



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



TANZANIA BUILDING AGENCY (TBA)

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

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AR/CG/TBA/2021/22

About the National Audit Office

Mandate

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

Vision

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

Mission

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

Motto: "Modernizing External Audit for Stronger Public Confidence"

Core values

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

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

We do this by:

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

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Abbreviations

CAG	Controller and Auditor General
GCC	General Conditions of Contract
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standards of Supreme Audit Institutions
ITT	Invitation to Tender
MDA	Ministries, Departments and Agencies
ML	Management Letter
MAB	Ministerial Advisory Board
MoWTC	Ministry of Works, Transport and Communications
MUSE	Mfumo wa Ulipaji Serikalini
NHC	National Housing Corporation
PAC	Public Accounts Committee
PAYE	Pay as Your Earn
PFA	Public Finance Act, Cap. 348
PFR	Public Finance Regulations, 2001
Reg.	Regulation
Sect.	Section
SCC	Special Condition of Contract
TZS	Tanzania Shillings
TBA	Tanzania Building Agency
TRA	Tanzania Revenue Authority
VAT	Value Added Tax
VT	Vote

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

The Chief Executive,
Tanzania Buildings Agency (TBA),
P. O. Box 9542,
DAR ES SALAAM.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Tanzania Building Agency (TBA), which comprise of the statement of financial position as at 30 June 2022, the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Tanzania Building Agency (TBA) as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348.

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements" section below. I am independent of Tanzania Building Agency (TBA) 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 current period's financial statements. 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 Statement by the Minister, Statement by the Accounting Officer and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon.

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, 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. Suppose I conclude that a material uncertainty exists. In that case, 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 procurement of works, goods and services in the Tanzania Building Agency (TBA) for the financial year 2021/22 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that, except for the matters described below, procurement of goods, works and services of Tanzania Building Agency (TBA) is generally in compliance with the requirements of the Public Procurement laws in Tanzania.

(i) Awarding tender to a bidder who did not submit Valid Tax Compliance/Exemption Certificate

From the review of TANEPS system on tendering evaluation documents, I found that one bidder (Bullem Investment Limited) did not submit valid tax compliance/exemption certificate for tender No. AE/012/2021-22/HQ/G/76 Lot II for supplying of cement, however, was selected and awarded a tender amounting to TZS 1,039,827,666.67 contrary to the requirement of Part II of the Eighteenth Schedule of the Public Procurement Regulations, 2013 which provides a list of attachments which are essential for appraisal and which are required to be attached by local contractor, failure of which the procuring entity shall reject the application. One of the attachments is a requirement for submission of a valid tax compliance/ exemption certificate.

(ii) Use of single source procurement without justification - TZS 1,785,950,000

Contrary to Regulation 159 (1) of PPR, 2013; My review of procurement management noted that, during the year 2021/22 the Agency awarded tender No. AE/012/2021-22/HQ/G/20 LOT II to M/s TSM & SON for Supplying of Cement for construction of 150 houses of Public servant at Dodoma amounting to TZS 1,785,950,000 using single source procurement method without providing grounds/circumstances with a view to justify the use of the methods.

(iii) Recommendation of evaluation committee was rejected, but the evaluation was not referred back to the Procurement Management Unit

Contrary to Regulation 57 (3) of Public Procurement Regulation, 2013; My review of tender with reference number AE/012/2021-22/HQ/G/76 LOT III for supplying of the marine board for the construction of houses for the public servants and office block for the President's Office, Public Service Management at Government City Mtumba Dodoma, the Evaluation Committee recommended one bidder as lowest evaluated bidder for supplying marine board for the total amount of TZS 708,670,240. However, the tender board rejected the evaluation results and the decision was not referred to Procurement Management Unit with the reasons for re-evaluation of the tenders, re-tendering or other

action. Furthermore, I noted the tender board awarded the tender to another bidder at a contract price of TZS 713,192,001.

(iv) Abandoned projects worth - TZS 17,313,345,938

Contrary to Regulation 114 of PPR, 2013; My review of progress report of 30 June, 2022 noted that, the Agency has abandoned the implementation of four project sites while the progress of works was ranging from 70% to 92%. I was informed by management that, the reason for suspending the projects include delay in receiving funds from clients. I am concerned that, TBA suspension of projects create a bad image of the Agency to the public.

(v) Procurement of cleaning and security services without contracts with service providers - TZS 108,964,551.97

Contrary to Regulation 233(1) of PPR, 2013; I noted the Agency paid TZS 108,964,551.97 to M/s Insight Security Ltd (AE/005/HQ/FA/2019-20/NC/14), M/s Yono Security Service Ltd (AE/005/HQ/FA/2019-20/HQ/NC/14) and M/s Nesdel Enterprises Co Ltd (AE/012/2019-20/HQ/02) for provision of security and cleaning services without having contracts with service providers after expiration of the prior signed contracts. At the time of my audit in January 2023, the service providers were still providing security and cleaning services without renewal of their contracts.

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 Tanzania Building Agency (TBA) for the financial year 2021/22 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that Budget formulation and execution of Tanzania Building Agency (TBA) is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.



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

March, 2023

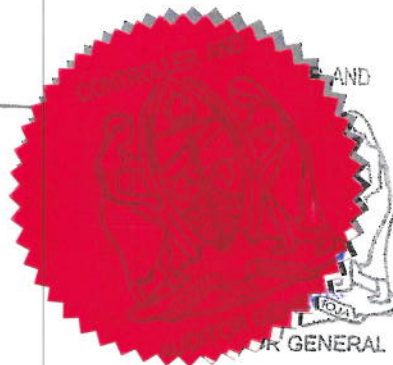




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ABBREVIATIONS

CAG:	Controller and Auditor General
DC	District Commissioner
DSM:	Dar es Salaam
EIA:	Environmental Impact Assessment
FWD:	Four Wheel Drive
FY:	Financial Year
HIV and AIDS:	Human Immunodeficiency Virus and Acquired Immune Deficiency Syndrome
HQ:	Head Quarters
IFMS:	Integrated Financial Management Systems
IFRS:	International Financial Reporting Standards
IP:	Investment Property
IPSAS:	International Public Sector Accounting Standard
IPSASB:	International Public Sector Accounting Standard Board
KRA:	Key Result Areas
MAB	Ministerial Advisory Board
MDAs:	Ministries, Departments and Agencies
MoWTC:	Ministry of Works, Transport and Communication
NBAA:	National Board of Accountants and Auditors
NHIF:	National Health Insurance Fund
NEDCO:	National Development Corporation
NEMC:	National Environment Management Council
PPE:	Property, Plant and Equipment
PPRA:	Public Procurement Regulatory Authority
TBA:	Tanzania Buildings Agency
TFRS:	Tanzania Financial Accounting Standards
TZS:	Tanzania Shillings
TUGHE	Tanzania Union for Central Government and Health Employees



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1.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022

Tanzania Buildings Agency Management submits the Annual Financial Report that summarizes the executed activities, achievements attained, challenges faced and the Financial Statements for the financial year ended 30th June 2022, that disclose the state of affairs of the Agency.

The Report by those Charged with Governance has been prepared in accordance with the Tanzania Financial Reporting Standards (TFRS) No. 1.

1.1 Tanzania Buildings Agency profile

Tanzania Buildings Agency (TBA) is the Government's Executive Agency under the Ministry of Works and Transport (Works) with a primary mandate of providing quality accommodation to Government and public servants as well as providing consultancy and construction services to the Government. TBA was established under section 3(1) of the Agencies Act No 30 of 1997 and became operational in May 2002 as a transformation of the Building Department (BD) within the Ministry of Works (formerly known as the Ministry of Infrastructure Development).

1.1.1 Vision

A centre of excellence in provision of Government Real Estate Development and Management".

1.1.2 Mission

"To provide standard, quality and affordable accommodation to the government and public servants through real estate management, consultancy and construction services"

1.1.3 Core Values

The Agency is guided by seven (7) core values while implementing its roles and functions which are



- i. **Professionalism:** We perform our duties based on professional and respectful manner, ethics, state of the standards and guidelines in our field of work and understand cross-cutting issues.
- ii. **Customer focus:** We ensure suitable, satisfactory and timely service delivery to our customers.
- iii. **Integrity:** We are honest and showing a consistent and uncompromising adherence to strong moral and ethical principles in the execution of our mandate.
- iv. **Teamwork:** We are committed to working together as a team in order to achieve a common goal.
- v. **Transparency:** We are open and honest while fulfilling our roles and responsibilities.
- vi. **Value for Money:** We thrive to achieve compliance to standards and specifications with effective and efficient construction and maintenance works and services.
- vii. **Innovativeness:** We apply and facilitate application of technologies, techniques and best practices to enhance quality, effectiveness and efficiency.

1.2 TBA's Strategic Plan

TBA's Strategic Plan for the year 2021/22- 2025/26 has six (6) Strategic Objectives to be implemented in the next five years. The objectives have been translated into 63 Strategies, 115 Targets, and 111 Key Performance Indicators. The strategic objectives and number of strategies, targets and KPI's to be addressed during the SP implementation period are as shown in Table 1 below:

Table 1: Number of planned strategies, targets and Key Performance Indicators for each strategic objective

S/No	Strategic Objectives	Number of strategies	Number of targets	Number of KPI's
A	Health Services improved and HIV/AIDS infections reduced	2	4	4



S/No	Strategic Objectives	Number of strategies	Number of targets	Number of KPI's
B	Effective implementation of National Ant-Corruption Strategy enhanced and sustained	2	4	4
C	Government Real Estate Development and Management improved.	10	12	11
D	Consultancy services for Government Buildings and Public Servants Accommodations enhanced.	8	20	19
E	Construction services for Government Buildings and Public Servants Accommodations enhanced.	12	18	18
F	Institutional Capability for provision of services strengthened.	29	57	55
Total		63	115	111

1.3 Principal Activities of the Agency

TBA's mandates are articulated in the TBA Establishment Order of 2003 and the Organization Structure as approved by the President on 7th July, 2018; they include Construction of new Government buildings, Maintenance of Government buildings, Allocation and or Sale of Government houses to Public Servants, Provision of building consultancy services to the Government, Leasing Government houses public servants and on commercial basis, Provision of Project Management Services for MDAs' building projects, Provision of Facilities Management Services to MDA and Advising the Government on Policy and Legal matters pertaining building sub-sector.



1.3.1 Real Estate Development

Tanzania Buildings Agency (TBA) participates in real estate management and development sector through provision of quality accommodation to government, public servants and non-public servants. The Agency constructs new buildings, maintains the buildings and also receives houses, buildings, workshops and plots from various Government Institutions in order to develop and manage them. The Agency sales and rents the buildings mainly to public servants at a price equivalent to two-thirds of the market price and also leases on a commercial basis. Since its establishment up to 30th June 2022, the Agency had 13,779 houses. Out of these houses, 7,557 houses were sold to public servants, 1,191 houses were rented to public servants and 1,289 were rented on special rate. The Agency received 3,311 houses from Ex-Tamisemi and 431 from Ex-CDA houses that were rented to public servants as shown in Table 2 below.

Table 2: TBA Total Houses

Status	Number
Sold	7,557
Rented to Public Servants	1,191
Rented on Special Rates	1,289
Received from EX-Tamisemi	3,311
Received from EX-CDA	431
Total Houses	13,779

The Agency has continued with its Special Housing Program of constructing 10,000 houses across the Country. As at 30th June, 2022, the Agency has 3,238 Plots and 9 housing estates in Tanzania Mainland. As part of this Program the Agency embarked on construction of 851 houses in Bunju Dar es Salaam in the year 2014. Out of 851 houses, 279 houses were constructed, in which 219 were completed and 60 houses are in different completion stages. Out of completed houses, 67 houses were sold and fully paid while 152 houses' payments are in process. (See Table 3 below)



Table 3: Constructed Houses

Status	Number
Completed (Paid Fully)	67
Completed (Partially Paid)	152
Total Completed	219
Incomplete	60
Total Constructed	279

Due to the Government plan of shifting its major operations in Dodoma capital city from Dar es Salaam, the Agency has planned to construct 100 houses in Dodoma. As at 30th June 2022, the Agency is still in the process of constructing 20 houses.

The Agency will also proceed with its move to construct houses in each region as stipulated in its Special Housing Program which started 2012 for constructing 10,000 houses across the Country.

1.3.2 Consultancy Services

The directorate of Consultancy is one among of the four directorates of the Agency. During the Financial year ending 30th June 2022, the directorate managed to generate TZS 16,618,209,389 equivalent to 98% of its budget in the financial year 2021/22 as a revenue from Consultancy services rendered to our esteemed Client's and thus contributing to the Agency to meet its strategic objective.

During the financial year 2021/22 the Agency has successfully offered Consultancy services for 76 projects. Among others projects of which the Agency rendered includes 23 Ministries and 3 Institutions for design and construction supervision of Government City at Mtumba in Dodoma Municipality, Project management at design and construction supervision for National Food Reserve Authority (NFRA) SILOS at Sumbawanga, Dodoma, Babati, Shinyanga, Makambako, Mbozi, Songea and Mpanda, Design and construction supervision of Kasumulu Border Post, Design and construction supervision of 150 Staff Housing at Nzuguni B in Dodoma Municipality, Design and construction



supervision of 20 houses for Leaders at Kisasa in Dodoma Municipality, Rehabilitation of Leaders House at Dar Es salaam and Dodoma as well as Rehabilitation of Public servant in 21 regions Tanzania Main land.

The directorate will continue implementing its functions in line with the Agency vision mission and core values using high degree of professionalism and integrity to meet the Agency objectives.

1.3.3 Construction Services

The directorate of Construction is one among of the four directorates of the Agency. During the Financial year ending 30th June 2022, the directorate managed to generate TZS 1,947,277,616 equivalent to 20% of its budget in the financial year 2021/22 as a revenue from Construction fee rendered to our esteemed Client's and thus contributing to the Agency to meet its strategic objective.

During the financial year 2021/22 the Agency has successfully carried out 36 construction projects. Among other projects of which the Agency constructed includes construction of 644 apartments at Magoment Kota Dar es Salaam, Construction of maternity and paediatric ward at Sekou Toure hospital in Mwanza region, Construction of RC Block at Mbeya, Construction of office building for Presidents Office PSMGG at Mtumba area in Dodoma and construction of zonal and Headquarters office for Ethics secretariat at Dodoma.

The directorate will continue implementing its functions in line with the Agency vision and mission using high degree of professionalism and integrity to meet the Agency objectives.

1.4 Governance and Governing Structure

1.4.1 Ministerial Advisory Board

According to Section 6 of the Executive Agency's Act No. 30 of 1997 as revised 2009, the Minister for Works and Transport (works) is responsible for appointing members of the Ministerial Advisory Board (MAB).



The Main function of the MAB is to give advice to the Minister on TBA strategic issues and its operations.

The appointment of the MAB members is done after every three years by the Minister responsible for Works and Transport (works).

The MAB's key functions and responsibilities are to ensure that:

- i. The property of the Agency is administered in such a manner and for such purposes as in the opinion of the MAB may be necessary or desirable for the promotion of the best interest of the Agency.
- ii. The Agency has clear strategic goals and objectives.
- iii. The Chief Executive is held to account in achieving the goals and objectives.
- iv. The Agency financial position is sound in the short- and long-term.
- v. No decisions are made that can affect the Agency and no financial appropriations made, without MAB approval.
- vi. Risk management and internal controls are in place.
- vii. **All the Agency's members and other stakeholders are treated in an appropriate manner.**
- viii. The Agency complies with all relevant laws, regulations and accounting policies.
- ix. The committees and management necessary to achieve the above are in place, are properly constituted and have appropriate terms of reference and reporting procedures.
- x. Any Other matter provided for in the Executive Agencies Act, 1997.

The incumbent Board has just been recently formed. The Board will conduct its meetings in accordance to the Almanac set in the financial year 2022/2023.

The following are the members of the Council who served the MAB during the year under review.



Table 4: Members who served in the MAB during the year under review

S/N	Name	Position	Nationality	Appointment/Resignation
1	Arch. Dr. Ombeni Swai	Chairperson	Tanzanian	22.11.2021 - 21.11.2024
2	Qs. Optatus Kanyesi	Member	Tanzanian	22.11.2021 - 21.11.2024
3	Mr. Shaban Kabunga	Member	Tanzanian	22.11.2021 - 21.11.2024
4	Qs. Joseph Mkali	Member	Tanzanian	22.11.2021 - 21.11.2024
5	Ms. Vicky Jengo	Member	Tanzanian	22.11.2021 - 21.11.2024

1.4.2 Management

The Management of the Tanzania Buildings Agency comprises of the Chief Executive, assisted by four Directors (Director of Business Support, Director of Consultancy Services, Director of Constructions and Director of Real Estate), eight managers of units namely (Internal Audit, Marketing & Public Relations, Legal Services, Procurement Management, ICT and Statistics, Quality Assurance and Control, Project Management, and Plant and Machinery) and twenty-six Regional Managers for regional offices.

1.4.3 Audit Committee

The Audit Committee is established in accordance with legal requirements and best governance practice designed to improve overall governance framework of TBA.

