



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



**REPORT OF THE CONTROLLER AND AUDITOR GENERAL**

**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 2023**

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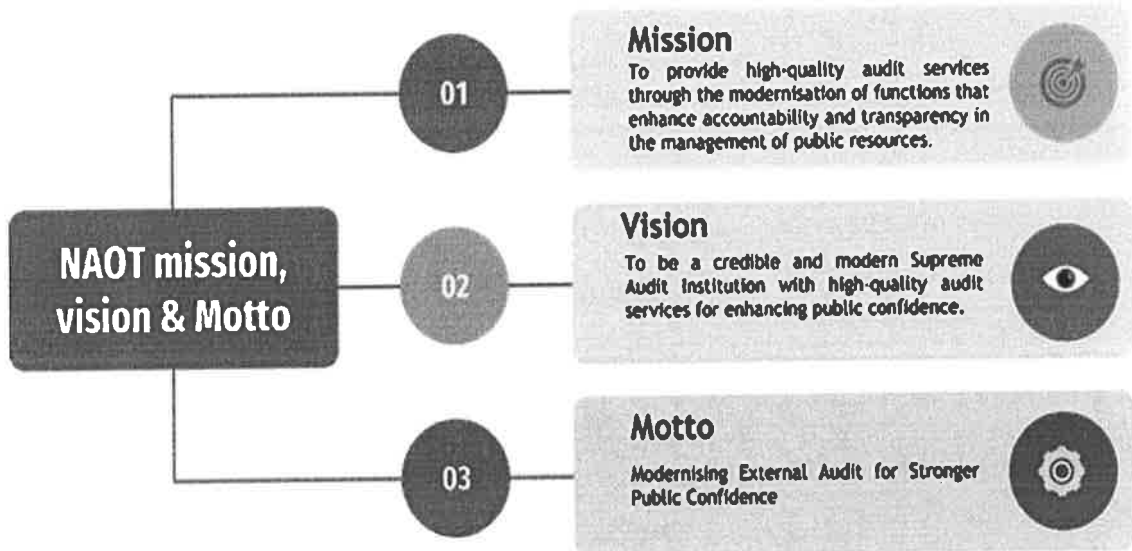
March 2024

AR/CG/TOSCI/2022/23

## About the National Audit Office

### Mandate

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



#### Independence and objectivity

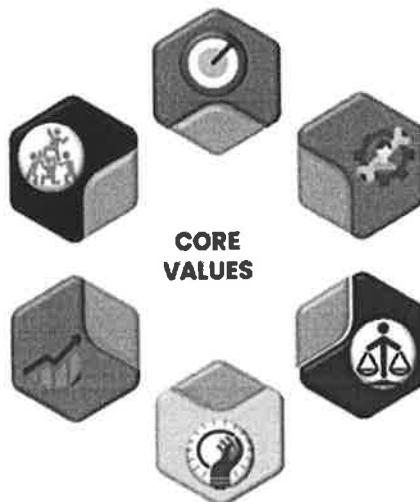
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

#### Teamwork Spirit

We value and work together with internal and external stakeholders.

#### Results-Oriented

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



#### Professional competence

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

#### Integrity

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

#### Creativity and Innovation

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

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## Abbreviations

<b>IPSAS</b>	International Public Sector Accounting Standards
<b>ISSAIs</b>	International Standard of Supreme Audit Institutions
<b>TOSCI</b>	Tanzania Official Seed Certification Institute

## 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 2023, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Tanzania Official Seed Certification Institute as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348.

#### Basis for Opinion

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



Declaration by the Head of Finance but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

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

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

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

#### **Responsibilities of Management and those charged with Governance for the Financial Statements**

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


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

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

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

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

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

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

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

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

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

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

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

## 1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

### 1.2.1 Compliance with the Public Procurement laws

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

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

#### Conclusion

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

### 1.2.2 Compliance with the Budget Act and other Budget Guidelines

**Subject matter: Budget formulation and execution**

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

#### Conclusion

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



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



March 2024



## 2.0 FINANCIAL STATEMENTS

### 2.1 STATEMENT OF THE CHAIRPERSON

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 2023. I am pleased with the performance we have achieved together as an Institute. Among of the success which the Institute had performed are; the Institute Organization structure and scheme of services, set up and uses of TOAS system, construction of new Genetic Library at head quarter has been completed and renovation of office building and wall construction at Southern Highland Zone located at Njombe has been completed.

Also, the Management has improved internal control system in revenue generation which leads to increase in revenue by TZS 1,403,305,002.64 (from TZS 3,930,153,620.16 in the financial year 2021/2022 to TZS 5,333,458,622.80 in the year 2022/2023).

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 landing their support to realize increased performance of the seed industry in Tanzania that will enable farmers to get quality seed of improved crop varieties.



Prof. Maulid W. Mwatawala,  
Chairperson,  
Board of Directors.

18.03.2024.

## **2.2 THE REPORT BY THOSE CHARGED WITH GOVERNANCE AS AT 30 JUNE 2023**

### **2.3 INTRODUCTION**

The Board of Directors presents this report and financial statements for the financial year ended on 30 June 2023 which discloses the state of affairs of the Institute. Report of the Board of Directors has been prepared based on Tanzania Financial Reporting Standards (TFRSs 1) issued by National Board of Accountants and Auditors (NBAA) on 22 June 2020.

### **2.4 LEGAL AND REGULATORY REQUIREMENTS**

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 and variety testing and evaluation of quality agricultural seeds produced or imported into the country for sale. It is also entrusted with safeguarding 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 was a result of government reforms initiatives to increase efficiency of public institutions. It was also due to 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 focused mostly on the establishment of key institutions needed to produce and control 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 headquarter is in Morogoro. The Institute has four Zonal centers located at Arusha, Mwanza, Njombe and Mtwara.

### **2.5 PRINCIPAL ACTIVITIES OF TOSCI**

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

- a) Conduct seed field inspection.
- b) Effect sampling and testing.
- c) Conduct seed inspections in the premises.
- d) Accredited seed sampling and seed testing laboratories.
- e) Train seed producers, seed inspectors and seed analysts
- f) Liaise with other international organizations on seed related issues.
- g) Carry out variety performance tests.

- h) Carry out pre-and post-control tests.
- i) Enforce Seed Act 2003 and promote self-compliance by stakeholders.

## **2.6 VISION, MISSION, AND CORE VALUES**

### **a) Vision**

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

### **b) Mission**

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

### **c) Core values**

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

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

## **2.7 OBJECTIVES, STRATEGIES, TARGETS AND KEY PERFORMANCE INDICATORS OF THE INSTITUTE**

### **a) Objectives**

During the year under review, the Institute completed its fourth-year Strategic Plan 2019/2020 - 2023/2024. The Plan has eight objectives with strategic initiatives implementable within 5 years:

- i) To enhance TOSCI capacity in quality service delivery.
- ii) To strengthen operational structures.
- iii) To expand public contact to TOSCI services.
- iv) Implement regional harmonized seeds 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.

**b) Strategies**

Based on the above Objectives, the Institute intends to employ the following strategies:

- i) Improve Seed Quality Control capacity and provide quality seed certification services.
- ii) Improve Compliance Legislations initiatives.
- iii) Enhance Information and Communication Technology capacity.
- iv) Analyze operational needs.
- v) Design work process.
- vi) Improve operational structures and implementation processes.
- vii) Establish E-certification online portal.
- viii) Establish Certification campaign, to raise awareness.
- ix) Implement regional harmonized seed regulatory standards and guidelines.
- x) Establish monitoring and evaluation plan to track compliance levels.
- xi) Train TOSCI technical staff on the good practices of regional harmonized regulatory initiatives implementation.
- xii) Improve coordination and collaboration commitment with national and international organizations.
- xiii) Maintain a continual improvement approach through sharing knowledge.
- xiv) Devise preventive measures against HIV/AIDS infection.
- xv) Establish support services to staff living with HIV/AIDS.

