



THE UNITED REPUBLIC OF TANZANIA



NATIONAL AUDIT OFFICE

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

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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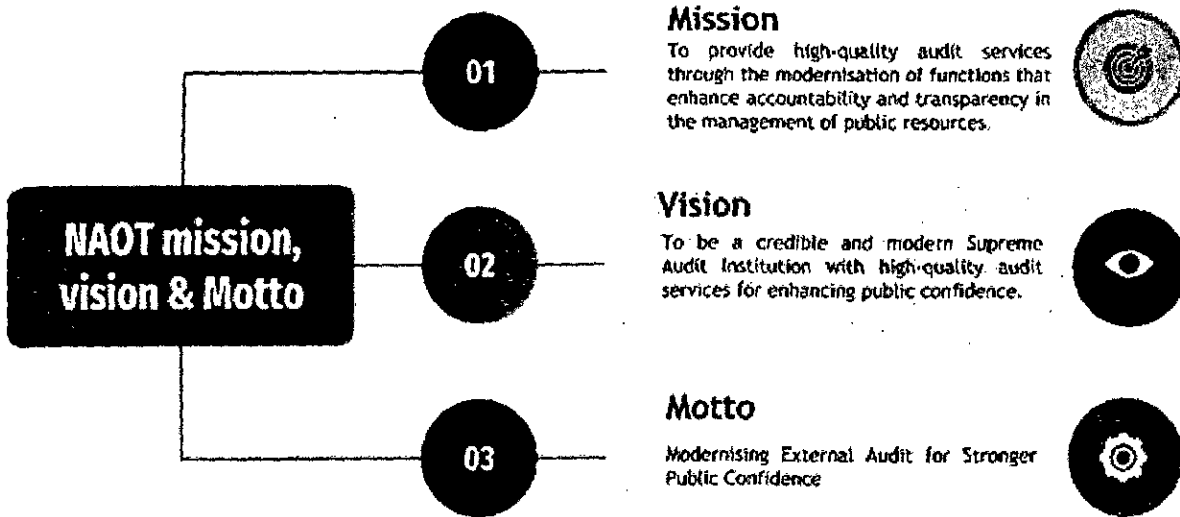
AR/PA/COSTECH/2022/23

REPORT OF THE CONTROLLER AND AUDITOR GENERAL

About the National Audit Office

Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10 (1) of the Public Audit Act, Cap 418[R.E 2022]



Independence and objectivity

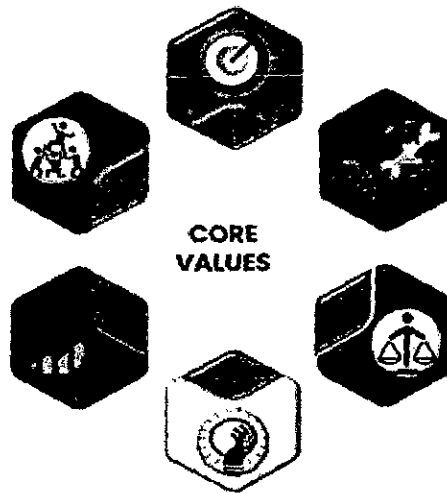
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

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

ACPA	Associate Certified Public Accountants
CAG	Controller and Auditor General
COSTECH	Tanzania Commission for Science and Technology
DANIDA	Danish International Development Agency
EDCTP	European and Developing Countries Clinical Trials Partnership
EPZA	Export Processing Zone Authority
FOREX	Foreign Exchange
FPAC	Finance, Planning and Administration Committee
HDIF	Human Development Innovation Fund
HEET	Higher Education for Economic Transformation
HERIN	Higher Education and Research Institution Network
HRM	Human Resource Management
IDRC	International Development Research Centre
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
M&E	Monitoring and Evaluation
MAKISATU	Mashindano ya Kitaifa Ya Sayansi Teknolojia na Ubunifu
MoFP	Ministry of Finance and Planning
MUHAS	Muhimbili University of Health and Allied Sciences
NBAA	National Board of Accountants and Auditors
NFAST	National Fund for Advancement of Science and Technology
NHIF	National Health Insurance Fund
OC	Other Charges
OFAB	Open Forum on Agricultural Biotechnology
OSHA	Occupational Safety and Health Authority
PSSSF	Public Sector Social Security Fund
PSSSF	Public Service Social Security Fund
R&D	Research and Development
R&D	Research and Development
SAIS	Southern Africa Innovation Support Programme
SIDA	Swedish International Development Cooperation Agency
TAIC	Tanzania Annual ICT Conference
TNCR	Tanzania National Competitiveness Report
TRA	Tanzania Revenue Authority
UDSM	University of Dar es Salaam
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
URT	United Republic of Tanzania
URT	United Republic of Tanzania

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairman of the Commission,
Tanzania Commission for Science and Technology,
P.O. Box 4302,
DAR ES SALAAM.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Tanzania Commission for Science and Technology (COSTECH), 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 Commission for Science and Technology (COSTECH) 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 Commission for Science and Technology (COSTECH) 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 Board of Commissioners Report and the Declaration by the Head of Finance but does not include the

financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

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

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

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

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

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

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

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

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

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

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

- (i) 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;
- (ii) 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;
 - (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - (iv) 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
 - (v) 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 [R.E 2021] 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 [R.E 2022] requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I performed a compliance audit on procurement of works, goods and services in the Tanzania Commission for Science and Technology (COSTECH) for the financial year 2022/23 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that, except for the matters described below, procurement of goods, works and services of Tanzania Commission for Science and Technology (COSTECH) is generally in compliance with the requirements of the Public Procurement Laws.

Annual Procurement Plan Not Fully Implemented

My review of implementation of the Annual Procurement Plan revealed that COSTECH failed to implement procurements amounting to TZS 340,250,000 out of annual procurement plan of TZS 3,137,272,223.


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 Commission for Science and Technology (COSTECH) 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 Commission for Science and Technology (COSTECH) 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.
February 2024



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

2.1 INTRODUCTION

The Board of Commissioners of the Tanzania Commission for Science and Technology ("COSTECH") have the pleasure to present its report together with the draft financial statements for the year ended 30 June 2023 which disclose the state of affairs of the Commission as at that date. The report was prepared in compliance with Tanzania Financial Reporting Standard 1 (TFRS 1)- Report by Those Charged with Governance issued by the National Board of Accountants and Auditors (NBAA) which became effective on 1 January, 2021.

2.2 ESTABLISHMENT

Tanzania Commission for Science and Technology (COSTECH) was established by the Act of Parliament No. 7 of 1986 as a successor to the Tanzania National Scientific Research Council (UTAFITI) that repealed and replaced the Act of Parliament No. 51 of 1968. COSTECH became operational in 1988. The Act provides for a structural framework of the Commission, which brings together the top leadership of the scientific and technological institutions in the country under one forum. Thus, the Commission maintains a system of collaboration, consultation and cooperation with parties within Tanzania whose functions relate to the application of science, technology and innovation to the nation's development. Based on the mandate spelt out in this Act, all major national research and development institutions are affiliated with COSTECH.

2.3 VISION

A nation driven by Science, Technology and Innovation.

2.4 MISSION

Ensure utilization of knowledge-based products through coordination and promotion of science, technology and innovation for rapid social economic development.

2.5 CORE VALUES

In pursuit of provision of quality services to its stakeholders, COSTECH Shall be guided by the following six Core Values.

Integrity	We are committed to demonstrate ethics, responsibilities and honesty in performing our duties at all times.
Excellence	We strive for the best-in-class delivery of service.
Customer focus	We put our customer's need first.
Professionalism:	We are committed to consistently comply with the laws, to promote best practices and diligently use knowledge and skills as a prerequisite in performing our work;
Accountability:	We promote openness and transparency to ensure that we are accountable for timely delivery of our products and services; and

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Team work We recognize and value the contribution of individuals and teams in realizing our vision

2.6 PRINCIPAL ACTIVITIES

Principal activities of the Commission include but are not limited to:

- (i) To advise the government on all matters relating to science and technology including but not limited to the formulation of science and technology policy, priority setting for Research and Development (R&D), allocation and utilization of resources;
- (ii) To supervise, promote, coordinate, monitor and evaluate Research activities;
- (iii) To enable the development and transfer of technology activities in the country;
- (iv) To mobilize, solicit, and disburse research funds in order to facilitate national, regional and international cooperation in scientific research; and
- (v) To acquire, store, and disseminate scientific and technological information and popularize science and technology.

2.7 STRATEGIC OBJECTIVES

The Commission Strategic Plan is the leading instrument for planning, priority setting and decision making. The Plan facilitates discharging of the role and functions of the Commission for the period of five (5) years, from the financial year 2021/22 to 2025/26. Specifically, the Plan places emphasis on strategies to be executed to achieve the strategic objectives.

The strategic objectives in the strategic plan are:

- (i) HIV/AIDS Infections and Non-Communicable Diseases Reduced and Supportive Services Improved;
- (ii) Implementation of National Anti-Corruption Strategy enhanced and sustained;
- (iii) National Science, Technology and Innovation Governance Enhanced
- (iv) Utilization of Science, Technology and Innovation Products and Services Enhanced; and
- (v) Capacity to deliver Science, Technology and Innovation Services Improved.

2.8 RESULTS OF THE YEAR

During the year ended 30 June 2023 the Commission recorded total gross revenue of TZS 13.73 billion and expenses TZS 14.47 billion resulting in a deficit of TZS 0.74 billion as compared to a surplus of 0.77 billion recorded in the year 2021/22.

2.9 FINANCIAL PERFORMANCE AND POSITION

a) Statement of Financial Performance

During the year ended 30 June 2023, the Commission earned total revenue of TZS 13.73 billion (2021/22: TZS 14.10 billion), which is a decrease by TZS 0.37 billion, equivalent to 3% compared to previous year. The decline is attributed to a decrease in donor fund disbursement and the closure of some project activities. At the same time the Commission incurred total expenditure amounting to TZS 14.47 billion (2021/22: TZS 13.33 billion) which is an increase of expenditure by TZS 1.14 billion, equivalent to an increase of 8.5% compared

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to previous year, the increase is a result of the commission engaging in more research activities and an increase in staff costs. Specifically, 20 staff members were transferred to COSTECH from various government institutions..

b) Statement of Financial Position

The Commission's Financial Position as at 30 June 2023 shows total assets of TZS 16.44 billion (2021/22: TZS 16.83 billion), which includes TZS 9.29 billion of Non-Current Assets (Building ,Land, Furniture and Fittings, Equipment, Computers and Intangible Assets and TZS 7.15 billion Current Assets (Inventory, receivable and Cash and bank balances). During the same period the Commission has recorded liabilities with a total of TZS 6.27 billion out of which TZS 4.83 billion is deferred revenue grants for research and infrastructure and TZS 1.34 billion is trade and other payables.