The Audit Committee reviews significant accounting policies and financial reporting systems to ensure that they are adequate and are always complied with. It reviews adequacy of internal control systems and monitors implementation of actions to address issues raised by internal and external auditors.

The Agency Audit Committee's responsibilities are to:

- i. Ensure that there is an effective process for assessing and managing risks;
- ii. Review and approve the scope of the internal audit programme;
- iii. Review the scope of the audit conducted by the independent external auditors;



- iv. Assess the financial statements for reasonability and accuracy and for compliance with accounting policies and regulations laid down by the Ministerial Advisory Board.
- v. Recommend to MAB the approval of the Annual Report, incorporating the Annual Financial Statements.
- vi. Review, with the help of Internal Audit, the adequacy and effectiveness of internal control and governance processes.
- vii. Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements;
- viii. **Consider the effectiveness of the Agency's risk management and internal control system, including information technology security and control;**
- ix. Gain thorough understanding of The Risk Management Policy, Risk Management Strategy, Risk Management Implementation Plan, and Fraud Risk Management Policy of the Agency to enable them add value to the risk management process when making recommendations to improve the process;
- x. Review with Management and the Chief of Internal Audit, the Charter, budget, staffing, skills and organizational structure of the internal audit activity;
- xi. Discuss with external auditor its proposed strategy for the year with reference to areas of risk and materiality. The Committee could suggest areas which it believes require additional audit coverage.
- xii. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of the Management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- xiii. **Regularly, report to the MAB about Committee's activities, issues, and related recommendations.**

Members of the Audit Committee who served during the reporting period are as shown in table 5 below



Table 5: Members of Audit Committee

S/N	Name	Nationality	Position	Appointment/Resignation
1	CPA. Salmin Y Malole	Tanzanian	Chairperson	07.12.2020 - 07.12.2022
2	CPA. Bruno M. Shirima	Tanzanian	Member	07.12.2020 - 07.12.2022
3	Eng. Hillary A. Msaki	Tanzanian	Member	07.12.2020 - 07.12.2022
4	QS. Emmanuel J. Wambura	Tanzanian	Member	07.12.2020 - 07.12.2022
5	Arch. Victor M. Baltazary	Tanzanian	Member	07.12.2020 - 07.12.2022
6	Ms. Joyce J. Mtinyage	Tanzanian	Secretary	06.05.2021 - 06.05.2023

During the year, the Committee held a total of three (3) meetings; In these meetings it deliberated and discussed on the following key issues;

- i. Implementation of CAG and Internal Auditors Recommendation (FY 2020/2021)
- ii. Draft financial statements for the year 2020/2021.
- iii. Audited financial statements for the year 2020/21.
- iv. Review Risk management policy and register
- v. Quarterly internal Auditors report 2020/21 and 2021/22
- vi. Internal audit annual plan for the year 2022/2023
- vii. Internal Audit Charter, 2022/2023

Members of the Audit Committee that attended the meeting of the Committee as shown in Table 6 below.



Table 6: Attendance of the Audit Committee Members in Meetings from 1 July 2021 to 30 June 2022

S/No	Members	Meetings		
		28.09.2021	23.06.2022	24.06.2022
1	CPA. Salmin Y. Malole	P	P	P
2	CPA Bruno M. Shirima	P	P	A
3	Eng. Hillary A. Msaki	A	P	P
4	QS. Emmanuel J. Wambura	A	P	P
5	Arch. Victor M. Baltazary	P	P	P
6	Ms. Joyce J. Mtinyage	P	P	p

Key: P= Present; A= Absent with apology

1.5 The Agency's Tender Board

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

Members of the Agency Tender Board who served during the year under review are shown in Table 7 below:

**Table 7: Members of TBA Tender Board**

S/N	Name	Position	Nationality	Appointment / Resignation
1	Arch. Wencelaus P. Kizaba	Chairperson	Tanzanian	01.07.2020 - 30.06.2023
2	Eng. Loishorwa N. Likimaitare	Member	Tanzanian	01.07.2020 - 30.06.2023
3	Said R. Mndeme	Member	Tanzanian	01.07.2020 - 30.06.2023
4	Mathias S. Mhembe	Member	Tanzanian	09.07.2021 - 30.06.2023
5	Qs. Asha A. Myanza	Member	Tanzanian	01.07.2020 - 30.06.2023
6	Joyce J. Mtinyage	Member	Tanzanian	01.07.2020 - 30.06.2023
7	Qs. Emmanuel J. Wambura	Member	Tanzanian	01.07.2020 - 30.06.2023

1.6 External factors that have influence on the Agency's Operation

Tanzania Buildings Agency is affected by the following external factors:

i) Environmental conditions

Climate change has become a major global challenge and TBA being in the construction industry, this has a negative impact on it. Buildings are vulnerable to climate change hence, more specialized equipment that are more resistant to climate change will be required which are more expensive. This in the long run, increases the construction costs.

ii) Technology and Technological Environment

Due to the rapid technological changes in the construction industry, the Agency will require new skills sets, new modernized technical machines and plant to facilitate the easiness (in terms of time and cost) of operations within the Agency. The Agency will have to acquire new technology so as to remain competitive in the global market place.

iii) Legal and Regulatory Frameworks

The Agency performs its functions and activities by being guided by a variety of policies, laws, regulations, and other regulatory mechanisms. TBA's mandate is enunciated in the Executive Agencies Act No. 30 of 1997 as Amended in 2009 and 2012, the TBA Establishment Order of 2003 published on Government Notice No. 24 of 14th February,



2003 and in the Approved Organization Structure of TBA dated 07th July, 2018. The Agency reports to the Ministry of Works and Transport (works) and is required to comply with the Government procedures and Laws of the land. During the year under review, the Agency complied with all applicable Laws.

iv) Stakeholders

There are number of stakeholders that affect the operations of the Agency directly or indirectly. They include the Government, public servants, employees, regulatory authorities, suppliers, and the public. These stakeholders expect to receive quality services from the Agency that will meet their expectations.

v) Political Conditions

Stable political conditions and support from political institutions are one of the factors that have contributed to the growth of the Agency. Under the stable political situations, the Agency has acquired more projects from different government institutions that have led to the overall growth of the Agency.

vi) Demographic Influences

The demographic features of the population of Tanzania provide an encouraging outlook for the growth of real estate demands in the country. For instance, the first growing Dodoma region has tremendously caused an increase in demand of houses both for sale and lease. The population is growing annually, implying that the demand for real estate services will increase over time. The increase in population mirrors the increasing demand of houses, consultancy, and construction services at large.

1.7 Challenges that influenced the Agency's service delivery

The Agency faced the following major challenges, which adversely affected the realization of the set targets during the implementation of the Strategic Plan:

- i. The Agency lacks enough capital (Seed money) to execute its activities of implementing its target of building 10,000 houses. This has resulted in the Agency not meeting some of its targets.



- ii. The Agency faces some difficulties in selling houses due to the inability of the public servants to be loaned through mortgage financing. Commercial banks provide high interest rates that are too high for public servants to acquire.
- iii. The Agency is understaffed. The number of employees are under by more than 500 people. Human resource is the main input in executing the Agency's strategic objectives, the shortage of employees negatively impacts the Agency's operations.
- iv. The long outstanding debts with Government Institutions and individual tenants has resulted into tied up of fund, which could have been used to finance Agency's activities.
- v. Most of the Public servants are low-income earners, thus may not afford purchasing houses intended for them.

1.8 Remedial actions to address the challenges that influenced the Agency's service delivery

- i. **40% of the Agency's total revenue to finance development projects to build new houses for sale or lease, use 40% of the revenue generated from rent for rehabilitation and review mode of payments for houses for sale. The Agency should prepare different proposals to the Government through the Ministry of Works and Transport (works) requesting for necessary required funds to execute the activities.**
- ii. Outsourcing work to contractors/consultants of extra workload was implemented like TEMESA for electrical works
- iii. The Agency continues to liaise with the relevant Authorities to approve the implementation of new employment permits for 2021/22.
- iv. The Agency has acquired a deduction code system that will assist the Agency in collecting rent and long overdue debts, this will reduce the defaulting rates and **increase the Agency's revenues.**



1.9 Future Development Plan

The future development plan of the Agency is realizing competitiveness and industrialization for human development. The Agency has a contribution in interventions for Deeping Industrialization and service provision of this through focusing on Construction of Government Buildings and Public Servant's houses. The plan will be executed by implementing the Agency's Strategic Plan's Objectives.

The Agency plans on improving Health services and reducing HIV/AIDS infections. Non-communicable diseases, HIV and AIDS are among critical agenda in National Development because they affect the health and wellbeing of people. They also have significant contribution on death rate and number of sick people in which threatens productivity and economic growth in the country. TBA is one of key players in construction sector which demand enough competent professional staff, skilled and unskilled labor with good health to achieve its objectives. This sets the basis for continuous requirements to **implement various health and safety interventions in all TBA's construction projects and offices.** It is from this perspective that the Agency has set objective to improve health services, reduce HIV/AIDS infections and combat non-communicable diseases. Among other targets, the Agency plans of increasing HIV/AIDS and NCDs awareness increased from 30% to 80% by June, 2026.

Also, the Agency plans on implementing and enhancing National anti-corruption strategy. Corruption is one of the challenging issues affecting the National development in all sectors. As Agency provide scarce services involving high demands of housing units and large number of projects funds. This attracts corruption temptations that is against Tanzania rules and regulations but also affects projects implementations and proper service delivery. In fact, it is immoral since it reduces trust, accountability and quality of service delivery to the public. The Agency plans on developing an Action plan for implementation of National Anti – Corruption Strategy by June, 2026.

The Agency plans on improving Government Real Estate development and management. Tanzania faces some challenges of decent and quality accommodation for the



Government and Public Servants to the existing and new administrative areas. Currently the Government has more than 500,000 public servants and it estimated that more than 5,000 public servants are employed annually while TBA provides about 1% of the current accommodation demand. In recent years the Government extended services countrywide causing increased demand of accommodation especially in Dodoma city. TBA is committed to ensure availability of quality and affordable accommodation to the Government and Public Servants all over the country. Among other major targets, TBA plans on rehabilitating more than 781 houses for Government leader and public servants, reducing defaulters from 30% to 10% and continue constructing 10,000 public servant houses by June 2026.

The Agency plans on enhancing consultancy services for government buildings and public servants' accommodation. The Agency provides building consultancy to the Government. Consultancy services are among core functions with substantial saving of Government expenditure on development projects. Currently due to technological advancement consultancy encounter number of challenges including advanced equipment, limited professionals, competence in design, supervision of specialized facilities which suit the needs of middle-income countries and high construction rates.

The Agency plans on enhancing construction services for government buildings and public servants' accommodation. The Agency provides construction services to the government. Construction services are among core functions with substantial saving of Government expenditure on development projects. Currently, due to technological advancement construction services encounter number of challenges including advanced equipment, limited professionals, competence in design, construction of specialized facilities which suit the needs of mid income economic countries and higher construction rates.

The Agency plans on strengthening institutional capability for provision of services. The capacity of the Agency to deliver quality services is a paramount endeavor in creating confidence of stakeholders. Currently, the working environment and service delivery capabilities need to be improved through implementation of Quality Management System (QMS). TBA has therefore set this objective to ensure high qualities of service delivery are attained, revenue collection is significantly improved, and more clients are attracted.



1.10 Appropriation of Reserve/Surplus

Tanzania Buildings Agency is a public institution that is not for profit making and for that case there is no declaration of dividends. During the year 2021/22, the Agency recorded surplus of TZS 43,791,975,001. This overwhelming amount is a result of recognizing Development Projects as Agency's Assets and Receipt of Houses at Katavi region as revenue from non-exchange transitions and Revenue from exchange transactions during the year.

1.11 Operating and Financial Review (OFR)

1.11.1 Performance for the year 2021/2022

i. Financial Performance

The Agency's operations were mainly financed through revenue collected from TBA's core activity operations i.e., Consultancy, Construction and Real estate management. Other sources of financing included: Grants from the Government, revenue from sales of tender documents, bank interests, commissions, penalties and gain from foreign exchange transactions. Revenue generated in 2021/22 was TZS 70,650,534,225 compared to TZS 57,687,438,962 generated in year 2020/21 indicating an increase of 22%. Also, there was an increase of expenses by 16% from TZS 23,111,926,180 in 2020/2021 to TZS 26,858,559,224 in 2021/2022.

The surplus of TZS 43,791,975,001 reported in the statement of financial performance arises from receipts of development grants from the Ministry of Works and Transport (MoWT), capital grants of houses at Katavi, compensation land and activities which are undertaken by the Agency as part of its service delivery activities as shown in Table 8 below



Table 8: Changes in the statement of Financial Performance for the Period ended 30th June 2022

Details	2021/2022 TZS	2020/2021 TZS	Variations	% of Variation:
Revenue Grants	32,271,203,150	32,109,182,088	162,021,062	1
Revenue from Exchange Transactions	29,229,159,529	17,063,122,584	12,166,036,945	71
Other revenue	9,150,171,546	8,515,134,290	635,037,256	7
Total Revenue	70,650,534,225	57,687,438,962	12,963,095,263	22
Expenses	26,858,559,224	23,111,926,180	3,746,633,045	16
Surplus For the Period	43,791,975,001	34,575,512,782	9,216,462,219	27

Revenue from exchange transaction includes rented houses, consultancy fees, construction fee, sales of Government houses and other revenue. Overall, the financial performance results shows that the **Agency's** existing sources of revenue can sustain its operations. Detailed financial performance for 2021/22 is provided in the Statement of Financial Performance for the year ended 30 June 2022.

ii. Financial Position

Financial position comprises of current assets, non-current assets, liabilities and net assets/equity which comprises of **taxpayer's** fund and accumulated surplus. The financial position of the Agency is as set out in the statement of financial position as analysed in Table 9 below



Table 9: Changes Occurred in Statement of Financial Position as at 30th June 2022

Details	2021/2022 TZS	2020/2021 TZS	Variations	% of Variations
Current Assets	122,854,340,418	90,225,972,318	32,628,368,100	36%
Non-Current Assets	588,717,717,989	555,427,294,461	33,290,423,528	6%
Total Assets	711,572,058,407	645,653,266,779	65,918,791,627	10%
Current Liabilities	42,663,228,639	19,281,566,227	23,381,662,412	121%
Non-Current Liabilities	2,186,919,013	3,441,764,796	(1,254,845,783)	-36%
Total Liabilities	44,850,147,652	22,723,331,023	22,126,816,629	97%
Total Net Assets	666,721,910,755	622,929,935,756	43,791,974,999	7%
Taxpayer's Fund	376,135,047,532	376,135,047,532		
Accumulated Surplus	290,586,863,223	246,794,888,224	43,791,974,999	18%
Total Net Assets	666,721,910,755	622,929,935,75	43,791,974,999	7%

During the year, total assets of the Agency increased by TZS 65,918,791,627 (2020/21 TZS 645,653,266,779). This was mainly attributed by increase in Non-current Assets by TZS 33,290,423,528 (2020/21: TZS 555,427,294,461) and increase of current assets by TZS 32,628,368,100 (2020/21: TZS 90,225,972,318). This was mainly attributed by capitalization of development grant received. On the other hand, liabilities increased by TZS 22,126,816,629 (2020/21: TZS 22,723,331,023). This was mainly attributed by deferred revenue from Ministry of Work and Transport (MoWT) in respect of development fund.

iii. Cash Flow Statement

Statement of Cash Flow comprises of cash flows from operating activities, cash flow from investing activities and cash flow from financing activities as analysed in Table 10 below.