**c) Targets**

From the strategies above, it is imperative that the following targets or outputs are expected for the realization of the objective:

- i) Targets From the strategies above, it is imperative that the following targets or outputs be expected for the realization of the objective.
- ii) To control Seed Quality by improving services delivery.
- iii) To deliver quality seed certification services.
- iv) To deliver improved awareness and compliance on variety evaluation and released procedure.
- v) To deliver improved awareness and compliance on variety seed legislation.
- vi) To comply with international seed organizations requirements to which TOSCI is a member.
- vii) To improve TOSCI website in its operation.
- viii) To establish the operation of an electronic certification system.
- ix) Electronic Information database in operation by June 2024.
- x) Internal communication infrastructure strengthened by June 2024.
- xi) TOSCI Zonal Offices rehabilitated and expanded by June 2024.
- xii) TOSCI reviewed the scheme of service in use by June 2021.
- xiii) Management operations facilitated by June 2024.
- xiv) Procurement of goods, works, consultancy, and non-consultancy services.
- xv) facilitated by June 2024.

- xvi) Stock and Asset Management facilitated By June 2024.
- xvii) Accounts operations facilitated by June 2024.
- xviii) Sources of income generation diversified by June 2024.
- xix) Electronic Database in Operation by June 2024.
- xx) Risk management framework implemented by June 2024.
- xxi) Training program for TOSCI technical staff on the good practices of regional harmonized regulatory initiatives in operation by June 2024.
- xxii) Competent and qualified staff recruited as per TOSCI job description and staff establishment by June 2024.
- xxiii) Performance Management based on OPRAS training conducted on annual basis in the form of internal workshop to all employees.
- xxiv) Human Resource capacity improved by June 2024.
- xxv) HIV/AIDS Sensitization seminars conducted by June 2024.

d) HIV/AIDS protective gears distributed annually.

**Key Performance Indicator**

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 DUS and NPT protocol document 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 facilitations in Tanzania and number of staffs 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 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.

## 2.8 CORPORATE GOVERNANCE

### 2.8.1 Institute Board of Directors

The Board of Directors consists of six members. One of the members of the Board of Directors holds an executive position (Director General) at the Institute. The Board of Directors has the overall responsibility for the Institute, including responsibility for 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 of Directors 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 is required to meet at least four times a year. The heads of Department and Unit are invited to attend the Board of Directors meetings and facilitate the effective control of all the Institute operational activities. During the financial year 2022/2023 the Board of Directors has sat five (5) planned meetings and discussed the following key matters; -.

- i) The use of information Technology in the provision of seed certifications and control services in order to facilitate and increase the accessibility of services provided by the Institute.
- ii) Continue to provide awareness to stakeholders about the seed law and its regulations in order to strengthen the seed industry.
- iii) Increase revenue source by continuing to expand core functions.

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.

### 2.8.2 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**

S/No	NAME	POSITION	GENDER	AGE	QUALIFICATIONS	NATIONALITY	DATE OF APPOINTMENT
1	Prof. Maulid W. Mwatawala	Chairperson	Male	53	PhD (Plant breeding and Genetics)	Tanzanian	10/02/2022
2	Patrick Ngwediagi	Secretary	Male	60	Msc. In Agric. Science (Seed Science & Technology)	Tanzanian	10/02/2022
3	Dr. Fred D. Tairo	Member	Male	56	PhD Planting Pathology	Tanzanian	10/02/2022

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S/No	NAME	POSITION	GENDER	AGE	QUALIFICATIONS	NATIONALITY	DATE OF APPOINTMENT
4	Kisa G. Chawe	Member	Female	36	Msc. Sustainable Agriculture	Tanzanian	10/02/2022
5	Dr. Benignus Valentine Ngowi	Member	Male	49	PhD (Plant Ecology)	Tanzanian	10/02/2022
6	Dr. Mary A. Mgonja	Member	Female	65	PhD (Plant Breeding)	Tanzanian	10/02/2022

### 2.8.3 Audit Committee

The Institute has the Audit Committee established as per the requirements of Regulation 30 (1) of the Public Finance Regulations of 2001. It has 5 members, whereby 2 of them are external members and one of the external members is a Chairperson to the Committee.

The Audit Committee is required to meet at least four times a year. The heads of 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 2022/2023 the Audit Committee has sat five (5) planned meetings and discussed the following key matters:

- i. To make follow-up the approval of TOSCO Organization structure.
- ii. Internal Audit Unit to extend auditing scope according to Institute Strategic plan

The Audit Committee is made up of the following members:

**Table 2: Audit Committee Composition**

S/N	Name	Qualifications	Title	Date of Appointment
1.	Steven Raphael Benedict	Master in business administration and CPA (T)	Chairperson	03/05/2021
2.	Charles Kunyonga Matekele	Master of Science in Accounting and Finance and CPA (T)	Member	19/11/2021
3.	Emmanuel Godwin Mwakatobe	Bachelor degree of Agricultural Education and Extension	Secretary	19/11/2021
4.	Norah Elisamia Lyimo	PHD in Agriculture and Rural Innovations	Member	19/11/2021
5.	Kelvin Clarence Millinga	Master in business administration and Corporate Management	Member	19/11/2021

#### 2.8.4 Management Team

The Management of the Institute is led by the Director General 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	POSITION
1	Patrick Ngwediagi	Director General
2	George B. Swella	Ag. Director of Seed Certification
3	Matengia M. Swai	Ag. Director of Research and Promotion
4	Stanford J. Chijenga	Ag. Human Resource Manager
5	Zabia S. Luje	Ag. Chief Accountant
6	Avodi K. Kyoma	Ag. Procurement Manager
7	Juma L. Majegelo	Ag. Chief Internal Auditor
8	Justin A. Katoto	Ag. Head of ICT Unit

#### 2.9 INTERNAL AUDIT FUNCTION

The Institute has established an Independent Internal Audit function reporting functionally to the Audit Committee and Internal Auditor General and administratively to the Director General.

#### 2.10 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 forms 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).

#### 2.11 CONTRIBUTION AND DONATION TO THE GOVERNMENT

During the financial year 2022/2023, the Institute contributed to the Government TZS. 70,000,000 as donation for African Food System Forum 2023 and TZS. 20,000,000 as annual Contribution to the consolidated Fund.

#### 2.12 FUTURE DEVELOPMENT PLANS

The Institute Planned to enhance TOSCI capacity in quality service deliver as follows:

- i) To enhance TOSCI capacity in quality service delivery.
- ii) To expand National Seed Laboratory at Head Quarter, construct a new Seed Laboratory in Mwanza and Mtwara.
- iii) Implement regional harmonized seeds standards and procedures.
- iv) To improve collaborative initiatives with fellow regulatory authorities in the agriculture seed industry, and various national and international stakeholders.



- v) TOSCI plans to use sites with irrigation facilities and renovation of irrigation structures at Mazimbu.

## 2.13 PERFORMANCE FOR THE YEAR

During the Financial year 2022/2023, the Institute has attained the following major achievements:

- i) Conduct NPT for 22 different crop varieties and register 57 new crop varieties where by 49 were vegetable varieties and 8 were cereal and forage crops.
- ii) During the financial year 2022/2023 the Institute succeed to improve revenue control system by using new system called TOAS (TOSCI Online Application Services). The system leads to increase in own source revenue by TZS 1,403,305,002.64 (from TZS 3,930,153,620.16 in the financial year 2022/2023 to TZS 5,333,458,622.80 in which huge amount were obtained in supply of labels, training and seed testing services.
- iii) Completion of the construction of Genetic library at Head Quarter. This project is funded by Donor's fund through Image Project.
- iv) Renovation of office building at Southern Highlands Zone located in Njombe region.
- v) Approved Organization Structure and Scheme of Service.
- vi) Seed certification services have improved and resulted to decrease in fake seed complains.
- vii) The institute has purchased one (1) motor vehicle by using own sources funds.

## 2.14 CHALLENGES

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

- a) Non-adherence with regulations during DUS and NPT applications.  
However, the institute continues to train plant breeders and researchers on all issues related to variety evaluation and registration.
- b) Delay in the beginning of the expansion of National Seed Laboratory at Head Quarter funded by development partners (IFAD Project due to delay in the Environment and Social Impact Assessment analysis report. However, the Institute continuing to make follow-up and currently certificate of ECIA has been obtained, so waiting for No-Objection for Tender documents, drawings and bid is granted by Donor (IFAD).
- c) The incidence of fake seeds in the market. The Institute is continuing to combat the stated challenge by initiating various measures which have shown green light and eventually reduced the number of fake seed incidents in the market.

## 2.15 SOLVENCY

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 the reason why the current ratio of the Institute is 2.9 which means that, the Institute has ability to utilize its current assets efficiently and ability to pay its current liabilities 2.9 times. So, it indicates that, the Institute has no liquidity problems in the next financial year.