Thus, the Commission's ability to meet its short-term obligations as they fall due (liquidity ratio) or the working capital (current) ratio stands at 1:1 (30 June 2022: 1:1). This indicates that the Commission can cover its current liabilities 1.1 times as at 30 June 2023.

The performance of the Commission in comparison to budgets is outlined in Table 1:

Table 1: Annual approved budget Vs. Actual performance

Description	Approved Budget 2022/23	Actual 2022/23	Variance amount	Variance
	TZS '000'	TZS '000'	TZS '000'	%
A: Actual Income received				
Personal Emoluments - (PE)	3,061,391	4,342,962	1,281,571	42%
Government Subvention - OC	185,706	137,732	(47,974)	(26)%
Own source	731,489	751,170	19,681	3%
NFAST Revenue	4,300,000	4,915,000	615,000	14%
Operating Income	700,000	1,098,214	398,214	57%
Grants	6,444,050	3,341,181	(3,102,869)	(48)%
Total revenues	15,422,636	14,586,259	(836,376)	(5)%
B: Actual Expenditure incurred:				
Staff salaries - (PE)	3,061,391	4,349,271	(1,287,880)	(42)%
General Administration Expenses	917,195	203,460	713,735	78%
NFAST Research Expenditure	4,417,000	5,771,375	(1,354,375)	(31)%
Other charges expenses	700,000	773,622	(73,622)	(11)%
Grants	7,869,587	3,366,877	4,502,710	57%
Total Operating Expenses	16,965,173	14,464,605	2,500,568	15%

Source: Statement of Comparison of Budget and Actual Amounts

Generally, budget performance during the reporting period was fairly satisfactory. However, the Commission will continue to closely monitor its current sources of revenue, explore other sources of revenue to enable it to sustain its operations and services to the public, monitor expenditure operations and control expenses within the approved budget.

2.10 FUTURE PROSPECTS/DEVELOPMENTS

Long term objectives of the Commission have continued to focus on improving its services delivery through the introduction of innovative services, and value-addition in order to

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increase customer satisfaction. The Commission will continue to focus on improving customer satisfaction.

2.11 COMPOSITION OF THE BOARD OF COMMISSIONERS

The Board of Commissioners is the governing body of the Commission. The Board of Commissioners consists of nine (9) members, eight of them are non-executive directors and one executive director who is the Director General. The Board members who served the Commission during the year ended 30 June 2023 are listed in Table 2.

Table 2: Members of Commission

S/N	Name	Position	Age	Qualification	Date of appointment	End of tenure
1	Prof. Makenya A. H. Maboko	Chairman	67	PhD in Metamorphic and Isotope Geology	Reappointed on 19 April 2022	18 April 2025
2	Ms. Jane D. Gonsalves	Deputy Chair person	54	Masters of Public Administration and HRM	26 May 2020	25 May 2023
3	Dr. Lugano Wilson	Member	60	PhD in Energy Engineering	Reappointed 15 July 2022	14 July 2024
4	Dr. Abdulla R. Abdulla	Member	52	PhD in Industrial Economics	Reappointed 6 September 2023	5 September 2026
5.	Prof. Maulilio J. Kipanyula	Member	48	PhD in Neurobiology	21 August 2018	20 August 2022
6.	Dr. Angelo Mwilawa	Member	57	PhD in Agriculture	26 May 2020	25 May 2023
7.	Dr. Yuda Benjamin	Member	46	PhD in Chemical Engineering	26 May 2020	25 May 2023
8.	Prof. Charles D. Kihampa	Deputy Chairman	53	PhD in Organic Chemistry	6 September 2023	5 September 2026
9.	Prof. Mohamed A. Shejkh	Member	50	PhD in Environmental and Marine Science	6 September 2023	5 September 2026
10.	Bw. Adam Mshangama	Member	54	Masters in Information Technology	6 September 2023	5 September 2026
11.	Dr. Mashaka E. Mdangi	Member	46	PhD in Crop Science	6 September 2023	5 September 2026
12.	Eng. Tabitha G. Etutu	Member	45	BSc. Environmental Engineering	6 September 2023	5 September 2026
13.	Dr. Amos M. Nungu	Secretary	47	PhD in Communication in Systems	April 2018	To-date

Source: Register of Concillors

2.12 CORPORATE GOVERNANCE

The overall responsibilities of the board of Commissioners among others things, include general oversight of the Commission operations, identifying key risk areas, monitoring and reviewing the performance of commission work plan and budget. The board is also responsible for ensuring

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that comprehensive systems of internal policies and procedures are operative and are in compliance with sound corporate governance principles.

The board is required to meet quarterly for ordinary meetings, and may call for extraordinary meetings when deemed necessary. The board delegates the day today to management of the Commission to the director general assisted by management team. The Commission is committed to the principles of effective corporate governance which are integrity, transparency and accountability.

2.13 COMMISSION MEETINGS

The Board is required to meet at least four times a year. During the year ended 30 June 2023 four (4) ordinary meetings were held. Participation of each of the members are summarized in Table 3:

Table 3: Number of Commission Meetings Held

S/N	Names of Commissioners	Number of Meetings			
		Total	Board of Commissioners	Finance Committee	Audit Committee
1.	Prof. Makenya A. H. Maboko	4	4		
2.	Prof. Maulilio J. Kipanyula	3	3		
3.	Dr. Angelo Mwilawa	4	4		
4.	Ms. Jane David Gonsalves	8	4	4	
5.	Dr. Abdulla R. Abdulla	11	3	4	4
6.	Dr. Yuda L. Benjamin	4	4		
7.	Dr. Lugano Wilson	8	4		4
8.	Dr. Amos M. Nungu	8	4	4	

Source: Register of Concillors

The Board meetings, during the financial year under review, discussed and deliberated on the following main issues: -

- (i) Discuss and approve proposed annual budget and action plan 2022/23;
- (ii) Discuss quarterly and annual performance report of the Commission on implementation of the strategic plan, achievements and challenges;
- (iii) Assess implementation of various deliberations directed from previous meeting;
- (iv) Discuss status of implementation of various projects including those supported by the National Fund for Advancement of Science and Technology (NFAST) and Swedish International Development Agency (SIDA);
- (v) Discuss and approve various policies and regulations; and
- (vi) Receive and discuss various recommendations from Committees of the Commission.

2.14 COMMISSION COMMITTEES

The Commission is committed to the principles of effective corporate governance. The Board also recognizes the importance of integrity, transparency and accountability. To ensure a high standard of corporate governance throughout the Commission. The Commission has Five (5) committees, namely, Executive Committee; Audit and Risk Committee; Finance, Planning and Administration Committee (FPAC); National Fund for Advancement of Science and Technology (NFAST) Committee and National Research Registration Committee (NRRC). Further, there are ten Research and Development (R&D) Advisory Committees.

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2.14.1 Executive Committee

The Executive Committee is established under Sect. 14(1) of the Tanzania Commission for Science and Technology Act, No. 7 of 1986. Under this provision of the law the Commission may delegate to the Committee the exercise of any of the functions conferred upon the Commission. The Committee is delegated with the functions of staff matters, including appointments and disciplinary action for senior staff; preview of annual budget and audited accounts; preview of quarterly activity reports; and any matter of urgency on behalf of the Commission, to be ratified by the Commission meeting. The Committee is composed of three (3) members, Chairman, deputy chairperson and Secretary who are also Members the Board (Table 4).

The Executive Committee meets once quarterly. During financial year ended 30 June 2023, the Committee did not hold any meeting.

Table 4: Members of Executive Committee

S/N	Name	Position	Date of appointment	End of Tenure
1.	Prof. Makenya A. H. Maboko	Chairperson	Reappointed on 19 April 2022	18 April 2025
2.	Ms. Jane David Gonsalves	Member	26 May 2020	25 May 2023
3.	Dr. Amos M. Nungu	Secretary	March 2018	25 May 2023

Source: Register of members of the Commission

2.14.2 Finance, Planning and Administrative Committee

FPAC is delegated with functions that include providing institutional analysis and decision support to the Commission on all matters related to Human Resources Management; review of scheme of service, incentive schemes; and staff regulations and recommend their approval and adoption by the Commission; scrutinize staff performance appraisal and promotion; and to scrutinize the Commission's strategic plan and the related budget and recommend for approval to the Commission. The FPAC meets once quarterly with additional meetings convened as and when necessary. During the financial year ended 30 June 2023, the Committee held four (4) ordinary meetings. The FPAC meetings, during the financial year under review, discussed and deliberated on the following main issues: -

- (i) Attend matters related to Human Resources Management;
- (ii) Discussed staff regulations and recommended approval by the Commission;
- (iii) Scrutinize staff performance appraisal and promotion; and
- (iv) Scrutinized the Commission annual budget and plan 2022/23
- (v) Discussed quarterly performance reports

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The Members of FPAC who served during the financial year ended 30 June 2023 are shown in Table 5:

Table 5: Members of Finance, Planning and Administrative Committee

S/N	Name	Position	Date of appointment	End of tenure
1.	Dr. Abdulla R. Abdulla	Chairperson	Reappointed 6 September 2023	5 September 2026
2.	Ms. Beatrice K. Patrick	Member	25 January 2022	24 January 2023
3.	Ms. Jane David Gonsalves	Member	26 May 2020	25 May 2023
4.	Dr. Amos M. Nungu	Secretary	March 2018	To-date

2.14.3 Audit and Risk Management Committee

The Committee is composed of five (5) members. The responsibilities of the ARC are to assist the Board in its oversight responsibility with respect to internal audit functions, internal control systems, internal and external audit reports, financial statements, risk management policy and implementation of the auditors' and Parliamentary Accounts Committee (PAC) recommendations.

The ARC meets once quarterly with additional meetings convened as and when necessary. During the financial year ended 30 June 2023, the Committee held five (5) meetings, of which four (4) were ordinary and one (1) were extra-ordinary. The ARC meetings, during the financial year under review, discussed and deliberated on the following main issues: -

- i) Risk Based Internal Audit Plan for the financial year 2022/23;
- ii) Internal Audit Quarterly Performance Reports;
- iii) Draft Risk Management Policy and Framework;
- iv) Action Plan for Implementation of CAG Recommendations for the Year 2022/23;
- v) Risk Based Annual Internal Audit Plan, 2022/23;
- vi) The External Auditors' Plan and Audit Fees for undertaking audit of the year 2022/23;
- vii) Exit Meeting with External Auditors for the year 2022/23.