**Table 10:** Changes occurred in the Statement of Cash-flow for the year ended 30th June 2022

Details	2021/2022 TZS	2020/2021 TZS	Variations	% of Variations
Cash flows from operating Activities				
Receipts	143,842,050,589	84,638,032,648	59,204,017,941	70%
Payments	(82,479,990,456)	(51,871,580,632)	(30,608,409,824)	59%
Net Cash flows from operating Activities	61,362,060,134	32,766,452,016	28,595,608,117	87%
<i>Net Cash flows from investing Activities</i>	(37,708,643,306)	(28,062,173,456)	(9,646,469,851)	34%
<i>Net cash flows from financing activities</i>	-	(4,391,306,520)	4,391,306,520	-100%
<i>Cash and cash equivalent at the beginning of the period</i>	13,624,853,644	13,311,881,604	312,972,040	2%
<i>Cash and cash equivalent at the end of period</i>	37,278,270,471	13,624,853,644	23,653,416,827	174%

The Agency's cash flow is as set out in the cash flows statement. During the year receipts in cash flow from operating activities increase by TZS 61,362,060,134 (2020/21: TZS 32,766,452,016) equivalent to 87% and as at 30 June 2022, the Agency closed with cash and cash equivalents of TZS 37,278,270,471 (2020/21: TZS 13,624,853,644) equivalent to 174%. The increase is mainly attributed by completion of repayment of loan from financial institutions by TZS 4,391,306,520 and receipts of development fund received during the year.

iv. Budget Performance

The Agency prepares its budgets in accordance with the Medium-Term Expenditure Framework (MTEF) contained in the Guideline for the Preparation of Budget and Plans issued each year by the Ministry responsible for Finance and Planning which also includes preparation of cash flows for managing of the inflows and outflows on quarterly basis. The cash flow projection includes estimates of inflows and outflows.



from exchange and non-exchange transactions generated from operating, investing and financing activities. Refer the table 11 below;

Table 11: Changes occurred in the Statement of Statement of Comparison of Budget and Actual amounts for the year ended 30th 2022

Details	Budget		Actual Amount on Comparable Basis	Variance	Performance
	Original Budget	Final Budget		Final Budget	Final Budget \ Actual Budget
	A	B	C	D=C-B	E=C/B*100
Receipts (A)	106,952,362,952	106,952,362,952	143,842,050,589	36,889,687,636	134
Payments(B)	(106,952,362,952)	(106,952,362,952)	(120,188,633,762)	(13,236,270,809)	112
Net Receipts (A-B)	-	-	23,653,416,827	23,653,416,827	
Performance: Receipts Vs Payments (%)			84		

During the year under review, the Agency had the budget on revenue (Recurrent and Development) to the tune of TZS 106,952,362,952 as compared to the actual Government grant received and generated revenue of TZS 143,842,050,589 which is 134 percent of the budgeted amount. Similarly, the Agency had an expenditure budget of TZS 106,952,362,952 as compared to the actual expenses of TZS 120,188,633,762 which is 112 percent of total budgeted expenditure. The performance of overall actual total revenue of TZS 143,842,050,589 against the actual total expenditure of TZS 120,188,633,762 shows the performance of spending of 84 percent. The significant balance of TZS 23,653,416,827 from Net Revenue over expenses emanates from the development funds from Ministry of Works and Transport (MOWT) .



1.12 Resources

1.12.1 Gender Parity

Tanzania Buildings Agency is an equal opportunity employer and gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion, and disability which does not impair ability to discharge duties. The Agency has skilled and experienced employees who are considered as key resource in pursuing the Agency's strategic objectives. As at 30th June 2022 the Agency had the following distribution of employees by gender as shown below in Table 12.

Table 12: Distribution of employees by gender

Gender	2021/22	2020/21
Female	105	104
Male	265	268
Total	370	372

During the year, the Agency had 370 (2020/2021: 367) employees, out of whom 265 (72%) were male and 105 (28%) were female.

1.13 Related Party Transactions

The Agency related party are key Management personnel. Key Management personnel are described as those persons having authority and responsibility for planning, directing, and controlling the activities of the Agency, directly or indirectly.

During the year related party transaction includes key Management personnel emoluments and other benefits.

The details of transactions and balances with related parties have been disclosed in Note 26 to the financial statements.

1.14 Political and Charitable Donations

During the year 2021/22, the Agency managed to renovate Juhudi Secondary School, sponsored Chama Cha Viziwi Tanzania (CHAVITA) and Magomeni Health Centre



landscaping, sponsored Technology and Investment in the mining sector's Exhibition, contributed to the 60th Tanzania Independence Day commemoration.

1.15 Accounting Policies

A summary of key accounting policies are in Notes to these financial statements are obtained in page 46 - 98

1.16 Employee Welfare

1.16.1 Management and Employees relationship

The relationship between the Management and employees was good. There were no unresolved complaints received by Management from the employees during the year.

The management maintains good relation between management and employees through;

- i. Departmental and Sectional/Unit meetings,
- ii. TUGHE (chairman and Secretary) involved and participated in various extended meetings,
- iii. Workers Council,
- iv. Internal memos for **employees'** comments on various issues, and
- v. Suggestion Box.

1.16.2 Recruitment and Cessation

During financial year 2021/22, The Agency employed 9 new employees in various positions (Male 7 and Female 2), 8 employees were transferred from other institutions (2 Male and 6 Male), 10 employees were transferred to other Institution (10 Male) and 9 employee leave the public service due to various reason like retire, dismissal, abscond or deceased (5 Female and 4 Male).

1.16.3 Training Facilities

The Agency has a Staff Development and Training Programme which ensures that in each year, a good number of employees attend either short-term or long-term training to build **capacity and improve employees' performance**. For the financial year 2021/22, 252 members of staff were sponsored and attended various long and short courses, 242



employees were sponsored on short courses and 10 employees were sponsored on long term courses.

1.16.4 Medical and Financial Assistance to Employees

All Members of Staff together with a maximum number of four beneficiaries (dependents) for each employee were availed with medical insurance through NHIF which they contribute 3% of their basic salary and employer contributes 3%. Also the Agency provides health care to 7 staff with special needs requirement which is not covered by the Insurance Policy.

TBA provides financial assistance to the employees by being a guarantor to the employees on loan issues from different financial institutions, TBA SACCOS and Salary Advance.

1.16.5 Persons with Disabilities

During the year under review, the Agency has not recruited any person with disabilities. However, it is the policy of the Agency not to discriminate persons with disability in recruitment. There are two disabled employees in TBA.

1.16.6 Annual Leave

Annual leave is granted in accordance to the Regulation no H.4 of the Government Standing Orders of the Public Service, 2009 of which 28 days are provided to every staff for every annual leave cycle of the year.

According to regulation No. H.5 (b) of the Standing Order every public servant is paid leave assistance once during the two years leave cycle to cover for transport of the staff, spouse and four dependents.

However, within the Agency the calculations for annual leave transport fare is in accordance to the S. 30(e) of the Executive agencies Act No.30 of 1997 and its amendments of 2009 of which public servants on leave are paid in relation to their monthly salary.



1.17 Stakeholders' relationship

1.17.1 Relationships with Stakeholders (Local and International)

The Agency has established and maintained a harmonious relationship with its internal and external stakeholders. The Agency receives cooperation and strong support from suppliers of goods and services and consumers of its services. Specifically, the Agency receives continuous support from the Government of Tanzania through the Ministry of Works and Transportation (Works), The Parliament of the United Republic of Tanzania, the surrounding community and the public.

TBA has continued to maintain good relations with public through the use of mass media, participating in national exhibitions and trade fairs. The Agency is registered as a consultant firm under Architects and Quantity Surveyors Registration Board (AQRB), Engineers Registration Board (ERB) and National Environmental Management Council (NEMC), National Board of Accountants and Auditors (NBAA), Public Procurement Regulatory Authority (PPRA) and the Tanzania Revenue Authority (TRA). Also, TBA's Building construction Brigade has been registered under Contractors Registration Board (CRB) as Class I Building Contractor.

In addition, the Agency has maintained relations with international organizations performing similar activities; where the Agency is working in association/collaboration with Engineering Consultants Group (ECG) of Egypt in various Construction projects in Tanzania and East Africa at large, in order to improve capacity and technology transfer. These relations have enhanced the Agency's current technical as well as professional standards in performing its mandate. See table 13 showing the Agency's stakeholders' analysis.

Table 13: Stakeholders Analysis Matrix

SN.	STAKE HOLDERS	PRODUCT/SERVICES OFFERED	STAKEHOLDERS EXPECTATIONS	EFFECT OF NOT MEETING EXPECTATION
1	Ministry of Works and Transport (Works)	<ul style="list-style-type: none"> • Annual budgets • Construction of government buildings 	<ul style="list-style-type: none"> • Reliable and timely information sharing • Realistic budgets 	<ul style="list-style-type: none"> • Failure to complete Government Projects on time • Tarnish TBA image



SN.	STAKE HOLDERS	PRODUCT/SERVICES OFFERED	STAKEHOLDERS EXPECTATIONS	EFFECT OF NOT MEETING EXPECTATION
		<ul style="list-style-type: none"> Annual performance agreement Periodic performance reports 	<ul style="list-style-type: none"> Timely completion of building projects Timely submission of performance Agreement. Timely submission of performance reports 	
2	Public Servants	<ul style="list-style-type: none"> Public residential houses 	<ul style="list-style-type: none"> Availability of Quality, sustainable and affordable houses for rent/ purchase. Timely maintenance of rented houses Reliable and timely information sharing Clear and friendly policies, bylaws, and regulations 	<ul style="list-style-type: none"> Failure to implement planned activities Increase in vacancy rate Loss of revenue Inefficiency to public servants
3	Government Institutions	<ul style="list-style-type: none"> Consultancy services Construction services Real Estate management services Accommodation to eligible Government Leaders Office for Government Institutions 	<ul style="list-style-type: none"> Timely maintenance of houses Availability of houses for Government leaders and eligible officers Time, Quality and budget adherence on project delivery Provision of furniture to entitled Government leaders Availability of Government buildings for office use 	<ul style="list-style-type: none"> Project delays Failure to meet client expectation Cost overruns Increase Government expenditure due to lack of accommodation to Government Leaders and offices
4	Suppliers	<ul style="list-style-type: none"> Bidding documents Provision of Local Purchasing Order (LPO)/ contract Payment 	<ul style="list-style-type: none"> Timely payment due Clear definition of goods and /services required Good will Reliable and timely information sharing Timely payment 	<ul style="list-style-type: none"> Demoralization of suppliers Loss of trust Increase Government expenditure due to penalties Cause legal litigation



SN.	STAKE HOLDERS	PRODUCT/SERVICES OFFERED	STAKEHOLDERS EXPECTATIONS	EFFECT OF NO MEETING EXPECTATION
				<ul style="list-style-type: none"> • Delay in project execution due to untimely delivery of goods and services
5	Parliamentary Sectorial Committee	<ul style="list-style-type: none"> • Projects performance reports • Financial performance 	<ul style="list-style-type: none"> • Reliable and timely information • Timely submission of performance reports • Adherence to Government Laws, Rules and Regulations 	<ul style="list-style-type: none"> • Failure to complete Government Projects on time • Tarnish TBA image • Disciplinary actions to responsible staff
6	AG Chamber	<ul style="list-style-type: none"> • Contract for vetting • Filed cases 	<ul style="list-style-type: none"> • Proper preparation of contract documents • Adherence to Government Laws, Rules and Regulations to minimize disputes 	<ul style="list-style-type: none"> • Delays TBA operations • Increase legal disputes • TBA defeated on legal disputes
7	CAG	<ul style="list-style-type: none"> • Financial statement • Management Response on Audit report 	<ul style="list-style-type: none"> • Timely submission of TBA Financial statement • Adherence to Government Laws, Rules and Regulations • Timely management Response on Audit report • Proper utilization of Government resources 	<ul style="list-style-type: none"> • Qualified audit report • Tarnish TBA image • Disciplinary actions to responsible staff • Difficulty to obtain loan from Financial Institutions
8	PPRA	<ul style="list-style-type: none"> • Annual Procurement Plan • Tender Advertisements • Procurement Report • Quarterly procurement report • Management Response on Audit report 	<ul style="list-style-type: none"> • Timely Receiving of TBA Annual Procurement Plan • Timely Receiving of TBA Procurement Report • Timely payment of due for advertisement • Adherence to Procurement Laws, Rules and Regulations • Timely management Response on Audit report 	<ul style="list-style-type: none"> • Lower rank on procurement audit • Tarnish TBA image • Disciplinary actions to responsible staff



SN.	STAKE HOLDERS	PRODUCT/SERVICES OFFERED	STAKEHOLDERS EXPECTATIONS	EFFECT OF NOT MEETING EXPECTATION
9	Regulatory Boards (AQRB, ERB, CRB, NEMC, OSHA, NCC, VRB, PSPTB, NBAA, NCPS)	<ul style="list-style-type: none"> Projects for registration Professionals for registration Subscription Fees 	<ul style="list-style-type: none"> Timely payment of Registration and Subscription fee Receiving of Projects for registration Host for Internship 	<ul style="list-style-type: none"> Failure to promote employees Failure to build capacity to employees Result into legal action
10	TRA	Tax payment	<ul style="list-style-type: none"> Timely payment of Tax 	<ul style="list-style-type: none"> Cause unplanned TBA expenditure due to Penalty accrual
11	TBA employees	<ul style="list-style-type: none"> Adequate working environment Accommodation Resources allocation Internal health support to needy Facilitate to registration professional bodies Staff recruitment 	<ul style="list-style-type: none"> Good and Conducive working environment Fair allocation of resources Fair recruitment procedures All qualified staff are registered and retained Equal treatment of needy employee 	<ul style="list-style-type: none"> Failure to meet organization plans Increase of staff turnover
12	Higher learning institutions	<ul style="list-style-type: none"> Practical Training Employment 	<ul style="list-style-type: none"> Timely payment of fees Provision of practical training to students Provision of input in research work 	<ul style="list-style-type: none"> Unqualified professionals Un-adaptability of modern skills
13	Financial institutions	<ul style="list-style-type: none"> Borrowing money for projects development Loan re-payment Cash deposits 	<ul style="list-style-type: none"> Compliance with terms and conditions for loan acquisition. Timely and commitment in loan re-payment 	<ul style="list-style-type: none"> Increase TBA expenditure due to penalty



1.18 Policies, Guidelines and Strategies

Most important policies, guidelines and strategies for facilitating implementation of the core functions of the Agency are in place and are reviewed and updated regularly based on the need and emerging trends. They are based on information from performance measurement, benchmarking, and continuous learning.

1.19 Risk Management and Internal Controls

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

- Effectiveness and efficiency of operations.
- Safeguarding the Agency's assets.
- Compliance with applicable laws and regulations.
- Reliability of accounting records.
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviors towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Agency system is designed to provide MAB with reasonable assurance that the procedures in place are operating effectively. The Agency mainly faces operational risk, risk of non-compliance, credit risk and foreign currency risk. Apart from this general categorization of risks, the Agency decided to specifically categorize risks against their objective and target according to the Strategic Plan.

1.19.1 Risk and Internal Control Assessment

Risk assessment is being carried out for the purpose of determining how identified risks can be mitigated so that the Agency objectives can be achieved through the implementation of the Strategic Plan (2021/22 – 2025/26).



1.19.2 Principal Risks and Uncertainties

After identifying all the risks that could affect the Agency, the risks are assessed to identify the likelihood and impact of each specific risk against **the Agency's objective**.

As a general rule, low risks levels, as given in the Agency risk rating scales are tolerated, any risk above this level will require specific mitigation strategies that keep the risk within the acceptable levels, however the Agency has no tolerance for compliance risk and financial risk.

During the year under review, the Agency faced the following major risks as follows,

i. Operational Risk

The Agency has a low appetite for operational risk. The Agency always make resources available to control operational risks to acceptable levels. This is a risk that affects an ongoing management process of the Agency. The Agency face Encroachment and loss of plots in various region, this has impact on Implementation of the Agency development plan not to be achieved in near future.

The mitigating measures were taken to ensure the Agency plans are not affected, these includes Securing of plots through putting a guard hurt and security guards, fencing the plots (chain-link fence, renting plots on temporary terms with condition of not developing permanent structure, regular monitoring by inspecting the plots, the need of interventions from higher government authorities in the cases of colliding interests between two different Public Institutions.

ii. Financial Risk

These are risk that the Agency financial resources will be impaired because of adverse economic conditions, reduction in assets under supervision, inefficient resource utilization, or **increasing expenditures reducing the ability to successfully complete the Agency's Objectives**. The Agency has no appetite for any practices that will lead to financial waste,



fraud, embezzlement, or any form of financial mismanagement by its employees and other stakeholders.

The Agency face low revenue collection hence may not be attain its planned activities like fail to meet its financial obligations when they fall due.

To mitigate this risk, the Directorate of business support has been vested with the role of managing risks. The Agency will improve awareness through departmental meeting and media to other stakeholders, conduct annual meeting with stakeholders in preparation of receivable policy and Improve current Systems or to develop new system for revenue collection

iii. Strategic Risk

Strategic risks are risk that Agency's strategy selection, prioritization, modification, and implementation jeopardize achievement of the Agency's goals and objectives. Strategic risk is a function of business decisions, the execution of those decisions, and resources deployed against strategies. The risks arising from the Agency's strategic approach in fulfilling its policy responsibilities can be significant.

This is a risk that affects the Agency's ability to achieve its goals. For instance, the Agency depends on approval of the reviewed framework document and Subsidiary Establishment Order to implements its activities and increase other source of revenue.

To mitigate this risk, the Agency Management has continued to increase conducting awareness programs to stakeholders and time to time seeking approvals from responsible authorities.

1.20 Solvency

The Management confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Management has reasonable expectation that TBA has adequate resources to continue in operational existence for the foresee-able future.



1.21 Capital Maintenance

Capital is maintained through national budget allocation to TBA through the Ministry of Works and Transport (works). As at 30th June 2022 the Capital balance was TZS 376,135,047,532 as shown in Table 14 below.

Table 14: Capital Maintenance

No.	Description	2021/2022 (TZS)	2020/2021 (TZS)
1	Taxpayer's fund	376,135,047,532	376,135,047,532
2	Additions	-	-
Total		376,135,047,532	376,135,047,532

1.22 Statement of Compliance

The report has been prepared in compliance with the Tanzania Financial Reporting Standard No.1 on The Report by Those Charged with Governance and in accordance with the provisions of the Public Audit Act, Cap. 418 [R.E 2020], Public Finance Act, Cap. 348 [R.E 2020].