## **2.16 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 under normal as well as adverse conditions.
- vi) Responsible behaviours towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. 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 is of the opinion that they met accepted criteria. The Management carries out risk and internal control assessment through the Audit Committee.

## **2.17 EMPLOYEES' WELFARE**

### **2.17.1 Management and Employees' Relationship**

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

The Institute ensures that there is equal opportunity for the employees. It gives equal access to employment opportunities and ensures that the best candidate is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion, and disability which does not impair ability to discharge duties.

### **2.17.2 Training Expenses**

Training programs has 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 training program 20 staff attended various short courses to increase their work performance and 15 staffs are attending long term training. All trainings are sponsored by the Institute. During the year, the Institute budgeted TZS 173,270,500.00 for training and spent TZS 98,537,578.88 to improve employee's capacity in terms of technical skills equivalent to 57% of the estimated budget and effectiveness at work.

### **2.17.3 Medical Assistance**

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

### **2.17.4 Health and Safety**

The Institute has strong health and safety measures which ensure that a strong culture of safety 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's gumboot, sanitizers, and gloves.

### **2.17.5 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 members of staff 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 disabilities.

### **2.17.6 Employees Benefit Plan**

The Institute pays contributions to publicly administered pension plans on mandatory basis which qualifies to be a defined contribution plan. Employees are members of Public Service Social Security Fund (PSSSF). The total number of employees during the year was one hundred and three (103). The Institute contributes 15% of basic salary of each employee to pension fund while each employee contributes 5% of basic salary.

## **2.18 GENDER PARITY**

The Institute had one hundred and three (103) employees, out of which 76 are male and 27 are female, this is equivalent to 74% male and 26% female.

## 2.19 RELATED PARTY TRANSACTIONS

All related party transactions and balances are disclosed in Notes 4.2.10 to these financial statements.

## 2.20 RELATIONSHIP WITH STAKEHOLDERS

The Institute continued to maintain a good relationship with all stakeholders including development partners. The Institute also recognizes that effective communication with stakeholders is essential to good governance. Following this, the financial statements of the Institute are publicly available.

## 2.21 STATUTORY AUDITORS

The Controller and Auditor General (CAG) is the statutory auditor for the Institute pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised in 2005), are amended from time to time.

## 2.22 STATEMENT OF COMPLIANCE

The Report is prepared in compliance with the new Tanzania Financial Reporting Standard No. 1 (TFRS No. 1) as issued by the National Board of Accountants and Auditors (NBAA) and became effective from 1 January 2021

## 2.23 APPROVAL OF THE BOARD OF DIRECTORS REPORT

This report has been approved by the Those Charged with Governance has been approved by those charged with governance on ..... and signed on its behalf by:



Prof. Maulid W. Mwatawala  
Chairperson,  
Board of Directors

18.03.2024.



Patrick Ngwediagi  
Director General

## **2.24 AUTHORISATION FOR ISSUE**

The authorized date for issue of Financial Statements to the Public is after receiving opinion from the Controller and Auditor General and the report being tabled to the Parliament.

## **2.25 STATEMENT OF MANAGEMENT RESPONSIBILITY AS AT 30 JUNE 2023**

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 as at the end of the financial year. It also requires Management to ensure the reporting entity keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the reporting entity. The Management is also responsible for safeguarding the assets of the reporting entity.


The Management accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the Accrual Basis; International Public Sector Accounting Standard (IPSAS): Financial Reporting under the Accrual Basis of Accounting, and in the manner required by the 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 in accordance with Public Procurement Act, [CAP. 410] as amended in 2016 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 system of internal control has operated adequately throughout the reporting period and that the records and underlying accounts provide a reasonable basis for the preparation of the Financial Statements for the Financial Year 2022/2023. TOSCI Management accepts responsibility for the integrity of the Financial Statements, the information it contains, and its compliance with the Public Finance Act, [CAP 348] and instructions from the Treasury.

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

The Management is of the opinion that the financial statements give a true and fair view of the state of financial affairs of the reporting entity. The Management accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control. Management is responsible for safeguarding the assets of the reporting entity and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

  
.....  
Patrick Ngwediagi

18.03.2024.

**DIRECTOR GENERAL**

**2.26 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 with 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 to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with 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 page 9 and 10.

I, **Zabia S. Luje** being the **Acting Chief Accountant** of Tanzania Official Seed Certification Institute (TOSCI) hereby acknowledge my responsibility of ensuring that Institute's financial statements for the year ended 30 June 2023 has 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:.....  18.03.2024.

Position: Acting Chief Accountant

NBAA Membership No.: ACPA 3884

## **2.27 COMMENTARY ON THE FINANCIAL STATEMENT AS AT 30 JUNE 2023**

### **REVENUE**

#### **2.27.1 Seed Certification Fees**

During the financial year 2022/2023 the Institute succeed to improve revenue control system by using a new system called TOAS (TOSCI Online Application Services). The system leads to increase in own source revenue by TZS 1,397,805,002.64 from TZS 3,926,053,620.16 in the financial year 2021/22 to TZS 5,323,858,622.80 in financial year 2022/23.

#### **Use of goods and services**

These expenses consist of the value of goods and services used in the provision of services. During the year under review total expenditure for Supplies and Consumables was TZS. 4,784,459,292.71 compared to TZS. 3,181,088,825.97 for financial year 2021/2022. Among the reasons for increase of TZS. 1,603,370,466.74 on use of goods and services in the year ended 30 June 2023 was an increase of number of labels demanded which leads to increase in printing costs of electronic seed labels and other running costs of the Institute including follow-up of core activities.

#### **2.27.2 Maintenance Expenses**

These expenses are related to the cost of routine repairs and maintenance of fixed assets. Total expenditure with regard to routine maintenance and repairs expenses for the year under review was TZS. 254,154,303.66 compared to TZS. 205,339,091.49 for 2021/2022 being an increase of TZS. 48,815,212.17. The increase resulted from an increase in cost incurred in repair of Nane-Nane building located in Morogoro and maintenance of Motor Vehicles.

#### **2.27.3 Other Expenses**

These expenses include Audit fees, Bank Charges and Commissions, Burial Expenses, consultancy fees, Directors Fee, Parastatal Rehabilitation, and Sundry Expenses. During the year under review, other expenses was TZS. 159,511,318.26 compared to TZS. 66,021,016.24 for financial year 2021/2022 which was the increased by TZS. 93,490,302.02 caused by the changes in the rate of Board of Directors fees, Audit fees and Donation to the Government.

#### **2.27.4 Depreciation expenses**

Depreciation expenses have decreased by TZS. 271,422,720.02 (from TZS. 473,839,230.86 in the financial year 2021/2022 to TZS 202,416,511.00 for the financial year 2022/23). The decrease is due to a review of the useful life of the assets.



## **27.5 Wages, Salaries and Employee Benefits**

Wages, Salaries and Employee Benefits expenses have increased by TZS. 311,404,504.73 (from TZS. 1,681,134,436.46 in the financial year 2021/2022 to TZS 1,992,538,941.19 in the financial year 2022/23). The variance is due to an increase of salary annual increment and staff promotion.

## **2.28 ASSETS**

### **2.28.1 Cash and Cash Equivalents**

Cash and Cash Equivalents have increased by TZS. 316,113,376.85 (from TZS. 77,741,965.11 to 393,855,341.96) due to non-implementation of AFDP funds for renovation of TOSCI Building at Head Quarter caused by delay of obtaining Certificate for Environment and Social Impact Assessment (ESIA). But currently certificate of ESIA has been obtained, now the Institute is waiting for No-Objection for Tender documents, drawings and bids to approved by Donor (IFAD).

### **2.28.2 Prepayments**

Prepayments include prepayment of motor vehicle and fuel. The prepayments during the year 2022/23 were TZS 128,959,108.31 while the previous year receivables were TZS. 171,845,836.24 which was decreased by TZS. 42,886,727.93 compared to the previous year 2021/22.

### **2.28.3 Receivables**

Receivables includes receivables from exchange transaction. During the year under review the receivables were TZS. 1,006,638,649.86 compared to TZS. 1,162,425,613.90 of the previous year 2021/2022 which was decreased by TZS. 155,786,964.04.

