



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



TANZANIA OFFICIAL SEED CERTIFICATION INSTITUTE (TOSCI)

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL
ON THE FINANCIAL AND COMPLIANCE AUDIT FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2024**

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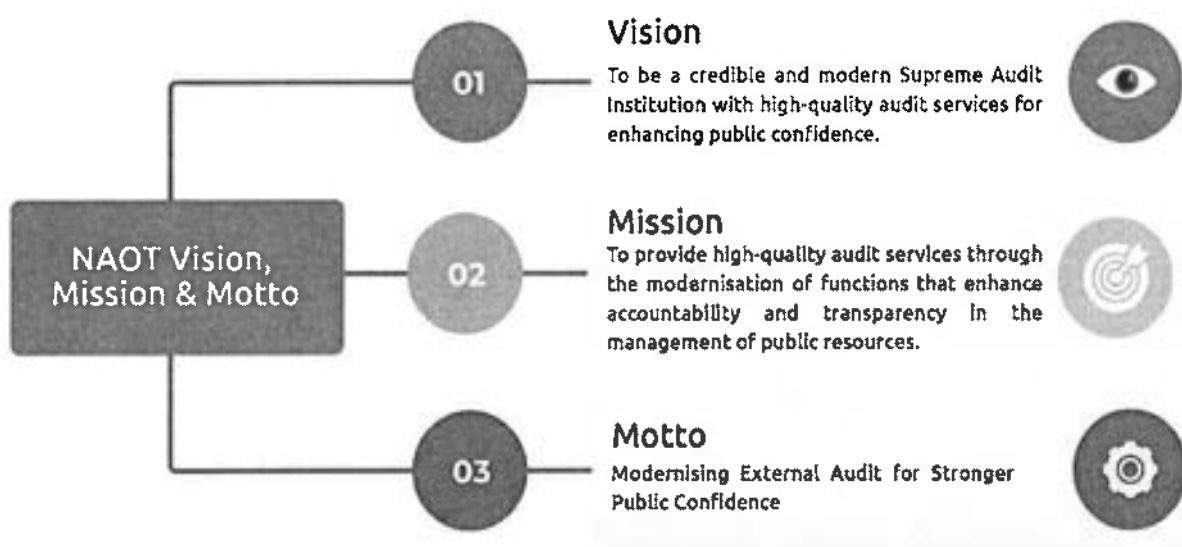
March 2025

AR/CG/TOSCI/2023/24

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.



Independence and objectivity

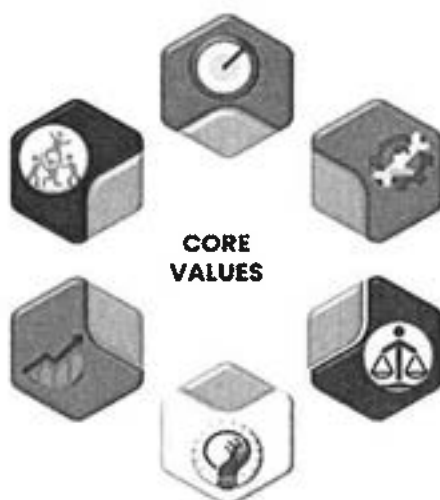
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

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



Professional competence

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

Integrity

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

Creativity and Innovation

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

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

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ABBREVIATIONS

AFDP	Agriculture and Fisheries Development Programme
AGRA	Alliance for a Green Revolution in Africa
AIDS	Acquired Immune Deficiency Syndrome
ASI's	Authorized Seed Inspectors
CAG	Controller and Auditor General
Dr.	Doctorate
DUS	Distinctness Uniformity and Stability
EL	Economic Life
GAVP's	Generally, Acceptance Valuation Principles
HIV	Human Immunodeficiency Virus
ICT	Information Communication Technology
IFAD	International Fund for Agricultural Development
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
ISTA	International Seed Testing Association
MoA	Ministry of Agriculture
MSC.	Masters of Science
NBAA	National Board of Accountants and Auditors
NPT	National Performance Trial
OC	Other Charges
OECD	Organization for Economic Cooperation and Development
PE	Personal Emoluments
PhD	Doctor of Philosophy
PPE	Properties, Plant and Equipment
PSSSF	Public Service Social Security Fund
SUA	Sokoine University of Agriculture
TFSRP	Tanzania Food System Resilience Program
TOAS	TOSCI Online Application Service System
TOSCA	Tanzania Official Seed Certification Agency
TOSCI	Tanzania Official Seed Certification Institute
TZS	Tanzania Shillings
USAID	United States Agency for International Development

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairman of the Board,
Tanzania Official Seed Certification Institute,
P. O. Box 1056
MOROGORO-TANZANIA

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Tanzania Official Seed Certification Institute, which comprise the statement of financial position as at 30 June 2024, the statement of financial performance, the statement of changes in net assets, the 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 Official Seed Certification Institute as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348.

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements".

I am independent of Tanzania Official Seed Certification Institute in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.



Other Information

Management is responsible for the other information. The other information comprises the Report of the management committee for the year ended 30 June 2023 and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon which I obtained before the date of this auditor's report.

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

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

If, based on the work I have performed on the other information that I obtained before 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 based on these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional scepticism 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 to design audit procedures that are appropriate in the circumstances but not to express an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, key audit matters. I describe these matters in my

audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

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

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

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement Laws

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

I performed a compliance audit on the procurement of works, goods, and services in the Tanzania Official Seed Certification Institute for the financial year 2023/24 as per the Public Procurement laws.

Conclusion

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

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 Tanzania Official Seed Certification Institute for the financial year 2023/24 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that the Budget formulation and execution of Tanzania Official Seed Certification Institute 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 2025



2.0 FINANCIAL STATEMENTS

STATEMENT OF THE CHAIRPERSON OF THE BOARD OF DIRECTORS

On behalf of the Board of Directors, I am privileged to submit these Financial Statements and Board of Directors Report summarizing TOSCI's performance for the Financial Year ended 30 June 2024. I am pleased with the performance we have achieved together as an Institute. Among the successes which the Institute has are;

- The Institute has succeeded in implementing the approved Institute's organizational structure and scheme of services.
- The Institute has succeeded in increasing human resources by hiring twelve new employees, which is 12%, in fulfilling its goal of navigating services closer to stakeholders and reaching them on time.
- Approval of developed seed certification standards for seed/seedlings/cuttings of tree, fruit, and sugarcane crops.
- Increase in quantity of seed certified by 13,192.4 (equivalent to 22%) from 58,807.6 MT to 72,000 MT and Increase in application for DUS test by 75 equivalents to 136% (from 55 in the year 2022/23 to 130 for the year 2023/24) and NPT due to rise of application of number of new varieties by 41 equivalent to 200% (from 20 to in the year 2022/23 to 61 for the year 2023/24).

Also, Management has continued to improve the internal control system for revenue collection, which led to an increase in revenue of TZS 604,379,887.09, equivalent to 11% (from TZS 5,333,458,622.80 in the financial year 2022/23 to TZS 5,937,838,509.89 in the year 2023/24).

The application for Seed certification services has improved, and they are currently implemented through the TOSCI Online Application Services (TOAS) system.

I take this opportunity to thank TOSCI Management, all staff, and stakeholders with whom we have worked closely together in developing the seed industry through seed certification activities. I urge them to continue lending their support to realize the increased performance of the seed industry in Tanzania, which will enable farmers to get quality seeds of improved crop varieties.



Prof. Maulid W. Mwatawala,
Board Chairman

THE UNITED REPUBLIC OF TANZANIA
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THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE
2024

1.0 INTRODUCTION

According to the requirement of the Tanzania Financial Reporting Standards (TFRS) No.1- The report by those charged with governance, the Board of Directors of the Tanzania Official Seed Certification Institute (TOSCI) would like to present its Report and Financial Statements for the year ended 30 June 2024, which disclose the state of affairs of the Institute as at that date.

1.1 ESTABLISHMENT/HISTORICAL BACKGROUND

Tanzania Official Seed Certification Institute (TOSCI) is a Government Institution under the Ministry of Agriculture (MoA) established by the Seed Act No. 18 of 2003. TOSCI is responsible for certification variety testing and evaluation of quality agricultural seeds produced or imported into the country for sale.

It is also entrusted with safeguarding the farming community from procuring poor quality or fake seeds from vendors of farm inputs. TOSCI is a result of transformation from Tanzania Official Seed Certification Agency (TOSCA), which was established by the Seed Act 1973, which was repealed in 2003. The transformation of TOSCI from TOSCA resulted from government reform initiatives to increase the efficiency of public institutions. It was also due to the implementation of relevant national policies such as the National Policy on food self-sufficiency, which recognizes seed as one of the priority inputs for development.

The first national seed initiative was the 12-year program conceived and laid down with assistance from USAID (1970 - 1982). This program mainly focused on establishing key institutions needed to produce and control the quality of the seed chain as it flows from the plant breeders as breeder seeds to the farming communities as certified seeds.

The legal and regulatory framework for controlling seed quality includes the Seed Act 2003, Seed Regulations 2007, and the subsequent amendments. TOSCI's headquarters is in Morogoro. The Institute has four Zonal centres located in Arusha, Mwanza, Njombe, and Mtwara.

1.2 PRINCIPAL ACTIVITIES OF TOSCI

The mandate of TOSCI as per Seed Act No. 18, of 2003 includes to:

- a) Conduct seed field inspection.
- b) Effect sampling and testing.
- c) Conduct seed inspections on the premises.
- d) Accredited seed sampling and seed testing laboratories.

- e) Train seed producers, inspectors and analysts
- f) Liaise with other international organizations on seed-related issues.
- g) Carry out a variety of performance tests.
- h) Carry out pre- and post-control tests.
- i) Enforce Seed Act 2003 and promote self-compliance by stakeholders.

1.3 VISION, MISSION, AND CORE VALUES

1.3.1 Vision

A Farming Community with Quality Seed and Planting Material for Productivity and Profitability.

1.3.2 Mission

To control seed quality through variety verification and seed and planting material certification.

1.3.3 Core values

In pursuit of excellence in service, the core values of the TOSCI are: -

- ✓ Quality
- ✓ Leadership
- ✓ Integrity
- ✓ Accountability
- ✓ Collaboration.

1.4 STRATEGIC OBJECTIVES

During the year under review, the Institute completed its fifth-year Strategic Plan 2019/2020 - 2023/24. The Plan has eight objectives with strategic initiatives implementable within 5 years:

- i. To enhance TOSCI's capacity in quality service delivery.
- ii. To strengthen operational structures.
- iii. To expand public contact to TOSCI services.
- iv. Implement regional harmonized seed standards and procedures.
- v. To improve collaborative initiatives with fellow regulatory authorities in the agriculture seed industry and various National and international stakeholders.
- vi. To improve human capital management and financial resources management.
- vii. To reduce HIV/AIDS infection and provide support services.
- viii. To enhance and sustain National Anti-corruption policy and strategies.