1.23 Statutory Auditors

The Controller and Auditor General is the statutory auditor of Tanzania Buildings Agency by virtue of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (Revised 2005) and further elaborated in section 10(1) of the Public Audit Act No 11 of 2008.



2.0 PREPARATION OF FINANCIAL STATEMENTS

According to Section 25(2), of Public Finance Act No. 6 of 2001 (revised 2004) each public organization is required to prepare and submit its Financial Statements to the Controller and Auditor General (CAG) before or on 30th September, each year.

The Controller and Auditor General (CAG) is the Statutory Auditor of the Tanzania Buildings Agency (TBA) by the virtue of article 143 of the Constitution of the United Republic of Tanzania (Revised 2005) and further elaborated in section 10(1) of the Public Audit Act (PAA) No 11 of 2008.

In conclusion, we are cognizant of the fact that the impressive operational results have been a product of joint efforts of several key TBA stakeholders. I would therefore like to acknowledge the contribution of the Ministry of Works and Transport (works), Audit committee, TBA staff, management, and our stakeholders. We wish to extend our gratitude and thanks for their continued commitments and efforts in supporting the Agency.

We assure you that we will continue to work hard to achieve the best for Government real estate development and management in Tanzania. This is possible through joint efforts from our stakeholders and teamwork of skilled and well-motivated staff.

Arch. Daud W. Kondoro
CHIEF EXECUTIVE



**3.0 STATEMENT OF MINISTERIAL ADVISORY BOARD RESPONSIBILITY
ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE
2022**

Tanzania Buildings Agency Financial Statements have been prepared by the Management in accordance with the provisions of Sec. 25(4) of Public Finance Act No. 6 Of 2001 (Revised 2004). The Financial Statements required by the said Act are presented in manner consistent with the International Public Sector Accounting Standards (IPSAS) Accrual basis of Accounting.

Management of the Agency is responsible for establishing and maintaining a system of Control designed to provide reasonable assurance that the transactions recorded in the accounts are within the statutory authority and that they contain the receipt and use of all financial resources by Tanzania Buildings Agency.

To the best of my knowledge, the systems of internal control has operated adequately throughout the reporting period and that the financial statements and underlying records provide a reasonable basis for the preparation of the financial statements for the financial year 2021/21.

I accept responsibility for the integrity of the financial statements, the information they contain and their compliance with the Public Finance Act No. 6 Of 2001 (Revised 2004) and instructions issued by Treasury in respect of the year under review.

This report was approved by the Ministerial Advisory Board on 19.09.2022
and signed on its behalf by:

Arch. Dr. Ombeni Swai, Chairperson,

Signature:  Date: 30.09.2022

Arch Daud Kondoro, Secretary,

Signature:  Date: 30.09.2022



4.0 DECLARATION OF THE HEAD OF FINANCE AND ACCOUNTS OF TANZANIA BUILDINGS AGENCY

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 and Accounts responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Management as per the statement of management responsibility on the financial statement on an earlier page.

I, CPA Ally Juma Kiko being the Head of Finance and Accounts of Tanzania Buildings Agency hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th June 2022 have been prepared in compliance with applicable accounting standards and statutory requirements. I thus confirm that the financial statements give a true and fair view position of Tanzania Buildings Agency as on that date and that they have been prepared based on properly maintained financial records.

Signed by:

CPA (T) Ally Juma Kiko

Ag. Finance and Account Manager

ACPA 3051

30/09/2022

Date




5.0 FINANCIAL STATEMENTS

5.1 STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2022

	Note	2022 TZS	2021 TZS
ASSETS			
Current Asset			
Cash and Cash Equivalents	11	37,278,270,471	13,624,853,644
Inventories	13	3,332,259,093	4,722,505,944
Prepayments	16	6,006,248	10,393,352
Receivables	14	82,237,804,606	71,868,219,378
Total Current Asset		122,854,340,418	90,225,972,318
Non Current Asset			
Intangible Assets	28	0	40,537,310
Investment Property	28	426,266,758,101	428,002,657,427
Property, Plant and Equipment	28	17,681,269,789	18,754,208,241
Work In Progress	12	144,769,690,099	108,629,891,483
Total Non Current Asset		588,717,717,989	555,427,294,461
TOTAL ASSETS		711,572,058,407	645,653,266,779
LIABILITIES			
Current Liabilities			
Deferred Income (Revenue)	17	31,873,416,954	10,560,671,020
Deposits	18	5,623,242,317	2,626,799,304
Other Financial Liabilities			
Payables and Accruals	19	3,875,569,368	4,803,095,903
Provisions	20	1,291,000,000	1,291,000,000
Total Current Liabilities		42,663,228,639	19,281,566,227
Non Current Liabilities			
Deferred Income (Capital)	17	2,186,919,013	3,441,764,796
Total Non Current Liabilities		2,186,919,013	3,441,764,796
TOTAL LIABILITIES		44,850,147,652	22,723,331,023
Net Assets		666,721,910,755	622,929,935,756
NET ASSETS			
Capital Contributed by:			
Taxpayers	21	376,135,047,532	376,135,047,532
Accumulated Surplus	22	290,586,863,223	246,794,888,224
TOTAL NET ASSETS		666,721,910,755	622,929,935,756

The Notes 1 to 28 on pages 46 to 99 forms part of the financial statements.


Arch. Daud W. Kondoro
CHIEF EXECUTIVE

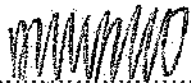

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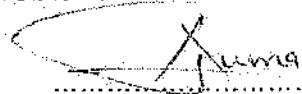


5.2 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th
JUNE 2022

Classification of Expenses by Nature	Note	2022	2021
		TZS	TZS
REVENUE			
Revenue			
Fees, fines, penalties and Forfeits	9.4	4,441,732,964	6,092,829,517
Gain/ (Loss) on Foreign Currency Translation	9.5	55,719,518	13,189,012
Other Revenue	9.3	4,652,719,065	2,409,115,761
Revenue from Exchange Transactions	9.2	29,229,159,529	17,063,122,584
Revenue Grants	9.1	32,271,203,150	32,109,182,088
Total Revenue		70,650,534,225	57,687,438,962
TOTAL REVENUE			
		70,650,534,225	57,687,438,962
EXPENSES AND TRANSFERS			
Expenses			
Amortazation of Intangible Assets	10.7	40,537,310	65,321,335
Depreciation of Property, Plant and Equipme	10.7	3,982,120,334	3,865,003,020
Construction costs for Bunju Houses	10.1	2,450,064,453	4,585,941,146
Maintenance Expenses	10.2	492,996,937	242,846,188
Other Expenses	10.3	1,128,734,846	379,378,035
Use of Goods and Service	10.4	6,307,920,515	3,840,217,443
Wages,Salaries and Employee Benefits	10.5	12,156,184,829	9,933,219,013
Total Expenses		26,558,559,224	22,911,926,180
Transfer			
Grants, Subsidies and other Transfer Paymer	10.6	300,000,000	200,000,000
Total Transfer		300,000,000	200,000,000
TOTAL EXPENSES AND TRANSFERS			
		26,858,559,224	23,111,926,180
Surplus / Deficit		43,791,975,001	34,575,512,782

The Notes 1 to 28 on pages 46 to 99 forms part of the financial statements.


Arch. Daud W. Kondoro
CHIEF EXECUTIVE


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5.3 STATEMENT OF CHANGES IN NET ASSET/EQUITY

Details	Tax payer's Fund	Accumulated Surplus/Deficit	Total
	TZS	TZS	TZS
Balance At 30th June 2020	376,135,047,532	212,219,375,441	588,354,422,973
At 1st July 2020	376,135,047,532	212,219,375,441	588,354,422,973
Surplus for the year ended 30th June 2021	-	34,575,512,782	34,575,512,782
Balance At 30th June 2021	376,135,047,532	246,794,888,223	622,929,935,755
At 1st July 2021	376,135,047,532	246,794,888,223	622,929,935,755
Surplus for the year ended 30th June 2022	-	43,791,975,001	43,791,975,001
Balance At 30th June 2022	376,135,047,532	290,586,863,223	666,721,910,756

The Notes 1 to 28 on pages 46 to 99 forms part of the financial statements.

Arch. David W. Kondoro
CHIEF EXECUTIVE

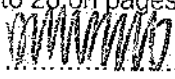
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5.4 CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2022

		2022 TZS	2021 TZS
CASH FLOW FROM OPERATING ACTIVITIES			
RECEIPTS			
Revenue Grants	23.4	53,042,290,224	39,397,535,544
Revenue from Exchange Transactions	23.1	22,801,470,836	11,761,537,207
Other Revenue	23.2	4,652,719,065	2,409,115,761
Other Receipts	23.3	61,158,903,999	29,903,987,058
Fees, fines, penalties and Forfeits	23.5	2,186,666,466	1,165,857,077
Total Receipts		143,842,050,589	84,638,032,648
PAYMENTS			
Wages, Salaries and Employee Benefits	24	12,201,145,502	9,667,277,159
Use of Goods and Service	24	6,335,252,765	4,141,811,874
Other Payments	24	62,098,360,186	37,007,002,376
Other Expenses	24	1,120,833,546	597,071,375
Maintenance Expenses	24	424,398,457	258,417,848
Grants, Subsidies and other Transfer Payments	24	300,000,000	200,000,000
Total Payments		82,479,990,456	51,871,580,632
NET CASH FLOW FROM OPERATING ACTIVITIES		61,362,060,134	32,766,452,016
CASH FLOW FROM INVESTING ACTIVITIES			
Investing Activities			
Acquisition of Property, Plant and Equipment	28	37,580,287,099	20,109,452,154
Investment Properties	28	128,356,207	7,952,721,301
Acquisition of Intangibles			
Total Investing Activities		37,708,643,306	28,062,173,456
NET CASH FLOW FROM INVESTING ACTIVITIES		37,708,643,306	28,062,173,456
CASH FLOW FROM FINANCING ACTIVITIES			
Financing Activities			
Grants refunded/ transferred		0	0
Cash Payments for other Financial Liabilities		0	0
Borrowing	25	0	4,391,306,520
Total Financing Activities		0	4,391,306,520
NET CASH FLOW FROM FINANCING ACTIVITIES		0	4,391,306,520
Net Increase		23,653,416,827	312,972,040
Cash to be Surrendered to Holding Account			0
Cash to be Surrendered to PMG			0
Cash and cash equivalent at beginning of period		13,624,853,644	13,311,881,604
Cash and cash equivalent at end of period		37,278,270,471	13,624,853,644

The Notes 1 to 28 on pages 46 to 99 forms part of the financial statements


Arch. Daud W. Kondoro
CHIEF EXECUTIVE


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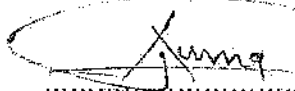
5.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR
THE YEAR ENDED 30TH JUNE 2022

Details	Original Budget	Final Budget	Actual Amount on Comparable Basis	Variance	Performance
	TZS	TZS	TZS	TZS	%
Receipts					
Revenue from Exchange Transactions	25,761,157,952	25,761,157,952	22,801,470,836	2,959,687,116	89%
Other revenue	12,308,420,000	12,308,420,000	4,652,719,065	7,655,700,935	38%
Other receipts			61,158,903,999	(61,158,903,999)	
Revenue Grants	65,692,365,000	65,692,365,000	53,042,290,224	12,650,074,776	81%
Fees, fines, penalties and Forfeits	3,190,420,000	3,190,420,000	2,186,666,466	1,003,753,534	69%
Total Receipts	106,952,362,952.36	106,952,362,952	143,842,050,589	(36,889,687,637)	-34%
Payments					
Wages, salaries and employee benefits	(15,001,596,097)	(15,001,596,097)	(12,201,145,502)	(2,800,450,595)	81%
Use of Goods and Service	(10,154,791,727)	(10,154,791,727)	(6,335,252,765)	(3,819,538,962)	62%
Maintenance expenses	(1,351,780,457)	(1,351,780,457)	(424,398,457)	(927,382,000)	31%
Other Payments			(62,098,360,186)	62,098,360,186	
Other expenses	(3,948,435,490)	(3,948,435,490)	(1,420,833,546)	(2,527,601,945)	36%
Development Grants	(59,991,760,000)	(59,991,760,000)	(21,861,975,446)	(38,129,784,554)	36%
Development Exp - Ownsource	(16,503,999,181)	(16,503,999,181)	(16,846,667,861)	(657,331,320)	96%
Total Payments	(106,952,362,952.36)	(106,952,362,952)	(120,188,633,762)	13,236,270,810	112%
Net Receipts			23,653,416,827		

See Note 27 for reason of variation and Reconciliation of Cash Flow and Budget

The Notes 1 to 28 on pages 46 to 99 forms part of the financial statements.


Arch. Daud W. Kondoro
CHIEF EXECUTIVE


Ally Juma Kiko
Ag. MANAGER FINANCE & ACCOUNTS



5.6 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE 2022

NOTE 1 GENERAL INFORMATION

The Tanzania Buildings Agency (TBA) was established under section 3(1) of the Executive Agencies Act No 30 of 1997 and became operational on 17th May 2002. The Tanzania Buildings Agency operates as semi-autonomous Executive Agency under the Ministry of Works, Transport and Communication.

NOTE 2 BASIS OF PREPARATION

The Financial statement comprise of Statement of Financial Position, Statement of Financial Performance, Statement of Change in Net Asset, Statement of Cash Flow, Statement of Comparison of Budget and Actual Amount and Notes to the Financial Statements. These Financial statements have been prepared on a going concern basis.

The Statement of Cash Flows is prepared using the direct method. The financial statements have been prepared on the accrual basis.

Note 2.1 Authorization Date

The financial statements will be submitted to the Controller and Auditor General (CAG) on or before 30th September 2022 and will be authorized for issuance after being tabled on and discussed by the Parliament on or by 31st March 2023.

Note 2.2 Statement of Compliance

The Agency's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standard (IPSAS) Accrual Basis of Accounting as issued by the International Public Sector Accounting Standard Board (IPSASB).



Note 2.3 Functional and presentation currency

These financial statements are presented in Tanzania Shillings (TZS), which is the Agency's functional and presentation currency.

NOTE 3 CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND CORRECTION OF ERRORS

The Agency recognized the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical as per IPSAS 3 Paragraph 28 to 30.

Note 3.1 New standard issued not yet adopted by the Agency

There are two (2) new Standards issued by the International Public Sector Accounting Standards Board (IPSASB) but were not yet effective up to the date of preparation of Agency financial statements. These are:

i. IPSAS 41 – Financial Instruments.

The standard is effective on or after 1st January 2023 due to COVID 19. This Standard replaces IPSAS 29 and it sets out requirements for recognition and measurement of financial instruments, including impairment, de-recognition and general hedge accounting.

ii. IPSAS 42 – Social Benefits.

The objective of this Standard is to assist users of Financial Statements and general-purpose financial reports assess the nature of social benefits provided by the entity, the features of the operation of the social benefit schemes, and the **impact of the social benefits on the entity's financial performance, financial position and cash flows.** The standard requires an entity to recognize a liability for a social benefit scheme when the entity has a present obligation for an outflow of resources that results from a past event, and the present obligation can be measured in a way that achieves the qualitative characteristics and takes account of constraints in the conceptual framework. The standard is effective on or after 1st January 2023.



iii. IPSAS 43 - Leases

The standard is effective on or after 1st January 2025. This standard replaces IPSAS 13 – Leases, previous required to classify leases as either finance lease or operating leases, and operating leases did not require lessees to recognize assets and liabilities while finance leases did.

New standards enhance the accounting for leases by lessees because; no longer require the classification of leases as either finance or operating leases and require the recognition of assets and liabilities related to the right and obligations created by leases

The Agency did not apply for these changes in these financial statements but will apply in the coming financial periods

Note 3.2 Amendment to standard issued not yet adopted by the Agency

i. IPSAS 1 – Presentations to the financial Statements

The standard is amended in Paragraphs 7, 79, 82, 101, 102 and 138 were amended and Paragraph 125A, 125B and 125C were added by IPSAS 41.

Also, Paragraphs 88, 94 and 112-115 were amended by IPSAS 42, Social Benefits. The amendments shall become effective for annual financial statements covering periods beginning on or after January 2023, with early application is encouraged.

The Agency did not apply for these changes in these financial statements but will apply in the coming financial periods

Note 3.3 Adjustment of Prior year Figures

In the current period (2021/2022) we discovered that the Revenue Grants figure of TZS 3,935,899,200 was mistakenly recognized in the Statement of Financial Performance in applying an accounting policy. Revenue grants were recognized as revenue from non-exchange transactions and recognized assets after the Agency received furniture from partner in Joint arrangement. However, we discovered that the furniture received in prior years was payable, therefore the accumulated surplus



was overstated and payable was understated. Therefore, retrospective restatement is used to correct financial statements as if the prior period error had never occurred.