### **2.28.4 Inventories**

Inventories include supplies and Consumables not used at the end of the financial year 2022/2023.

The inventories during the year 2022/23 were TZS 137,596,401.00 which was increased by TZS 97,663,048.16 compared to TZS 39,933,352.84 of the previous year 2021/2022. The increase resulted from the remaining laboratory chemical reagent procured by EAC Funds.

### **2.28.5 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 the year 2022/23 was TZS. 3,729,112,613.09 compared to

TZS 2,304,646,665.86 in the prior year. The value of Property Plant and Equipment in 2022/23 was higher by TZS. 1,424,465,947.23 due to construction of new buildings, purchase of Motor vehicle and Equipment.

## **2.29 LIABILITIES**

### **2.29.1 Recurrent Deferred Income**

The Recurrent Deferred Income of TZS. 308,220.60 shown in the Financial Position represent the values of salaries deduction of employees for the month of June,2023 which were not paid at the end of the year.

### **2.29.2 Development Deferred Income**

The Development Deferred Income TZS. 320,958,421.79 was for AFDP funds which were not spent at the end of the year due to delay of obtaining Certificate for Environment and Social Impact Assessment.

### **2.29.3 Trade and Other Payables**

Trade and other Payables have increased by TZS. 193,567,104.12 (from TZS. 60,102,718.32 to TZS. 253,669,822.44) due to Staff salary Arrears and other claims.

## **2.30 Surplus/deficit**


The Statement of Financial Performance show the huge amount of surplus which has increased by TZS 1,018,568,690.62 (From a deficit of TZS 92,168,459.74 to surplus of TZS 1,110,737,150.36) due to revenue from non-exchange transaction received from Donors as asset without stipulation.

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

**FINANCIAL STATEMENTS**

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

	Note	2022/23 TZS	2021/22 TZS
<b>ASSETS</b>			
<b>Current Asset</b>			
Cash and Cash Equivalents	21	393,855,341.96	77,741,965.11
Inventories	24	137,596,401.00	39,933,352.84
Prepayments	23	128,959,108.31	171,845,836.24
Receivables	22	<u>1,006,638,649.86</u>	<u>1,162,425,613.90</u>
<b>Total Current Asset</b>		<b>1,667,049,501.13</b>	<b>1,451,946,768.09</b>
<b>Non-Current Asset</b>			
Property, Plant and Equipment	44	3,729,112,613.09	2,304,646,665.86
<b>Total Non-Current Asset</b>		<b>3,729,112,613.09</b>	<b>2,304,646,665.86</b>
<b>TOTAL ASSETS</b>		<b>5,396,162,114.22</b>	<b>3,756,593,433.95</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Recurrent Deferred Income (Revenue)	26	308,220.60	6,134,989.60
Development Deferred Income (Revenue)	27	320,958,421.79	-
Trade and Other Payables	25	253,669,822.44	60,102,718.32
Provisions	31	20,132,773.00	
<b>Total Current Liabilities</b>		<b>595,069,237.83</b>	<b>66,237,707.92</b>
<b>TOTAL LIABILITIES</b>		<b>595,069,237.83</b>	<b>66,237,707.92</b>
<b>Net Assets</b>		<b><u>4,801,092,876.39</u></b>	<b><u>3,690,355,726.03</u></b>
<b>NET ASSETS</b>			
<b>Capital Contributed by:</b>			
Taxpayers' fund		3,319,062,320.92	3,319,062,320.92
Accumulated Surplus		<u>1,482,030,555.47</u>	<u>371,293,405.11</u>
<b>Total Net Asset</b>		<b><u>4,801,092,876.39</u></b>	<b><u>3,690,355,726.03</u></b>

  
.....  
Prof. Maulid W. Mwatawala  
Chairperson,  
Board of Directors


18.03.2024.

  
.....  
Patrick Ngwediagi  
Director General

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

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

		2022/23	2021/22
	Note	TZS	TZS
<b>REVENUE</b>			
<b>Revenue from Exchange Transactions</b>			
Seed Certification fees	12	5,323,858,622.80	3,926,053,620.16
Other Revenues	13	9,600,000.00	4,100,000.00
<b>Revenue from Non-Exchange Transactions</b>			
Amortization of Revenue Grants with Exchequer Revenue	14	1,629,428,435.54	1,462,613,259.20
Donor Fund	15	1,600,742,474.68	149,487,262.00
<b>TOTAL REVENUE</b>		<b>8,563,629,533.02</b>	<b>5,542,254,141.36</b>
<b>EXPENSES AND TRANSFERS</b>			
<b>Expenses</b>			
Wages, Salaries and Employee Benefits	16	1,992,538,941.19	1,681,134,436.46
Use of Goods and Service	17	4,784,459,292.71	3,181,088,825.97
Maintenance Expenses	18	254,154,303.66	205,339,091.49
Other Expenses	19	159,511,318.26	66,021,016.24
Depreciation of Property, Plant and Equipment	28	202,416,510.84	473,839,230.86
Impairment of Non-Current Assets	29	19,679,243.00	0.00
Impairment of Receivables	30	20,132,773.00	0.00
<b>Total Expenses</b>		<b>7,432,892,382.66</b>	<b>5,607,422,601.02</b>
<b>Transfer</b>			
Grants, Subsidies, and other Transfer Payments	20	20,000,000.00	27,000,000.08
<b>Total Transfer</b>		<b>20,000,000.00</b>	<b>27,000,000.08</b>
<b>TOTAL EXPENSES AND TRANSFERS</b>		<b>7,452,892,382.66</b>	<b>5,634,422,601.10</b>
<b>Surplus /(Deficit) for the year</b>		<b>1,110,737,150.36</b>	<b>(92,168,459.74)</b>

  
.....  
Prof. Maulid W. Mwatawala  
Chairperson,  
Board of Directors

18.03.2024.

  
.....  
Patrick Ngwediagi  
Director General

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

**STATEMENT OF CHANGES IN NET ASSET FOR THE YEAR ENDED 2023**

	Taxpayer's Fund	Accumulated Surplus/ (Deficit)	Total
	TZS	TZS	TZS
Opening Balance as at 1 Jul 2022	3,319,062,320.92	371,293,405.11	3,690,355,726.03
Surplus/Deficit for the Year	-	1,110,737,150.36	1,110,737,150.36
Closing Balance as at 30 Jun 2023	3,319,062,320.92	1,482,030,555.47	4,801,092,876.39
Opening Balance as at 1 Jul 2021	3,319,062,320.92	463,461,864.85	3,782,524,185.77
Surplus/Deficit for the Year	-	(92,168,459.74)	(92,168,459.74)
Closing Balance as at 30 Jun 2022	3,319,062,320.92	371,293,405.11	3,690,355,726.03



Prof. Maulid W. Mwatawala  
Chairperson,  
Board of Directors

18.03.2024.




Patrick Ngwediagi  
Director General

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2022/23 TZS	2021/22 TZS
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>RECEIPTS</b>			
Receipts from non-exchange transactions	32	2,160,400,526.59	1,468,748,248.70
Receipts from exchange transactions	33	5,443,679,086.84	3,959,313,505.32
<b>Total Receipts</b>		<b>7,604,079,613.43</b>	<b>5,428,061,754.02</b>
<b>PAYMENTS</b>			
Wages, Salaries and Employee Benefits	34	1,760,796,901.19	1,668,848,436.46
Supplies and Consumables Used	35	4,873,430,213.99	3,168,091,558.00
Other Expenses	37	159,511,318.26	66,021,016.24
Maintenance Expenses	36	254,154,303.66	205,339,091.49
Grants, Subsidies and other Transfer Payments	20	20,000,000.00	27,000,000.08
<b>Total Payments</b>		<b>7,067,892,737.10</b>	<b>5,135,300,102.27</b>
<b>Net Cash Flow from Operating Activities</b>		<b>536,186,876.33</b>	<b>292,761,651.75</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of Property, Plant and Equipment	38	220,073,500.00	274,927,283.10
<b>Net Cash Flow from Investing Activities</b>		<b>220,073,500.00</b>	<b>274,927,283.10</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>Net Cash Flow from Financing Activities</b>		<b>-</b>	<b>-</b>
<b>Net Increase</b>		<b>316,113,376.33</b>	<b>17,834,368.65</b>
Cash and cash equivalent at beginning of period		77,741,965.63	59,907,596.98
<b>Cash and cash equivalent at end of period.</b>		<b>393,855,341.96</b>	<b>77,741,965.63</b>

  
.....  
Prof. Maulid W. Mwatawala  
Chairperson,  
Board of Directors


18.03.2024.