1.5 KEY PERFORMANCE INDICATORS

To measure performance and evaluate the success of the above objective and its targets, the following performance indicators will be used:

- i) % of certification statistical reports indicating service delivery success level.
- ii) New crops: The DUS and NPT protocol document is in use.
- iii) % of awareness and compliance campaign programs conducted on evaluation and release procedures.
- iv) % of meetings attended on ISTA laboratory performance and compliance Requirements.
- v) % of training attended on ISTA laboratory performance and compliance.
- vi) % of OECD and ISTA auditing facilitation in Tanzania and a number of staff attended National and International forums.
- vii) E. certification institutionalized.
- viii) TOSCI ICT policy in use.
- ix) Electronic information database in operation.
- x) Scratch-off labels system in operation.
- xi) Two zonal Offices (Arusha and Njombe) were rehabilitated.
- xii) TOSCI reviewed the scheme of service in use.
- xiii) % of management activities performed.
- xiv) % of goods and services procured.
- xv) % of Stock and asset management activities performed.
- xvi) % of sensitization seminars conducted.
- xvii) % of HIV/AIDS protective gear distributed.

1.6 CORPORATE GOVERNANCE

1.6.1 Institute Board of Directors

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

The Board of Directors consists of six members. One of them holds an executive position (Director General) at the Institute. The Board of Directors has overall responsibility for the Institute, including identifying key risk areas, making and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets.

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The Board of Directors is also responsible for ensuring the operation of a comprehensive system of internal control policies and procedures and for compliance with sound corporate governance principles.

The Board of Directors is required to meet at least four times a year. The heads of the Department and Unit are invited to attend the Board of Directors meetings and facilitate the effective control of all the Institute's operational activities. During the financial year 2023/24, the Board of Directors has sat five planned meetings and discussed the following key matters: -.

- i. Implementing the Organizational Structure and Scheme of Service by appointing Directors, Heads of Units, heads of Sections, and Heads of Zone Offices.
- ii. Continue using Information Technology in the provision of seed certifications and control services to facilitate and increase the accessibility of the Institute's services.
- iii. Continue to raise stakeholders' awareness of the seed law and its regulations to strengthen the seed industry.
- iv. Increase revenue source by continuing to expand core functions and finding Development Partners.

The Institute is committed to the principles of effective corporate governance. The Board of Directors Members also recognize the importance of integrity, transparency, and accountability.

1.6.1.1 Composition of the Board of Directors

The members of the Board of Directors of the Institute who have served during the accounting period are:

Table 1: Composition of the Board of Directors

No	Name	Position	Sex	Age	Qualifications	Nationality	Date Of Appointment
1	Prof. Maulid W. Mwatawala	Chairman	Male	54	PhD (Plant Breeding and Genetics)	Tanzanian	10/02/2022
2	Patrick Ngwediagi	Secretary	Male	61	Msc. In Agric. Science (Seed Science & Technology)	Tanzanian	10/02/2022
3	Dr. Fred D. Tairo	Member	Male	57	PhD Planting Virology	Tanzanian	10/02/2022

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No	Name	Position	Sex	Age	Qualifications	Nationality	Date Of Appointment
4	Kisa G. Chawe	Member	Female	37	Msc. Sustainable Agriculture	Tanzanian	10/02/2022
5	Dr. Benignus Valentine Ngowi	Member	Male	50	PhD (Plant Ecology)	Tanzanian	10/02/2022
6	Dr. Mary A. Mgonja	Member	Female	66	PhD (Plant Breeding)	Tanzanian	10/02/2022

1.6.2 Audit Committee

The Institute has established the Audit Committee as per the requirements of Regulation 30 (1) of the Public Finance Regulations of 2001. It has 5 members, 2 of whom are external members, and one of the external members is the Committee's chairperson.

The Audit Committee is required to meet at least four times a year. The heads of the Department and Unit are invited to attend the meetings and facilitate the effective control of all the Institute's operational activities. During the financial year 2023/24, the Audit Committee has sat five planned meetings and discussed the following key matters:

- i) To make a follow-up on implementing the approved Institute's Organization structure.
- ii) Management to put more effort into the collection of outstanding receivables.
- iii) To make a follow-up with the Attorney General's Office to make sure that Official seed Inspectors and Authorized seed Inspectors are Gazetted and issued with identity cards.
- iv) To review the 2nd five Institute Strategic Plan of TOSCI

The Audit Committee is made up of the following members:

Table 2: Audit Committee Composition

S/N	Name	Sex	Qualifications	Title	Date of Appointment
1.	Steven Raphael Benedict	Male	Master in Business Administration and CPA (T)	Chairperson	03/05/2021
2.	Emmanuel Godwin Mwakatobe	Male	Bachelor's degree in Agricultural Education and Extension	Secretary	19/11/2021

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S/N	Name	Sex	Qualifications	Title	Date of Appointment
3.	Charles Kunyonga Matekele	Male	Master of Science in Accounting and Finance and CPA (T)	Member	19/11/2021
4.	Norah Elisamia Lyimo	Female	PhD in Agriculture and Rural Innovations	Member	19/11/2021
5.	Kelvin Clarence Millinga	Male	Master in business administration and Finance Corporate Management	Member	19/11/2021

1.6.3 Management Team

The management of the institute is led by the director general and assisted by the management team. The Management of the Institute at the date of the report consists of the following members:

Table 3: Management Team

S/N	FULL NAME	Sex	POSITION	Qualifications	Date of Appointment
1	Patrick Ngwediagi	Male	Director General	Msc. In Agric. Science (Seed Science & Technology)	02/04/2023
2	George B. Swella	Male	Ag. Director of Seed Certification	Doctor of Philosophy in Agriculture	01/08/2024
3	Matengia M. Swai	Female	Director of Variety Release and Evaluation	Master's Degree of Science in Agricultural Education and Extension	01/04/2024
4	Stanford J. Chijenga	Male	Director of Corporate Services	Master's Degree of Science in Human Resources and PEHR	01/04/2024
5	Avodi K. Kyoma	Male	Ag. Head of Procurement and Management Unit	Master in business administration and Finance Corporate Management.	Not Appointed
6	Juma L. Majegelo	Male	Ag. Chief Internal Auditor	Master in business administration and Finance Corporate Management.	Not Appointed
7	Justin A. Katoto	Male	Head of ICT Unit	Advanced Diploma in Information Technology	01/04/2024

1.7 INTERNAL AUDIT FUNCTION

The Institute has established an independent internal audit function that reports functionally to the Audit Committee and Internal Auditor General and administratively to the Director General.

1.8 ACCOUNTING POLICIES

The accounting policies of the Institute disclosed in the notes to these financial statements have been approved by the Board of Directors. The accounting policies for the revenue from exchange and non-exchange transactions form a significant part of the policies and are disclosed in the notes. The accounting policies have been updated to reflect the new and revised accrual-based International Public Sector Accounting Standards (IPSAS).

1.9 CONTRIBUTION AND DONATION TO THE GOVERNMENT

During the financial year 2023/24, the Institute contributed TZS. 50,000,000 as an annual Contribution to the Government compared to the previous year, 2022/23, in which the Institute contributed TZS. 20,000,000 as an annual Contribution to the Government.

1.10 FUTURE DEVELOPMENT PLANS

The Institute planned to enhance TOSCI's capacity in quality service delivery as follows:

- i) To enhance TOSCI's capacity in quality service delivery.
- ii) To expand the National Seed Laboratory at Head Quarter, construct a new Seed Laboratory in Mwanza and Mtwara and Open a new West Zonal Office in Tabora.
- iii) Implement regional harmonized seed standards and procedures.
- iv) To improve collaborative initiatives with fellow regulatory authorities in the agriculture seed industry, as well as various national and international stakeholders.
- v) TOSCI plans to use sites with irrigation facilities and renovate irrigation structures at Mazimbu.

1.11 PERFORMANCE FOR THE YEAR

During the Financial year 2023/24, the Institute has attained the following major achievements:

- i) Approval and implementation of the Institute Organization structure and scheme of services,
- ii) Increase in the number of employees by about 12.

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- iii) Approval of developed seed certification standards for seed/seedlings/cuttings of tree, fruit, and sugarcane crops.
- iv) Increase in quantity of seed certified by 13,192.4 (equivalent to 22%) from 58,807.6 MT to 72,000 MT.
- v) Increase in application for DUS test by 75, equivalent to 136% (from 55 in the year 2022/23 to 130 for the year 2023/24) and NPT due to rise of application of many new varieties by 41, equivalent to 200% (from 20 to in the year 2022/23 to 61 for the year 2023/24).
- vi) Also, the Management has continued to improve the internal control system in revenue collection, which led to an increase in revenue by TZS 604,379,887.09 (from TZS 5,333,458,622 in the financial year 2022/23 to TZS 5,937,838,509.89 in the year 2023/24).
- vii) The Application for Seed certification services have improved, and they are currently implemented through the TOSCI Online Application Services (TOAS) system.

1.12 CHALLENGES EXPERIENCED AND POSSIBLE INTERVENTIONS

Apart from the major achievements, the Institute faced the following major challenges:

- i) Weather Conditions: During this period, floods affected trials in Lindi (Nachingwea) and Morogoro (SUA). Additionally, drought-impacted maize trials were replanted at the Mlingano station (Tanga).
- ii) Rodent and Bird Infestation: During this period, trials for cassava planted at Mlingano (Tanga) and a sunflower trial planted at Seatondale (Iringa) were affected by rodent and bird infestations, respectively. However, the cassava trial was replanted in a different area within the same station. Unfortunately, due to drought, the trial did not perform well.
- iii) There was a Delay at the beginning of the expansion of the National Seed Laboratory at Head Quarter, which was funded by development partners (IFAD Project) because the construction contract had not been submitted to the IFAD Open System for approval.
- iv) Inflation of US \$ led to a drop in the construction of the Lake Zone seed testing laboratory because its funds were reallocated to another construction activity of a national Seed Testing Laboratory at Head Quarter in Morogoro. The construction of the Lake Zone seed testing laboratory will be covered by another project (Tanzania Food System Resilience Program -TFSRP)
- v) The incidence of fake seeds in the market. The Institute is continuing to combat the stated challenge by initiating various measures, which have received the green light and eventually reduced the number of fake seed incidents in the market.

1.13 LIQUIDITY

The Board of Directors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board of Directors has reasonable expectations that the Institute has adequate resources to continue in operational existence for the foreseeable future.

This is why the institute's current ratio is 1.7, which means that the Institute is able to utilize its current assets efficiently and pay its current liabilities 1.7 times. So, it indicates that the Institute will have no liquidity problems in the next financial year.