And according to Para 4.2 of Treasury Circular No. 2 of 2018/19 and Para 42 of IPSAS 1 the prior year figures have been restated due to correction of errors and adjustments. The difference of changes and reasons for changes has been shown in the table below:-

Table 15: Adjustment of prior year figures:

SN	Item	Original Amount reported (Audited Figure)	Restated Amount	Difference	Reason for restatement
FINANCIAL POSITION					
1	Payables and Accruals	867,196,703	4,803,095,903	3,935,899,200	The error was due to recognition of revenue grant in statement of financial performance instead of Trade and other payable in statement of Financial Position in prior year, but it is impracticable to determine the period. The error Correction for understatement of Payables and overstatement of Accumulated surplus
STATEMENT OF CHANGES IN NET ASSETS					
2	Accumulated Surplus	250,730,787,424	246,794,888,224	(3,935,899,200)	

Note 3.4 Classification, Aggregation, and Item name

Due to the requirement of the Government, the Institute has adopted the new reporting accounting system (MUSE) which leads to changes in the classification, aggregation and item name of revenue, expenses and assets as follows:

- Recurrent Grants, Development Grants and Capital Grants are termed as Revenue Grants as per Note 9.1



- Sales of Government Houses are termed as Fees, fines, penalties and Forfeits as per Note 9.4
- Public rent, Commercial rent and Consultancy fee as termed as Revenue from exchange transaction as per Note 9.2
- Receipts from Contractions works, and miscellaneous income are termed as other revenue as per Note 9.3
- Gain on foreign currency transactions are termed as Gain/ (Loss) on Foreign Currency Translation as per Note 9.5
- Depreciations expenses are termed as Amortization of Intangible Assets, and Depreciation of Property, Plant and Equipment as per Note 10.7
- Supplies and consumables used are termed as use of goods and services as per Note 10.4
- Work in Progress (for Sale) Current Assets and Work in Progress Non-Current Assets are aggregated an termed as Work In Progress in Non-current Assets as per Note 12.
- Loan and Advance in Current Assets, Sales of Government Assets receivable in Non-current Assets and Trade and other receivables in current assts are aggregated and termed as Receivables as per Note 14

NOTE 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies outlined below have been consistently applied to all the years presented, unless otherwise stated.



Note 4.1 Foreign Currency Transactions - IPSAS 4

Transactions in foreign currencies are initially accounted for at ruling rate of exchange on the dates of the transaction in accordance with IPSAS 4 Paragraph 24 to 26. They were translated into Tanzanian Shillings (TZS) at the exchange rate ruling at the dates of the transactions. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date in accordance with IPSAS 4.

The Exchange differences arising from the settlement of such transactions and from translation at the reporting date exchange rates are generally recognized in the profit and loss account. During the year under review there was TZS 55,719,518 that resulted from exchange gain.

Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

Note 4.2 Revenue Recognition

Note 4.2.1 Revenue from Exchange Transaction - IPSAS 9

Sources of revenue of the Agency include sale of government houses, rental income (special properties and public servants rent), consultancy fee and construction services. Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the Agency and that revenue can be reliably measured in accordance with IPSAS 4. The following specific recognition criteria must also be met before revenue is recognized:

a) Sale of government houses

Revenue from the sale of government houses is recognized when the significance risk and rewards of ownership have been transferred to buyer/ usual on delivered of goods and when the amount of revenue can be measured reliably and it's probable that the economic benefit or service potential associated with transaction will flow to Agency.



- **Recognition of Sale of Government Houses**

In accordance with IPSAS 9.28 revenue from the sale of goods is recognize when all of the following conditions are satisfied.

- (i) The Agency has transferred to the buyer both the significant risks and rewards of ownership of the goods.
- (ii) The Agency retain neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- (iii) The amount of revenue can be measured reliably
- (iv) It is probable that the economic benefit (funds received) associated with the transaction will flow to the entity; and
- (v) The cost incurred or to be incurred in respect of the transaction can be measured reliably.

The Agency will recognize sales of Government Houses to Public servants after ascertaining that Sales of house contract agreement with Public servant has been signed in accordance with internal procedures outlined in the Accounting Manual.

The Sales of Government Houses will be measured at Cost of Land and Construction Cost plus additional 10%.

The Sales of Government Houses will be recognized and presented in the financial statement in the financial year in which the sales contract has been signed, and the buyer of the house will be termed as Sales of the Government house Debtors.

The Agency Policy requires the buyer of Government house to make down payment of 10% of the sales value at the signing of Contract, the buyer of Government house is also required to pay 40% of the sales value within the first year of Sales of Government house, while the remaining 50% will be paid in the subsequent period as agreeable in the sales contract.



The Agency recognizes sale of Government house during the first year (50%) in statement of financial performance as sales and the remaining amount in the statement of financial position as receivable in current asset and deferred Revenue in Non-current liabilities. The deferred revenue will be amortized every year as they fall due.

Repossession and Refund

The Agency shall repossess the Government House sold, if and only if the conditions mentioned on the contract for sale has not been fulfilled and the prospective customer has denied an offer hence the Agency shall be liable to make a refund to the prospective customer as per condition stipulated in the contracts and Agency Directive (Manuals and circulars).

For the case of denied offers, the Agency shall charge cancellation cost and will be reflected in the Agency's financial statements.

During the Year the Agency has refunded TZS 11,151,000 to various customers as a denied offer.

b) Rental Income

Rental income from investment property is recognized on straight line basis over the period of the lease. It includes special and public rent.

- Tenant Advance rent used in repair and maintenance of Government Houses

The Agency will recognize the amount of repair and Maintenance of buildings in Investment Properties on Non-Current Assets or in statement of performance as expense. The 50% of repair and Maintenance by Tenants will be amortized every year as they fall due as rent for the year. The remaining 50% will be paid by the tenants every month until the period allowed end.



During this financial year the Agency Recognized Repair and Maintenance of buildings by tenants on behalf of the Agency as Expense expenditure. Repair and Maintenance of buildings made by tenants in Kigoma region amounting to TZS 28,992,776.00.

The above treatment is in line with TBA internal procedure manuals as well as International Public Sector Accounting Standard IPSAS's dealing with Revenues and Investment Properties.

c) Rendering of services – Consultancy fee

The Agency recognized revenue from rendering of services by reference to the stages of completion when the outcome of the transaction can be estimated reliably (through Certificate raised). A stage of completion is measured by the reference to survey of work performed.

d) Construction Contracts-

The Agency was registered by the Contractors Registration Board (CRB) of Tanzania in September 2012. By virtue of this registration the Agency has legal capacity to carry out construction works.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work and claims to extent that it is probable that they will result in revenue and can be measured reliably.

The revenue from construction contracts is recognized in proportional to the stage of completion of the contract if the outcome of construction contract can be estimated reliably. The stage of completion is assessed with reference to the survey of work performed. Otherwise, contract revenue is recognized only to the extent of contract cost incurred that are likely to be recoverable.

Contract expenses are recognized as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognized immediately in the statement of financial performance.



Note 4.2.2 Revenue from Non-exchange Transaction - IPSAS 23

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Entity and the revenue can be reliably measured in accordance with IPSAS 23. The following specific recognition criteria must also be met before revenue is recognized:

Government grants: IPSASs 23 requires all grants or any other receipt from non-exchange transaction to be recognized in full as revenue and should appear in a statement of financial performance unless liability is recognized in respect of the same inflow. Government grants whose primary condition is that the Agency should purchase, construct, or otherwise acquire non-current assets are recognized as revenue in the statement of financial performance except to the extent that a liability is also recognized in respect of the same inflow.

Note 4.3 Non-Current Assets Held for Sale

Non-current assets and disposal group are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset [or disposal group] is available for immediate sale in its present condition. Management be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets [and disposal group] classified as held for sale are measured at the lower of the asset' previous carrying amount and fair value less costs to sell.

Note 4.4 Property, Plant and Equipment (PPE) – IPSAS 17

PPE are initially recorded at cost, which includes the purchasing price and costs directly attributable to bring them to the location necessary for them to be capable of operating in the manner intended by management.

In accordance with IPSAS 17, other items of PPE are reported at cost less accumulated depreciation and accumulated impairment, if any. Repairs and



maintenance costs, if not adding to the useful life of PPE, are charged to the Statement of Financial Performance during the financial period in which they are incurred.

The carrying amount of an item of PPE shall be derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognizing of an item PPE is included in the Statement of Financial Performance when the item is derecognized, unless where IPSAS requires otherwise on a sale and lease back.

Land is not depreciated; however, one of the fundamental principles of the land Policy that has been incorporated in the Government of Tanzania's Land Act, 1999 is that when one is assessing compensation of land, one of the factors to consider is the market value of the land / real property.

Depreciation on assets is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life as follows: The assets residual values and useful lives are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period.

During the financial year under review, the Agency reviewed the useful lives of the assets because they are fully depreciated but still in use and changed the depreciation rate after conducting physical verification of its assets.

The review of useful life is as follows according to IPSAS 17 Property, Plant and Equipment Paragraph 67 and Accounting Circular no. 7 of 2020/2021;



Table 16: Useful lives and Depreciation Rate

DESCRIPTION	DEPRECIATION RATE (OLD)	USEFUL LIFE – YEARS (OLD)	DEPRECIATION RATE (REVIEWED)	USEFUL LIFE – YEARS (REVIEW)
Buildings	2%	50	2%	50
Office Furniture	8%	12.5	8%	12.5
Household Furniture	5%	20.0	1.43%	70.0
Office Equipment	8%	12.5	8%	12.5
Household Equipment	8%	12.5	8%	12.5
Machinery	8%	12.5	8%	12.5
Motor Vehicle	6%	16.7	6%	16.7
Computer Equipment	5%	20	5%	20

Note 4.5 Impairment of Assets – IPSAS 26

The Agency assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists or when annual impairment testing for an asset is required, the Agency makes an estimate of an asset's recoverable service amount. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

The Agency derecognizes items of PPE and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. 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 assets) is included in the statement of financial performance when the asset is derecognized



Note 4.6 Intangible Assets -- IPSAS 31

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. The useful life of the intangible assets is assessed as finite. Intangible assets with a finite life are amortized over its useful life as follows:

Table 17: Intangible Asset Useful Life

Description	Year
Software	04-20

Intangible assets which a finite useful life is assessed for impairment whenever there is an indication that the asset may be impaired.

The amortization period and the amortization method, for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on an intangible asset with a finite life is recognized in statement of financial performance as the expense category that is consistent with the future of the intangible asset.

Gains or losses arising from de-recognition of an intangible assets are measured as the different 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.



Note 4.7 Leases – IPSAS 13

Note 4.7.1 The Agency as A Lessee

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

Note 4.7.2 The Agency as a Lessor

Leases in which the agency does not transfer substantial all the risks and benefits of ownership of an asset are classified as operating leases. Initial 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. The contingent rents are recognized as revenue in the period in which they are earned.

Note 4.8 Investment Property (IP) – IPSAS 16

Investment Property is the property held by the Agency to earn rentals or for capital appreciation or both rather than for use in production or supply of goods or services or for administrative purpose or sale in the ordinary course of operation.

IP are recognized as an asset when and only when it is probable that future economic benefit or service potential that are associated with the investment property can be measured reliably.

In accordance with IPSAS 16, IP are measured initially at cost at the date when the construction or development is complete if it is self-constructed investment property. When an investment property is acquired through a non-exchange transaction its cost is measured at its fair value as at that date of acquisition. And if it is purchased, the cost of IP comprises its purchase price and direct attributable expenditures such as professional fee for legal services, property transfer taxes and other transaction cost.



Repair and maintenance cost if not adding to the useful life of IP are charged to the Statement of Financial Performance in a period in which they are incurred.

After initial recognition the Agency measure its IP by using cost model.

Note 4.9 Cash and Cash Equivalents – IPSAS 2

Cash comprises cash on hand and demand deposits with banks. Cash equivalents comprise investments in money market instruments with maturity periods of three months or less from the date of acquisition.

Note 4.10 Inventories – IPSAS 12

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

After initial recognition, inventory is measured at the lower of cost and current replacement cost. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Agency in accordance with IPSAS 12 Paragraph 15.

The cost of Inventory is based on FIFO basis. Provision for obsolete /damaged stock is made at 100% of the value of obsolete /damaged stock identified during the year end stock taking. During the year under review, there was no provision to inventory.

Note 4.11 Provisions – IPSAS 19

Provisions are recognized when the Agency has a present obligation (legal or constructive) a result of a past event, 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 Agency expects some or all the provision to be reimbursed, 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. During the year under review, there were no provisions provided.

Note 4.12 Contingent Liabilities - IPSAS 19

The Agency managed to settle 20 cases during the year 2021/2022. As at 30th June 2022, the Agency had 11 cases in court both as Applicants and Respondents. All cases relate to civil proceedings and are caused by rent arrears (Default tenants), ownership of land, sales of houses, lease contracts and labor.

The Agency does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statement, unless possibility of an outflow of resources embodying economic benefits or services potential as remote. As at 30th June, 2022 the Agency did not have any contingent liability

Note 4.13 Contingent Assets - IPSAS 19

The Agency does not recognize a contingent assets, 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 agency in the notes to the financial statements. As at 30th June 2022 the Agency did not have any contingent assets

Note 4.14 Joint Arrangements - IPSAS 37

International Public Sector Accounting Standard establish principles for financial reporting by entities that have an interest in arrangements that are jointly controlled, IPSAS 37 para 3 requires parties to joint arrangements which have rights to the assets and obligations for the liabilities to the joint arrangement, to recognize those assets and liabilities in their financial statements.

IPSAS 37 para 20 states that rights and obligations conferred on the parties can arise in various ways: from a legal perspective, from binding arrangements between the parties to the arrangements or from other facts and circumstances.



Tanzania Buildings Agency (TBA) and Ms. Royale Orchard Inn Ltd entered into an agreement for Joint venture of re-development and joint ownership of the property on Plot 45 & 46 Chimara Road, and the property on Plot No. 266 Chole-Haile Selasie Road, Dar es Salaam. Tanzania Buildings Agency owns 25% and Ms. Royale Orchard Inn Ltd owns 75% of the joint venture.

However, during the financial year under review, the Agency pay Ms. Royale Orchard Inn Limited TZS 28,082,969,938.50 in respect of supplying Furniture in Agency's apartments in prior years at Chimara and Chole, and Government renting out apartments in Chimara. The Agency received the said funds from Treasury through the Ministry of Works and Transport as deed of settlement to Ms. Royale Orchard Inn Limited.

Note 4.15 Employee's Benefit – IPSAS 39

Note 4.15.1 Short term employee benefits

The costs of all short-term employee benefits are recognized during the period in which the employee renders the related service. The Agency recognizes the expected cost of employee rewards only when the Agency has a present legal or constructive obligation to make such payment, and a reliable estimate can be made. Short term employee benefits includes salary, wages and annual leave for current employees.

Note 4.15.2 Defined Contribution Plans

The Agency provides retirement benefits for its employees. Defined contribution plans are post-employment benefit plan under which an entity pays fixed contributions into a separate entity (pension funds); the Agency will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefit relating to employee service in the current and prior periods.



The Agency and its employees contribute to the following pension fund

- Public Service Social Security Fund (PSSSF)

The Agency's contributions to the defined contribution scheme are charged to the statement of financial performance in the year to which they relate.

Note 4.15.3 Termination benefit

Termination benefits are payable when employment is terminated by the Agency before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Agency recognizes termination benefit when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Note 4.16 Impairment of Financial Asset – IPSAS 41

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

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlated with defaults.



Note 4.17 Account Payable

Account payable is 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.

Note 4.18 Related Parties – IPSAS 20

The Agency 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 Agency or vice versa. Members of key management are regarded as related parties and comprise the Board Members, Management and Employees. Related party transactions are disclosed under Note 26.

NOTE 5 SIGNIFICANT JUDGMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Agency's financial statements in conformity with IPSAS requires management to make judgments, estimate 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 assets or liability affected in future periods

i. Judgments

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



Estimate and judgments are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

ii. Estimates and Assumption

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 Agency based its assumptions and estimates on parameters available when 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 Agency. Such changes are reflected in the assumptions when they occur.

The changes in accounting estimates in the Agency have resulted from new Government Directives in a prospective application in line with IPSAS 3. The prospective recognition of the effect of a change in an accounting estimate means that the change is applied to transactions, other events and conditions from the date of the change in estimate. However, a change in the estimated useful life of the expected pattern of consumption of the future economic benefits embodied in a depreciable asset, affects depreciation expense for the current period and for **each future period during the asset's remaining useful life**. In both cases, the effect of the change relating to the current period and future is recognized as income or expense in both periods.

The Agency through accounting circular No. 2 of 2017/2018 Testing for Impairment and Charging Depreciation as per standards, has adopted straight line depreciation method to allot the cost of the asset over its remaining useful life. Previously, the Agency was using reducing balance depreciation method.



iii. Useful Life and Residual Values

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

- a. The condition of the asset based on the assessment of experts (professional values) engaged by the Agency.
- b. The nature of the assets, its susceptibility and adaptability to changes in technology and processes.
- c. The nature of the processes in which the asset is deployed
- d. Availability of funding to replace the assets.
- e. Changes in the market relation to the asset.

The useful lives of property, plant and equipment (PPE) is detailed out in Note 4.4 above.

iv. Provisions

Provisions were raised and management determined an estimate based on the information available. The carrying value of provisions for expenses is given under Note 19.