  
.....  
Patrick Ngwediagi  
Director General

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

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT AS AT 30 JUNE 2023**

	Original Budget	Final Budget (B)	Actual Amount on Comparison Basis (A)	Difference Final Budget & Actual (B-A)
	TZS	TZS	TZS	TZS
<b>RECEIPTS:</b>				
Revenue from exchange transactions	6,119,223,140.00	6,119,223,140.00	5,443,679,086.84	675,544,053.16
Receipts from non-exchange transactions	4,531,197,092.00	4,531,197,092.00	2,160,400,526.59	2,370,796,565.41
<b>Total Receipts</b>	<b>10,650,420,232.00</b>	<b>10,650,420,232.00</b>	<b>7,604,079,613.43</b>	<b>3,046,340,618.57</b>
<b>PAYMENTS:</b>				
Maintenance Expenses	307,930,000.00	307,930,000.00	254,154,303.66	53,775,696.34
Other Expenses	189,420,000.00	189,420,000.00	159,511,318.26	29,908,681.74
Supplies and Consumables Used	4,932,883,500.00	4,932,883,500.00	4,873,430,213.99	59,453,286.01
Wages, Salaries and Employee Benefits	3,543,597,364.00	3,543,597,364.00	1,760,796,901.19	1,782,800,462.81
Acquisition of Property, Plant and Equipment	1,576,589,368.00	1,576,589,368.00	220,073,500.00	1,356,515,868.00
Grants, Subsidies and other Transfer Payments	100,000,000.00	100,000,000.00	20,000,000.00	80,000,000.00
<b>Total Payment</b>	<b>10,650,420,232.00</b>	<b>10,650,420,232.00</b>	<b>7,287,966,237.10</b>	<b>3,362,203,994.89</b>
<b>Net Receipts</b>			<b>316,113,376.32</b>	

  
.....  
Prof. Maulid W. Mwatawala  
Chairperson,  
Board of Directors

13.03.2024.

  
.....  
Patrick Ngwediagi  
Director General

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

**i. Revenue from exchange transactions**

The variance between budgeted amount and actual amount of TZS 675,544,053.16 because of fewer number of applicants than estimated.

**ii. Government subvention**

The variance between budgeted amount and actual amount of TZS 2,370,796,565.41 was caused by non-disbursement of budgeted funds from Government to cover transfers and promotion for the year ended 30 June 2023 and non-disbursement of fund from donors for AFDP project.

**iii. Wages, Salaries and Employees Benefits**

The variance between budgeted amount and actual amount of TZS 1,782,800,462.81 was caused by non-disbursement of budgeted funds from Government to cover transfers and promotion of existing employees' expenses for the year ended 30 June 2022 and own sources collected was less than the budgeted amount.

**iv. Acquisition of Property, Plant and Equipment**

The variance between budgeted amount and actual amount of TZS 1,356,515,868.00 was caused by non-disbursement of Donor Funds (IFAD).



### **3.0 NOTES TO THE FINANCIAL STATEMENTS AS AT 30 JUNE 2023**

#### **3.1 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 in seed quality control and certification.

The development objective of TOSCI is to contribute to national food security through ensuring availability of quality seed of improved varieties to farming communities.

This development objective will be achieved by creating a greater public awareness, offering timely field inspection, seed sampling and analysis, 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 centers: Morogoro, which is 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**

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

**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**

## **3.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **3.2.1 Basis of Preparation**

The Financial Statements have been prepared in accordance with the requirements of International Public Sector Accounting Standards (IPSAS) for Accrual Basis of Accounting; the measurement bases applied is original cost.

The financial statement has been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period. The Financial Statements are presented in Tanzania Shillings (TZS).

### **3.2.2 Reporting Entity**

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

### **3.2.3 Reporting Period**

The reporting period of these Financial Statements is from 1 July 2022 to 30 June 2023.

### **3.2.4 Cash**

Cash comprises cash on bank and cash equivalents. Cash equivalents are short-term, highly liquid investments, readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

### **3.2.5 Revenue**

#### **3.2.5.1 Revenue from non-exchange transaction**

An inflow of resources from a non-exchange transaction recognized as an asset shall be recognized as revenue except to the extent that a liability is also recognized in respect of the same inflow. Revenue is recognized upfront as stipulations and conditions attached to the transferred funds have been met accordingly, whereas liability is recognized to the part of fund of which condition and stipulation for utilization of the funds were not met and should be returned to the consolidated fund at year end upon failure to satisfy the need as per the budget.

The Institute recognizes revenue from subvention (funds received from Treasury to cater employees' salaries, operating costs and 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:

#### **Government subvention**

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

#### **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.

#### **3.2.5.2 Revenue from exchange transactions**

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

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

#### **Seed Certification fees**

Revenue is recognized from rendering of service with reference to 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, National Performance trial fee, DUS tests fee, Seed field inspections fees, Seed Testing fee, Label charges and Seed Dealer training fee. Revenue is recognized when services are rendered to the customer and invoiced.

#### **Miscellaneous Receipts**

Revenue is recognized on accrual basis when earned.

### 3.2.6 Property, Plant and Equipment (Physical Assets/Fixed Assets)

Property, plant, and equipment principally comprise land, buildings, vehicles, Laboratory equipment and furniture and fixtures. The Assets of the Institute have been reported in this Financial Statement at cost value less accumulated depreciation and accumulated impairment losses.

#### 3.2.6.1 Depreciation of Assets

The Institute has adopted straight line method for depreciation of public assets which is allocated systematically over the period of its economic life. In accordance with the Generally Acceptable Valuation Principles (GAVPs), depreciation for valuation purposes shall be the adjustment made to the replacement cost to reflect physical deterioration, functional and economic obsolescence.

#### 3.2.6.2 Economic Life (EL)

Assets ran an Economic Life (EL) peculiar depending on make, constant handling and operational. Some assets are continued in use beyond the EL due to periodical maintenance and repairs.

#### 3.2.6.3 Impairment

The asset shall be regarded as being impaired when Carrying amount of an asset is greater than its Recoverable Value. In other words, a particular asset is no longer capable of providing the entity with the intended service potential. The Accounting Officer shall conduct test for impairment on annual basis. Non-cash generating and non-financial assets were assessed at the reporting date and indicated that they are not impaired.

#### 3.2.6.4 Estimated Useful Life (EUL)

During the preparation of the Financial Statement for the year ended 30 June 2023, the Management reviewed the useful life of non-current asset.

The estimated useful life for the assets is as follows:

**Table 4: Useful Life of Assets**

<u>Description</u>	<u>Years</u>
Buildings	
Residential	50
Office	50
Plant and machinery	15

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<u>Description</u>	<u>Years</u>
Furniture, fixture and equipment	5
Motor vehicles	5
Motor cycle	7
Computer hardware	4

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of financial performance in the year the asset is derecognized.

The residual values, useful lives and methods of depreciating property, plant and equipment are reviewed, and adjusted if appropriate, at each financial year end.

When each major inspection is performed, its cost is recognized in the carrying amount of property, plant, and equipment as a replacement if the recognition criteria are satisfied.

### **3.2.7 Non-Cash-Generating Assets Vs Cash-Generating Assets**

The Institute has only non-cash-generating assets which are primarily for services delivery only. The institute was established by the Seed Act No. 18, of 2003 with the mandate of certification and control of quality agricultural seeds produced or imported into the country for sale. Tanzania Official Seed Certification Institute (TOSCI) is the service delivery Institute and not a business Entity.

### **3.2.8 Employee Benefits**

Employee benefits include salaries, pensions and other related - employment costs. Employee benefits are recognized on an accrual basis. The Institute operates a defined contribution plans to PSSSF whereas contributions made by the employer is 15% and 5% of gross salary of the respective employee.

Additionally, the Institute operates insured (NHIF) plan where contributions are made by the employer and employee, each contributing 3% of gross salary of the respective employee.

### **3.2.9 Inventories**

Inventories are stated at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition, are accounted for as Stationeries and other consumables - cost is determined on first in first out.

### **3.2.10 Related Party Transactions**

Parties are related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. They include key Management Committee Members (Board Members) and Director General. Some of the Institute's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements.