1.14 RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors accepts final responsibility for the risk management and internal control systems of the Institute. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis to provide reasonable assurance regarding:

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

The efficiency of any internal control system depends on the strict observance of prescribed measures. Staff always risk non-compliance with such measures. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Institute system is designed to provide the Board of Directors with reasonable assurance that the procedures in place are operating effectively.

The Board of Directors assessed the internal control systems throughout this financial year and believes that they met the accepted criteria. The Management carries out risk and internal control assessments through the Audit Committee.

1.15 EMPLOYEES' WELFARE

1.15.1 Management and Employees' Relationship

There was a continued good relationship between employees and management, as no unresolved complaints were received by Management from the employees, which proved a healthy relationship.

The Institute ensures equal opportunity for employees. It gives equal access to employment opportunities and ensures that the best candidate is appointed to any given

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position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion, and disability, which does not impair the ability to discharge duties.

1.15.2 Training Expenses

Training programs have been and are continually being developed to ensure employees are adequately trained at all levels. The Program focused on raising staff skills to make them more competitive. In implementing the training program, 20 staff attended various short courses to increase their work performance, and 70 staff attended long-term training.

The Institute sponsors all training. During the year, the Institute budgeted TZS 200,770,500.00 for training and spent TZS 117,363,900.00 to improve employees' capacity in terms of technical skills, equivalent to 58% of the estimated budget and effectiveness at work.

1.15.3 Medical Assistance

All staff members are members of the National Health Insurance Services (NHIF). The Institute contributes 3% of each employee's basic salary to this fund.

1.15.4 Health and Safety

The Institute has substantial health and safety measures that ensure that a strong safety culture always prevails. A safe working environment is ensured for all employees and contractors by providing adequate and proper personal protective equipment, training, and supervision, such as condoms, firefighting equipment, gumboot, sanitizers, and gloves.

1.15.5 Persons with Disabilities

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of staff members becoming disabled, every effort is made to ensure that their employment with the Institute continues and appropriate training is arranged. It is the policy of the Institute that training, career development, and promotion of disabled persons should, as far as possible, be identical to that of other employees, though during this financial year, the Institute has no disabled employees.

1.15.6 Employees Benefit Plan

The Institute pays contributions to publicly administered pension plans on a mandatory basis, qualifying as a defined contribution plan. Employees are members of the Public Service Social Security Fund (PSSSF). The Institute contributes 15% of the basic salary of

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each employee to the pension fund, while each employee contributes 5% of the basic salary.

1.16 GENDER PARITY

The Institute had one hundred and twelve (112) employees, of which 84 are male and 28 are female, equivalent to 75% male and 25% female.

1.17 RELATED PARTY TRANSACTIONS

Related party transaction transfers resources or obligations between related parties, regardless of whether a price is charged. The Entity discloses any related party transactions for every financial year, including the remuneration of key management personnel. The Key Management Personnel of the Institute are members of the Board of Directors, the Director General and Directors, Heads of Units and Heads of Sections, and Heads of Zone Offices.

1.18 RELATIONSHIP WITH STAKEHOLDERS

The Institute maintained a good relationship with all stakeholders, including development partners. The Institute also recognizes that effective stakeholder communication is essential to good governance. Following this, the Institute's financial statements will be publicly available.

1.19 STATUTORY AUDITORS

The Controller and Auditor General (CAG) is the statutory auditor for the Institute under the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised in 2005), Section 9 to 12 of the Public Audit Act, 2008 (revised 2000) and Public Finance Act No. 6 of 2001 (revised 2004).

1.20 STATEMENT OF COMPLIANCE

The members of the Board of Directors confirm that the preparation and presentation of the report by those charged with governance and the accompanied financial statements for the year ended 30 June 2024 complies with TFRS 1 and all other statutory legislations relevant to the Institute.

1.21 CAPITAL STRUCTURE

The Institute is 100% owned by the Government of the United Republic of Tanzania (URT) through the (state the name of the parent ministry). Capital Structure comprises the contribution of capital expenditure funds from the Government of URT to the Institute. For the year under review, the capital fund of the Institute remained fixed at TZS: 3,319,062,320.92 as it was in the year 2022/2023.

1.22 FIGHT AGAINST CORRUPTION

During the year under review, the Institute conducted training concerning anti-corruption, which was conducted by Officers from the Preventive and Combating Corruption Bureau (PCCB) as a means of fighting against corruption.

1.23 CORPORATE SOCIAL RESPONSIBILITY

During the year under review, the Institute contributed to TZS. 10,000,000.00 as a corporate social responsibility to the Government, which was donated to support people affected by floods that occurred at Hanang in the Manyara Region.

1.24 RESPONSIBILITY OF THE AUDITOR

The auditor is responsible for assuring the correctness and consistency of every piece of information contained in the report by those charged with governance and those provided in the financial statements.

1.25 RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

It is the responsibility of those charged with governance (The Board of Directors) to prepare financial statements of the Institute that show a true and fair view following applicable standards, rules, regulations, and legal provisions operating in Tanzania.

They are also required to ensure that the Institute maintains proper accounting records that disclose, with reasonable accuracy, its financial position and performance. The Directors are also responsible for safeguarding the Institute's assets and taking reasonable steps to prevent and detect fraud, error, and other irregularities.

1.26 COMMENTARY ON THE FINANCIAL STATEMENT AS AT 30 JUNE 2024

1.26.1 INTRODUCTION

The Financial Statements of the Tanzania Official Seed Certification Institute (TOSCI) record the Institute's performance for the financial year ended 30 June 2024. Below is an overview of the Institute's financial statements for the financial year ended 30 June 2024 as reported in the detailed Statement of financial position, Statement of financial performance (by nature), Statement of change in net assets/equity, Statement of cash flows, Statement of comparison of Budget and Actual amounts and notes to the financial statements together with Analysis of Financial Statements.

1.26.2 REVENUE

1.26.2.1 Proportion of Funds Received

During the year under review, the Institute received revenue from the following:

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SOURCE OF FUNDS	AMOUNT (TZS)	PROPORTION OF REVENUE
Government Subventions	1,738,694,833.29	22 %
Own source	5,937,838,509.89	76%
Donor Funds	110,547,458.37	2 %
TOTAL	7,787,080,801.55	100%

1.26.2.2 Seed Certification Fees

During the financial year 2023/24, the Institute continued to improve its revenue control system by using a new system called TOAS (TOSCI Online Application Services). The system streamlines the application of seed certification services, which increased own-source revenue by TZS 604,380,074.35 (equivalent to 11%) from TZS 5,333,458,435.54 in the financial year 2022/23 to TZS 5,937,838,509.89 in the financial year 2023/24.

1.26.3 EXPENSES

1.26.3.1 Other Expenses

These expenses include Audit fees, Bank Charges and Commissions, Burial Expenses, consultancy fees, Directors fees, Parastatal Rehabilitation, and Sundry Expenses. During the year under review, other expenses were TZS. 343,459,662.31 compared to TZS. 159,511,318.26 for the financial year 2022/23, which was the increase by TZS. 183,948,344.05 (equivalent to 1.15%) caused by the increase in the rate of Board of Directors fees and payment contributions to the Government.

1.26.3.2 Depreciation expenses

Depreciation expenses have decreased by TZS 29,999,380 (equivalent to 14%) from TZS. 202,416,511.00 in the financial year 2022/23 to TZS 173,117,130.74 for the financial year 2023/24. This is due to impairment of assets conducted during the financial year 2023/24.

1.26.3.3 Wages, Salaries, and Employee Benefits

Wages, Salaries, and Employee Benefits expenses have increased by TZS 140,145,163.69 from TZS 1,992,538,941.19 in the financial year 2022/23 to TZS 2,132,684,104.88 in the financial year 2023/24. The variance is due to an increase in salary annual increment, staff promotion, appointment of Substantive Posts, and recruitment of new staff.

1.26.3.4 Use of Goods and Services

Use of Goods and Services expenses have decreased by TZS 23,582,569.61 from TZS 4,784,459,292.71 in the financial year 2022/23 to TZS 4,760,876,723.10 in the financial year 2023/24. The variance is due to decreased in total revenue collected during the year that affected Institute's expenditure.

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1.26.3.5 Maintenance Expenses

Maintenance expenses have decreased by TZS 21,670,572.09 from TZS 254,154,303.66 in the financial year 2022/23 to TZS 232,483,731.57 in the financial year 2023/24. The variance is due to decreased in total revenue collected during the year that affected Institute's expenditure.

1.26.4 ASSETS

1.26.4.1 Cash and Cash Equivalents

Cash and Cash Equivalents have increased by TZS. 1,385,643,467.43 from TZS. 386,034,329.87 in 2022/23 to TZS. 1,771,677,797.30 in 2023/24 due to the non-implementation of AFDP funds for the construction of the TOSCI Building at Head Quarter caused by the non-accomplishment of the procurement process. There was also a delay in the disbursement of TFSRP funds, which were disbursed on 21 June 2024.

1.26.4.2 Prepayments

The prepayments during the year 2023/24 were TZS 29,758,155.00, which was a prepayment for fuel. The prepayment decreased by TZS. 99,200,953.31 (equivalent to 77%) from TZS. 128,959,108.31 in the year 2022/23 to TZS. 29,758,155.00 for the year 2023/24 because in the year 2022/23, there was a prepayment for a motor vehicle TZS 107,995,800.00, in which the motor vehicle was delivered to the Institute in the year under review.

1.26.4.3 Receivables

During the financial year under review, trade receivables reported on the face of financial statements total receivables of TZS 814,719,306.86 equal to the provision of expected credit loss (ECL) of TZS 814,719,306.86 due to adopting of IPSAS 41 which lead all receivables balance to be impaired.

ECL FOR RECEIVABLES

DETAILS	2023/24 (TZS)	2022/23 (TZS)
Trade Receivables	814,719,306.86	1,006,638,649.86
ECL		
Opening Balance	1,006,638,649.86	
Charged during the Year	814,719,306.86	1,006,638,649.86
Closing Balance	814,719,306.86	1,006,638,649.86
Trade Receivables net of ECL	0.00	0.00

IPSAS 41 requires entities to account for potential credit losses considering not only past events, but also current and future events through an Expected Credit Loss (ECL) model. The previous model (IPSAS 29) recognized impairment losses only when there was

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objective evidence of impairment such as a missed payment. This difference in accounting has increased the provision for impairment losses significantly.

The Standard also requires entities to regularly assess whether there has been a significant increase in credit risk since initial recognition. This assessment is often based on changes in credit ratings, payment delays, or qualitative factors indicating financial difficulty. If a significant increase in credit risk is identified, the financial asset moves from Stage 1 (12-month ECL) to Stage 2 (lifetime ECL), and becomes completely impaired leading to a higher ECL recognition. 100% of our trade receivables, most of which are from government entities, fall under stage 2, meaning they are above 365 days old and are completely impaired.