The Members of ARC who served during the financial year ended 30 June 2020 are shown in Table 6:

Table 6: Members of Audit and Risk Management Committee

S/N	Name	Position	Date of Appointment	End of tenure
1.	Dr. Lugano Wilson	Chairperson	Reappointed on 15 July 2022	14 July 2024
2.	Dr. Abdulla Rashid Abdulla	Member	26 May 2020	25 May 2023
3.	Adv. Siah Emmanuel Mlay	Secretary	26 November 2022	14 July 2024
Co-opted Members:				
4.	CPA. Leonard Chacha Kitoka	Member	Reappointed 24 October 2023	23 October 2026
5.	CPA. Edmund Lweyendera Luasha	Member	Reappointed 24 October 2023	23 October 2026

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2.14.4 National Fund for Advancement of Science and Technology Technical Committee

NFAST Committee is a technical committee established under Sect. 14(2) of the Tanzania Commission for Science and Technology Act. It assists the Commission to administer the National Fund for the Advancement of Science and Technology, which is established under Sect. 23 of the Act for the purposes of financing researches or studies in matters relating to the development of science and technology. It advises the Commission on fund mobilization for the support of scientific research and technological development. The NFAST meets once quarterly with additional meetings convened as and when necessary. During the year under review NFAST Committee held 5 meetings (4 ordinary and 1 extra ordinary).

The NFAST meetings, during the financial year under review, discussed and deliberated on the quarterly NFAST reports. Moreover, the Committee deliberated on the following main issues related to research and innovation financing across R&D, HLIs and Innovation intermediaries:

- (i) Allocation of funds to support research and innovation projects;
- (ii) Infrastructure support facilities to three institutions i.e MUHAS, SUZA and TVLA;
- (iii) Support to upgrading of research results at SUA, TARI Mikocheni and UDSM;
- (iv) Innovation fund support to MAKISATU and walk in innovators;
- (v) Support to up scaling of technology from innovation projects;
- (vi) Withdrawal of funding approval to TIRDO infrastructure project on recycling of leather solid wasted;
- (vii) Endorsement of research, technology and NFAST regulations; and
- (viii) Consideration of research guiding frameworks i.e research chair framework and National research priorities.

The Members of NFAST who served during the financial year ended 30 June 2023 are shown in Table 7 below:

Table 7: Members of National Fund for Advancement of Science and Technology Technical Committee

S/N	Name	Position	Institution	Date of Appointment	End of tenure
1.	Dr. Angelo Mwilawa	Chairperson	Ministry of Livestock and Fishery	27 Nov 2020	26 May 2023
2.	Dr. James Kilabuko	Member	State House	27 Nov 2020	26 Nov 2023
3.	Ms. Jane David Gonsalves	Member	Tanzania Private Sector Foundation	27 Nov 2020	26 Nov 2023
4.	Mr. Saleh Saad Mohamed	Member	Zanzibar Planning Commission	27 Nov 2020	26 Nov 2023
5.	Mr. Atupele Mwambene	Member	Ministry of Education, Science and Technology	27 Nov 2020	26 Nov 2023

2.14.5 The National Research Registration Technical Committee (NRRC)

The National Research Clearance Committee (NRCC) is one of the arms of the Commission that is responsible for the registration and clearance of research projects that are implemented in

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Tanzania mainland. The Committee is guided by the National Research Registration and Clearance Guidelines that is normally reviewed as demand arise. The Guidelines provide guidance on the processes for registration and clearance of all research activities conducted within Tanzania mainland. The guidelines are applicable to all individuals and institutions/organizations conducting research, as mandated in the Tanzania Commission for Science and Technology Act No. 7 of 1986 (revised) described in part II section 5 sub-section 2 (b) and (c). These include all higher learning institutions, research institutions which are under government ministries, departments, agencies, private companies/enterprises, on-governmental and intergovernmental organizations, international agencies, and community-based organizations.

The National Research Clearance Committee (NRCC) is supposed to convene six meetings per year During the reporting period, the Committee held five (5) meetings.

During the period under review, NRCC meetings discussed and deliberated research projects that were submitted for research permit applications from local and foreign researchers. Moreover, the Committee deliberated on the following main issues related to research registration and clearance from local and foreign research and development (R&D) institutions:

- (i) Clearance of research projects and issuance of research permits to local and foreign researchers;
- (ii) Monitoring and Evaluation of the registered research projects that are implemented in the country;
- (iii) Ensure that research conduct in Tanzania is of the required standards which observe national rules and regulations;
- (iv) Secure results of research undertaken in Tanzania and promote its utilization in policy and practice; and
- (v) Collection and storage of research projects information.
- (vi) Endorsement the revised version of NRCC Guidelines (2023 version).

The Members of NRRC who served during the financial year ended 30 June 2023 are shown in Table 8:

Table 8: Members of the National Research Registration Technical Committee (NRRC)

S/N	Name	Position	Institution	Date of Appointment	End of tenure
1.	Prof. Maulilio J. Kipanyula	Chairperson	Ministry of Education, Science and Technology	27 Nov 2020	26 May 2023
2.	Mr. Octavian Kayombo	Member	President's Office	27 Nov 2020	26 Nov 2023
3.	Mr. Justice F. Kusiluka	Member	Immigration department	27 Nov 2020	26 Nov 2023
4.	Mr. Ameir Makame	Member	2nd Vice President Office	27 Nov 2020	26 Nov 2023
5.	Dr. Julius Keyu	Member	Tanzania Wildlife Research Institution (TAWIRI)	27 Nov 2020	26 Nov 2023
6.	DCP. Ali Kihuri Lugendo	Member	Office Inspector General of Police	27 Nov 2020	26 Nov 2023
7.	Mr. Ally Rashid	Member	TAMISEMI	27 Nov 2020	26 Nov 2023
8.	Dr. Amos Nungu	Secretary	COSTECH	27 Nov 2020	26 Nov 2023

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2.15 MANAGEMENT OF THE COMMISSION

The overall management of the Commission is conferred to the Board of Commissioners "the Commission" which is required to ensure adherence to the governing laws and procedures. The Director General, who is also the Chief Executive Officer of the Commission, is responsible to the Board for the proper administration and management of the functions and affairs of the Commission. The Commission's Management team, which is under the supervision of the Director General demonstrated capability to handle all operational and administrative matters efficiently.

2.16 RESEARCH AND DEVELOPMENT (R&D) ADVISORY COMMITTEES:

Research and Development Committees has been established as per Part III of COSTECH Act No.7 of 1986. These Committees are principal organ of the Commission responsible for coordination of all scientific and technological research carried out in the country in its field. During 2022/23 FY the Committee conducted one meeting and discussed on the research priorities and research chair framework as important research guiding tools. COSTECH has ten (10) R&D Advisory Committees. The Committees are responsible for advising the Commission matters related to; -

- (i) Research policy and priorities;
- (ii) Allocation and distribution of research funds;
- (iii) Coordination of research and extension services;
- (iv) Manpower development and
- (v) National and international cooperation.

The existing R&D Advisory committees, together with their respective members are listed in Table 9:

Table 9: Members of Research and Development (R&D) Advisory Committees

S/ N	Name	Position	Institution	Year of appointment and end of tenure
A: AGRICULTURE AND LIVESTOCK ADVISORY COMMITTEES				
1	Dr. Angelo Mwilawa	Chairperson	Tanzania livestock Research Institute	2020-2023
2	Dr. Everina Lukonge	Member	Tanzania Agricultural Research Institute	2020-2023
3	Dr. Daniel Komwihangilo	Member	Tanzania Livestock Research Institute	2020-2023
4	Dr. Suleman Sheikh	Member	Ministry of Agriculture	2020-2023
5	Dr. Eliningaya Kweka	Member	Tropical Pesticides Research Institute	2020-2023
6	Dr. Nyambilila Amuri	Member	SUA	2020-2023
7	Dr. Stella Bitanyi	Member	Tanzania Vaccine	2020-2023
8	Prof. Chacha. J. Mwita	Member	UDSM	2020-2023
9	Dr. Donald Mmari	Member	REPOA Limited	2020-2023
B: NATURAL RESOURCES ADVISORY COMMITTEE				
1	Dr. Yuda Benjamin	Chair Person	Ministry of Industry and	2020-2023

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S/N	Name	Position	Institution	Year of appointment and end of tenure
			Trade	
2	Eng. Alley Mwakibolwa	Member	Retired Public Servant.	2020-2023
3	Dr. Elisante Mshiu	Member	UDSM	2020-2023
4	Eng. Kapuulya Musomba	Member	Tanzania Petroleum Development Corporation	2020-2023
5	Dr. Simon Mduma	Member	Tanzania Wildlife Research Institute	2020-2023
6	Dr. Revocatus Petro Mushumbushi	Member	Tanzania Forestry Research Institute	2020-2023
7	Dr. Ismael Aaron Kimirei	Member	Tanzania Fisheries Research Institute	2020-2023
8	Prof. Amos Majulle	Member	UDSM	2020-2023
9	Prof. Hamisi M. Malebo	Member	UNESCO National Commission of the United Republic of Tanzania.	2020-2023
C:	ENVIRONMENT AND CLIMATE CHANGE ADVISORY COMMITTEE			
1	Prof. Esnat Chaggu	Chairperson	NEMC	2020-2023
2	Dr. Abdulla R. Abdulla	Member	Commission Member	2020-2023
3	Mr. Faraja Ngerageza	Member	Division of Environment Vice Presidents Office	2020-2023
4	Mr. Sheha Mjaja	Member	Environmental Management Authority, Tanzania Zanzibar	2020-2023
5	Prof. Lazaro Busagala	Member	Tanzania Atomic Energy Commission	2020-2023
6	Dr. Ladislaus Chang'a	Member	Tanzania Meteorological Authority	2020-2023
7	Dr. Stephen Justice Nindi	Member	National Land Use Planning Commission	2020-2023
8	Prof. Mengiseny Kaseva	Member	UDSM	2020-2023
9	Dr. Magreth Kyawalyanga	Member	UDSM	2020-2023
D:	PUBLIC HEALTH AND MEDICAL SCIENCES ADVISORY COMMITTEE			
1.	Dr. Angelo Mwilawa	Chairperson	Commission Member	2020-2023
2.	Dr. Leonard Subi	Member	Department of Preventive services Representative of the Ministry of Health	2020-2023
3.	Dr. Germana H. Leyna	Member	Tanzania Food and Nutrition Centre	2020-2023
4.	Dr. Fadhil Mohamed Abdallah	Member	Ministry of Health, Tanzania Zanzibar Medicine	2020-2023
5.	Prof. Charles Mgone	Member	Hubert Kairuki Memorial University.	2020-2023
6.	Prof. Eston Karimulibo	Member	Sokoine University of Agriculture	2020-2023
7.	Prof. Ahmed Jusabani	Member	Aga Khan University Medical College, Dar es salaam	2020-2023
8.	Dr. Honorat Masanja	Member	Executive Director Ifakara Health Institution	2020-2023
E:	SOCIAL SCIENCES ADVISORY COMMITTEE			
1.	Ms. Jane Gonsalves	Chairperson	Commission Member	2020-2023
2.	Ms. Flora Protas Bilauri	Member	Prime Minister's Office	2020-2023
3.	Mr. Shamoun Hashim Ali	Member	Ministry of Youth, Culture, art and Sports-Tanzania Zanzibar	2020-2023

