	Administrative expenses	695,081
Per Diem - Foreign	Administrative expenses	44,573
Petrol	Administrative expenses	100,953
Posts and Telegraphs	Administrative expenses	35,738
Printing accessories	Administrative expenses	47,509
Printing and Photocopying Costs	Administrative expenses	375,993
Printing Material	Administrative expenses	219,562

Production and Printing of Training Materials	Administrative expenses	700
Rémunération of Instructors	Administrative expenses	19,108
Rent - Office Accommodation	Administrative expenses	615,001
Research and Dissertation	Administrative expenses	72,000
Sewage Charges	Operating expenses	6,455
Software License Fees	Administrative expenses	230,499
Special Uniforms and Clothing	Administrative expenses	-
Sporting Supplies	Administrative expenses	148,607
Subscription Fees	Administrative expenses	33,563
Telephone Charges (Land Lines)	Administrative expenses	111,043
Training Allowances	Administrative expenses	181,420
Training Materials	Administrative expenses	-
Tuition fees	Administrative expenses	227,360
Upkeep Allowances	Administrative expenses	155,029
Visa Application Fees	Administrative expenses	818
Water Charges	Operating expenses	168,193
NOTE 23: OTHER EXPENSES		
Agency fees	Operating expenses	36,456
Audit fees	Administration expenses	100,000
Audit supervision expenses	Administration expenses	72,901
Bank Charges and Commissions	Administration expenses	110,397
Burial Expenses	Wages, salaries and employee benefits	13,000
Consultancy expenses	Administration expenses	90,860
Insurance Expenses	Administration expenses	60,482
Sundry Expenses	Administration expenses	112,124
NOTE 24: SOCIAL BENEFITS		
Assistant to Persons with Disability	Administration expenses	26,540
Retirement benefits	Wages, salaries and employee benefits	<u>794,301</u>
NOTE 25: DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation expenses	Administration expenses	3,151,240
Amortization expenses	Administration expenses	25,270

NOTE 39:**HEET PROJECT FUNDS**

The Government of Tanzania is implementing the Higher Education for Economic Transformation (HEET) project under the Ministry of Education Science and Technology (MoEST). HEET project is a five-year project being implemented from 2021/22-2025/26. The Institute is amongst the beneficiaries of HEET project funds with an allocation of TZS 25,015.5 million. The overall Project Development Objective (PDO) is to *"strengthen learning environment and labour market orientation of priority programs in beneficiary higher education institutions and strengthen the management of the higher education system"*.

In order to realise the above objective, the Institute prepared a Strategic Implementation Plan (SIP) which is operationalized through an annual project action plan and budget. The annual project budget for the financial year 2022/23 was TZS 1,556.6 million which was aimed at facilitating implementation of thirteen annual targets. The disbursement of funds and project implementation started in the last quarter of year 2022/23 later than anticipated resulting in delays in the achievement of the planned project targets, activities and processes. As a result, some activities had to be carried forward to the next financial year.

Accordingly, by 30 June 2023, the total cost incurred aggregated to TZS 705.0 million and the project account had a balance of TZS 851.4 million. The balance of the funds received and cost incurred have been separately disclosed in Note 5 (Cash and Cash Equivalent) and the Statement of Financial Performance respectively. Detailed HEET Projects Financial Statements have been prepared separately for onward submission to the appropriate authorities.

NOTE 40:**COMMITMENTS AND CONTINGENT LIABILITIES****Capital Commitments**

TZS 506,918,017 was committed out of 6,202,678,929 but not contracted for the development of the Mwanza and Geita campuses as at 30 June 2023. The Institute is confident that it will proceed with the development of the capital project next financial year.

Operating lease commitment**Institute as a lessor**

Future minimum lease income under non-cancellable operating leases for the following periods are:

	2022/23 (TZS'000')	2021/22 (TZS'000')
Due within one year	<u>32,568</u>	<u>32,568</u>
	<u>32,568</u>	<u>32,568</u>

The Institute lets properties under operating leases. These are leased residential properties to its staff. The total revenue from the leasing activities during the year was TZS 51.4 million (2022: TZS 51.4 million). The properties are maintained by the Institute at no cost to the tenants. No investment properties have been disposed of since 30 June 2022.

Institute as a lease

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

	2022/23	2021/22
	TZS'000	TZS'000
Due within one year	464,327	464,327
Due within two to five years	<u>525,398</u>	<u>1,260,550</u>
	<u>989,725</u>	<u>1,724,877</u>

Minimum lease payments recognized as an expense during the period amount to TZS 744.3 million (2022: TZS 710.2 million). Leased premises are contracted for the remaining periods of between one and four years, with renewal options available in certain instances. Other Leased premises is the BOT building leased at no cost for the period of three years ended in May 2022.

Contingent liabilities

As at 30 June 2023, the Institute had four (4) pending legal cases. Most of these involve disputes that are not recognized because the chances of losing are remote. However, there are 4 (2022) cases in which the potential cost to the Institute is estimated at TZS 168.0 million (2022: TZS 298.0 million) should the Institute lose the cases.

NOTE 41: STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS 30 JUNE 2023

S/No	Description	Final Budget for 2022/23	Adjusted Actual Amounts (Cash Basis)	Variance	Reasons/Remarks
		(TZS'000')	(TZS'000')	(TZS'000')	
		(A)	(B)	C= (A-B)	
Revenue					
1.0	Tuition fees, consultancy and other students' fees.	29,721,030	28,826,910,	894,120	The unfavorable variance was attributed to a few consultancies undertaken and fees from students who postponed studies in the second semester and had not paid their respective tuition fees.
2.0	Recurrent grant	12,702,186	12,577,861	505,675	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. Also, the delay on receipt of HEET Project Funds affected completion of related activities as planned.
3.0	Other Revenue	1,378,320	1,814,953	(436,633)	The favorable variance was on account of fees received from conducting short courses, ID processing fees and Transcript application fees.
Expenses					
1.0	Wages, Salaries and Employee Benefits	17,766,376	16,583,622	1,182,754	The under expenditure was mainly on account of delays in promoting staff and filling new vacancies budgeted during the year.
2.0	Use of Goods and Service	13,284,427	11,935,164	1,349,263	The positive variance was mainly on account of low level of expenses in respect of travelling for academic staff, utilities and other administrative measures taken to reduce operating costs. Also, there was prolonged procurement process and delay in HEET Project Activities as planned by the Institute.
3.0	Social Benefits	490,000	631,569	(141,569)	The negative variance was due to under budgeting of retirement benefits payable.

4.0	Other Transfers	300,000	300,000	-	N/A
5.0	Other Expenses	3,392,157	1,288,927	2,103,230	The positive variance was mainly due to carry-over funds for financial year 2021/22 which were included as sundry expenses in the budget for year 2022/23; to accomplish planned activities of the Institute.
6.0	Maintenance Expenses	2,422,637	1,493,304	929,333	The positive variance was mainly due to prolonged procurement process.
7.0	Capital Project Expenditure	11,200,000	7,678,788	3,521,212	The positive variance was mainly due to prolonged procurement process in relation to Gelita and Mwanza Campuses.