1.26.4.4 Inventories

Inventories include supplies and Consumables not used at the end of the financial year 2023/24. The inventories during the year 2023/24 were TZS 227,927,725.20, which was increased by TZS 90,331,324.20 (equivalent to 66%) compared to TZS 137,596,401.00 of the previous year 2022/23. The increase resulted from the remaining TOSCI labels procured at the end of the financial year 2023/24.

1.26.4.5 Property, Plant and Equipment (PPE)

Property, Plant, and Equipment comprises of Land, Buildings, Plant and Machinery, Motor Vehicles, Furniture and Fittings and Equipment. The carrying value of property, plant, and equipment at the end of 2023/24 was TZS. 3,674,940,670.83 compared to TZS 3,729,112,613.09 in the prior year. TZS decreased the value of Property Plant and Equipment in 2022/23. 130,782,326.89 (equivalent to 4%) due to depreciation charged during the year 2023/24.

1.26.4.6 Impairment of non-current assets

During the financial year 2023/24, the impairment loss of non-current assets increased by TZS by 11,836,119.72 (equivalent to 60%) from TZS. 19,679,243.00 in the financial year 2022/23 to TZS. 31,515,362.72 in the year 2023/24. The increase is due to an additional number of assets tested for impairment.

1.26.5 LIABILITIES

1.26.5.1 Recurrent Deferred Income

In the financial year 2023/24, no recurrent deferred income occurred, and as a result, no figure was reported in the financial position.

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1.26.5.2 Development Deferred Income

The Development Deferred Income was TZS. 1,577,336,949.27 was for AFDP and TFSRP funds. The reasons for the non-spent of funds were non-accomplishment of the procurement process of AFDP funds, which was budgeted for the construction of the TOSCI Building at Head Quarter, and the delay in disbursement of TFSRP funds, which were disbursed on 21 June 2024.

1.26.5.3 Trade and Other Payables

Trade and other payables have decreased due to TZS. 173,084,766.64 (from TZS. 253,669,822.44 to TZS. 80,585,055.80) due to decreased Staff claims.

1.26.5.4 Surplus/deficit

The Statement of Financial Performance shows the increase of surplus by TZS 123,206,094.41 (equivalent to 97%) from TZS 116,410,261.41 of 2022/23 to TZS 239,616,355.82 caused by the decrease of Institute total expenditure and transfers.

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

The Institute published on its website the report by those charged with governance alongside audited financial statements not later than 30 days after the approval of the audited Financial Statements by those charged with governance as per requirement of NBAA pronouncement No.1 of 2018.

1.28 APPROVAL OF THE BOARD OF DIRECTORS REPORT

This report has been approved by Those Charged with Governance on and signed on its behalf by:



Prof. Maulid W. Mwatawala
Board Chairman



Patrick Ngwedagi
Director General

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR THE YEAR ENDED 30 JUNE 2024

Section 30(4) of the Public Finance Act, [CAP 348 R.E 2020] requires Management to prepare financial statements for each financial year, which gives a true and fair view of receipts and payments of the reporting entity at the end of the financial year. It also requires management to ensure the reporting entity keeps proper accounting records, which disclose the reporting entity's financial position with reasonable accuracy at any time. The Management is also responsible for safeguarding the assets of the reporting entity.

The Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the Accrual Basis; International Public Sector Accounting Standard (IPSAS): Financial Reporting under the Accrual Basis of Accounting and in the manner required by Section 30 (4) of the Public Finance Act, [CAP 348].

Procurement of goods, works, consultancy, and non-consultancy services to the extent that they are reflected in these financial statements have been done per the Public Procurement Act, CAP. 410 (R.E 2022) and its Regulations 2013 as amended in 2016. Nothing has come to the attention of the Management to indicate that the Tanzania Official Seed Certification Institute will not remain a going concern for at least the next twelve months from the date of this statement.

To the best of our knowledge, the internal control system has operated adequately throughout the reporting period, and the records and underlying accounts provide a reasonable basis for preparing the Financial Statements for the Financial Year 2023/24. TOSCI Management accepts responsibility for the integrity of the Financial Statements, the information they contain, and their compliance with the Public Finance Act [CAP 348] and instructions from the Treasury.

The Management believes that the financial statements give a true and fair view of the reporting entity's financial affairs. The Management accepts responsibility for maintaining accounting records that may be relied upon in preparing financial statements and for adequate systems of internal financial control.

Management is responsible for safeguarding the reporting entity's assets and, hence, for taking reasonable steps to prevent and detect fraud, error, and other irregularities.


Patrick Ngwediagi
DIRECTOR GENERAL

THE UNITED REPUBLIC OF TANZANIA
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DECLARATION OF THE HEAD OF ACCOUNTS /FINANCE OF TANZANIA OFFICIAL SEED CERTIFICATION INSTITUTE (TOSCI)

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 by a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors and Management in discharging the responsibility of preparing financial statements of an entity showing a true and fair view of the entity's position and performance in accordance with International Public Sector Accounting Standards and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under its responsibility statement provided on pages 6 and 18.

I, Zabia S. Luje being the head of finance and accounts of Tanzania Official Seed Certification Institute (TOSCI) hereby acknowledge my responsibility of ensuring that the Institute's financial statements for the year ended 30 June 2024 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 the Tanzania Official Seed Certification Institute (TOSCI) on that date and that they have been prepared based on properly maintained financial records.

Signed by: 
Position: Acting Chief Accountant
NBAA Membership No.: ACPA 3884

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STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 30th JUNE, 2024

		2023/24	Restated 2022/23
	Note	TZS	TZS
ASSETS			
Current Asset			
Cash and Cash Equivalents	20	1,771,677,797.30	386,034,329.87
Inventories	23	227,927,725.20	137,596,401.00
Prepayments	22	29,758,155.00	128,959,108.31
Total Current Asset		2,029,363,677.50	652,589,839.18
Non-Current Asset			
Property, Plant and Equipment		3,674,940,670.83	3,729,112,613.09
Total Non-Current Asset		3,674,940,670.83	3,729,112,613.09
TOTAL ASSETS		5,704,304,348.33	4,381,702,452.27
LIABILITIES			
Current Liabilities			
Recurrent Deferred Income (Revenue)	25	-	308,220.60
Development Deferred Income (Revenue)	26	1,577,336,949.27	320,958,421.79
Payables and Accruals	24	80,585,055.80	253,669,822.44
Total Current Liabilities		1,657,922,005.07	574,936,464.83
Non-Current Liabilities			
TOTAL LIABILITIES		1,657,922,005.07	574,936,464.83
Net Assets		4,046,382,343.26	3,806,765,987.44
NET ASSETS/EQUITY			
Capital Contributed by:			
Taxpayers/Share Capital		3,319,062,320.92	3,319,062,320.92
Accumulated Surpluses / Deficits		727,320,022.34	487,703,666.52
Total Net Asset/ Equity		4,046,382,343.26	3,806,765,987.44


Prof. Maulid W. Mwatawala
Board Chairman

18/02/2025
Date


Patrick Ngwedagi
Director General

THE UNITED REPUBLIC OF TANZANIA
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TANZANIA OFFICIAL SEED CERTIFICATION INSTITUTE (TOSCI)

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

	Note	2023/24 TZS	Restated 2022/23 TZS
REVENUE			
Revenue from Exchange Transactions			
Seed Certification fees	12	5,937,838,509.89	5,333,458,622.80
Revenue from non-Exchange Transactions			
Amortization of Revenue Grants with Exchequer Revenue	13	1,738,694,833.29	1,629,428,435.54
Donor Fund	14	110,547,458.37	1,600,742,474.68
Fair value gain on assets and liabilities			
Reversal of provision for impairment of Receivables (ECL)	29	191,919,343.00	0
TOTAL REVENUE		7,979,000,144.55	8,563,629,533.02
EXPENSES AND TRANSFERS			
Expenses			
Wages, Salaries and Employee Benefits	15	2,132,684,104.88	1,992,538,941.19
Use of Goods and Service	16	4,760,876,723.10	4,784,459,292.71
Maintenance Expenses	17	232,483,731.57	254,154,303.66
Other Expenses	18	343,459,662.31	159,511,318.26
Depreciation of Property, Plant, and Equipment	27	173,117,130.74	202,416,510.84
Impairment of Non-Current Assets	28	31,515,362.72	19,679,243.00
Expected Credit Loss	47	15,247,073.41	1,014,459,661.95
Total Expenses		7,689,383,788.73	8,427,219,271.61
Transfer			
Grants, Subsidies, and other Transfer Payments	19	50,000,000.00	20,000,000.00
Total Transfer		50,000,000.00	20,000,000.00
TOTAL EXPENSES AND TRANSFERS		7,739,383,788.73	8,447,219,271.61
Surplus for the year		239,616,355.82	116,410,261.41



Prof. Maulid W. Mwatawala
Board Chairman

18/02/2025
Date


Patrick Ngwediagi
Director General

THE UNITED REPUBLIC OF TANZANIA
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STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE, 2024

	Tax Payer's Fund	Accum. Surplus/ (Deficit)	Total
	TZS	TZS	TZS
Opening Balance as at 01 Jul 2023	3,319,062,320.92	487,703,666.52	3,806,765,987.44
Surplus/Deficit for the Year		239,616,355.82	239,616,355.82
Closing Balance as at 30 Jun 2024	3,319,062,320.92	727,320,022.34	4,046,382,343.26
Opening Balance as at 01 Jul 2022	3,319,062,320.92	371,293,405.11	3,690,355,726.03
Surplus/Deficit for the Year		116,410,261.41	116,410,261.41
Closing Balance as at 30 Jun 2023	3,319,062,320.92	487,703,666.52	3,806,765,987.44


Prof. Maulid W. Mwatawala
Chairman

18/02/2025
Date


Patrick Ngwediagi
Director General

THE UNITED REPUBLIC OF TANZANIA
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CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

		2023/24	2022/2023
CASH FLOW FROM OPERATING ACTIVITIES	Note	TZS	TZS
RECEIPTS			
Funds Received	31	3,106,987,654.34	2,160,400,526.59
Certification fees	32	6,129,757,852.89	5,443,679,086.84
Total Receipts		9,236,745,507.23	7,604,079,613.43
PAYMENTS			
Wages, Salaries and Employee Benefits	33	2,306,712,144.88	1,760,796,901.19
Supplies and Consumables Used	34	4,864,334,976.00	4,873,430,213.99
Other Expenses	36	343,459,662.31	159,511,318.26
Maintenance Expenses	35	232,483,731.57	254,154,303.66
Grants, Subsidies and other Transfer Payments	19	50,000,000.00	20,000,000.00
Total Payments		7,796,990,214.76	7,067,892,737.10
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES		1,439,755,292.47	536,186,876.33
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Property, Plant and Equipment	40	(38,864,751.20)	(220,073,500.00)
Total Investing Activities		(38,864,751.20)	(220,073,500.00)
NET CASH FLOW (USED IN) INVESTING ACTIVITIES		(38,864,751.20)	(220,073,500.00)
Net cash Increase		1,400,890,541.27	316,113,376.33
Cash and cash equivalent at the beginning of the period		393,855,341.96	77,741,965.63
Cash and cash equivalent at the end of the period		1,794,745,883.23	393,855,341.96