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S/ N	Name	Position	Institution	Year of appointment and end of tenure
4.	Dr. Flora Madete	Member	Ministry of Finance and Planning	2020-2023
5.	Dr. Rehema Godfrey Kilonzo	Member	University of Dodoma	2020-2023
6.	Dr. Gastro Frumence	Member	Muhimbili University of Health and Allied Sciences	2020-2023
7.	Dr. Joyce Nyoni	Member	Institute of Social Work	2020-2023
8.	Prof. Taus Mbaga Kida	Member	Economic and Social Research Foundation,	2020-2023
F: BASIC SCIENCES ADVISORY Committee				
1.	Dr. Yuda L. Benjamin	Chairperson	Commission Member	2020-2023
2.	Miss. Bahati Geuze	Member	Tanzania Education Authority	2020-2023
3.	Dr. E.J Kafanabo	Member	School of Education, university of Dar es-salaam	2020-2023
4.	Prof. Sylvia Kaaya	Member	Muhimbili University of Health and Allied Sciences	2020-2023
5.	Prof. Said A. H.Vuai	Member	College of Natural and Mathematical Sciences, University of Dodoma	2020-2023
6.	Prof. Verdiana-Grace Masanja	Member	Nelson Mandela Institute of Science and Technology	2020-2023
7.	Dr. Talam E. Kibona	Member	Faculty of Science, Mkwawa University	2020-2023
8.	Dr Gwakisa Andindilile Kamatula	Member	National Museum of Tanzania	2020-2023
G: BIOTECHNOLOGY ADVISORY COMMITTEE				
1.	Dr. Angelo Mwilawa	Chairperson	Commission Member	2020-2023
2.	Prof. Joshua J. Malago	Member	Sokoine University of Agriculture	2020-2023
3.	Eng. Onesphory Kamukuru	Member	Division of Environment, Vice president office	2020-2023
4.	Prof. Julie Makani	Member	Muhimbili University of Health and Allied Sciences	2020-2023
5.	Dr. Danstan Hipolite Shewiyo	Member	Tanzania Medicine and Medical Devices Authority	2020-2023
6.	Prof. Thomas Lyimo	Member	University of Dar es Salaam	2020-2023
7.	Dr. Deusdedit Mbazibwa	Member	Tanzania Research Institute (TARI- Mikochehi)	2020-2023
8.	Mr. Shamina Sameer Somji (Bpham)	Member	Shelys Pharmaceuticals	2020-2023
9.	Mr. Idd Hatibu Mvungi	Member	Bakhresa & Co.Ltd.	2020-2023

2.17 CAPITAL STRUCTURE

The Tanzania Commission for Science and Technology was established by an Act of Parliament No. 7 of 1986 as a successor of National Scientific Research Council that was established in 1972. The Commission capital structure comprise of the assets contributed by Government to together with the development funds received by the Commission for rehabilitation of the office building amounting to TZS. 4,188,444,000.

2.18 STAKEHOLDERS RELATIONSHIP

The Commission has internal and external stakeholders and it has established a harmonious relationship with its stakeholders. During the year 2022/23, stakeholders, both internal and

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external, extended required cooperation and support to the Commission's activities. Specifically, the Commission received continuous cooperation and support from the Government, R&D and Higher Learning Institutions, Innovators, Private sector, Development partners, MDAs, NGOs, Media, Commission staff and the general public.

2.19 REVIEW OF BUSINESS PERFORMANCE

The Commission's Key Performance Indicators (KPIs) are reported based on the implementation of annual plan and budget derived from the Corporate Strategic Plan (2021/22-2025/26). The KPIs for the year ended 30 June 2023 are given under Table 10 below:

Table 10: Key Performance Indicators for the Year 2022/23

Objectives	Target	Implementation Status
A: HIV/AIDS infections and Non-communicable diseases reduced and supportive services improved	Four capacity building sessions on HIV/AIDs and NCDs conducted annually.	Conducted 4 awareness NCD trainings on stress management, hepatitis, mental health and kidney related diseases.
		Established a health committee in accordance to the guidelines issued by the President Office Public Service Management and Good Governance.
B: Implementation of National Anti-Corruption Strategy enhanced and sustained	Four capacity building session on work ethics and core value conducted annually.	Prepared the Annual Action Plan for the implementation of the Ethics practices and anti-corruption strategy.
		Received and resolved 6 complaints through e-mrejesho on research permit related issues.
		Conducted 3 training on awareness ethics practices and integrity in public service, rights and obligations in public service and combating corruption in public service environment.
C: National Science, Technology and innovation governance enhanced	Three (3) policy briefs on research prepared and disseminated annually	Conducted 1 training to heads of departments from R&D institutions on developing evidence-based policies and plans.
		Conducted 1 validation workshop of 2 policy briefs on the need to mitigate the unsustainability of the Nile perch stocks in Lake Victoria and application of satellite technology for economic development.
	Seven (7) categories of knowledge products (books, booklets, brochures, banners, fliers, newsletters, bulletin) from research and innovation prepared and innovation prepared and disseminated annually.	Convened a consultative working session on the contribution of research, science, technology, and innovation to socio-economic development and produced a book titled, "Mchango wa Sayansi, Teknolojia na Ubunifu kwa Maendeleo ya Kiuchumi na Kijamii Nchini."
		Prepared a Newsletter known as "COSTECH Jarida la Mwezi" for July and August 2022.
	Five (5) advocacy events for use of research results and innovations to policy and decision makers conducted by June 2026.	Conducted 4 training series on safe use of biotechnology to diverse stakeholders.
Drafted the Zanzibar Biosafety Framework and Regulations.		
D: Utilization of Science, Technology and innovation products and services enhanced	One (1) data base for technologies driving industrialization in key economic sectors developed and maintained by 2026.	Organized the 8th National Science, Technology and Technology Conference and Exhibition (STICE) event
		Conducted National Innovation Week.
		Conducted technology mapping phase I in irrigation to identify the status of technology in irrigation

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Objectives	Target	Implementation Status
	10 hubs, 15 clusters and TTOs facilitated with Technology and Innovation support services annually.	Conducted 6 capacity-building trainings on strengthening technology and innovation support centers (TISCs) in the HL and R&D institutions.
		Conducted 9 field visits under the innovative cluster initiative and for discussion of progress made and lesson learned from the operationalization of cluster guideline in each project.
		Developed and Validated a Hub Manager's Training Curriculum.
		Conducted situation analysis and technology needs assessment for the three established clusters in the sectors of Palm oil processing, coconut value chain, and small-scale minors.
	Thirty (30) competitive research project funded by 2026.	-Developed a proposal on emerging technologies and submitted to IDRC. -Implementing EDCTP project on clinical application of whole genome sequencing in multidrug resistance tuberculosis patients -Issued a call for proposals on emerging technologies for sustainable development and on mathematics education.
	Six (6) commissioned research project supported by 2026.	One (1) Commissioned call related to Mathematics was issued.
	Five (5) R&D results in priority sectors scoped and supported for possible uptake annually.	Developed a draft Technology Transfer Manual for agro-processing technologies from local agriculturally based institutions and deliver to end users.
		Visited four clusters who are technology users to collect information about their preferable mode of acquiring technologies, as well as their economic status.
	Five (5) Innovations commercialized annually.	supported the upscaling of 1 project; "Prepaid water Meter"
		Conducted 1 workshop expert consultation on the draft credit policy to be used in commercializing research and Innovation outputs
	Six hundred (600) local and foreign researchers registered and permitted for research annually. Fifteen (15) innovators supported annually.	A total of 481 research projects applications were received and a total of 1162 Research permits were issued to Tanzanians and non Tanzanian researchers.
		Registered 52 walk-in innovators to COSTECH database
		Awarded 14 MAKISATU 2022 winners and Supported winners of MAKISATU 2022
		Prepared Innovation Week (MAKISATU) 2023
		Conducted 4 training sessions to raise awareness on identify, promote inventions, innovations and traditional knowledge
		Conducted 1 training workshop to Startups
		Supported Njombe Innovation clinic Facilitated BOOST UP 2022
		Conducted a National innovation framework stakeholder's workshop
		Collaborated with private sector in supporting start-ups through IMBEJU program whereby 369 proposals were received, 116 were shortlisted for review, 18 proposals qualified for financial support through IMBEJU program
	Nine (9) certificates of excellence in STI	Made a call for journalists' awards; 19 Journalists submitted their applications.

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Objectives	Target	Implementation Status
	journalism awarded annually.	
E: Capacity to deliver Science, Technology and Innovation services improved	Eight (8) HR tools (succession plan, staff rules and regulations, human resource plan, scheme of services, guideline for R&D scheme of service, training and development plan, training policy, incentive scheme) review and operationalized by 2026.	Renewed the Workers Council Contract to enable re-establishment of Workers Council.
	Five strategic field of expertise (IPR issues, material engineering, extractive industry, industrial minerals and industrial engineering and business support) capacitated in respective sector by June 2026	Conducted 1 training of capacity-building at Mkwawa University College of Education (MUCE) on establishment and operationalization of the innovation intermediary innovative ideas. Conducted 1 training on establishment and operationalization of the innovation intermediary especially for Technology Transfer Offices (TTOs) to 7 HLIs that implement the HEET project
	Ten specialized trainings in research management conducted by 2026.	Conducted 2 training workshops on research management and administration practices for research managers and on writing competitive research proposals to attract funding and build a culture of collaborations/networking among researchers from R&D institutions in the country.
	Financial resource mobilization strategy prepared and operationalized by June 2023.	Prepared a three year (2023/24 - 2025/26) Financial Resource Mobilization (FRM)
	Auditing internal control system efficiently and effectively managed by June 2026.	Prepared and submitted COSTECH Financial Statement for the period ending 30 June 2022 to the Controller and Auditors General as per directives.
	Internal auditing services provide annually.	Conducted performance audit review of 14 selected COSTECH funded projects, Audit review of HEET project to assess compliance with contract terms between COSTECH and Ministry of Education, Science and Technology (MoEST), Audit review of the QMS (ISO 9001:2025), Audit review of procurement management activities, Audit review to examine whether Information System Operations, Participated in the pre-award assessment (Due-diligence) to collect information about Innovators' host institutions, Participated in the Internal Auditors Training on the ISO 9001:2015 QMS, Participated in Special Task Activity called by Ministry of Finance and Planning (MoFP) and Follow up of Implementation of Previous Audit Recommendations.
	Ten (10) research management frameworks established and adopted by R&Ds and HLIs by June 2026.	Facilitated a taskforce with participants from six institutions in Zanzibar to develop institutional Postdoctoral guidelines Reviewed the NRRC Guidelines by adding information on the online research permit application, mode of payment and the fast track review Facilitated development of National Frameworks, guideline and tools to ensure effective management of STI . Developed Draft National Framework for Scientific Research Competence (NFSRC).