NOTE 6 FINANCIAL RISK MANAGEMENT POLICY

Note 6.1 Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Agency's principal financial assets are cash and bank balances, and trade and other receivables. The Agency's credit risk is primarily attributable to its trade receivables. No allowances have been made to the amounts presented in the statement of financial position for doubtful receivables estimated by the management based on the long outstanding balances and the assessment of the current economic environment.

However, the Agency does not regard there to be any significant concentration of credit risk, thus, it mitigates the credit risk by maintaining major part of its cash and



cash equivalents at the Bank of Tanzania. The Agency's exposure to Credit Risk as at 30th June, 2022 is as shown below

	30.06.2022	30.06.2021
Financial Assets		
Cash and cash equivalents	37,278,270,471.00	13,624,853,643.62
Receivables	81,703,148,480.63	71,331,220,874.93
Total	118,981,418,951.63	84,956,074,518.56
Financial Liabilities		
Trade and other Payables	3,875,569,368.14	4,803,095,903.00
Clients' Deposits	5,623,242,316.27	2,626,799,303.64
Deferred Revenue	4,161,767,230.34	5,775,396,402.67
Deferred Grant	29,898,568,736.66	8,227,039,413.77
Provision for liabilities	1,291,000,000.00	1,291,000,000.00
Total	44,850,147,651.41	22,723,331,023.08

Note 6.2 Foreign Currency Risk

The Agency minimizes foreign exchange risk by maintaining foreign currency account as the Agency had some receivables in foreign currency mainly the US\$.

The Agency does not engage in foreign currency swaps or speculations. The risks are also managed by ensuring that the service value is negotiated and fixed in the local currency whenever possible. However, the Agency does not consider that there is a downside risk on holding foreign currencies or debtors balances arising from exchange rate movements.

As at 30th June 2022, the Agency had receivables of US\$ 10,698,211.64 and monetary balances were US\$ 324,792.99 which are stated in the financial statements at exchange rates of TZS 2,292.73/US\$ 1.



Note 6.3 Liquidity Risk

The Agency ensure sufficient liquidity is maintained to meet short-term maturing obligations without incurring unacceptable losses or risking damage to the Agency's reputation. The Agency manages its liquidity risk to ensure it is able to meet forecasted expenditure requirements based on approved budget and through the use of cash flow forecasts.

NOTE 7 TAXES

Tanzania Buildings Agency being an Executive Agency of the Government with Value added Tax Registration No. 40-025978-M and Taxpayers Identification Number (TIN) 101-024-490 is exempt from all taxes for the year (except Value Added Tax).

Revenue, Expenses, and assets are recognized net of the amount of value added tax except:

- Where the value added tax incurred on a purchase of assets or services is not recoverable from Tax Authority, in which case the value added tax is recognized as part of the cost of acquisition of the assets or as part of the expense item as applicable and,
- Receivables and payables that are stated with the amount of value added tax included.

NOTE 8 COMPARATIVE FIGURES

Previous year's figures have been regrouped wherever considered necessary in order to facilitate comparability with current year's figures.

NOTE 9. REVENUE

Note 9.1 Revenue Grants - Revenue from Non-Exchange Transactions

Note 9.1.1 Recurrent Grant – Personal Emoluments

During the year 2021/2022, The Agency Personal Emoluments (PE) was TZS 5,519,642,072.64 of which TZS 5,561,557,651.32 was received from MOWT. The difference being TZS 42,179,599.78 as untimely receipt of June 2021 salary deduction and TZS 264,021.12 as under release of December 2021 salary deduction from MOWT



At the start of the year there was a Deferred PE grant of TZS 48,130,202.43 as unamortized plus TZS 5,561,557,651.32 as amount received during the year that make a total of TZS 5,609,687,854.87 ready to be amortized during the year.

The Agency made actual payment of TZS 5,572,886,255.86 to TBA staff out of TZS 5,609,687,854.87 while the difference of TZS 36,801,599.01 as unpaid deduction during the year due to various reasons.

	30.06.2022	30.06.2021
Opening Balance	48,130,204	
Receipts during the year	5,561,557,651	4,758,632,491
Amortization during the year	(5,572,886,256)	(4,710,502,288)
Closing balance (Deferred)	36,801,599	48,130,204

Note 9.1.2 Development Grants for construction and rehabilitations:

This represents all the funds of construction which have been budgeted in the Agency's subvention or grant where the Agency receives fund directly from the Ministry of Works and Transport in order to implement strategic development projects on behalf of the Ministry, during the financial year under review, the Agency received TZS 43,544,833,373 for implementation of development projects including Magomeni Kota and Rehabilitation of Leaders Houses. The Agency has recognized TZS 20,841,067,185.66 as Work in Progress (Investment Property) for the year and TZS 1,020,908,260 for rehabilitation.

	30.06.2022	30.06.2021
Opening Balance	8,178,909,210	938,685,957
Received during the year	43,544,833,373	34,638,903,053
Available grants during the year	51,723,742,583	35,577,589,010
Amortized during the year - Rehabilitation	(1,020,908,260)	(10,942,741,844)
Amortized during the year - Construction	(20,841,067,186)	(16,455,937,956)



	30.06.2022	30.06.2021
Total grants amortized during the year	(21,861,975,446)	(27,398,679,800)
Deferred Grant (Closing Balance)	29,861,767,137	8,178,909,210

Note 9.1.3 Development Grants for Furniture

During the financial year under review, the Agency received an amount of TZS 28,082,969,938.5 from Treasury through the Ministry of Works and Transport as deed of settlement to Ms. Royale Orchard Inn Limited. The fund was in respect for supplying Furniture in Agency's apartment in prior years, and Government renting out apartments in Chimara and Chole owned by Ms. Royale Orchard Inn Limited. The amount of furniture is (TZS 3,935,899,200) was reflected in Statement of Financial Performance (Refer Note 4.14) and the amount of rent, service charge and interest (TZS 24,147,070,739) was reflected in the Statement of Cashflow.

	30.06.2022	30.06.2021
Received During the Year	28,082,969,939	
Rent, Service Charge and Interest	(24,147,070,739)	
Total grants for furniture	3,935,899,200	

Note 9.1.4 Capital Grants

During the financial year the Agency receive eleven (11) houses from TANROADS as grants. The acquired houses were measured at fair value as per IPSAS 23 Paragraph 42 and IPSAS 16 Paragraph 27. The fair value of the houses and land was TZS 900,442,248. The Agency recognizes the houses as Investment Properties.

	30.06.2022	30.06.2021
Capital grants	900,442,248	-
Total Revenue Grants (9.1.1, 9.1.2, 9.1.3 & 9.1.4)	32,271,203,150	32,109,182,088



Note 9.2 Revenue from Exchange Transactions

These are revenue recognized as a result of housing provision, consultancy and construction fees by stage of completion and other incomes.

	30.06.2022	30.06.2021
Rent revenue		
Public Rent	4,148,412,319	4,604,989,028
Special Rent	4,723,551,369	3,421,881,450
Total Rent revenue	8,871,963,687.70	8,026,870,478.41
Consultancy services	20,357,195,841	9,036,252,105
Total Revenue from Exchange Transactions	29,229,159,529	17,063,122,584

Note 9.3 Other Revenue

Construction services	1,947,277,616	2,360,252,084
Miscellaneous revenue	2,705,441,449	48,863,677
Total other revenue	4,652,719,065	2,409,115,761

Note 9.4 Fees, fines, penalties, and Forfeits.

These are sales recognition of Government houses in various parts of the Country, comprises of Bunju houses and other houses. During the year Agency recognize sales amounting to TZS 4,441,732,964 as shown below under note 9.4.1 and note 9.4.2

Note 9.4.1 Sales recognition of Bunju Houses

During the year under review the Agency recognized sales of Bunju houses TZS 2,931,206,29,98 after meeting recognition criteria under IPSAS 9 - Revenue from Exchange Transaction Paragraph 28 (From current deferred TZS 2,211,203,856. and Current year TZS 720,002,424). Also TZS 577,475,489 is cash collected during the year under review for the recognized houses comprises of TZS 338,118,582 as cash for deferred houses and TZS 239,356,907 as cash for current houses recognized.



The Sales amount of TZS 2,931,206,289.98 recognized was matched with cost of TZS 2,638,085,661.07 incurred to construct the houses recognized during the year under review to meet matching principle.

	30.06.2022	30.06.2021
Deferred sales Recognized	2,211,203,855.70	-
Current year Sales Recognized	720,002,434.28	5,095,490,161.78
Sales recognized during the year	2,931,206,289.98	5,095,490,161.78
Cash collected during the year	(577,475,489.00)	(2,949,140,195.78)
End balance	2,353,730,800.98	2,146,349,966.00

Note 9.4.2 Other Government Houses

These are sales of Government houses received by the Agency from the Government in different areas of the country. During the year the Agency recognized sales of TZS 1,510,526,674.00

	30.06.2022	30.06.2021
Sales recognized from Other Government Houses	1,510,526,674.00	997,339,355.23
Total Fees, fines, penalties, and Forfeits (9.4.1 & 9.4.2)	4,441,732,963.98	6,092,829,517.01

Note 9.5 Gain on foreign exchange transactions.

The Agency recognized gain on foreign exchange as a result of favorable exchange rate on receivables from commercial rented houses.

A. Upon settlement of Receivable			
Details	At Start of the year	At settlement date	Gain/(Loss)
Total Receivable (USD)	10,905,199	206,988	206,988
Exchange rate	2,287.57	2,290.15	2.58
Total Receivable (TZS)	24,946,453,861	474,033,720	533,863



B. At closing date				
Details	At Start of the year	At closing date	Gain/(Loss)	
Total Receivable remained (USD)	10,698,212	10,698,212	10,698,212	
Exchange rate	2,287.57	2,292.73	5.1	
Total Receivable (TZS)	24,472,954,004	24,528,139,659	55,185,65	
Total Gain/(Loss) on foreign currency translation (TZS)			55,719,518	

Total gain/ (Loss) on foreign currency translation will be the sum of Gain/ (Loss) upon settlement and Gain/ (Loss) at closing date

NOTE 10. EXPENSES

These are payments and accrual effected during the financial year under review.

Note 10.1 Construction costs for Bunju Houses

These were costs incurred during the construction of Bunju Houses. The construction cost amounting to TZS 2,450,064,453 recognized was matched with sales of TZS 2,931,206,289.98 recognized during the year under review to meet matching Concept.

	30.06.2022	30.06.2021
Total Costs for Government Houses sold	2,450,064,453	4,585,941,146

Note 10.2 Maintenance Expenses

	30.06.2022	30.06.2021
Computers, printers, scanners, and other computer related equipment	0	62,000
Fax machines and other small office equipment	0	54,239
Motor Vehicles and Watercraft	444,723,259	114,663,043
Outsource Maintenance Contract Services	46,879,570	76,686,975
Paint and Weather Protection Coatings	0	2,127,000



	30.06.2022	30.06.2021
Telephones and Office PABX systems	0	19,483,742
Tyres and Batteries	1,394,108	29,769,189
Total Maintenance expenses	492,996,937	242,846,188

Note 10.3 Other Expenses

	30.06.2022	30.06.2021
Audit fees	50,000,000	0
Bank Charges and Commissions (refer note 10.2.1)	1,490,484	22,421,613
Burial Expenses	33,671,700	31,506,000
Corporate Social Responsibilities	0	3,760,000
Honorariums (expert opinion)	176,965,070	9,155,000
Investigation expenses	0	5,727,966
legal fees	0	1,660,000
Other Payments	178,995,811	218,994,705
Parastatal Rehabilitation	9,998,100	11,185,700
Registration Fees	232,729,206	0
Security Services	256,863,267	0
Sundry Expenses	0	67,852,821
surveys	188,021,208	7,114,230
Total	1,128,734,846	379,378,035

Note 10.3.1 Bank Charges and Commissions

The Finance costs include bank charges and interests that rose from late payment of Loans from Financial Institutions

	30.06.2022	30.06.2021
Bank charges	1,490,484	22,421,613
Total Bank Charges and Commissions	1,490,484	22,421,613

**Note 10.4 Use of Goods and Services**

This was known as Supplies and consumables, but it is termed as use of goods and services due to the requirement of the Government, after the Agency adopted the new reporting accounting system (MUSE)

	30.06.2022	30.06.2021
Advertising and Publication	199,882,866	176,992,461
Air Travel Tickets	69,896,116	110,687,536
Cleaning Supplies	31,593,892	4,000,000
Computer Software	3,875,500	0
Computer Supplies and Accessories	31,720,435	78,956,864
Conference Facilities	96,025,000	78,600,000
Diesel	932,245,734	212,497,094
Electricity	245,945,795	8,836,380
Entertainment	16,956,000	14,980,000
Food and Refreshments	183,851,904	1,948,400
Gifts and Prizes	0	825,000
Ground Transport (Bus, Train, Water)	291,365,665	174,339,782
Ground travel (bus, railway taxi, etc)	220,069,549	62,670,047
Internet and Email connections	186,188,256	100,645,328
Lubricants	275,100	272,500
Newspapers and Magazines	720,000	1,441,856
Office Consumables (papers, pencils, pens and stationaries)	136,863,740	228,186,968
Outsourcing Costs (includes cleaning and security services)	362,071,818	392,086,471
Per Diem - Domestic	2,695,796,123	1,621,233,085
Per Diem - Foreign	20,377,949	0
Posts and Telegraphs	6,136,363	5,757,348
Printing and Photocopy paper	53,854,259	35,647,824



	30.06.2022	30.06.2021
Printing and Photocopying Costs	26,788,007	12,629,280
Rent - Office Accommodation	0	77,795,740
Sewage Charges	21,739,645	4,720,898
Special Foods (diet food)	15,108,471	15,108,471
Subscription Fees	9,474,269	7,000,000
Telephone charge	1,717,290	0
Telephone Charges (Land Lines)	5,840,957	4,747,981
Training Allowances	9,433,000	25,464,950
Tuition Fees	333,240,684	223,036,910
Uniforms and Ceremonial Dresses	27,870,671	71,505,000
Valuation of NCA	0	1,870,000
Water Charges	70,995,456	85,733,268
Total Use of Goods and Service	6,307,920,515	3,840,217,443

Note 10.5 Wages, Salaries and Employees Benefits

	30.06.2022	30.06.2021
Basic salaries - pensionable posts	4,096,071,398	3,485,771,693
PSSSF - Pensionable posts-permanent	1,114,577,251	942,100,458
NHIF - Pensionable posts-permanent	334,373,175	282,630,137
Workers Compensation Fund	27,864,431	
Total Basic Salaries-pensionable posts	5,572,886,256	4,710,502,288
Basic salaries - non pensionable posts	1,214,845,781	1,448,432,846
PSSSF - Pensionable posts-permanent	333,798,293	391,468,337
NHIF - Pensionable posts-permanent	100,139,488	117,440,501
Workers Compensation Fund	8,344,957	
Total Basic Salaries- non pensionable posts	1,657,128,520	1,957,341,684
Total Basic Salaries	7,230,014,775	6,667,843,972



	30.06.2022	30.06.2021
Acting Allowance	10,269,602	0
Electricity	109,020,568	117,020,962
Electricity Allowance	57,360,000	0
Extra-Duty	1,036,017,325	973,499,896
Food and Refreshment	276,692	79,723,706
Furniture	328,000,000	18,172,034
Hardship Allowance	1,064,906,250	1,025,998,785
Honoraria	1,058,419,365	182,352,543
Housing Allowance	89,440,000	42,600,000
Leave Travel	221,451,500	135,674,618
Moving Expenses	246,702,030	270,607,006
Risk Allowance	1,600,000	2,400,000
Sitting Allowance	684,428,885	277,423,030
Special Allowance	17,607,248	0
Spouse Allowance	629,350	0
Telephone	0	40,579,509
Water and Waste Disposal	41,238	34,091,341
Workers Compensation Fund	0	65,231,610
Total Wages, Salaries and Employee Benefits	12,156,184,829	9,933,219,013

Note 10.6 Grants, Subsidies and other Transfer Payments

	30.06.2022	30.06.2021
Contribution to CF (15%)	300,000,000	200,000,000
Total	300,000,000	200,000,000

**Note 10.7 Amortizations of Intangible Assets and Depreciation of Property, Plant and Equipment**

	30.06.2022	30.06.2021
Property, Plant and Equipment	1,217,422,553	1,261,549,298
Investment Property	2,764,697,781	2,603,453,722
Intangible assets	40,537,310	65,321,335
Total	4,022,657,645	3,930,324,355

NOTE 11. CASH AND CASH EQUIVALENTS

The Agency is not exposed to credit risk to cash and bank balance because these are held with sound financial institutions.