Prof. Maulid W. Mwatawala
Board Chairman

18/02/2025
Date


Patrick Ngwedlaji
Director General

THE UNITED REPUBLIC OF TANZANIA
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STATEMENT OF CASH FLOWS RECONCILIATION FOR THE PERIOD ENDED 30 JUNE 2024

	2024 TZS	Restated 2023 TZS
Operating activities		
Surplus/ Deficit for the Period	239,616,355.82	116,410,261.41
Add/ (Less) Non Cash Item		
Depreciation of Property, Plant and Equipment	173,117,130.74	202,416,510.84
Expected credit loss	15,247,073.41	1,014,459,662.00
Capital Grant Received Non-Monetary	(3,600,000.00)	(1,384,902,036.42)
fair value gains on assets and liabilities	(191,919,343.00)	-
Impairment of Non-Current Assets	31,515,362.72	19,679,243.00
Add/ (Less) Change in Working Capital		
Recurrent Deferred Income (Revenue)		
Deferred Income (Revenue)	1,256,070,306.88	315,131,652.79
Inventories	(90,331,324.20)	(97,663,048.12)
Other receipts (Unapplied deposit)	5,275,055.80	
Payables and Accruals	(178,359,822.44)	193,567,104.12
Prepayments	(8,794,846.69)	1,300,562.76
Receivables	191,919,343.41	155,786,964.00
Net Cash Flow from Operating Activities	1,439,755,292.47	536,186,876.38

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STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2024

	Original Budget	Final Budget (B)	Actual Amount on Comparison Basis (A)	Different Final Budget & Actual (B-A)	PERCENTAGE OF VARIANCE
	TZS	TZS	TZS	TZS	%
RECEIPTS					
Government Subvention	4,540,887,870.00	4,540,887,870.00	3,106,987,654.34	1,433,900,215.66	32%
Seed certification fees	8,140,863,120.00	8,140,863,120.00	6,129,757,852.89	2,011,105,267.11	25%
Total Receipts	12,681,750,990.00	12,681,750,990.00	9,236,745,507.23	3,445,005,482.77	27%
PAYMENTS					
Wages, Salaries and Employee Benefits	2,634,921,097.00	2,634,921,097.00	2,306,712,144.88	328,208,952.12	12%
Supplies and Consumables Used	6,421,558,393.00	6,421,558,393.00	4,864,334,676.00	1,577,223,717.00	24%
Other Expenses	651,120,820.00	651,120,820.00	343,459,662.31	307,661,157.69	47%
Maintenance Expenses	1,733,950,680.00	1,733,950,680.00	232,483,731.57	1,501,466,948.43	87%
Acquisition of Property, Plant and Equipment	1,190,200,000.00	1,190,200,000.00	38,864,751.20	1,140,501,548.80	97%
Grants, Subsidies and other Transfer Payments	50,000,000.00	50,000,000.00	50,000,000.00	0.00	0%
Total Payment	12,681,750,990.00	12,681,750,990.00	7,835,854,965.96	4,855,121,023.61	38%
Net Receipts/Payments			1,400,890,541.27		


Prof. Maulid W. Mwatawala
Board Chairman

18/02/2025
Date


Patrick Ngwedagi
Director General

NOTES TO THE VARIANCES ON THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

i)Revenue from exchange transactions

The variance between the budgeted amount and the actual amount of TZS 2,011,105,267.11, which is equal to 25%, is caused by forecasted revenue from Seed field Inspection fees and revenues from TOSCI Labels for seed/seedlings/cuttings of trees, fruit, and sugarcane crops that were not collected.

ii)Government subvention

The variance between the budgeted amount and the actual amount of TZS 1,433,900,215.66, which is equal to 32%, was caused by the non-disbursement of funds from donors for the AFDP project due to the non-implementation of some of the Project's activities related to the construction of the TOSCI Building at Head Quarter.

Wages, Salaries and Employee Benefits

The variance between the budgeted amount and the actual amount of TZS 328,208,952.12, which is equal to 12%, is caused by budgeted items, including staff promotion and appointment of Substantive Post at the end of 2023/24. On the other hand, the recruited number of new staff was below the budgeted/expected number.

iii)Acquisition of Property, Plant and Equipment

The variance between the budgeted amount and the actual amount of TZS 1,140,501,548.80, which is equal to 97%, was caused by the non-implementation of some of the Project's activities related to the construction of the TOSCI Building at the Headquarter for AFDP funds because of the non-accomplishment of the procurement process.

iv)Supplies and Consumables Used

The variance between the budgeted amount and the actual amount of TZS 1,577,233,717, which is equal to 24%, is caused by cut-off expenses for seed certification services (printing of labels, seed field inspection, and seed sampling) related to seed/seedlings/cuttings of tree, fruit, and sugarcane crops that were expected to be incurred by the Institute.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1.0 REPORTING ENTITY'S INFORMATION

Tanzania Official Seed Certification Institute (TOSCI) is a government institute under the Ministry of Agriculture, established by the Seed Act No. 18 of 2003. TOSCI is an official regulator of seed quality control and certification. Its development objective is to contribute to national food security by ensuring the availability of quality seeds of improved varieties to farming communities.

This development objective will be achieved by creating greater public awareness, offering timely field inspection, seed sampling and analysis, and verification of new varieties for release to customers through attracting, motivating, and retaining qualified professional staff in areas of seed technology and biological sciences, enforcing Seed Act 2003 and promote self-compliance by stakeholders. Currently, the Institute has five centres: Morogoro, the headquarters, Arusha, Njombe, Mwanza, and Mtwara.

PRINCIPAL PLACE OF BUSINESS

Tanzania Official Seed Certification Institute,
SUA Main Campus,
P. O. Box 1056,
MOROGORO-TANZANIA

BANKERS

Bank of Tanzania (BoT),
P.O. Box 2939,
DAR ES SALAAM - TANZANIA

CRDB Bank PLC (T) Limited,
P.O. Box 268
MOROGORO - TANZANIA

The Manager,
NMB Wami,
P.O Box 2182,
MOROGORO - TANZANIA

DIRECTOR GENERAL

Patrick Ngwediagi,
P. O. Box 2015,
MOROGORO-TANZANIA

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EXTERNAL AUDITORS,

The Controller and Auditor General,
The National Audit Office,
P.O Box 950,
DODOMA-TANZANIA

LAWYERS,

Attorney General,
P.O. BOX 9050,
DAR ES SALAAM-TANZANIA

2.0 BASIS OF PREPARATION

The entity's Financial Statements have been prepared per Public Finance Act Cap 348 and other amendments of 2015, and Comply with the requirements of the International Public Sector Accounting Standards (IPSASs) Accrual Basis.

3.0 AUTHORIZATION DATE

The present financial statements were submitted to the Controller and Auditor General on 31 August 2023 for certification and tabled to the President of the United Republic of Tanzania on 31 March 2024 before being tabled to the Parliament and becoming public, which will become the date of authorization.

4.0 REPORTING ENTITY

The Financial Statements are for the Tanzania Official Seed Certification Institute.

5.0 CHANGE IN ACCOUNTING POLICY

The Institute has adopted IPSAS 41-Financial Instruments, which has substantially modified IPSAS 29 - Financial Instruments. Overall, adopting IPSAS 41 over IPSAS 29 represents a move towards more modern, transparent, and relevant financial reporting practices in the public sector by measuring and classifying financial assets and Liabilities through a principles-based classification model, a forward-looking expected credit loss model. The adoption has a material impact on the Financial Statements.

6.0 THE IMPACT OF CHANGE IN ACCOUNTING POLICY

The impact of adopting IPSAS 41 is that different amounts for Trade Receivables and Cash Balance are reported in previous years due to the emergence of expected credit loss (ECL) in the Financial Statements, as well as initially recognizing them at fair values.

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6.1 TRADE RECEIVABLE

Details			Reasons
Financial Year 2022/23	Trade Receivables (TZS)	Accumulated Surplus/Deficit (TZS)	
Reported Balance	1,006,638,649.86	1,482,030,555.47	Change in Accounting Policy
Expected Credit Loss -Receivable	1,006,638,649.86	(1,006,638,649.86)	
Expected Credit Loss -Cash and Bank Equivalent		(7,821,012.09)	
Reversal of previous provision for doubtful debts		20,132,773.00	
Restated Balance	0.00	487,703,666.52	

6.2 BANK BALANCE

The Institute operates with the following Banks with global ratings and Probability of Default (PD) as provided in the table below.

No	Bank's Name	Rating Agency	Score	Probability of Default (PD)
1	CRDB	B1		2.16%
2	NMB	B1		2.16%

Details		Reason
Financial Year 2022/23	Cash and Bank Balance (TZS)	
Balance c/d	393,855,342.00	Change in Accounting Policy
Expected Credit Loss	7,821,012.09	
Restated Balance	386,034,329.87	

7.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in preparing these financial statements are set out below. Unless otherwise stated, these policies have been consistently applied to all the years presented. The accounting policies adopted, which are consistent with those of previous years, are shown below;

7.1 Functional and presentation currency

Items included in the Entity's financial statements are measured using the primary economic environment in which it operates. That is to say, the functional currency used is Dirhams (DHS), while the presentational currency is Tanzanian shillings. Thus, these financial statements are presented in Tanzanian Shilling (TZS).

7.2 Translation of transactions in foreign currency

Foreign currency transactions have been translated into Tanzanian Shillings using prevailing exchange rates of the dates of the transactions. Either gains or losses occur due to the exchange rate fluctuations have been incorporated in the statement of financial performance.

7.3 Cash and cash equivalents

The cash and cash equivalents in the statement of financial position and statement of cash flows comprise the net cash at the bank for recurrent expenditures and development expenditures only.

7.4 Employment benefits

Employees' benefits include salaries, gratuities, health insurance for local staff, and other related employment costs, which are recognized on the date of occurrence.

7.5 Revenue

7.5.1 Revenue from non-exchange transaction

An inflow of resources from a non-exchange transaction recognized as an asset shall be recognized as revenue and measured at fair value except to the extent that a liability is also recognized to the same inflow.

Revenue is recognized upfront as the stipulations and conditions attached to the transferred funds have been met accordingly, whereas liability is recognized to the part of the fund for which the condition and stipulation for utilization of the funds were not met. The liability should be returned to the consolidated fund at year-end upon failure to satisfy the need as per the budget.