#### **Remuneration of key Management Personnel**

The Institute spent TZS 15,120,000.00 as remuneration to Chief Executive Officer and TZS 32,250,000.00 to Management Committee Members (Board Members).

### **3.3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the Government's financial statements requires Management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date.

However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

In the process of applying the Institute's accounting policies, Management uses reasonable judgment in determining the useful lives of non-current assets and hence depreciation rates of the items of property, plant and equipment charged.

### **3.4 BUDGETARY BASIS, PERIOD AND SCOPE**

Budget was prepared on a cash basis while Financial Statements are prepared in accrual basis. The difference that has arisen between budget and financial statement has been shown in statements of comparison of budget vs actual, and any discrepancies has been explained in page 10 -12.

The Institute budget of twelve months from 1 July 2022 to 30 June 2023 has been approved by Ministry of Agriculture, Treasury Registrar, Ministry of Finance, and the Parliament of United Republic of Tanzania.

### **3.5 CHANGE IN ACCOUNTING POLICY, ESTIMATE AND CORRECTION OF ERRORS**

According to IPSAS 3, the Entity is allowed to review the useful life of the non-current asset and disclose the nature and the amount of a change in an accounting estimate

that has an effect in the current period or is expected to have an effect in the future period. Changes in accounting estimates are applied prospectively.

The estimated useful life for the reviewed assets is as follows:

**Table 5: Estimated useful life of Assets**

<u>Description</u>	<u>Years</u>
Plant and machinery	15-25
Furniture, fixture and equipment	5-12
Motor vehicles	5-12
Motorcycle	7-12
Computer hardware	4-10

### 3.6 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision should be recognized when:

- An entity has a present obligation (legal or constructive) as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.  
 During the financial year 2022/2023 the Institute has neither contingent liabilities nor contingent assets.

### 4.0 REVIEW OF USEFUL LIFE

During the preparation of the Financial Statement for the year ended 30 June 2023, the Management reviewed the useful life of non-current assets by increasing the useful life of such Assets i.e. Furniture and fittings, Motor Vehicles, Equipment and plant and machinery. The estimate of useful life was done for the asset which its book value was nearly to zero while it is still in use.

The estimate of useful life resulting in decrease in the value of depreciation of the respective Assets by TZS. 271,422,720.02 (from TZS. 473,839,230.86 to TZS. 202,416,510.84).



## 5.0 DONOR FUNDS

During the year 2022/2023 the Institute has received Laboratory and Office Equipment worth TZS 309,310,335.80 from AGRA and EAC without condition nor restrictions.

Also, the Institute Completed construction of Genetic library at Head Quarter for TZS. 426,491,807.30 using Funds donated by IMAGE and Cold room Building for TZS. 123,002,610.00 using Funds donated by AGRA. Also, Renovation of office building at Southern Highlands Zone located in Njombe Region for TZS. 526,097,283.32 using Funds donated by AGRA.

## 6.0 IPSAS 23: REVENUE FROM NON-EXCHANGE TRANSACTIONS SUBJECT TO RESTRICTION

The Institute has received Funds from IFAD worth TZS. 537,048,860.05 in which:

- i) TZS. 14,750,000.00 was spent on purchasing Office Computers as stipulated in the agreed conditions so was recognized as an asset.
- ii) TZS. 201,090,438.26 was spent to perform other Institutes activities as stipulated in the agreed conditions, so was recognized as revenues.
- iii) The remaining TZS. 321,208,421.79 was for construction of TOSCI Building at Head Quarter which was not yet implemented as per stipulated agreed conditions. Non-implementation was due to delay of obtaining Certificate for Environment and Social Impact Assessment (ECIA), so was recognized as liabilities.

## 7.0 IPSAS 23: REVENUE FROM NON-EXCHANGE TRANSACTIONS WITHOUT CONDITION

During the year 2022/2023 the Institute has received Assets from Donors worth TZS. 1,384,902,036.42 without conditions nor restrictions which was recognized as revenue. These assets are:

- i) Laboratory and Office Equipment worth TZS 309,310,335.80 from AGRA and EAC.
- ii) Genetic library Building at Head Quarter worth TZS. 426,491,807.30 donated by IMAGE,
- iii) Cold room Building worth TZS. 123,002,610.00 donated by AGRA, and Renovation of office building at Southern Highlands Zone located in Njombe Region worth TZS. 526,097,283.32 donated by AGRA.

Therefore, revenue from non-exchange transactions (Donor Funds) has changed by increasing huge amount of TZS. 1,541,539,212.68 (from TZS. 149,487,262.00 to TZS. 1,691,026,474.68).

## 8.0 REMUNERATION OF KEY MANAGEMENT PERSONNEL

The Institute spent TZS 12,600,000.00 as remuneration to the Chief Executive Officer and TZS 32,250,000.00 to Management Committee Members (Board Members).

## 9.0 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 was Motor Vehicle accident which leads the Management to organize physical verification, inspection and assessment for TOSCI Non-current Assets.

After the thorough assessment by comparing the Carrying value and Value in use for the asset, it was found that the asset was found to be impaired because its Carrying amount of TZS 31,640,431.74 is greater than Recoverable Value which was TZS 11,961,188.74 as a result the amount of the impairment loss recognized was TZS 19,679,243.00.

## 10.0 DISPOSAL OF MOTOR VEHICLES

During the Financial year 2022/2023 the Institute has disposed two motor vehicles of TZS 90,000,000.00 because these motor vehicles were no future economic benefit, or no service potential expected from its use. The original cost of Motor vehicles has full depreciated on the date of disposal.

## 11.1 PROVISIONS

According to IPSAS 19, during the financial year 2022/2023 the Institute set the provision for doubtful debt of TZS. 20,132,773.00 which is equivalent to 2% of the carrying value of the accounts receivable.

	2022/23	2021/22
	TZS	TZS
<b>NOTE 12: SEED CERTIFICATION Fees</b>		
Import Fee	59,591,300.00	33,300,000.00
Receipt from Inspection Fees	348,191,760.00	439,112,805.16
Sale Stickers	3,230,024,265.00	2,122,492,380.00
Export fees	920,000.00	7,186,000.00
Receipt from Training and Examination Fees	204,832,590.00	148,015,000.00
Testing Fee	1,480,298,707.80	1,175,947,435.00
<b>Total</b>	<b>5,323,858,622.80</b>	<b>3,926,053,620.16</b>
 <b>NOTE 13: OTHER REVENUES</b>		
Receipt from Conference Facilities	9,600,000.00	4,100,000.00
<b>Total</b>	<b>9,600,000.00</b>	<b>4,100,000.00</b>

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**NOTE 14 - AMORTIZATION OF REVENUE GRANTS WITH EXCHEQUER REVENUE**

Subvention for Other Charges	51,243,435.54	101,175,019.80
Subvention for Personal Emolument	1,578,185,000.00	1,361,438,239.40
<b>Total</b>	<b>1,629,428,435.54</b>	<b>1,462,613,259.20</b>

<b>NOTE 15 - DONOR FUND</b>		
AGRA - (non-monetary)	958,410,229.12	149,487,262.00
IMAGE - (non-monetary)	426,491,807.30	-
AFDP/IFAD - (Monetary fund)	215,840,438.26	-
<b>Total</b>	<b>1,600,742,474.68</b>	<b>149,487,262.00</b>

AGRA renovated Office Building at Njombe and Purchased Equipment. IMAGE and AFDP are new Donors in which IMAGE constructed building at TOSCI Head Quarter and AFDP provide cash for supporting various activities.