At the end of the year the Agency had a total of USD 324,792.99 exchanged at a rate of 2,292.73 held at Bank of Tanzania, TZS 36,523,644,411.25 held in various banks and TZS 9,962,551 cash held in NMB Imprest Account. The carrying amount of the Agency's cash and cash equivalent were denominated in the respective currencies as shown below

	30.06.2022	30.06.2021
BoT Own source Collection Account	20,897,456,065	2,923,673,705
Recurrent Expenditure Cash BOT -TZS	15,087,051,249	10,479,599,428
Own source Collection Account - CRDB	70,555,684	1,777,454
Own source Collection Account - NMB	153,639,797	4,043,000
Cash held in NMB	9,962,551	47,896,930
Tanzania Buildings Agency CRDB - Tower	1,042,048	0
Tanzania Building Agency sales BOT -TZS	44,150,000	0
Own source Collection Account CRDB - USD	0	46,162
Unapplied Cash Account	(0)	16,351,212
USD BOT Collection Account	744,663,509	66,235,561
USD Commercial Collection Account	0	0
Recurrent account CRDB - TZS	269,749,568	85,230,191
Total Cash and Cash Equivalent	37,278,270,471	13,624,853,644

**NOTE 12. WORK IN PROGRESS**

Work in Progress represents cost incurred in building projects implemented by Agency own source fund and funds from Ministry of Work and Transport whose construction is not yet completed.

Work in Progress (WIP), which are an asset category of property and equipment, and Investment Property are stated at cost and are not depreciated. The recognition amount of these WIP are shown under Note 28. WIP depreciation of will commence when the assets are ready for their intended use.

Note 12.1 Constructed house for Sale

	30.06.2022	30.06.2021
WIP Opening	49,540,724,599	58,404,254,862
Addition During the year	-	308,352,028
Transfer during the year	(1,296,004,382)	(9,171,882,291)
WIP Closing for sale	48,244,720,217	49,540,724,599

Note 12.2 Non-Current Asset (Investment Property- Own Fund)

	30.06.2022	30.06.2021
WIP Opening	8,998,216,240	8,916,797,333
Addition During the year	15,573,827,553	81,418,907
Transfer during the year	-	-
WIP Closing 2021/2022	24,572,043,792	8,998,216,240

Note 12.3 Non-Current Asset (Investment Property-Grant)

	30.06.2022	30.06.2021
WIP Opening	50,090,950,644	33,736,000,000
Addition During the year	21,861,975,446	16,354,950,644
Transfer during the year	-	-



	30.06.2022	30.06.2021
WIP Closing 2021/2022	71,952,926,090	50,090,950,644
Total Investment	96,524,969,882	59,089,166,884
Total Additional WIP (12.1, 12.2 & 12.3)	37,435,802,999	16,436,369,551
Total Closing balance	144,769,690,099	108,629,891,483

NOTE 13. INVENTORY

Inventory comprises of completed/Finished houses ready to be sold and stocks of stationery and other consumables that will be expensed in the subsequent year. During the year Inventory decreased from TZS 4,722,505,944 to TZS 3,351,781,061 mainly caused by recognition for cost of sales of Bunju houses to meet matching concept for sales of the houses and completed houses in Mwanza.

	30.06.2022	30.06.2021
Completed Bunju Houses	3,243,859,866	4,585,941,146
Use of Goods and Service	88,399,227	8,208,591
Completed houses Mwanza region	-	128,356,207
Total Inventory	3,332,259,093	4,722,505,944

NOTE 14. TRADE AND OTHER RECEIVABLES

The receivables of TZS 68,046,876,183.88 consist of public and commercial housing provision, consultancy fees, construction fees, sales of Government houses exchange transactions and Sales of Government houses to University of Dodoma located at Mwangaza Dodoma Region. Other receivables of TZS 8,819,624,711.52 include TZS 8,333,319,181.32 as Agency own source advanced to projects for construction services to various clients and TZS 486,305,530 as imprest which is not yet retired. The imprest was issued in respect to the execution of client projects and when retired will be expensed to the respective client projects.

**Note 14.1 Trade receivables**

	30.06.2022	30.06.2021
Public Rent Receivables	5,617,674,023	5,152,967,306
Commercial Rent Receivables	34,890,250,396	31,879,175,563
Consultancy fee receivables	18,658,762,656	15,706,855,514
Sale of Government House-Bunju CA	4,435,510,106	2,476,163,422
Mwangaza Houses	4,444,679,003	4,444,679,003
Total trade receivables	68,046,876,184	59,659,840,807
Other receivables		
Debtors - Client works-construction projects	8,333,319,181	5,152,945,345
Imprest	486,305,530	426,385,046
Total other receivables	8,819,624,712	5,579,330,391
Total Receivables	76,866,500,895	65,239,171,198

Note 14.2 Staff loans

During the year under review, loan and advance balance is TZS 47,633,313 compared to previous financial year balance of TZS 110,613,458 due to loan recovery of TZS 63,698,63 caused by management decision to speed up the rate of loan recovering from various staff.

	30.06.2022	30.06.2021
As at the start of the Year	110,613,458	64,257,600
Loan issued during the year	1,436,000	99,420,728
Loan recovered	(63,698,863)	(53,064,871)
Staff loans end of year	48,350,595	110,613,458

**Note 14.3 Sales of Government houses Receivables****Note 14.3.1 Other Government Houses**

These are receivables as a result of sales of Government houses received by the Agency from the Government in different areas of the country. During the year the Agency recognized sales of TZS 1,510,526,674.00

	30.06.2022	30.06.2021
Remain balance	1,422,944,561	1,116,485,509
Additional of new Sales	1,510,526,674	997,339,355
Refund		2,000,000
Less: Receipt for payment of houses	1,214,806,860	692,880,303
End balance	1,718,664,375	1,422,944,561

Note 14.3.2 Bunju Houses

These are deferred receivables as a result of sales of houses constructed by the Agency in Bunju area. The Sales are not recognized in the Statement of Financial Performance as they will be amortized as they fall due. This is according to the Agency's Policy.

	30.06.2022	30.06.2021
Remain balance	5,095,490,162	-
Additional of new Sales	720,002,434	5,095,490,162
Less: Sales Recognized	2,211,203,856	-
End balance	3,604,288,741	5,095,490,162
Total Sales of Government Houses (Note 14.3.1 & Note 14.3.2)	5,322,953,115	6,518,434,722
Total Receivables (Note 14.1, Note 14.2 & Note 14.3)	82,237,804,605.83	71,868,219,378.10

**NOTE 15. CASH FLOW RECONCILIATION - CASH FLOW GENERATED FROM OPERATIONS**

Reconciliation of net cash flows from operating activities to surplus/(deficit)

	30.06.2022	30.06.2021
Surplus/ Deficit for the Period	43,791,975,001	34,575,512,782
Add/ (Less) Non-Cash Item		
Amortizations of Intangible Assets	40,537,310	65,321,335
Depreciation of Property, Plant and Equipment	3,982,120,334	3,865,003,020
Gain/ (Loss) on Foreign Currency Translation	(55,719,518)	(13,189,012)
Add/ (Less) Change in Working Capital		
Deferred Income (Capital)	(1,254,845,783)	2,820,495,828
Deferred Income (Revenue)	21,312,745,934	9,487,356,063
Inventories	1,390,246,851	(4,594,149,737)
Other Payments	(57,711,179,336)	(29,658,080,392)
Other Receipts	61,158,903,999	29,903,987,058
Payables and Accruals	(927,526,535)	(250,315,634)
Prepayments	4,387,104	(10,393,352)
Receivables	(10,369,585,228)	(13,425,095,943)
Net Cash Generated from Operations	61,362,060,134	32,766,452,015

NOTE 16. PREPAYMENTS

During the year under review prepayment comprise of Diesel TZS 6,006,248 for office use

	30.06.2022	30.06.2021
Advance Supplies of goods and services	6,006,248	10,393,352



NOTE 17. DEFERRED INCOME (REVENUE)

Note 17.1 Grants

Note 17.1.1 Development

During the financial year under review, the Agency received TZS 43,544,833,373 for implementation of development projects including Magomeni Kota, construction of Government houses and Rehabilitation of Leaders and residential houses from Ministry of Work and Transport. The Agency recognized deferred revenue of TZS 29,861,767,138 after expenditure of TZS 21,861,975,446.

	30.06.2022	30.06.2021
Opening Balance	8,178,909,210	938,685,957
Additional funds received	43,544,833,373	34,638,903,053
Total funds	51,723,742,583	35,577,589,010
Utilized funds	(21,861,975,446)	(27,398,679,800)
Deferred Grant	29,861,767,138	8,178,909,210

Note 17.1.2 Personal Emoluments (PE)

During the financial year under review, the Agency recognized deferred revenue from Personal Emoluments of TZS 36,801,599.01 the deferred Personal Emoluments will be amortized next year. Refer Note 9 - Amortization of Recurrent Grant

	30.06.2022	30.06.2021
Opening Balance	48,130,204	-
Received during the Year	5,561,557,651	4,758,632,491.30
Amortized during the Year	(5,572,886,256)	(4,710,502,287.73)
Deferred Grant	36,801,599	48,130,203.57
Total Grant (Note 17.1.1 & 1Note 7.1.2)	29,898,568,737	8,227,039,414



Note 17.2 Sales and rehabilitation of houses

Note 17.2.1 Sales Government houses

Deferred revenue comprises of sales of Bunju houses. The Agency recognizes sale of Government house during the first year (50%) in statement of financial performance. During the year TZS 2,931,206,290 was recognized as sales (first year 50% TZS 720,002,434.38 and from amortized deferred TZS 2,211,203,856). Also the remaining amount from first year 50% is recognized in the statement of financial position as receivable in asset and deferred Revenue (TZS 480,645,527.38 current liability and TZS 239,356,907.00). The deferred revenue will be amortized every year as they fall due.

	30.06.2022	30.06.2021
Opening Balance-Deferred Revenue	5,095,490,162	-
Additional Sales for the year	1,440,004,869	10,190,980,324
Less: Sales Amortized during the year	2,931,206,290	5,095,490,162
Deferred Revenue-(Non-Current Liability)	1,751,868,274	2,884,286,306
Total Sales of Government Houses	1,862,420,467	2,211,203,856

Note 17.2.2 Rehabilitation of Rented Houses

According to TBA Accounting Manual (Para 4.4.3.1.3), the Agency may allow tenant to renovate, repair or modify Agency owned estates by using tenant funds (See Note 4.2.1. rental Income). The Agency amortizes the amount used by tenants to rehabilitate the rented house every financial year.

During the year the Agency recognize TZS 122,427,751.00 as public rent from previous last Financial Year Current Liability and recognizes TZS 122,427,751.00 as deferred Current Liability and the TZS 435,050,739 as non-current deferred

	30.06.2022	30.06.2021
Opening Balance total deferred revenue (rented)	679,906,241	755,897,968
Add: Rehabilitated houses during the year	-	58,637,273
Less: Rent recognized during the year	122,427,751	134,629,000



	30.06.2022	30.06.2021
deferred Revenue - (Non-Current Liability)	435,050,739	557,478,490
Total deferred rented houses	122,427,751	122,427,751
Total deferred Revenue (17.2.1 & 17.2.2)	1,974,848,218	2,333,631,607
Total Deferred Income (Revenue) Non-current - Note 17.2.1 & Note 17.2.2	2,186,919,013	3,441,764,796
Total Deferred Income (Revenue) current - Note 17.1 & Note 17.2	31,873,416,954	10,560,671,020

NOTE 18. DEPOSITS**Note 18.1 Client deposit for constructions of Government houses**

These are deposit for constructions of Government houses in Tanzania. The Agency enter into contracts with various Government Institutions to build various projects every Financial Year through the Department of Construction, during the year the Agency continue the constructions of ongoing projects and new projects, and as at 30th June 2022 the Agency remain with the amount of TZS 4,331,266,967 as they fail to meet the conditions.

	30.06.2022	30.06.2021
Client Deposit for construction of Houses	4,331,266,967	1,880,377,954

Note 18.2 Customer deposit for Bunju Houses

The Agency receives funds for the purchase of Government houses at Bunju area, however for the amount to be treated as Sales have to meet recognition criteria. The funds deposited by various customers is treated in the Financial Statements as down payments due to failure to meet recognition criteria under IPSAS 9 - Revenue from Exchange Transactions paragraph 28 - 30

	30.06.2022	30.06.2021
At the Beginning	746,421,350	2,697,221,476
Collected During the year	556,705,000	292,100,000
Refunded during the year	(11,151,000)	(96,550,160)



	30.06.2022	30.06.2021
Total payable	1,291,975,350	2,892,771,316
Sales recognition	-	(2,146,349,966)
Total Customer Deposits for Bunju houses	1,291,975,350	746,421,350
Total Deposit (Note 18.1 & Note 18.2)	5,623,242,317	2,626,799,304

NOTE 19. PAYABLES AND ACCRUALS

These are current and non-current obligations which rose from operating activities of the Agency. Other expenses include Security Service, Telephone charge -Mobile and Internet and mail connections recognized as creditors and advertising and publication costs as payment of creditors during the year.

CATEGORIES	OPENING 2020/21	ADDITION	PAYMENT	CLOSING 2021/2022
a) Sundry Creditors				
Wages, salaries, and employee benefits	59,525,342	1,172,700	46,133,373	14,564,669
Supplies and consumables used	490,899,576	3,854,000	167,250,503	327,503,073
Maintenance expenses	48,239,348	45,880,704	6,275,000	87,845,052
Other expenses	28,158,562	19,009,800	11,108,500	36,059,862
Sub Total (Sundry creditors)	626,822,828	69,917,204	230,767,375	465,972,657
b) Bunju Claims to be refunded	240,373,875		11,151,000	229,222,875
c) Furniture	3,935,899,200		3,935,899,200	
d) Construction goods and services	-	3,180,373,836		3,180,373,836
Total Trade and Other Payables	4,803,095,903	3,250,291,040	4,177,817,575	3,875,569,368

**NOTE 20. PROVISIONS**

During the financial year the Agency has no new provisions provided for Bad debts. However, the Agency continues to maintain TZS 700,000,000 as the provision for liabilities due to on-going negotiations to formulate addendum of the contract with Issa Said Matta to cease the acquisition of the remaining plots.

Also, the Agency await for the ruling of Ex NASACO case dispute of her houses located at Kurasini and Masaki to effect the payment of TZS 591,000,000.00.

	30.06.2022	30.06.2021
Issa said Matta-Land Kiluvya	700,000,000	700,000,000
NASACO Building	591,000,000	591,000,000
Total Provision	1,291,000,000	1,291,000,000

NOTE 21. TAXPAYER'S FUND

	30.06.2022	30.06.2021
At start of the year	376,135,047,532	376,135,047,532
Additions		-
At the end of the year	376,135,047,532	376,135,047,532

NOTE 22. ACCUMULATED SURPLUS

During the year, the Agency restated the surplus' FY 2021/2022 by recognizing construction cost of Government houses sold, construction cost of Magomeni Kota Project and rehabilitation of Government houses (leaders and rented houses) which led to changes in the respective Accumulated surplus.

	30.06.2022	30.06.2021
At start of the year	246,794,888,222	212,219,375,440
Surplus for the period	43,791,975,001	34,575,512,782
Retained Earnings at the end	290,586,863,223	246,794,888,222



NOTE 23. RECEIPTS

Note 23.1 Revenue from Exchange Transactions

Own source cash collections of TZS 22,567,435,420 are collections from housing provision, consultancy and construction fees and sales of Government houses.

	30.06.2022	30.06.2021
Public rent	3,532,285,075	2,625,632,402
Special Rent	2,650,976,372	3,555,721,667
Consultancy services	16,618,209,389	5,580,183,137
Total Revenue from Exchange Transactions	22,801,470,836	11,761,537,207

Note 23.2 Other Revenue

	30.06.2022	30.06.2021
Miscellaneous income	2,705,441,449	48,863,677
Receipts from Construction services	1,947,277,616	2,360,252,084
Total other revenue	4,652,719,065	2,409,115,761

Note 23.3 Other Receipts

Note 23.3.1 Clients - contracts works

The Agency entered into contracts with various Government Institutions to build various projects every Financial Year through the Department of Construction, Agency received TZS 36,440,172,383 for constructions of ongoing projects and new projects and paid TZS 34,004,239,247 for the same, these payments include opening balance of contract works during the year

	30.06.2022	30.06.2021
Previously balance	1,880,377,954	9,542,321,198
Other receipts during the year	36,440,172,383	29,345,059,133
Total deposit	38,320,550,337	38,887,380,330
Amount spent during the year	(34,004,239,247)	(37,007,002,376)
Balance during the year	4,316,311,090	1,880,377,954



Note 23.3.2 Receipts for rent and service charge.

During the financial year under review, the Agency received an amount of TZS 28,082,969,938.5 from Treasury through the Ministry of Works and Transport as deed of settlement to Ms. Royale Orchard Inn Limited. The fund was in respect for supplying Furniture in Agency's apartment in prior years (refer Note 3.3, Note 4.14 and Note 9.1.3), and Government renting out apartments in Chimara and Chole owned by Ms. Royale Orchard Inn Limited. The amount of furniture (TZS 3,935,899,200) was reflected in Statement of Financial Performance and the amount of rent, service charge and interest (TZS 24,147,070,739) was reflected in the Statement of Cashflow as other receipts.

	30.06.2022	30.06.2021
Received During the Year	28,082,969,939	
Revenue Grants for furniture	(3,935,899,200)	
Total receipts for Rent and Service Charge	24,147,070,739	

Note 23.3.3 Receipts from down payment.