Liabilities from non-exchange transactions are measured by the present value of the amount required to settle the obligation. The Institute recognizes revenue from subvention (funds received from Treasury to pay employees' salaries, operating costs, development projects, and revenue grants) when the event occurs and the asset recognition criteria are met.

To the extent that any unutilized funds during the reporting period would give rise to a liability to be released and matched with next period expenses, deferred income is recognized instead of revenue. The following specific recognition criteria must also be met before revenue is recognized:

7.5.1.1 Government subvention

Government subventions are funds received rather than receivables by the Institute from the Central Government to finance Personal Emoluments (PE), development projects, and other charges (OC), i.e., operating expenses, and development projects during the year. Revenue is recognized when the fund is received.

7.5.1.2 Donor Funds

Donor Funds are funds received rather than receivable by the Institute from development partners to finance operating expenses and development projects during the year. Revenue is recognized when the fund is received.

7.5.2 Revenue from Exchange Transactions

Revenue is recognized to the extent that the economic benefits will probably flow to the Institute and the revenue can be reliably measured.

Revenue is reduced for estimated customer returns, rebates, and other similar allowances. The following specific recognition criteria must also be met before revenue is recognized:

7.5.2.1 Seed Certification Fees

Revenue is recognized from the rendering of service regarding the stage of completion of the transaction at the reporting date, provided the outcome of the transaction can be estimated reliably. If the outcome of the transaction cannot be estimated reliably, revenue must be recognized only to the extent of the expenses recognized that are recoverable.

Seed Certification fees include Seed Importation and Exportation Permit fees, a National Performance trial fee, a DUS test fee, Seed field inspection fees, a Seed Testing fee, Label charges, and a Seed Dealer training fee. Revenue is recognized when services are rendered to the customer and invoiced.

7.5.2.2 Miscellaneous Receipts

Revenue is recognized on an accrual basis when earned.

7.6 Property, Plant and Equipment (Physical Assets/Fixed Assets)

Property, plant, and equipment comprise land, buildings, vehicles, Laboratory equipment, furniture, and fixtures. If an asset has a cost of TZS 100,000 and above, the Entity classifies it as property, plant, and equipment unless otherwise it is expenses in a particular financial year.

7.6.1 Measurements

An item of property, plant, and equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation, and impairment loss. Such costs include the cost of any major repair and replacement parts.

7.6.2 Depreciation of Assets

The Entity has adopted the straight-line method for depreciating its assets on the basis that the service provided is consistent throughout, and it results in a constant depreciation charge over the useful life of the assets, which is recognized in surplus or deficit of the statement of financial performance. However, the depreciation for the newly acquired assets during the year is only charged after attaining one year.

The residual values and useful life of property, plant, and equipment are reviewed and adjusted if appropriate. This is according to the directives of Accounting Circular No. 6 with reference No. EG.3/102/02/03 dated 28/05/2019 on the Preparation of Financial.

Also, through the decision of the Government to use the Cost Model technique in charging the depreciation of its assets by extending its expected useful life according to IPSAS 17 para. 67. The useful lives listed below are consistently applied by the Entity in calculating depreciation effectively from the financial year 2021/22.

Table 4: Useful Life of Assets

Description	Years
Buildings	
Residential	50
Office	50
Plant and machinery	10
Furniture, fixture and equipment	15
Motor vehicles	15
Motor cycle	12
Computer hardware	8

7.6.3 Derecognition

An item of property, plant, and equipment is removed by the Entity from the financial statements when no future service potential is expected from its use, such as the impairment of non-current assets. The asset shall be regarded as being impaired when the Carrying amount of an asset is greater than its Recoverable Value. In other words, a particular asset can no longer provide the entity with the intended service potential.

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The Accounting Officer shall conduct an annual impairment test. Non-cash-generating and non-financial assets were assessed at the reporting date and indicated that they were not impaired.

7.7 Financial Assets

7.7.1 Initial and Subsequent Measurement

Financial assets are initially measured at fair value and subsequently measured as per the following criteria:

- i. The management model within which the Financial Asset is held.
- ii. The characteristics of contractual cash flows are solely payments of Principal and Interest.

7.7.2 Classification of Financial Assets

Classification is based on the criteria mentioned above, as a result, the following classes of financial instruments arise namely;

- i. Financial assets at Amortized Cost,
- ii. Financial asset at Fair Value through Net asset/ Equity, and
- iii. Financial asset at Fair Value through Surplus or Deficit.

7.7.3 Financial Assets at Amortized Cost

Financial Assets are subsequently measured at Amortized Cost if both of the following conditions are met;

- i. The financial asset is held within a management model whose objective is to hold financial assets to collect contractual cash flow and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This includes CASH AND CASH EQUIVALENT

7.7.4 Financial Assets at Fair Value through Net Assets/Equity

Financial assets are subsequently measured at fair value through net assets or equity if both of the following conditions are met;

- i. The financial asset is held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

- ii. The contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

7.7.5 Financial Assets at Fair Value through Surplus/Deficit

Financial Assets are subsequently measured at Fair Value through Surplus /Deficit unless they are measured at amortized costs or fair values through net assets/equity based on the conditions mentioned above.

7.7.6 Impairment of financial assets

The impairment of financial assets is calculated using the expected credit losses model. The Entity recognizes loss allowances {Expected Credit Losses (ECL)} on all financial assets except those measured at FVTSD and credit-impaired financial assets. The Entity uses the ECL approach in determining the impairment of Cash and Cash Equivalent and Receivables.

A loss allowance is calculated at each reporting date. However, the ECL model is updated annually to accommodate any event that might significantly increase credit risks on financial assets. The term 'expected credit loss' does not imply that losses are anticipated but that there is recognition of the potential risk of loss.

Determining whether an expected credit loss should be based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in the credit risk of the financial asset since initial recognition. Loss allowances for ECL are presented in the statement of financial position as follows: Financial assets measured at amortized cost as a deduction from the gross carrying amount of the assets;

7.7.7 Inputs into Measurement of ECLs

The key inputs in measuring ECLs are the discounted product of the probability of default (PD), loss-given default (LGD), and exposure at default (EAD). The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD) or over the remaining lifetime (Lifetime PD) of the obligation.

EAD is based on the amounts the Entity expects to be owed at the time of default, over the next 12 months (12M EAD) or the remaining lifetime (Lifetime EAD). Loss Given Default represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type, and seniority of claim, and availability of collateral or other credit support. LGD is expressed as a percentage loss per exposure unit at the time of default (EAD).

LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD

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is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD, and EAD for each future month and each exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not been prepaid or defaulted in an earlier month).

This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof. The Lifetime PD is developed by applying a maturity profile to the current 12 months.

The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. It is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band.

This is supported by historical analysis:

CASH AND CASH EQUIVALENT

	2023/24 (TZS)	2022/2023 (TZS)
Cash at Bank	1,794,745,882.80	393,855,341.96
Expected Credit Loss:		
Opening	7,821,012.09	
Charged during the year	15,247,073.41	7,821,012.09
Closing	23,068,085.50	7,821,012.09
Cash as per Statement of Net Asset	1,771,677,797.30	386,034,329.87

Analysis of Cash and Cash Equivalent

For the statement of cash flows, cash, and cash equivalent comprises of the following balances with less than the ECL charged during the year.

Details	2023/24 (TZS)	2022/23 (TZS)
Cash as per Statement of Financial Position	1,771,677,797.30	386,034,329.87
Expected Credit Loss	23,068,085.50	7,821,012.09
Gross Cash and Cash Equivalent - Cash Flow Statements	1,794,745,885.80	393,855,341.96

Moreover, the Institute operates with CRDB Bank and NMB Bank with current global ratings of B1 (Stable Outlook) from CRDB and B1 from NMB, which gives a Probability of Default of 0.0216.

7.7.8 Derecognition Financial Assets

The Entity derecognizes a financial asset when:

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- i. The contractual rights to the cash flows from the financial asset expire; or
- ii. It transfers the rights to receive the contractual cash flows in a transaction in which either:
 - ✓ substantially all of the risks and rewards of ownership of the financial asset are transferred, or
 - ✓ the Entity neither transfers nor retains all of the risks and rewards of ownership substantially, and it does not retain control of the financial asset.

When The Entity enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

7.8 Financial liabilities

7.8.1 Recognition

Financial liabilities are recognized when the Entity has a contractual obligation to deliver cash in exchange for goods or services received.

7.8.2 Measurement

Financial liabilities are initially measured at fair value, and net gains and losses, including any interest expense, are recognized as surplus or deficit. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in surplus or deficit. Any gain or loss on derecognition is also recognized in surplus or deficit.

7.8.3 Derecognition

The Entity derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Entity also derecognizes a financial liability when its terms are modified and its cash flows are substantially different, in this case, a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in surplus or deficit

7.8.4 Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event. An outflow of resources embodying economic benefits will probably be required to settle the obligation. A reliable estimate can be made of the

amount of the obligation, and the expense relating to any provision is presented in the surplus/deficit net of any reimbursement.

7.9 Inventories

The Entity recognizes the expenses of inventories when they are issued rather than based on purchases. The Entity applies just-in-time purchasing to goods. Furthermore, the inventories are recognized at lower and current replacement costs.

7.10 Related Party Transactions

A related party transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. The Entity discloses any related party transactions of every financial year, including special funds for facilitating other Government directives.

7.11 Events after the reporting date

Events after the reporting period are favorable and unfavorable events that occur between the end of the reporting period and the date when the financial statements are authorized for issue. There are two types of events after the reporting date, which include adjusting and non-adjusting items as per IPSAS 14 Events after the reporting date. There were no material events to influence the financial statements during the reporting period.

7.12 Taxpayers Funds

These are monies invested to satisfy individual or collective needs or to create future benefits. They include all monies invested in capital expenditures from the Government of Tanzania, and they are derecognized when respective noncurrent assets are removed from the books of accounts.

8.0 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

In applying the Institute's accounting policies, Management uses reasonable judgment in determining the useful lives of non-current assets and, hence, the depreciation rates of the property, plant, and equipment charged. The figures for Property, Plant, and Equipment have been affected by the estimates of impairment loss to non-current assets and judgement on the method for depreciation calculation.

8.1 Review of Useful Life

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During the year 2023/24, management reviewed the asset register of non-current assets. The Management judgement on the reviewed assets seemed to not necessitate changes in the useful life of the existing assets. Instead, the assessment of impairment of non-current assets was required for the two (2) motor vehicles.

8.2 Impairment of Motor Vehicle

The impairment test has been done as required by IPSAS 21. The indicators that led to the recognition of the impairment loss were extensive wear and tear of Motor Vehicles and frequent car breakdowns, which led the Management to organize physical verification, inspection, and assessment for TOSCI Non-current Assets. Afterward, the management decided to conduct an asset impairment test for two motor vehicles.

The impairment loss was assessed by comparing the carrying value and recoverable value. The recoverable value was the value in use, which was determined using the depreciated replacement cost approach.