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Objectives	Target	Implementation Status
	Six (6) Research ethical committees established by June 2023	Facilitated the development of Standard Operating Procedures (SOPs) for establishment of Research Ethics Committees (RECs) In Zanzibar. Supported the Second Vice President Office (SVPO) and the Office of Chief Government Statistician (OCGS) to develop SOP for research clearance and permits.
	Risk management framework for COSTECH reviewed and operationalized by June 2023.	Monitored the existing controls, dropping and introducing new controls in the risk treatment action plan. Conducted the audit to risk management activity. Conducted 2 awareness trainings on business continuity management (BCM) to risk champions and Management and Risk management training to the members of the Board of Commissioners, Audit and risk committee Operationalized risk management framework and policy, and its risk implementation plan.
	Quality management system (ISO: 9001/ 2015 certification) reviewed and acquired by June 2026.	Conducted 4 trainings on importance of Quality Management system. Conducted gap analysis. Prepared all QMS mandatory documents and processes procedures. Developed and implemented awareness program to COSTECH staff and further to individuals under a specific process. Conducted ISO 9001:2015 internal auditing at COSTECH HQ.
	Monitoring and evaluation systems (M&E frame work and reporting tools) operationalized by June 2023.	-Finalized the monitoring exercise of 60 out of 70 sampled projects -Conducted monitoring to 23 Innovation spaces/Hubs located in Tanzania Mainland and Zanzibar. Conducted an impact assessment of research projects Conducted 1 awareness training session on basic knowledge on Monitoring, Evaluation and Learning to COSTECH staff.
	Eighteen (18) statutory meeting (2 workers council, 4 commission, 4 FPA, 4 Internal Audit and 4 NFAST) and other meetings conducted annually.	Conducted meetings as planned.
	Six (6) Research clearance and Registration Meetings conducted annually.	Conducted 3 National Research Registration Committee (NRRC).
	Fifteen (15) R&D institutions facilitated to establish gender policy on research by June 2026.	Participated in 1 training in the monitoring and evaluation of the Generation Equality Forum (GEF).
	Institutional plans prepared and implemented annually.	Prepared and implemented. Prepared annual budget for the Financial Year 2023/24 as per National guideline for the plan and budget preparation (2023/24). Conducted 1 budget training on budget processes and using the Planrep system for effectively planning and budgeting.
	Legal services provided annually.	Legal services provided as needed.

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Objectives	Target	Implementation Status
	Procurement and supplies services facilitated annually.	Procurement and supplies services facilitated as needed.
	Information Management systems (accounting, HR, Procurement, internet, repositories, Audit and EDMS) installed by June 2026.	Facilitated staff in 3 capacity building activities on cyber security, attended the ICT Commission's Tanzania Annual ICT Conference (TAIC) and Attended workshop on research management. Facilitated 2 online services namely National Integrated Repository (NIR) and Union Catalog Educated and persuaded participants to integrate their institutional repositories and e-libraries into Union Catalog and NIR.
	STI management system upgraded and updated annually.	Upgraded the Research and Innovation Information Management System (RIMS). Developed and deployed the help desk system. Conducted assessment of HERIN infrastructures and Held meetings with multiple stakeholders on upgrade of all HERIN links (inter link capacity) which have the capacity of 100Mbps to 1Gbps. Developed a web portal for receiving innovation applications for COSTECH/ CRDB youth and women innovators' seed capital fund- IMBEJU. Redesigned the website with major changes in its appearance, interface and the technology.
	One (1) offsite back up system installed by June 2023.	Conducted physical inspection of servers, air conditioners and backup system, testing of backup system and load identification on installed servers.
	Communication strategy operationalized by June 2023.	Communication strategy operationalized.
	Nine (9) STI tools for knowledge management prepared and operationalized by June 2023.	Developed the first draft guidelines for recognition and promotion of scientific journals.
	Ten (10) local research trained and motivated to publish in reputable journals annually.	Facilitated 1 scientific paper writing workshop
	Twenty (20) training on science communication between researchers and media personnel conducted by June 2026.	Conducted 1 training workshop in research communication for media personnel, innovators and researchers.
	Twenty (20) fora and dialogues on STI pertinent issues participated and facilitated by 2026.	Conducted 3 fora on agriculture and food security, contribution of STI for socio-economic development and the Nexus of Climate Change. Attended 3 Learning Summits on national policy frameworks including pursuit for gender equality and equity in research and innovation, strengthening national STI systems that contributes to inclusive development in sub-Saharan Africa and designing, monitoring and evaluation (D, M&E) research program. Negotiated to receive 10% for administration of the projects that will include and cater for screening, review, due diligence, inception meeting, monitoring of the progress as well as to host a dissemination meeting.
	Management and administration of research and innovation projects facilitated annually.	Organised 4 trainings on Pre-Award Training to MAKISATU Winners 2022, Inception training for the second round of 13 MAKISATU 2022 winners, inception training innovations projects and the 7 successful innovators from the MAKISATU 2022

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Objectives	Target	Implementation Status
		acceleration program and acceleration workshop to 18 MAKISATU 2022 participants who did not meet minimum requirement.
		Organized the awarding ceremony for 2022 MAKISATU winners.
		Conducted due diligence (pre-award assessment) of 6 newly approved MAKISATU projects Conducted diligence exercise to 12 institutions that hosts 42 innovation projects.
		Received and worked on progress reports from ongoing funded projects and final reports.
		Received and worked on inception reports from MAKISATU and upscaling of innovation grantees.
		Participated, in the dissemination of research results from a funded projects titled: "Mycotoxins- including aflatoxin in maize food chain" by Prof. Athanasia Maleko of Nelson Mandela African Institute of Science and Technology.

2.20 RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Commissioners accepts final responsibility for the risk management and internal control systems of the Commission. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an on-going basis in order to provide reasonable assurance regarding:

- (i) The effectiveness and efficiency of operations;
- (ii) The safeguarding of the Commission'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; and
- (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 Commission system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively. The Board assessed the internal control systems throughout the financial year ended 30 June 2023 and is of the opinion that they met the accepted criteria. The Board carries out risk and internal control assessments through the Audit and Risk Committee.

Risk Management Policy and Framework

The Commission developed draft Risk Management Policy and Framework in accordance with the Circular No.12 of 2012/13 dated 31 May 2013 issued by the Permanent Secretary Ministry of Finance and the Guidance on Preparation of Risk Management issued by the Internal Auditor General in the year 2012. The Commission's Risk Management Policy and Framework was approved for implementation by the Commission during the year under review. Training and awareness programmed for employees were undertaken, the Risk Management Coordinator was appointed, and preparation of Risk Register and risk mitigation plan was done.

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2.21 TECHNOLOGY AND INNOVATION

The commission has a robust ICT infrastructure that comprises of the E-office system, on line research registration system, accounting system and the Human Resources Management System coupled with comprehensive software, hardware and disaster recovery resources. Innovation is one of the top priorities of Commission.

2.22 ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Commission remain conscious of Environmental, Social and Governance issues, promoting gender equality and women empowerment in the society. In the year 2022/23, COSTECH, in efforts to empower women and promote sustainable development in the society, the commission have facilitated women to participate in various events conducted during the year under review.

2.23 CORPORATE SOCIAL RESPONSIBILITY

The Commission is conscious of encouraging good corporate citizenship. In the year 2022/23, the Commission supported students from Schools, Universities and other learning institutions to access innovation programs and virtual training platforms for practical learning. Buni hub also allocated its resources in financial capacity building and financial literacy to students and young innovators.

2.24 RELATED PARTY TRANSACTIONS

The Key Management Personal (as defined by IPSAS 20, "Related Party Disclosure") are the members of the Board of Directors and Management, who together constitute the governing body of Tanzania Commission for Science and Technology (COSTECH).

2.25 RESOURCE

The Commission has adequate financial resources and human resources with appropriate skills and experience in running the Commission, these resources facilitate the enhancement of shareholders value by ensuring the Commission is achieving its sets objectives both short term and long run.

2.26 STAFF MATTERS

Management and Employees' Relationship

A healthy relationship existed between Management and employees during the year. There was a harmonious relationship between Management and employees; and there were no unresolved complaints received by the Board from the employees during the year.

Working Environment

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

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Commission. This encompasses individual commitment towards innovative thinking and professional expertise resulting to reward.

Opportunities and Fairness

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

Medical services

The Commission provides medical insurance to all staff and their families through National Health Insurance Fund (NHIF). During the year 2022/23, services received from the service providers were generally satisfactory. Pensions Contributions, Commission employee and employer contribute to PSSSF. The Commission does not contribute to any other Pension Fund. As of 30 June 2023, COSTECH had 110 employees which include 108 permanent and contractual 2 employees compared to 92 employees on 30 June 2022 (permanent employees 88 and 4 contractual). Further, out of the 92 employees at year end, 41 were female and 51 were male. The number of staff increased during the year due to staff transfers.

Disabled Persons

The Commission is an equal opportunity employer and does not discriminate against person - with disabilities during the recruitment processes.

Industrial Safety

It is the policy of the Commission that in conducting its activities it will strive to create a working environment whereby industrial incidences relating to accidents are reduced to a minimum and in which employees, customers, contractors and the general public will not be exposed to unnecessary safety and health risks. It is the duty of employees to ensure that the Commission's policy on health and safety is complied with. The Management endeavors to satisfy the standards set by the Commission, stakeholders, international as well as National organizations. The Commission is registered with the Occupational Safety and Health Authority (OSHA).