**NOTE 16 - Wages, Salaries and Employee**

<b>Benefits</b>		
Casual Labourers	69,871,963.83	74,169,197.06
Civil Servants	1,616,789,963.00	1,373,724,239.40
Extra-Duty	61,764,680.55	56,256,000.00
Food and Refreshment	28,050,000.33	15,056,000.00
Gratuities	24,000,000.00	-
Honoraria	76,893,106.09	57,950,000.00
Housing allowance	9,600,000.00	9,260,000.00
Leave Travel	11,400,000.00	14,400,000.00
Moving Expenses	4,822,000.00	-
Sitting Allowance	83,577,227.39	73,476,000.00
Special Allowance	5,770,000.00	5,883,000.00
Subsistence Allowance	-	960,000.00
<b>Total</b>	<b>1,992,538,941.19</b>	<b>1,681,134,436.46</b>

**NOTE 17 - USE OF GOODS AND SERVICE**

Advertising and Publication	34,400,000.69	55,044,000.00
Agricultural Chemicals	898,500.00	3,898,498.34
Air Travel Tickets	15,865,420.00	5,934,117.00
Conference Facilities	11,768,419.99	6,176,000.00
Diesel	343,744,967.35	201,290,019.22
Electricity	29,320,000.00	24,892,787.50
Fertilizers	568,800.00	4,348,000.00
Food and Refreshments	139,429,200.00	58,545,074.99
Ground travel (bus, railway taxi, etc)	156,306,886.83	70,783,810.00

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Internet and Email connections	76,232,213.02	70,783,632.64
Laboratory Supplies	-	1,925,000.00
Newspapers and Magazines	2,820,000.00	756,000.00
Office Consumables (papers, pencils, pens and stationaries)	131,494,488.84	71,629,774.82
Outsourcing Costs (includes cleaning and security services)	70,883,413.19	78,174,083.62
Per Diem - Domestic	2,346,864,953.63	1,640,815,413.69
Per Diem - Foreign	49,360,231.04	28,959,987.90
Posts and Telegraphs	1,138,500.00	1,562,059.98
Printing and Photocopying Costs	1,236,355,519.25	737,520,235.75
Printing Material	1,974,600.00	-
Protective Clothing, footwear and gears	-	5,620,000.00
Rent - Housing	-	1,470,050.00
Research and Dissertation	15,000,000.00	10,000,000.00
Special Foods (diet food)	-	300,000.00
Subscription Fees	8,580,000.00	12,857,680.00
Training Allowances	21,300,578.88	31,450,000.00
Training Materials	14,700,000.00	8,778,000.00
Tuition Fees	47,537,000.00	36,991,600.52
Uniforms and Ceremonial Dresses	27,693,000.00	9,983,000.00
Water Charges	222,600.00	600,000.00
<b>Total</b>	<b>4,784,459,292.71</b>	<b>3,181,088,825.97</b>

**NOTE 18 - MAINTENANCE EXPENSES**

Cement, Bricks and Building Materials	26,905,168.00	3,195,000.00
Computers, printers, scanners, and other computer related equipment	-	13,388,824.14
Direct Labour (contracted or casual hire)	1,440,000.00	1,736,000.00
Electrical and Telephone Cable Installations	-	2,000,000.00
Metal Fence and Posts	70,700.00	1,455,000.00
Motor Vehicles and Watercraft	181,516,423.75	143,849,415.50
Photocopiers	3,700,000.00	-
Telephones and Office PABX systems	2,251,264.84	2,285,000.00
Tyres and Batteries	38,270,747.07	37,429,851.85
<b>Total</b>	<b>254,154,303.66</b>	<b>205,339,091.49</b>

**NOTE 19- OTHER EXPENSES**

Audit fees	40,000,000.00	30,955,000.00
Bank Charges and Commissions	668,638.26	39,403.74
Burial Expenses	9,790,000.00	2,000,000.00
Consultancy fees	3,302,680.00	11,526,612.50
Directors Fee	32,250,000.00	21,500,000.00

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Parastatal Rehabilitation	3,500,000.00	0.00
Sundry Expenses	70,000,000.00	0.00
<b>Total</b>	<b>159,511,318.26</b>	<b>66,021,016.24</b>

Sundry expenses are donation for supporting African Food System Forum 2023.

**NOTE 20 - GRANTS, SUBSIDIES AND OTHER TRANSFER PAYMENTS**

Contributions to consolidated Fund	20,000,000.00	27,000,000.08
<b>Total</b>	<b>20,000,000.00</b>	<b>27,000,000.08</b>

**NOTE 21 - CASH AND CASH EQUIVALENTS**

BoT Own source Collection Account	18,506,448.69	35,114,875.31
Own source Collection Account - CRDB	16,670,000.00	2,320,000.00
Own source Collection Account - NMB	5,765,000.00	16,582,000.00
Own source Development Expenditure	28,899,647.90	701,067.43
Own source Recurrent Expenditure GF	1,141,762.18	9,199,259.81
Recurrent Expenditure Cash Account	308,220.60	6,134,989.60
Unapplied Cash Account	1,355,840.80	7,689,772.96
AFDP -CRDB	321,208,421.79	-
<b>Total</b>	<b>393,855,341.96</b>	<b>77,741,965.11</b>

**NOTE 22 - RECEIVABLES**

Fees, fines, penalties and licenses	1,006,638,649.86	1,116,859,113.90
Imprest Receivable	-	45,566,500.00
<b>Total</b>	<b>1,006,638,649.86</b>	<b>1,162,425,613.90</b>

Receivables are derived from exchange transactions and imprest receivables are imprest not retired at the end of the financial year.

**NOTE 23 - PREPAYMENTS**

Prepayment-Asset	118,829,500.00	160,415,664.65
Prepayment-Fuel	10,129,608.31	11,430,171.59
<b>Total</b>	<b>128,959,108.31</b>	<b>171,845,836.24</b>

**NOTE 24 - INVENTORIES**

Consumables	137,596,401.00	39,933,352.84
<b>Total</b>	<b>137,596,401.00</b>	<b>39,933,352.84</b>

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**NOTE 25 - TRADE AND OTHER PAYABLES**

Unapplied Deposit Account	1,355,840.80	7,689,772.96
Withholding tax	910,000.00	2,558,904.65
Accrued Expenses	7,375,941.64	37,568,040.71
Staff Claims	244,028,040.00	12,286,000.00
<b>Total</b>	<b>253,669,822.44</b>	<b>60,102,718.32</b>

**NOTE 26: DEFERRED INCOME (REVENUE)**

Recurrent Deferred Income	308,220.60	6,134,989.60
<b>Total</b>	<b>308,220.60</b>	<b>6,134,989.60</b>

**NOTE 27: DEFERRED DEVELOPMENT (REVENUE- AFDP)**

Development Deferred Income	320,958,421.79	-
<b>Total</b>	<b>320,958,421.79</b>	<b>-</b>

**NOTE 28 - DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT**

Depreciation Motor Vehicles (Administrative)	53,046,564.34	137,998,631.63
Depreciation Office buildings and structures	19,726,311.47	19,711,694.00
Depreciation Office Furniture and Fittings	4,864,962.79	12,657,932.65
Other Office equipment	123,313,915.89	295,016,715.72
Plant and Machinery	1,464,756.35	8,454,256.86
<b>Total</b>	<b>202,416,510.84</b>	<b>473,839,230.86</b>

Depreciation of PPE has decreased by TZS. 271,422,720.02 (from TZS. 473,839,230.86 to TZS. 202,416,510.84) due to the review (increase) of the useful life of the assets.

**NOTE 29 - Impairment of Non-Current Asset**

<b>Motor Vehicle -Impairment</b>	19,679,243.00	-
<b>Total</b>	<b>19,679,243.00</b>	<b>-</b>

**NOTE 30 - Impairment of Receivables**

Bad and Doubtful Expenses	20,132,773.00	-
<b>Total</b>	<b>20,132,773.00</b>	<b>-</b>

**NOTE 31 - Provisions**

Provision for bad and doubtful debt	20,132,773.00	-
<b>Total</b>	<b>20,132,773.00</b>	<b>-</b>

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**NOTE 32 - RECEIPTS FROM NON-EXCHANGE TRANSACTIONS**

Reported in the Statement of Financial Performance (Govt grants plus donor fund)	3,230,170,910.22	1,612,100,521.20
Add/(less) Changes in Deferred Current	(5,826,769.00)	6,134,989.60
Add: Development Deferred (Revenue)	320,958,421.79	-
Less: Non-Monetary Revenue (2023) PPE Schedule note no. 44	1,384,902,036.42	149,487,262.10
<b>Cash inflow</b>	<b>2,160,400,526.59</b>	<b>1,468,748,248.70</b>

**NOTE 33 - Revenue from exchange transactions**

Reported in the Statement of Financial Performance	5,333,458,622.80	3,930,153,620.16
Add/(less) Changes in Receivable	110,220,464.04	29,159,885.16
<b>Cash inflow</b>	<b>5,443,679,086.84</b>	<b>3,959,313,505.32</b>