After comparing the Carrying value and Value in use for the asset, it was found that the asset (DFPA 8110 and DFPA 8109) was impaired because of its Carrying amount of TZS 27,905,006.14 and TZS. 44,791,973.25 are more significant than the Recoverable Value (value in use), which were TZS 24,681,616.67 and TZS. 16,500,000, respectively; as a result, the amount of the impairment loss recognized was TZS 3,223,389.47 for DFPA 8110 and TZS. 28,291,973.25 for DFPA 8109.

9.0 BUDGETARY BASIS, PERIOD AND SCOPE

The approved budget was developed on a cash basis for the period from 01 July 2023 to 30 June 2024. The original budget approved was TZS 12,681,750,990.00, and the final budget was TZS 12,681,750,990.00.

During the period the actual expenditure incurred was TZS 9,236,745,507.23, equivalent to 73% of the final approved budget, while the unutilized budget was TZS 3,445,005,482.77, equivalent to 27% of the final approved budget. The Institute budget for twelve months, from 1 July 2023 to 30 June 2024, has been approved by the Ministry of Agriculture, Treasury Registrar, Ministry of Finance, and the Parliament of the United Republic of Tanzania.

10.0 REVENUE FROM NON-EXCHANGE TRANSACTIONS

During the year 2023/24, the Institute received cash worth TZS. 1,098,984,407.64 from International Fund for Agricultural Development (IFAD) under the Agriculture and Fisheries Development Programme (AFDP). Out of the amount received, TZS. 106,947,458.37 was received with conditions for financing seed certification activities. This fund was recognized as revenue after meeting the conditions, whereas TZS. 992,036,949.27 received for financing the Construction of the building at Head Quarter-Morogoro was recognized as liabilities and measured at the present

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value required to settle the obligation at the reporting date because the obligation was not satisfied.

Also, the Institute acquired an asset (furniture) worth TZS. 3,600,000 from AGRA through non-exchange transactions without conditions or restrictions. The asset acquired was recognized as revenue and measured at fair value at the date of acquisition.

11.0 REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Institute spent TZS 136,390,000.00 as remuneration to the Members of the Board of Directors, Director General, and Management Team.

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	2024/23	Restated 2022/23
NOTE 12: Seed Certification Fees		
Import Fee	45,540,000.00	59,591,300.00
Receipt from Inspection Fees	422,784,575.32	348,191,760.00
Sale Stickers	3,448,196,400.00	3,230,024,265.00
Export fees	2,220,000.00	920,000.00
Receipt from Training and Examination Fees	603,885,457.89	204,832,590.00
Testing Fee	1,412,712,076.68	1,480,298,707.80
Receipt from Conference Facilities	2,500,000.00	9,600,000.00
Total	5,937,838,509.89	5,333,458,622.80

NOTE 13 - Amortization of Revenue Grants with Exchequer Revenue		
Subvention for Other Charges	28,333,333.29	51,243,435.54
Subvention for Personal Emolument	1,710,361,500.00	1,578,185,000.00
	1,738,694,833.29	1,629,428,435.54

NOTE 14- Donor Fund		
AGRA	3,600,000.00	958,410,229.12
IMAGE	-	426,491,807.30
IFAD	106,947,458.37	215,840,438.26
Total	110,547,458.37	1,600,742,474.68

NOTE 15- Wages, Salaries, and Employee Benefits		
Casual Laborers	37,141,020.97	69,871,963.83
Civil Servants	1,710,361,500.00	1,616,789,963.00
Extra-Duty	54,562,100.00	61,764,680.55
Food and Refreshment	15,444,350.00	28,050,000.33
Gratuities	36,620,000.00	24,000,000.00
Honoraria	144,886,893.91	76,893,106.09
Housing allowance	18,600,000.00	9,600,000.00
Leave Travel	17,400,000.00	11,400,000.00
Moving Expenses	9,940,000.00	4,822,000.00
Sitting Allowance	65,915,600.00	83,577,227.39
Special Allowance	2,500,000.00	5,770,000.00
Subsistence Allowance	5,100,000.00	-
Responsibility Allowance	14,212,640.00	-
Total	2,132,684,104.88	1,992,538,941.19

NOTE 16 - Use of Goods and Service		
Advertising and Publication	40,981,200.00	34,400,000.69
Agricultural Chemicals	4,040,240.00	898,500.00
Air Travel Tickets	25,764,719.84	15,865,420.00
Conference Facilities	8,098,000.00	11,768,419.99
Diesel	402,095,247.55	343,744,967.35
Electricity	31,590,000.00	29,320,000.00

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	2024/23	Restated 2022/23
NOTE 12: Seed Certification Fees		
Fertilizers	5,860,360.00	568,800.00
Food and Refreshments	78,457,000.00	139,429,200.00
Ground travel (bus, railway taxi, etc)	99,217,316.80	156,306,886.83
Internet and Email connections	72,000,000.00	76,232,213.02
Newspapers and Magazines		2,820,000.00
Office Consumables (papers, pencils, pens and stationaries)	78,282,613.57	131,494,488.84
Outsourcing Costs (includes cleaning and security services)	102,985,019.64	70,883,413.19
Per Diem - Domestic	2,542,154,309.40	2,346,864,953.63
Per Diem - Foreign	62,634,303.20	49,360,231.04
Posts and Telegraphs	1,665,500.00	1,138,500.00
Printing and Photocopying Costs	1,090,387,852.12	1,236,355,519.25
Printing Material		1,974,600.00
Research and Dissertation	10,000,000.00	15,000,000.00
Special Foods (diet food)	300,000.00	
Subscription Fees	14,232,685.56	8,580,000.00
Training Allowances	8,250,000.00	21,300,578.88
Training Materials	8,147,000.00	14,700,000.00
Tuition Fees	37,991,000.00	47,537,000.00
Uniforms and Ceremonial Dresses	34,660,000.00	27,693,000.00
Water Charges	1,082,355.42	222,600.00
Total	4,760,876,723.10	4,784,459,292.71
NOTE 17- Maintenance Expenses		
Cement, Bricks and Building Materials		26,905,168.00
Direct Labor (contracted or casual hire)	11,711,800.00	1,440,000.00
Metal Fence and Posts	128,500.00	70,700.00
Motor Vehicles and Water Craft	172,028,302.78	181,516,423.75
Photocopiers	2,360,000.00	3,700,000.00
Telephones and Office PABX systems	13,615,000.00	2,251,264.84
Tyres and Batteries	32,640,128.79	38,270,747.07
Total	232,483,731.57	254,154,303.66
NOTE 18- Other Expenses		
Audit fees	40,000,000.00	40,000,000.00
Bank Charges and Commissions	413,458.37	668,638.26
Burial Expenses	5,400,000.00	9,790,000.00
consultancy fees	6,410,000.00	3,302,680.00
Management Fee	77,500,000.00	32,250,000.00
Parastatal Rehabilitation		3,500,000.00

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		Restated 2022/23
NOTE 12: Seed Certification Fees	2024/23	
Sundry Expenses	213,736,203.94	70,000,000.00
Total	343,459,662.31	159,511,318.26
NOTE 19 - Grants, Subsidies, and Other Transfer Payments		
Contributions (15% on Gross Revenue and other contributions)	50,000,000.00	20,000,000.00
Total	50,000,000.00	20,000,000.00
NOTE 20 - Cash and Cash Equivalents		
BoT Own source Collection Account	719,278,961.50	18,506,448.69
Own source Collection Account - CRDB	-	16,670,000.00
Own source Collection Account - NMB	-	5,765,000.00
Own source Development Expenditure	7,541,854.97	28,899,647.90
Own source Recurrent Expenditure GF	73,533,696.11	1,141,762.18
Recurrent Expenditure Cash Account	383,430.15	308,220.60
Unapplied Cash Account	1,970,990.80	1,355,840.80
AFDP -CRDB	992,036,949.27	321,208,421.79
less: Expected Credit Loss	23,068,085.50	7,821,012.09
Total	1,771,677,797.30	386,034,329.87
NOTE 21 - Receivables		
Fees, fines, penalties, and licenses	814,719,306.86	1,006,638,649.86
Less: Provision for Expected Credit Loss	814,719,306.86	1,006,638,649.86
Net Receivables	-	-
NOTE 22 - Prepayments		
Prepayment-Asset	10,833,700.00	118,829,500.00
Prepayment-Fuel	18,924,455.00	10,129,608.31
Total	29,758,155.00	128,959,108.31
NOTE 23 - Inventories		
Consumables	227,927,725.20	137,596,401.00
Total	227,927,725.20	137,596,401.00
NOTE 24 - Payables and Accruals		
Unapplied Deposit Account	5,275,055.80	1,355,840.80
Withholding tax	-	910,000.00
Suppliers debts	5,310,000.00	7,375,941.64

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		Restated 2022/23
NOTE 12: Seed Certification Fees	2024/23	
Staff Claims	70,000,000.00	244,028,040.00
Total	80,585,055.80	253,669,822.44
 NOTE 25 Deferred Income (Revenue)		
Recurrent Deferred Income	-	308,220.60
Total	-	308,220.60
 NOTE 26 Deferred Development (Revenue)		
Development Deferred Income (AFDP)	992,036,949.27	320,958,421.79
Development Deferred Income (TSRP)	585,300,000.00	
Total	1,577,336,949.27	320,958,421.79
 NOTE 27 - Depreciation of Property, Plant and Equipment		
Depreciation of Motor Vehicles (Administrative)	42,990,552.42	53,046,564.34
Depreciation Office buildings and structures	41,238,145.48	19,726,311.47
Depreciation Office Furniture and Fittings	4,268,504.07	4,864,962.79
Other Office Equipment	83,155,172.42	123,313,915.89
Plant and Machinery	1,464,756.35	1,464,756.35
Total	173,117,130.74	202,416,510.84
 NOTE 28 - Impairment of Non-Current Asset		
Motor Vehicle -Impairment	31,515,362.72	19,679,243.00
Total	31,515,362.72	19,679,243.00
 NOTE 29 - Fair value gain on assets and liabilities		
Reversal of provision for impairment of Receivables (ECL)	191,919,343.00	-
Total	191,919,343.00	-
 NOTE 30 - Provision for Expected Credit Loss - Long Term (Receivable)		
Provision of Receivable -ECL	814,719,306.86	1,006,638,649.86
Total	814,719,306.86	1,006,638,649.86
 NOTE 31- SUBVENTION FROM THE GOVERNMENT		
Reported in the Statement of Financial Performance	1,849,242,291.66	3,230,170,910.22
Add/(less) Changes in Deferred Current	308,220.60	5,826,769.00
Add: Development Deferred (Revenue)	1,256,378,527.48	320,958,421.79
Add/less: Changes in Deposit	5,275,055.80	