2.27 LIQUIDITY

The Commission's state of affairs as at 30 June 2023 is reflected in the accompanying financial statements. The Board of Commissioners considers the COSTECH to be liquid as disclosed by the Statement of Financial Statement on Page 36.

2.28 AUDITORS

The Controller and Auditor General is the Statutory Auditor of the Tanzania Commission for Science and Technology by virtue of Article 143 of the Constitution of the United Republic of Tanzania (URT) and as amplified in Section 32 (4) of the Public Audit Act, Cap.418. However, in accordance with Section 33 (1) of the same Act, M/s EVK Certified Public Accountants were

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

authorized to carry out the audit of the Commission on behalf of the Controller and Auditor General for the financial statements of the year ended 30 June 2023.

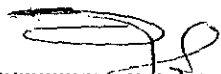
The details address for the auditors are as set below:

EVK Certified Public Accountants,
PSSSF Commercial Complex, 10th Floor,
Sam- Nujoma Road
P.O. Box 53789,
Dar es Salaam - Tanzania.

2.29 RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

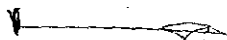
The members charged with governance accept responsibility for preparing these financial statements which show a true and fair view of the Commission to the date of approval of the audited financial statements, in accordance with International Public Sector Accounting Standards, rules, regulations and legal provisions. The members also confirm compliance with the provisions of the requirements of TFRS 1 and all other statutory legislations relevant to the Commission.

BY ORDER OF THE COMMISSION



Dr. Amos M. Nungu
DIRECTOR GENERAL

Date.....*27 February*.....



Prof. Makenya A. H. Maboko
CHAIRMAN OF THE COMMISSION

Date.....*27.02.2024*.....

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE


Tanzania Commission for Science and Technology Act, No. 7 of 1986 (Revised) require the Commission to prepare proper books of accounts at the end of each financial year, which show a true and fair view of the state of affairs and the results of the operations of COSTECH. In addition, Section 25(4) of the Public Finance Act No. 6 of 2001 (revised, 2004) requires management to prepare Financial Statements of each reporting period which gives a true and fair view of Statement of Financial Performance, Statement of Financial position, Cash flow statement, Statement of Changes in equity, Statement of Comparison of Budget against Actual of the reporting entity as at the end of the financial year.

The Commission confirms that suitable policies that are in conformity with International Public-Sector Accounting Standards (IPSAS) have been used and applied consistently transitional provision and reasonable and prudent judgments and estimates have been made in the preparation of COSTECH's financial statements for the year ended 30 June 2023. The Board is also responsible for safeguarding the assets of COSTECH and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

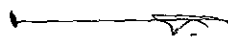
The Commission further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement. To enable the Board to meet these responsibilities they set standards for internal controls aimed at reducing the risk of errors or loss in a cost-effective manner.

The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of Risk. Procurement of goods, works, consultancy, and non- consultancy services that are reflected in these financial statements have been done in accordance with the Public Procurement Act No. of 2011 (as amended in 2016) and its Regulations of 2013 (as amended in 2016).

Further, the Board is of the opinion that the financial statements give a true and fair view of the state of financial affairs of COSTECH. Nothing has come to the attention of the Board to indicate that COSTECH will not remain on going concern for at least the next twelve months from the date of this statement.


.....
Dr. Amos M. Nungu
DIRECTOR GENERAL

Date..... 27 February


.....
Prof. Makenya A. H. Maboko
CHAIRMAN OF THE COMMISSION

Date..... 27.02.2024

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

4.0 DECLARATION OF THE HEAD OF FINANCE

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 professional Accountant to assist the Board of Commissioners / Governing Body / Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity's position and performance in accordance with applicable International Accounting standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the board of commission / Governing Body as under Directors' Responsibility statement.

I, Daudi Mabula, being the Finance and Account Manager of Tanzania Commission for Science and Technology (COSTECH), hereby acknowledge my responsibility of ensuring that Financial Statements for the year ended 30 June 2023 have been prepared in compliance with International Public Sector Accounting Standards and Statutory Requirements.

I thus confirm that the Financial Statements give a true and fair view position of the Commission as on that date and that they have been prepared based on properly maintained financial records.

Signed by:

Name: DAUDI MABULA

Signature: 

Position: FINANCE AND ACCOUNT MANAGER

NBAA Membership No: ACPA 2233

Date.....


TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

5.0 FINANCIAL STATEMENTS

5.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	NOTE	2022/23 TZS '000	2021/22 TZS '000
ASSETS			
Current Assets			
Cash and Bank balances	2	6,693,237	6,904,096
Trade and Other Receivables	3	429,689	282,018
Inventories	4	<u>23,576</u>	<u>7,051</u>
Total Current Assets		7,146,502	7,193,165
Non-Current Assets			
Property, Plant and Equipment	5	6,817,030	7,135,022
Advance for Technology Park formation	6	2,459,007	2,459,007
Intangible assets	7	<u>19,319</u>	<u>38,739</u>
Total Non-Current Assets		<u>9,295,356</u>	<u>9,632,768</u>
TOTAL ASSETS		16,441,858	16,825,933
LIABILITIES			
Current Liabilities			
Deferred Capital Grant	8	93,721	5,310
Deferred Revenue Grants	9	4,834,789	4,832,206
Trade and other payables	10	<u>1,343,985</u>	<u>1,035,977</u>
Total Current Liabilities		<u>6,272,495</u>	<u>5,873,493</u>
NET ASSETS		<u>10,169,363</u>	<u>10,952,440</u>
EQUITY			
Capital Contributed by Government	11(a)	4,188,444	4,188,444
Accumulated Surplus		<u>5,980,919</u>	<u>6,763,996</u>
TOTAL EQUITY		<u>10,169,363</u>	<u>10,952,440</u>


The accompanying notes are integral part of the financial statements, which were authorized for issue by the Board of Commissioners and were signed on its behalf by:

.....


Dr. Amos M. Nungu

DIRECTOR GENERAL

Date... 27/02/2023

.....


Prof. Makenya A. H. Maboko

CHAIRMAN OF THE COMMISSION


Date... 27.02.2023

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

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

	NOTE	2022/23 TZS '000	2021/22 TZS '000
REVENUE			
Revenue from Non-exchange transactions:			
Government Subvention	12	4,480,694	3,917,860
Amortization of Capital Grant	13	31,780	0
Revenue for research and development	14	4,918,250	4,413,200
Revenue Grants	15	<u>2,891,963</u>	<u>4,742,499</u>
Sub Total		12,322,687	13,073,559
Revenue from Exchange transactions:			
Internally Generated Revenue	16	564,422	409,001
Other Operating Income	17	814,335	638,371
Gain (Loss) in Exchange	18	<u>30,619</u>	<u>(16,284)</u>
Sub Total		<u>1,409,376</u>	<u>1,031,088</u>
TOTAL REVENUE		13,732,063	14,104,647
OPERATING EXPENSES			
General Administrative Expenses	19	5,332,703	6,199,462
Research Coordination and Promotion	20	6,655,420	4,346,516
Technology Development and Transfer	21	1,100,309	2,044,129
Information and Documentation	22	776,203	396,296
Depreciation	5(a)	<u>600,505</u>	<u>348,160</u>
Total Operating expenses		<u>14,465,140</u>	<u>13,334,563</u>
Surplus/(Deficit) for the Year		<u>(733,077)</u>	<u>770,084</u>

The accompanying notes are integral part of the financial statements.

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Dr. Amos M. Nungu
DIRECTOR GENERAL

Date... 27 February

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Prof. Makenya A. H. Maboko
CHAIRMAN OF THE COMMISSION

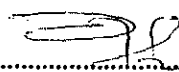
Date... 27.02.2024

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

5.3 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023


	Capital Fund TZS'000'	Accumulated Surplus TZS'000'	Total TZS'000'
Balance as at 1 July 2022	4,188,444	6,763,996	10,952,440
Deficit for the year	0	(733,077)	(733,077)
Reduction (Note 11(b))	0	(50,000)	(50,000)
Balance at 30 June 2023	<u>4,188,444</u>	<u>5,980,919</u>	<u>10,169,363</u>
 Balance as at 1 July 2021			
As previously stated	4,188,444	6,553,711	10,742,155
Prior year adjustment (Note 23(b))	0	(509,799)	(509,799)
As restated	4,188,444	6,043,912	10,232,356
Surplus for the year	0	770,084	770,084
Reduction (Note 11 (b))	0	(50,000)	(50,000)
Balance as at 30 June 2022	<u>4,188,444</u>	<u>6,763,996</u>	<u>10,952,440</u>

The accompanying notes are integral part of the financial statements.

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Dr. Amos M. Nungu
DIRECTOR GENERAL

Date 27/02/2024

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Prof. Makenya A. H. Maboko
CHAIRMAN OF THE COMMISSION

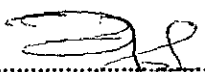
Date 27.02.2024

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

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

Description	Original Budget 2022/23	Final budget 2022/23	Actual amounts on comparable basis	Variance amount	Variance	Explanation of variances
	TZS '000'	TZS '000'	TZS '000'	TZS '000'	%	NOTE
A: RECEIPTS						
Personal Emoluments - (PE)	3,061,391	3,061,391	4,342,962	1,281,571	42%	26(a)
Government Subvention - OC	185,706	185,706	137,732	-47,974	-26%	26(b)
Own source	731,489	731,489	751,170	19,681	3%	26(c)
NFAST Revenue	4,300,000	4,300,000	4,915,000	615,000	14%	26(d)
Operating Income	700,000	700,000	1,098,214	398,214	57%	26(e)
Grants	<u>6,444,050</u>	<u>6,444,050</u>	<u>3,341,181</u>	<u>-3,102,868</u>	-48%	26(f)
Total receipts	15,422,636	15,422,636	14,586,259	-836,376	-5%	26(a)
Staff salaries - (PE)	3,061,391	3,061,391	4,349,271	-1,287,880	-42%	26(g)
General Administration Expenses	917,195	917,195	203,460	713,735	78%	
NFAST Research Expenditure	4,417,000	4,417,000	5,771,375	-1,354,375	-31%	26(h)
Other charges expenses	700,000	700,000	773,622	-73,622	-11%	26(i)
Grants	<u>7,869,587</u>	<u>7,869,587</u>	<u>3,366,877</u>	<u>4,502,710</u>	57%	26(j)
Total payments	16,965,173	16,965,173	14,464,605	2,500,568	15%	

The accompanying notes are integral part of the financial statements.