**NOTE 34 - WAGES, SALARIES AND EMPLOYEE BENEFITS**

Reported in the Statement of Financial Performance	1,992,538,941.19	1,681,134,436.46
Add/(less) Changes in Payable (Staff Claims)	(231,742,040.00)	(12,286,000.00)
<b>Cash Outflow</b>	<b>1,760,796,901.19</b>	<b>1,668,848,436.46</b>

**NOTE 35- SUPPLIES AND CONSUMABLES USED**

Reported in the Statement of Financial Performance	4,784,459,292.71	3,181,088,826.05
Add/(less) Changes in Working Capital (Supplies & Consumables)		
Change in Inventory	97,663,048.00	17,281,463.00
Imprest Receivable	45,566,500.00	45,566,500.00
Prepayment- consumable	1,300,563.00	6,534,414.00
Accrued Expenses (Supplies of goods and services)	30,192,099.07	37,568,040.71
Unapplied Deposit Account	6,333,932.16	7,689,772.96
Withholding Tax Payables	1,648,905.28	2,558,905.05
<b>Cash Outflow</b>	<b>4,873,430,214.22</b>	<b>3,168,091,558.33</b>

**NOTE 36 - ROUTINE REPAIR AND MAINTANANCE EXPENSES**

Reported in the Statement of Financial Performance	254,154,303.66	205,339,091.49
Add/(less) Changes in Working Capital	-	-
<b>Cash Outflow</b>	<b>254,154,303.66</b>	<b>205,339,091.49</b>

**NOTE 37 - OTHER EXPENSES**

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Reported in the Statement of Financial Performance	159,511,318.26	66,021,016.24
Add/(less) Changes in Working Capital	-	-
<b>Cash Outflow</b>	<b>159,511,318.26</b>	<b>66,021,016.24</b>

**NOTE 38 - ACQUISITION OF PROPERTY, PLANT AND EQUIPMENTS**

Addition monetary (PPE movement schedule)	101,244,000.00	114,511,618.45
Add: Prepayment Assets	118,829,500.00	160,415,664.65
<b>Cash Outflow</b>	<b>220,073,500.00</b>	<b>274,927,283.10</b>

**NOTE 39  
ACCOUNTS RECEIVABLE (AGING ANALYSIS)**

	TOTAL AMOUNT	Less than 12 Months	More than 12 Months but less than 24 Months	More than 24 months
Receipt from Inspection Fees	744,438,649.86	151,230,000.00	55,230,000.00	537,978,649.86
Testing Fee	245,100,000.00	-	26,500,000.00	218,600,000.00
DUS test	10,000,000.00	-	6,240,000.00	3,760,000.00
NPT test	7,000,000.00	-	5,706,000.00	1,294,000.00
<b>Total</b>	<b>1,006,538,649.86</b>	<b>151,230,000.00</b>	<b>93,676,000.00</b>	<b>761,632,649.86</b>

**NOTE 40**

**CONSTRUCTION OF GENETICS REFERENCE LIBRARY**

At TOSCI head quarter there is completion of construction of Genetic library which is funded by Donor's through Image Project. The funds of the project are disbursed via off-budget.

**NOTE 41**

**DEVELOPMENT OF e-CERTIFICATION SYSTEM**

There is completion of developing TOAS system, which is funded by AGRA Project. The funds of the project are disbursed via off-budget.



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**NOTE 42**

**LIST OF TRANSACTIONS/ BALANCES WITH OTHER GOVERNMENT ENTITIES FOR THE YEAR ENDED 30 JUNE 2023**

			2022/23	2021/22
			TZS	TZS
S/N	Goods/Services provided	Name of entity received goods/services	Amount Received	Receivable Balance
1	Seeds Certification services	Agricultural Seed Agency (ASA)	212,335,607.16	0.00
2	Seeds Certification services	Tanzania Agriculture Research Institute (TARI)	114,478,239.00	0.00
	<b>Total</b>		<b>326,813,846.16</b>	<b>0.00</b>
S/N	Goods/Services received	Name of entity provided goods/services	Amount Paid	Payable Balance
1	Diesel (Fuel)	Government Procurement Services Agency	230,000,000.00	0.00
2	Office Consumables (papers, pencils, pens and stationaries)	Government Procurement Services Agency	14,541,600.00	0.00
3	Motor Vehicle (Prepayment - Assets)	Government Procurement Services Agency	118,829,500.00	0.00
4	Internet and Email connections	TTCL	65,663,387.81	0.00
5	Motor Vehicles and Watercraft (Vehicles maintenance and Repair)	TEMESA	155,937,700.59	0.00
6	Electricity Bills	Tanzania Electric Supply Company Limited	28,000,000.00	0.00
7	Subscription fees	NBAA	832,500.00	0.00
8	Subscription fees	Public Procurement Regulatory Authority	6,600,000.00	0.00
9	Advertising and Publication	Tanzania Broadcasting Corporation	1,000,000.00	0.00
10	Posts and Telegraphs	Tanzania Posts Corporation	318,600	0.00
	<b>Total</b>		<b>621,723,288.40</b>	<b>0.00</b>

**NOTE 43. STATEMENT OF CASHFLOW RECONCILIATION FOR THE YEAR ENDED 30 JUNE 2023**

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	2022/23	2021/22
	TZS	TZS
<b>Operating activities</b>		
Surplus/(deficit) for the Period	1,110,737,150.36	(92,168,459.74)
<b>Add/ (Less) Non-Cash Item</b>		
Depreciation of Property, Plant and Equipment	202,416,510.84	473,839,230.86
Impairment of Non-Current Assets	19,679,243.00	-
Impairment of Receivables	20,132,773.00	-
Capital Grant Received non-monetary	(1,384,902,036.42)	(149,487,262.00)
<b>Add/ (Less) Change in Working Capital</b>		
Recurrent Deferred Income (Revenue)	(5,826,769.00)	6,134,989.60
Dev Deferred Income (Revenue)	320,958,421.79	
Inventories	(97,663,048.16)	17,281,463.00
Trade and Other Payables	193,567,104.12	60,102,718.32
Prepayments	1,300,562.53	(6,534,413.79)
Receivables	155,786,964.04	(16,406,614.84)
<b>Net Cash Flow from Operating Activities</b>	<b>536,186,876.10</b>	<b>292,761,651.41</b>
<b>Direct Method</b>	<b>536,186,876.10</b>	<b>292,761,651.41</b>

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**NOTE 44: PROPERTY, PLANT AND EQUIPMENT 2022/2023**

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
At 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	101,244,000.00	0.00	101,244,000.00
Additions-non-monetary		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	(90,000,000.00)	0.00	0.00	0.00	(90,000,000.00)
Impairments -Assets		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

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**NOTE 44: PROPERTY, PLANT AND EQUIPMENT 2021/2022**

Asset Currency	Land TZS	Office buildings and structures TZS	Motor vehicle TZS	Plant and Machinery TZS	Office and Laboratory Equipment TZS	Furniture and Fittings TZS	TOTAL TZS
At 1 July 2021	696,398,600.00	981,930,332.62	1,379,986,316.29	126,733,019.60	1,327,577,678.00	112,816,993.00	4,625,442,939.51
Additions Monetary	18,076,000.00	4,385,240.65	0.00	485,000.00	91,565,377.80	0.00	114,511,618.45
Additions-non-monetary	0.00	0.00	0.00	0.00	121,662,595.10	27,824,667.00	149,487,262.10
As at 30 June 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
As at 1 July 2021	0.00	94,978,055.65	842,477,752.02	108,840,844.97	984,111,977.24	80,547,293.46	2,110,955,923.34
Charge during the year- Depreciation	0.00	19,711,694.00	137,998,631.63	8,454,256.86	295,016,715.72	12,657,932.65	473,839,230.86
As at 30 June 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
Carrying Value - 30 June 2022	714,474,600.00	871,625,823.62	399,509,932.64	9,922,917.77	261,676,957.94	47,436,433.89	2,304,646,665.86

**Note 45: RECONCILIATIONS BETWEEN BUDGET AND CASHFLOW**

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

	Operating	Financing	Investing	Total
Actual amount on comparable basis as presented in budget and actual comparative statement	7,067,892,737.10	-	220,073,500.00	7,287,966,237.10
Basis difference	-	-	-	
Timing difference	-	-	-	
Entity differences	-	-	-	
Actual Amount in the statement of cash flows	7,067,892,737.10		220,073,500.00	7,287,966,237.10