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	2024/23	Restated 2022/23
NOTE 12: Seed Certification Fees		
Less: Non-Monetary Revenue (2023) PPE Schedule	3,600,000.00	1,384,902,036.42
Cash inflow	3,106,987,654.34	2,160,400,526.59
NOTE 32 -Revenue from exchange transactions		
Reported in the Statement of Financial Performance	5,937,838,509.89	5,333,458,622.80
Add/(less) Changes in Receivable	191,919,343.00	110,220,464.04
Cash inflow	6,129,757,852.89	5,443,679,086.84
NOTE 33- WAGES, SALARIES AND EMPLOYEE BENEFITS		
Reported in the Statement of Financial Performance	2,132,684,104.88	1,992,538,941.19
Add/(less) Changes in Payable (Staff Claims)	174,028,040.00	231,742,040.00
Cash Outflow	2,306,712,144.88	1,760,796,901.19
NOTE 34- SUPPLIES AND CONSUMABLES USED		
Reported in the Statement of Financial Performance	4,760,876,723.10	4,784,459,292.71
Add/(less) Changes in Working Capital (Supplies & Consumables)	103,457,952.90	88,970,921.28
Cash Outflow	4,864,334,976.00	4,873,430,213.99
NOTE 35 - ROUTINE REPAIR AND MAINTENANCE EXPENSES		
Reported in the Statement of Financial Performance	232,483,731.57	254,154,303.66
Add/(less) Changes in Working Capital	-	-
Cash Outflow	232,483,731.57	254,154,303.66
NOTE 36- OTHER EXPENSES		
Reported in the Statement of Financial Performance	343,459,662.31	159,511,318.26
Add/(less) Changes in Working Capital	-	-
Cash Outflow	343,459,662.31	159,511,318.26
NOTE 37 - ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT		
Addition monetary (PPE movement schedule)	38,864,751.20	101,244,000.00
Add: Prepayment Assets	-	118,829,500.00
Cash Outflow	38,864,751.20	220,073,500.00
NOTE 47: ECL expenses		

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		Restated 2022/23
NOTE 12: Seed Certification Fees	2024/23	
Cash and Bank Equivalent	15,247,073.41	7,821,012.09
Receivables		1,006,638,649.86
Total	15,247,073.41	1,014,459,661.95

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NOTE 40: PROPERTY, PLANT AND EQUIPMENT 2023/24

Asset	Land	Office buildings and structures	Motor vehicle	Plant and Machinery	Office and Laboratory Equipment	Furniture and Fittings	TOTAL
	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Currency							
On 1 July 2023	714,474,600.00	2,061,907,273.89	1,430,722,737.94	127,218,019.60	1,951,359,986.70	140,641,660.00	6,426,324,278.13
Additions							
Monetary							
Additions-Non-							
Monetary					30,364,751.20	8,500,000.00	38,864,751.20
Disposal of Assets			107,995,800.00			3,600,000.00	111,595,800.00
Impairments -							
Assets			(31,515,362.72)				(31,515,362.72)
As at 30 June							
2024	714,474,600.00	2,061,907,273.89	1,507,203,175.22	127,218,019.60	1,981,724,737.90	152,741,660.00	6,545,269,466.61
Acc. Depreciation							
and Impairment							
As at 01 July 2023							
Charge during the	0.00	134,416,061.12	943,522,947.99	118,759,858.18	1,402,442,608.85	98,070,188.90	2,697,211,665.04
year- Depreciation							
Disposal of Assets	0.00	41,238,145.48	42,990,552.42	1,464,756.35	83,155,172.42	4,268,504.07	173,117,130.74
As at 30 June							
2024		175,654,206.60	986,513,500.41	120,224,614.53	1,485,597,781.27	102,338,692.97	2,870,328,795.78
Carrying Value -							
30 June 2024	714,474,600.00	1,886,253,067.29	520,689,674.81	6,993,405.07	496,126,956.63	50,402,967.03	3,674,940,670.83

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NOTE 41: PROPERTY, PLANT AND EQUIPMENT 2022/23

Asset	Land	Office buildings and structures	Motor vehicle	Plant and Machinery	Office and Laboratory Equipment	Furniture and Fittings	TOTAL
Currency	TZS	TZS	TZS	TZS	TZS	TZS	TZS
On 1 July 2022	714,474,600.00	986,315,573.27	1,379,986,316.29	127,218,019.60	1,540,805,650.90	140,641,660.00	4,889,441,820.06
Additions Monetary	0.00	0.00	0.00	0.00	101,244,000.00	0.00	101,244,000.00
Additions-non-monetary	0.00	1,075,591,700.62	160,415,664.65	0.00	309,310,335.80	0.00	1,545,317,701.07
Disposal of Assets	0.00	0.00	(90,000,000.00)	0.00	0.00	0.00	(90,000,000.00)
Impairments -Assets	0.00	0.00	(19,679,243.00)	0.00	0.00	0.00	(19,679,243.00)
As at 30 June 2023	714,474,600.00	2,061,907,273.89	1,430,722,737.94	127,218,019.60	1,951,359,986.70	140,641,660.00	6,426,324,278.13
Acc. Depreciation and Impairment							
As at 01 July 2022	0.00	114,689,749.65	980,476,383.65	117,295,101.83	1,279,128,692.96	93,205,226.11	2,584,795,154.20
Charge during the year- Depreciation	0.00	19,726,311.47	53,046,564.34	1,464,756.35	123,313,915.89	4,864,962.79	202,416,510.84
Disposal of Assets	0.00	0.00	(90,000,000.00)	0.00	0.00	0.00	(90,000,000.00)
As at 30 June 2023	0.00	134,416,061.12	943,522,947.99	118,759,858.18	1,402,442,608.85	98,070,188.90	2,697,211,665.04
Carrying Value - 30 June 2023	714,474,600.00	1,927,491,212.77	487,199,789.95	8,458,161.42	548,917,377.85	42,571,471.10	3,729,112,613.09

Controller and Auditor General

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Note 42: RECONCILIATIONS BETWEEN BUDGET AND CASHFLOW

Reconciliation between actual amounts on a comparable basis as presented in the statement of comparison of budget and actual amount in the statement of cash flows (IPSAS 24).

	Operating TZS	Financing TZS	Investing TZS	Total TZS
Actual amount on a comparable basis as presented in budget and actual comparative statement	7,728,907,507.59	0.00	106,947,458.37	7,835,854,965.96
Basis difference	68,082,707.17	0.00	(68,082,707.17)	0.00
Timing difference	0.00	0.00	0.00	0.00
Entity differences	0.00	0.00	0.00	0.00
Actual Amount in the statement of cash flows	7,796,990,214.76	0.00	38,864,751.20	7,835,854,965.96

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ACCOUNTS RECEIVABLE (AGING ANALYSIS)

	Amount	Less than 12 Months	More than 12 Months but less than 24 Months	More than 24 months
	TZS	TZS	TZS	TZS
Receipt from Inspection Fees	639,409,306.86	-	89,379,500.00	550,029,806.86
Seed Importation/Exportation Charges	-	-	-	-
Receipt from Training and Examination Fees	-	-	-	-
Seed Labels	-	-	-	-
Testing Fee	175,310,000.00	-	-	175,310,000.00
Total	814,719,306.86	-	89,379,500.00	725,339,806.86

ACCOUNTS PAYABLE (AGING ANALYSIS)

	AMOUNT	Less than 3 Months	Less than 12 Months	More than 12 months
	TZS	TZS	TZS	TZS
Unapplied Deposit Account	5,275,055.80	5,275,055.80	-	-
Suppliers' debts	5,310,000.00	5,310,000.00	-	-
Staffs claims	70,000,000.00	70,000,000.00	-	-
Total	80,585,055.80	80,585,055.80	-	-

Controller and Auditor General

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Note 43: FUTURE CHANGES IN ACCOUNTING POLICIES

No Standards issued and yet effective up to the date of issuance of the Ministry's financial statements that the Entity reasonably expects to have an impact on disclosures, financial position or performance when applied soon. The Entity assesses and intends to adopt these standards when they become effective.

Note 44: IPSAS 44- Non-current Assets Held for Sale and Discontinued Operations:

In May 2022 IPSASB issued IPSAS 44 that specifies the accounting for assets held for sale and the presentation of discontinued operations. It requires assets that meet the criteria to be classified as held for sale to be:

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

IPSAS 44 will be effective for periods beginning on or after January 1, 2025.

Note 45: IPSAS 46- Measurement.

This standard's objective is to define measurement bases that assist in fairly reflecting the cost of services, operational capacity, and financial capacity of assets and liabilities. The Standard identifies approaches under those measurement bases to be applied through individual IPSAS to achieve the objectives of financial reporting.

An entity that prepares and presents financial statements under the accrual basis of accounting shall apply IPSAS 46, Measurement, to measure assets and liabilities. The measurement requirements described in this Standard apply to both initial and subsequent measurements unless specific guidance is included in the individual IPSAS. IPSAS 46 will be effective for periods beginning on or after January 1, 2025.

Note 46: IPSAS 47- Revenue

IPSAS 47 is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of a binding arrangement. This new Standard provides focused guidance to help entities apply the principles to account for public sector revenue transactions.

To meet this objective requires an entity to consider the terms of the transaction and all relevant facts and circumstances to determine the type of revenue transaction and

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set out the accounting requirements to account for the revenue transaction. IPSAS 47 will be effective for periods beginning on or after January 1, 2026.

LIST OF TRANSACTIONS/BALANCE WITH OTHER GOVERNMENT ENTITIES FOR THE YEAR ENDED 30 JUNE 2024				
No	Goods/services provided	Name of entity received goods/services	TZS Amount received	TZS Receivable balance
1	Seed certification service	Agriculture Seed Agency (ASA)	846,732,868.00	141,137,999.50
2	Seed certification service	Tanzania Agriculture Research Institute (TARI)	147,993,000.00	277,775,754.50
	Total		994,725,868.00	418,913,754.00

No	Goods/services received	Name of entity provided goods/services	Amount Paid	Payables balance
1	Diesel (fuel)	Government Procurement Services Agency (GPSA)	212,590,276.00	-
2	Electricity	Tanzania Electricity Supply Company (TANESCO)	24,000,000.00	-
3	Internet	Tanzania Telecommunication Company Limited (TTCL)	55,782,409.24	-
4	Internet	E-GA	28,243,889.00	-
5	Motor vehicle repairs and maintenance	TEMESA	137,443,351.71	-
6	Subscription fees -NBAA	National Board of Accountants and Auditors (NBAA)	4,450,000.00	-
7	Subscription fees -PPRA	Public Procurement Regulatory Authority (PPRA)	6,700,000.00	-
8	Office consumable	Government Procurement Services Agency (GPSA)	14,950,000.00	-
9	Posts and telegraphs	Tanzania Posts Corporation	1,365,000.00	-
	Totals		485,524,925.95	-