Dr. Amos M. Nungu
DIRECTOR GENERAL

Date: 27/02/2024



Prof. Makenya A. H. Maboko
CHAIRMAN OF THE COMMISSION

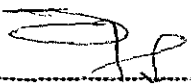
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TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

5.4 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

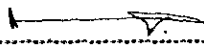
	NOTE	2022/23 TZS'000'	2021/22 TZS'000'
CASH FLOW FROM OPERATING ACTIVITIES			
Government subvention - Other charges	12(a)	137,732	171,777
Personal Emoluments paid at source	12(b)	4,186,065	3,695,263
Pension, NHIF deductions and other deductions	12(b)	22,060	50,819
Personal Emoluments arrears received	12(b)	134,837	0
Revenue for research and development (NFAST)	14	4,915,000	4,413,200
	15	3,341,181	5,962,499
Grants received	(a)		
HERIN Fund - Internet	15(b)	1,098,214	730,420
Internally generated Income	16	564,422	409,002
Sundry Income (other operating income)	17	186,748	71,583
Total cash receipt		14,586,259	15,504,563
Cash paid to suppliers and employees	24	<u>(14,464,604)</u>	<u>(12,997,430)</u>
NET CASH FLOW FROM OPERATIONS	23	121,655	2,507,133
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Property, Plant & Equipment's	5	<u>(282,514)</u>	<u>(6,872)</u>
NET CASH FLOW USED IN INVESTING ACTIVITIES		(282,514)	(6,872)
CASH FLOW FROM FINANCING ACTIVITIES			
Refund to Consolidated Fund	11(b)	(50,000)	(50,000)
Grant	8	0	0
NET CASH FLOW USED IN FINANCING ACTIVITIES		(50,000)	(50,000)
Net decrease/increase in cash and cash equivalents		(210,859)	2,450,261
Cash and cash equivalents at beginning of period		<u>6,904,096</u>	<u>4,453,835</u>
Cash and cash equivalents at end of period		<u>6,693,237</u>	<u>6,904,096</u>

The accompanying notes are integral part of the financial statements.



Dr. Amos M. Nungu
DIRECTOR GENERAL

Date... 27/02/2024...



Prof. Makenya A. H. Maboko
CHAIRMAN OF THE BOARD OF
COMMISSIONERS

Date... 27/02/2024...

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

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

NOTE 1: GENERAL INFORMATION

1.1 STATUTE

The Tanzania Commission for Science and Technology was established by an Act of Parliament No. 7 of 1986 as a successor of National Scientific Research Council that was established in 1972. The Act stipulates in detail the objectives, functions and powers of the Commission. The Commission offices are located along Ali Hassan Mwinyi Road Kijitonyama/Science, Dar Es Salaam.

The overall management of COSTECH is vested in the Board of Commissioners, the Governing body under the supervision of the Ministry of Education, Science and Technology. The Director General carries out the day-to-day operations of the Commission.

1.2 STATEMENT OF COMPLIANCE

The Commission's financial statements have been prepared in accordance with and comply with the International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board (IPSASB). The Report by Those Charged With Governance has been prepared in line with the requirements of the new National Standard; TFRS No. 1 - The Report by Those Charged with Governance, issued by the NBAA Governing Board during its 182nd meeting held on 22 June 2020.

1.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Commission financial statements are prepared and presented in compliance with accrual basis IPSASs. The significant accounting policies outlined below have been consistently applied throughout the year.

1.4 BASIS OF PREPARATION

The financial statements have been prepared on historical cost basis; the cash flows statement is prepared using the direct method; and the financial statements are prepared on an accrual basis.

1.5 REPORTING PERIOD

The reporting period for these financial statements is the financial year of the Commission which runs from 1 July 2022 to 30 June 2023.

1.6 NEW STANDARDS ON ISSUE NOT YET ADOPTED BY THE COMMISSION

There is one new Standard issued by the International Public Sector Accounting Standards Board (IPSASB), which was not yet effective up to the date of issuance of the Commission's financial statements. The new Standard is:

- IPSAS 43 - Leases - Effective date from 1 January 2025, with early adoption encouraged.

1.7 FOREIGN CURRENCY TRANSACTIONS

Functional and Presentation Currency Items included in the financial statements of the Commission are measured using the currency of the primary economic environment in which the Commission operates ("the functional currency").

The financial statements are presented in Tanzanian Shillings (TZ'000'), which is the Commission's functional and presentation currency.

Transactions and Balances in Foreign currency are translated into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are reported in the statement of financial performance.

1.8 PROPERTY, PLANT AND EQUIPMENT

As per IPSAS 17, the Commission uses Cost Model as the method to costs its assets. Property, Plant and Equipment are stated at cost less subsequently shown accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to Commission and the cost of the item can be reliably measured. Where an asset is acquired at no cost, or for a nominal cost through a non-Commission transaction, its cost is be measured at its fair value as at the date of acquisition.

Depreciation is calculated on a straight-line method so as to allocate the cost amount to its residual value over estimated useful life as follows:

Description	Rate (%) Per Annum
Motor vehicles	20
Computers	25
Furniture and Fittings	20
Buildings	2
Office equipment	20

Depreciation is charged on assets from the date when they are ready for use and stop on the date when the asset is derecognized by the Commission. All other repairs and maintenance expenditure is charged to the Statement of Financial Performance during the financial period in which it is incurred. The asset's residual values and useful lives are reviewed and adjusted if appropriate at each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

1.9 INTANGIBLE ASSETS

Generally, costs associated with maintaining computer software programmes are recognized as an expense as incurred. However, costs those are clearly associated with an identifiable and unique product, which will be controlled by the Commission and has a probable benefit accruing to the Commission beyond one year, are recognized as intangible assets.

Expenditure which enhances and extends the computer software programmes beyond their original specifications and lives is recognized as a capital improvement and added to the original cost of the software. Computer software development costs recognized as assets are amortized using the straight-line method over their useful lives, estimated at eight years (12.50%).

1.10 IMPAIRMENT OF ASSETS

Assets that are subject to the depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separable identifiable cash flows (cash generating units). No impairment review for the assets was carried out by the Commission since such events or changes did not exist during the year under review.

1.11 INVENTORIES

Inventories are valued at the lower of cost and current replacement cost. Cost is determined on a First-in-First-Out (FIFO) basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the open market less applicable selling expenses. Store and consumables are stated at cost less any provision for obsolescence. Any obsolete items are provided for in full in the year they are detected.

1.12 REVENUE RECOGNITION

The operating revenue consists of Government's contribution which is recognized as revenue when received. Other operating revenue arises from exchange transactions for sale of services in ordinary cause of activities.

Other operating revenue arises from gains/losses on disposal of property, plant and equipment. Any gain or loss on disposal is recognized at the date of the asset is passed to the buyer and is determined after deduction from the proceeds less the carrying value of assets at that time.

1.13 RECEIVABLES FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS

Receivables from exchange transactions are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

Receivables from non- exchange transactions comprise: Grants from various donors, National Fund for Science and Technology receivables that do not arise out of a contract.

1.14 DEPOSITS, PREPAYMENTS AND RECEIVABLES

Deposits, prepayments and receivables are recognized initially at fair value and subsequently measured at amortized cost net of provision for impairment. Provision for impairment is made when there is objective evidence that the Commission will not be able to collect all amounts due according to the original terms of the specific receivables. The loss is recognized through the statement of financial performance.

1.15 GRANTS

Government grants and Donor grants are assistance by government or foreign partners in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity.

Recognition of Grants as income depends on whether there are conditions embodied to an asset or restrictions on its use. Grants are deferred for future or recognized immediately as revenue if there are restrictions embodied into it or not, respectively. Deferred grants would be recognized as revenue in future based on its use.

1.16 CAPITAL FUND

Capital Fund is made up of value of assets contributed by Government to the Commission. The value of properties overtime such as Land and Building are not amortized.

1.17 CASH AND CASH EQUIVALENTS

Cash and cash equivalent include cash in hand, deposit held at call with banks, other short - term highly liquid investments with original maturities of three months or less, and bank overdraft.

1.18 PROVISIONS

Provisions are recognized when the Commission has a present or constructive obligation as a result of past events which it is probable will result in an outflow of economic benefits that can be reliably estimated.

1.19 FOREIGN CURRENCY RISKS

As and when the need arises, the Commission enters into transactions denominated in foreign currencies (primarily United States Dollars (US\$)). In addition, the Commission has assets and liabilities denominated in United States Dollars (US\$). As a result, The Commission is subjected to transaction and translation exposure from fluctuations in foreign currency exchange rates. The effect of foreign currency risk however is not significant and therefore the management does not hedge against foreign currency risks.

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

FINANCIAL RISK MANAGEMENT

The overall risk management focuses on the unpredictable financial markets and is aimed at minimizing potential adverse effects on the Commission's financial performance. The Commission maintained sufficient cash as a way of managing liquidity risks. The foreign currency risk is managed through timely settlement of outstanding liabilities.

1.20 PAYABLES AND ACCRUED CHARGES

Payables are recognized at fair value. Other payables are recognized when incurred through either enjoyment of services on credit and/or receiving of goods supplied on credit.

1.21 NOTES TO THE STATEMENT OF COMPARISON OF BUDGETS AND ACTUAL AMOUNTS

The Commission's budget is prepared on a cash basis using a classification based on the nature of expense and covers the same period (1 July to 30 June) as the financial statements. The Commission budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expense in the statement of financial performance, whereas the budget is prepared on a commitment basis. The amounts in the financial statements were recast from the accrual basis to the commitment basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on comparable basis to the approved budget, is presented in the statement of comparison of budget and actual amounts.

Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. There are no timing differences for the Commission. Entity differences occur when the budget omits program/activity or an entity that is part of the entity for which the financial statements are prepared. There are no entity differences. Reconciliation between the actual amounts on a comparable basis is presented in the statement of comparison of budget and actual amounts for the year ended 30 June 2023.

1.22 EMPLOYEES' BENEFITS

Pension obligation:

The Commission contributes to publicly administered pension plans, particularly PSSF on a mandatory basis. The Commission has no further payment obligations once the contributions have been paid. The contributions are recognized as an employee benefits expense when they are due. The liability recognized in the balance sheet in respect of the defined benefits plan is the present value of the defined obligation at the statement of financial position date, together with adjustments for unrecognized actuarial gains or losses and past service costs.

Workman's Compensation Scheme:

In order to ensure employee's welfare is safeguarded, the Commission complies fully with the Workman's Compensation Act No. 20 of 2008 which requires compensation with employees injured in course of their employment.