These are funds deposited by various customers as down payments for purchase of Bunju houses and Government Houses, but they fail to meet recognition criteria under IPSAS 9 Paragraph 28 – 30, during the year total amount collected is TZS 571,660,876.

	30.06.2022	30.06.2021
Other Sales down payments	14,955,877	266,827,926
Receipt from Sales of Bunju Houses	556,705,000	292,100,000
Total down payment	571,660,877	558,927,926
Total Other Receipts (Note 23.3.1, 23.3.2 & Note 23.3.3)	61,158,903,999	29,903,987,058

Note 23.4 Revenue Grants

During the financial year under review, the Agency received TZS 53,042,290,224 of which TZS 43,544,833,373 for development activities, TZS 3,935,899,200 was in respect of furniture (Refer Note 4.14 and Note 9.1.3) and TZS 5,561,557,651 recurrent for personal emolument from the Ministry of Works and Transport



	30.06.2022	30.06.2021
Development funds received	43,544,833,373	34,638,903,053
Development funds for furniture	3,935,899,200	
Recurrent Grant received	5,561,557,651	4,758,632,491
Total funds received	53,042,290,224	39,397,535,544

Note 23.5 Fees, fines, penalties and Forfeits.

	30.06.2022	30.06.2021
Receipts from Sales of Government Houses	1,214,806,860	692,880,303
Sale of Bunju houses	971,859,606	472,976,774
Total Fees, fines, penalties and Forfeits	2,186,666,466	1,165,857,077

NOTE 24. PAYMENTS

These are payments made during the financial year under review. Other expenses include Security Service, Telephone charge -Mobile and Internet and mail connections and advertising and publication expenses and others.

Other Payments includes expenses incurred on clients' constructions works, settlement of rent and service charge to Ms. Royale Orchard Inn Limited and refunds of down payment for Bunju houses, these funds are not budgeted in the Agency budget.

	30.06.2022	30.06.2021
Wages, Salaries and Employee Benefits	12,201,145,502	9,667,277,159
Use of Goods and Service	6,335,252,765	4,141,811,874
Other Expenses	1,120,833,546	597,071,375
Maintenance Expenses	424,398,457	258,417,848
Grants, Subsidies, and other Transfer Payments	300,000,000	200,000,000
Total Operating Expenses	20,381,630,270	14,864,578,256
Other Payments (refer Note 24.1)	62,098,360,186	37,007,002,376
Total Payments	82,479,990,456	51,871,580,632



NOTE 25. BORROWING

These are long term borrowing acquired to facilitate capital expenditure for various projects. During the year, the Agency did not acquire new loans from financial institutions.

	30.06.2022	30.06.2021
CRDB BANK	-	3,417,451,726
TIB BANK	-	766,490,079
Total	-	4,183,941,804
Interest on Borrowing		
CRDB BANK	-	207,364,716
Total	-	207,364,716
Grand Total	-	4,391,306,520

NOTE 26. RELATED PARTY TRANSACTIONS AND BALANCE

Related parties comprise of Ministerial Advisory Board, the top Management, and staffs of the TBA who includes Directors and Managers that have significant influence over the Agency's affairs. The following transactions were carried out with related parties:

	30.06.2022	30.06.2021
Salaries	1,527,959,000	1,411,291,303
Contribution to post employment Benefit plan	244,491,510	211,693,695
Other Emoluments	474,574,375	402,956,250
Total	2,247,024,885	2,025,941,248

NOTE 27. INFORMATION ON BUDGET PERFORMANCE

IPSAS 24 requires a public sector entity that is required or elect to make publicly available its approved budget to present budgetary information covering classification and basis adopted in the approved budget, budget period covered, and material difference (variances) between the final budget amount and actual amounts during the year for both revenue and expenditure.



Note 27.1 Budgetary basis.

The budget for financial year 2020/2021 is based on TBA Rolling Strategic Plan, operational policies and relevant Government Circulars. It was also prepared in line with the Medium-Term Expenditure Framework (MTEF) as one of the requirements of the Government Budget Guidelines for Preparation of budget.

Note 27.2 Budgetary period covered.

The budget for financial year 2021/2022 covered a twelve (12) months period starting 1st July 2021 to 30th June 2022.

Note 27.3 Explanation for Material Variances

During implementation of the approved budget for financial year 2021/2022, the Agency noted some material variances (above or below 10%) against its revenue and expenditure budget. Explanation on such variances is given below.

Note 27.4 Fees, fines, penalties and Forfeits

During the year ended 30th June 2022 the Agency received TZS 2,186,666,466 on Sales of Government Houses compared to TZS 3,190,420,000 budgeted equivalent to 69%. The decrease in performance was mainly caused by low collections from repayment of bunju houses.

Note 27.5 Revenue from Exchange Transactions

During the year ended 30th June 2022 the Agency earned TZS 22,801,470,836 on rented houses and consultancy fee compared to TZS 25,761,157,952 budgeted equivalent to 89%. The decrease of TZS 2,959,687,116 was caused by the Agency's mission to provide housing to public servants, hence replaces most of the expired commercial rented houses contract with public rented houses contract to fulfil the Agency's mission due to high demand of public servant houses in Dodoma region.



Note 27.6 Other revenue

During the year ended 30th June 2022 the Agency earned TZS 4,652,719,065 from receipts from Construction Works and miscellaneous revenue compared to TZS 12,308,420,000 budgeted equivalent to 38%. Reduction in construction works was caused by the decision of the Government to open room to private contractors to construct Government houses which increased competition between public and private contractors.

Note 27.7 Other receipts

During the year ended 30th June 2022 the Agency received earned TZS 61,158,903,999 from Contract works – Clients, Ministry of Work and Transport for settlement of rent and service charge to Ms. Royale Orchard Inn Limited and Receipt from Sales of Commercial Houses (Down payment) these funds are not budgeted in the Agency budget and are neither consider as Agency's fund nor Agency's Projects, that is why neither fund from this category has been estimated in the Agency's budget

Note 27.8 Revenue Grants

During the year ended 30th June 2022 the Agency received TZS 53,042,290,224 on Development Grants and settlement of furniture to Ms. Royale Orchard Inn Limited compared to TZS 65,692,365,000 budgeted equivalent to 81%. The decrease of TZS 12,650,074,776 was caused by the under release of development funds by the Government.

Note 27.9 Wages, salaries and employee benefits.

During the year ended 30th June 2022 the Agency incurred TZS 12,201,145,502 as Wages, salaries, and employee benefits equivalent to 81% of the budgeted amount TZS 15,001,596,097. The difference of TZS 2,800,450,595 was mainly due to under release of personal emoluments.



Note 27.10 Use of Goods and Service.

During the year ended 30th June 2022 the Agency incurred TZS 6,335,252,765 as Supplies and consumables equivalent to 62% of the budgeted amount TZS 10,154,791,727. The decrease of expenditure was due to management of consultancy projects from reimbursable funds to TBA.

Note 27.11 Maintenance expenses.

During the year ended 30th June 2022 the Agency incurred TZS 424,398,457 as Maintenance expenses equivalent to 31% of the budgeted amount TZS 1,351,780,457. The low spending was due to effective and efficient of cost management initiatives.

Note 27.12 Other Expenses

During the year ended 30th June 2022 the Agency incurred TZS 1,420,833,546 as other expenses equivalent to 36% of the budgeted amount TZS 3,948,435,490. The decrease of expenditure was due to result of using **Mfumo wa Uhasibu Serikalini 'MUSE'**. MUSE does not have bank transaction costs.

Note 27.13 Other Payments

During the year ended 30th June 2022 the Agency incurred TZS 62,098,360,186 as Contract works from Clients, settlement of rent and service charge to Ms. Royale Orchard Inn Limited and refunds of down payment for Bunju houses. These funds are not budgeted in the Agency budget and are neither considered as **Agency's fund nor Agency's Projects**, that is why neither fund from this category has been estimated in the Agency's budget.

Note 27.14 Development Grants

During the year ended 30th June 2022 the Agency incurred TZS 21,861,975,446 as Development - Grant equivalent to 36% of the budgeted amount TZS 59,991,760,000. The decrease was due to various economic and strategic reasons



Note 27.15 Reconciliation of Cash flow and Budget

The Government through circular No. 07 of 2020/21 adopted reconciliation of actual amount on comparable bases between statement of comparison of budget and actual amounts and cash flow statement as per requirement of IPSAS 24 Para 47.

The analysis of the reconciliation of statement of comparison of budget and actual amounts and statement of cash flows is detailed table no 18 below.

Table 18: Reconciliation of Statement of Comparison of Budget and Actual Amounts and Statement of Cash Flows

Description	Operating	Financing	Investing	Total
Actual Amount on comparable basis as presented in the statement of comparisons of Budget and Actual	61,362,060,134		(37,708,643,306)	23,653,416,827
Basis Differences	-		-	-
Timing Differences	-	-	-	-
Entity Differences	-		-	-
Actual Amount in the statement of Cash Flows	61,362,060,134		(37,708,643,306)	23,653,416,827



NOTE 28. SUMMARY OF MOVEMENTS ON ASSETS

During the year under review, the Agency acquired assets from own source funds TZS 144,484,100.76 as property, Plant and Equipment and TZS 128,356,207.26 monetary recognized Investment asset from Work in Progress, TZS 900,442,248.00 non-monetary from houses received, recognized capital expenditure work in Progress TZS 37,435,802,999 of which TZS 21,861,975,446 from development funds and TZS 15,573,827,553 from own source.

28.1 PROPERTY, PLANT AND EQUIPMENT

		Cost/Revaluation		Additions		Balance		Accumulated depreciation		Carrying Amount	
	Rate	Initial Cost	Monetary	Non Monetary	Total cost as at 30/6/2022	Accumulated Depreciation as at 1/7/2021	Depreciation for the year	Total Accumulated Depreciation	Net Book Value as at 30/6/2022		
2021/2022											
Land	0%	8,216,429,657.06	-	-	8,216,429,657.06	-	-	-	8,216,429,657.06		
Buildings	2%	4,457,263,673.57	-	-	4,457,263,673.57	369,223,193.53	89,145,273.47	458,368,464.00	3,998,895,209.57		
office furniture	8%	821,711,307.68	40,851,627.00	-	862,562,934.68	509,256,232.55	68,737,482.00	577,993,714.54	284,569,220.14		
Household furniture	5%	1,456,223,931.41	-	-	1,456,223,931.41	1,418,994,845.59	20,824,002.22	1,439,818,847.81	16,405,083.60		
office equipment	8%	3,357,060,198.22	19,170,860.04	-	3,376,231,058.26	944,313,770.01	289,338,238.79	1,213,652,008.80	2,162,579,049.46		
Household equipment	8%	176,089,401.00	-	-	176,089,401.00	139,037,780.37	14,087,152.08	153,124,932.45	22,964,468.55		
Machinery	8%	3,265,387,271.07	1,100,000.00	-	3,266,387,271.07	1,557,270,671.94	261,222,981.69	1,818,493,659.63	1,447,893,611.44		
Motor vehicles	6%	7,240,432,159.50	-	-	7,240,432,159.50	5,401,201,159.08	434,425,929.57	5,835,627,088.65	1,404,805,070.85		
Computer and IT equipment	5%	1,139,463,793.60	83,361,613.72	-	1,222,825,407.32	1,036,455,496.01	59,641,493.46	1,096,096,989.47	126,728,417.85		
Total June 2022	0%	30,129,961,393.11	144,484,100.76	-	30,274,445,493.87	11,375,753,152.08	1,217,422,553.28	12,593,175,705.35	17,681,269,788.52		



Tanzania Building Agency (TBA)

2020/2021	Cost/Revaluation		Additions		Balance		Accumulated depreciation		Carrying Amount
	Rate	Initial Cost	Monetary	Non-Monetary	Total cost as at 30/6/2021	Accumulated Depreciation as at 1/7/2020	Depreciation for the year	Total Accumulated Depreciation	
Land	0%	8,216,429,657.06	-	-	8,216,429,657.06	-	-	-	8,216,429,657.06
Buildings	2%	1,268,454,546.63	3,160,809,126.74	-	4,429,263,673.37	280,077,917.06	89,145,273.47	369,223,190.53	4,068,040,483.04
office furniture	8%	816,932,307.68	4,779,000.00	-	821,711,307.68	443,774,209.21	65,482,023.34	509,256,232.55	312,455,075.13
Household furniture	5%	1,456,223,891.41	-	-	1,456,223,891.41	1,346,183,649.03	72,811,196.57	1,418,994,845.60	37,229,085.81
office equipment	8%	3,352,990,198.22	4,130,000.00	-	3,357,060,198.22	675,983,220.82	288,344,543.19	944,313,770.01	2,412,746,428.21
Household equipment	8%	176,089,401.00	-	-	176,089,401.00	124,950,628.29	14,087,162.10	139,037,790.39	37,051,608.62
Machinery	8%	3,265,267,271.07	-	-	3,265,267,271.07	1,298,047,696.26	261,222,981.69	1,557,270,677.94	1,708,016,593.13
Motor vehicles	6%	7,240,432,159.50	-	-	7,240,432,159.50	4,666,715,229.51	434,425,929.57	5,101,201,159.08	1,839,231,000.42
Computer and IT equipment	5%	1,045,438,656.68	94,025,136.92	-	1,139,463,793.60	980,425,304.39	56,680,191.62	1,036,455,496.01	103,008,297.59
Total June 2021		26,866,218,129.45	3,263,749,269.66		30,129,967,399.11	10,314,203,854.65	1,261,549,297.54	11,375,753,152.09	18,754,208,241.02

28.2 INVESTMENT PROPERTY

INVESTMENT PROPERTY

2021/2022	Rate	Initial Cost	Monetary	Non Monetary	Total cost as at 30/6/2022	Accumulated Depreciation as at 1/7/2021	Depreciation for the year	Total Accumulated Depreciation	Net Book Value as at 30/6/2021
Land	0%	298,697,621,000.00	-	118,365,000.00	298,815,986,000.00	-	-	-	298,815,986,000.00
Buildings	2%	138,106,532,845.29	128,356,207.26	782,077,248.00	139,016,966,298.55	8,801,496,416.41	2,764,697,781.01	11,566,194,197.42	127,450,772,101.13
Total June 2022	0%	436,804,153,845.29	128,356,207.26	900,442,248.00	437,832,952,298.55	8,801,496,416.41	2,764,697,781.01	11,566,194,197.42	426,266,758,101.13
Work In Progress	0%	59,089,166,883.99	37,435,802,999.00		96,524,969,882.99				96,524,969,882.99



Tanzania Buildings Agency (TBA)

2020/2021	Rate	Initial Cost	Monetary	Non Monetary	Total cost as at 30/6/2021	Accumulated Depreciation as at 1/7/2020	Depreciation for the year	Total Accumulated Depreciation	Net Book Value as at 30/6/2021
Land	0%	298,697,621,000.00	-	-	298,697,621,000.00	-	-	-	298,697,621,000.00
Buildings	2%	130,095,469,769.03	7,952,721,301.26	68,341,773.00	138,106,532,843.29	6,198,042,654.05	2,603,453,722.37	8,801,496,416.41	129,305,036,426.88
Total June 2021		428,793,090,769.03	7,952,721,301.26	68,341,773.00	436,804,153,843.29	6,198,042,694.05	2,603,453,722.37	8,801,496,416.41	428,002,657,426.88
Work In Progress		42,652,787,332.99	16,845,708,880.70	-	59,089,166,883.99	-	-	-	59,089,166,883.99

28.3 INTANGIBLE ASSETS

2021/2022	Rate	Initial Cost	Monetary	Non Monetary	Total cost as at 30/6/2022	Accumulated Depreciation as at 1/7/2021	Depreciation for the year and impairment	Total Accumulated Depreciation	Net Book Value as at 30/6/2022
Software	25%	652,738,721.14	-	-	652,738,721.14	612,201,410.30	40,537,310.44	652,738,720.74	0.40
Total June 2022	0%	652,738,721.14	-	-	652,738,721.14	612,201,410.30	40,537,310.44	652,738,720.74	0.40

2020/2021	Rate	Initial Cost	Monetary	Non Monetary	Total cost as at 30/6/2021	Accumulated Depreciation as at 1/7/2020	Depreciation for the year and impairment	Total Accumulated Depreciation	Net Book Value as at 30/6/2021
Software	25%	652,738,721.14	-	-	652,738,721.14	546,880,075.45	65,321,335.25	612,201,410.70	40,537,310.44
Total June 2021	0%	652,738,721.14	-	-	652,738,721.14	546,880,075.45	65,321,335.25	612,201,410.70	40,537,310.44

GRAND TOTAL 2021/2022		467,586,853,957.54	272,840,308.02	900,442,248.00	468,760,136,513.56	20,789,450,976.79	4,072,657,644.73	24,812,108,623.52	443,948,027,890.04
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GRAND TOTAL 2020/2021		456,302,047,619.62	11,216,464,564.92	68,341,773.00	467,586,853,957.54	16,859,126,624.04	3,930,324,355.16	20,789,450,979.20	446,797,402,978.34
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