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

Termination Benefits:

Termination benefits are payable to employees who are terminated before the normal retirement date or where employee accept voluntary redundancy in Commission of these benefits

Retirement Benefits

The Commission pays retirement benefits to the retiring employee in accordance with entitlements as defined by Central Government.

Other Entitlements

The estimated monetary liability for employees' accrued entitlements at the statement of financial position date is recognized as accrued expenses.

1.23 STAFF LOANS

The Commission has a loan policy which allows advances to be made for a maximum of 36 months with interest of 3%. As on 30 June 2023 the amount outstanding was TZS 107.49 million.

1.24 TAXATION

The Commission is registered as a Taxpayer with the TRA with TIN 101-323-978 and submits PAYE and other taxes as stipulated as per regulation.

1.25 COMPARATIVE FIGURES

Where necessary, the comparative figures will be classified to conform to changes in presentation with the respective year of reporting. Comparative figures for the period 2021/22 are presented along with this year's figures.

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NOTE 2: CASH AND CASH EQUIVALENT

Cash and cash equivalents comprise cash on hand and bank balances during the year under review which are subject to insignificant risk of changes in value.

	2022/23 TZS'000'	2021 /22 TZS'000'
Cash at Bank - NMB TZS Account	145,432	419,575
Cash at Bank - NBC FOREX Account	1,633,326	1,088,259
Cash at Bank - NBC TZS Account	2,700	-
Cash at Bank - CRDB TZS Account	350,057	55,237
Cash at Bank - CRDB FOREX Account	87,425	46,892
Bank of Tanzania	4,472,297	5,294,127
Cash in Hand (Petty cash I)	<u>2,000</u>	<u>6</u>
Total	<u>6,693,237</u>	<u>6,904,096</u>

NOTE 3: TRADE AND OTHER RECEIVABLES

	2022/23 TZS'000'	2021 /22 TZS'000'
Trade Receivables	2,930,377	3,497,147
Project Debtors (Note 3a)	-	179,738
Staff Loan	107,496	68,161
Staff Imprest	<u>384,868</u>	<u>294,851</u>
SUB-TOTAL	3,422,741	4,039,897
Less: Provision for Impairment of Receivables	<u>(2,993,052)</u>	<u>(3,757,879)</u>
TOTAL	<u>429,689</u>	<u>282,018</u>

NOTE: 3(a) PROJECT DEBTORS

IST Africa	-	71,790
WEMA Project	-	67,030
Open Forum-Ag Bio-Tech-OFAB	-	-
TANZ BIOETHICS INIT. (TABIN)	-	36,805
Tanzania ICT Innovation project	-	1,416
HDIF PROJECT	-	-
Oliver Tambo Project	-	2,112
ins col res & tech dev activity	-	<u>585</u>
TOTAL	=	<u>179,738</u>

NOTE 4: INVENTORIES

Stationeries	<u>23,576</u>	<u>7,051</u>
Total	<u>23,576</u>	<u>7,051</u>

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NOTE 5 (a): PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2023

	Land	Building	Motor Vehicle	Furniture & Fittings	Computers	Equipment	Total
COST:	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'
At 1 July 2022	3,040,740	4,573,065	833,891	246,980	532,118	1,037,688	10,264,482
Additions	<u>92,780</u>	-	-	-	<u>70,511</u>	<u>119,223</u>	<u>282,514</u>
At 30 June 2023	<u>3,133,520</u>	<u>4,573,065</u>	<u>833,891</u>	<u>246,980</u>	<u>602,629</u>	<u>1,156,911</u>	<u>10,546,996</u>
DEPRECIATION:							
At 1 July 2022	-	968,033	715,015	206,733	439,703	799,977	3,129,461
Charge for the year	-	91,461	118,876	40,247	102,620	247,301	600,505
Accumulated Depreciation	-	<u>1,059,494</u>	<u>833,891</u>	<u>246,980</u>	<u>542,323</u>	<u>1,047,278</u>	<u>3,729,966</u>
NET BOOK VALUE:							
At 30 June 2023	<u>3,133,520</u>	<u>3,513,571</u>	-	-	<u>60,306</u>	<u>109,633</u>	<u>6,817,030</u>
At 30 June 2022	<u>3,040,740</u>	<u>3,605,033</u>	<u>118,876</u>	<u>40,247</u>	<u>92,415</u>	<u>237,711</u>	<u>7,135,022</u>

NOTE 5(b): PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2022

	Land	Building	Motor Vehicle	Furniture & Fittings	Computers	Equipment	Total
COST:	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'
At 1 July 2021	3,040,740	4,573,065	971,571	245,418	526,808	1,037,688	10,395,290
Additions	-	-	-	1,562	5,310	-	6,872
Disposal of a Motor vehicle	-	-	137,680	-	-	-	137,680
At 30 June 2022	<u>3,040,740</u>	<u>4,573,065</u>	<u>833,891</u>	<u>246,980</u>	<u>532,118</u>	<u>1,037,688</u>	<u>10,264,482</u>
DEPRECIATION:							
At 1st July 2021	-	880,105	746,385	180,189	367,129	713,203	2,887,011
Charge for the year	-	87,928	74,340	26,544	72,574	86,774	348,160
Adjustments	-	-	105,710	-	-	-	105,710
At 30th June 2022	-	<u>968,033</u>	<u>715,015</u>	<u>206,733</u>	<u>439,703</u>	<u>799,977</u>	<u>3,129,461</u>
NET BOOK VALUE:							
At 30 June 2022	<u>3,040,740</u>	<u>3,605,033</u>	<u>118,876</u>	<u>40,247</u>	<u>92,415</u>	<u>237,711</u>	<u>7,135,022</u>
At 30 June 2021	<u>3,040,740</u>	<u>3,692,960</u>	<u>225,186.00</u>	<u>65,229</u>	<u>159,679</u>	<u>324,485</u>	<u>7,508,279</u>

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NOTE 6: ADVANCE FOR TECHNOLOGY PARK FORMATION	2022/23	2021/22
	TZS '000'	TZS '000'
Balance as of 1 July 2022	<u>2,459,007</u>	<u>2,459,007</u>
Balance as of 30 June 2023	<u>2,459,007</u>	<u>2,459,007</u>

As part of preliminary costs for establishing the Technology Park, TZS 1.7 billion was paid to the Export Processing Zone Authority (EPZA) for compensation of land while TZS 759 million was paid directly by COSTECH on other related costs including development of land master plan and geo topographical survey.

NOTE 7: INTANGIBLE ASSETS	2022/23	2021/22
	TZS'000'	TZS'000'
Balance as of 1 July 2022	155,362	155,362
Additions	-	-
Balance as at 30 June, 2023	<u>155,362</u>	<u>155,362</u>
Amortization:		
Balance as of 1 July 2022	116,623	97,203
Charge during the year (Note 24)	<u>19,420</u>	<u>19,420</u>
Balance as of 30 June 2023	<u>136,043</u>	<u>116,623</u>
Net carrying amount	<u>19,319</u>	<u>38,739</u>

NOTE 8: DEFFERED CAPITAL GRANT

Balance as of 30 June 2023	5,310	-
Grant received during the year	<u>120,191</u>	<u>5,310</u>
	<u>125,501</u>	<u>5,310</u>
Amortization during the year (Note 13)	<u>(31,780)</u>	-
balance as 30 June 2023	<u>93,721</u>	<u>5,310</u>

NOTE 9: DEFERRED REVENUE GRANTS

Buni Project	34,703	251,631
Programme for Biosafety System	-	12,570
BIPCEA Bio innovate activities	-	3,455
Science Granting Council	-	15,242
Open Forum for Agriculture Biotechnology	130,119	147,093
SIDA Capacity Building Project	119,921	84,855
Danida Fellowship Project	-	24,279
Tanzania Biodiversity	44,895	75,634
International Network for Av. Of Scientific Publication	-	7,806
Bio fertilizer Project	8,427	8,427
NFAST Commitments	797,990	1,128,653
EDCTP	178,889	259,858
IDRC	398,704	92,633

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HEET Project	2,064,011	2,696,055
UNDP Funguo Project/HDIF	85,024	24,015
Oliver Tambo	<u>972,106</u>	=
TOTAL	<u>4,834,789</u>	<u>4,832,206</u>

NOTE 10: TRADE AND OTHER PAYABLE - EXCHANGE TRANSACTIONS

	2022/23	2021/22
Trade Creditors	564,013	619,429
Income Tax PAYE	867	1,395
Income Tax PAYE [projects]	2,850	2,849
NHIF Contributions [projects]	281	1,092
Costech Staff Social Service Fund	19,439	15,124
PSSSF claims	30,420	38,114
Withholding Tax on Goods Service	12,139	10,886
Provision for Audit Fees & Expense	98,803	116,490
Accrued Charges	<u>615,173</u>	<u>230,598</u>
TOTAL	<u>1,343,985</u>	<u>1,035,977</u>

NOTE 11 (a): CAPITAL CONTRIBUTED BY THE GOVERNMENT

These comprise of the values for assets contributed by Government to the Commission together with the development funds received by the Commission for rehabilitation of the office building

	TZS'000'
Value of assets contributed by Government (Land and Building)	549,861
Development funds received in 2007/2008	500,595
Development funds received in 2007/2009	474,000
Development funds received in 2007/2010	200,000
Development funds received in 2014/2015	1,873,853
Development funds received in 2015/2016	219,627
Development funds received in 2016/2017	192,461
Development funds received in 2017/2018	<u>178,047</u>
Total	<u>4,188,444</u>

NOTE 11 (b): EQUITY REDUCTION

	2022/23	2021/22
	TZS'000'	TZS'000'
Funds recalled by the Government accounted for through equity	<u>50,000</u>	<u>50,000</u>
	<u>50,000</u>	<u>50,000</u>

NOTE 12: GOVERNMENT SUBVENTION - OPERATIONS

Personal Emoluments	4,342,962	3,746,083
Other Charges	<u>137,732</u>	<u>171,777</u>
TOTAL	4,480,694	3,917,860
(a) For the purpose of the cash flows:		
Other Charges (OC)	137,732	171,777
(b) Personal Emoluments paid directly by the Government		
Personal Emoluments	4,342,962	3,746,082

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Less: Pension and NHIF deductions received	(22,060)	(50,819)
Salary arrear received	<u>(134,837)</u>	-
TOTAL	4,186,065	3,695,263

NOTE 13: AMORTISATION OF CAPITAL GRANT

Amortization during the year (Note 8)	<u>31,780</u>	0
Total	<u>31,780</u>	0

NOTE 14: REVENUE FOR RESEARCH AND DEVELOPMENT (NFAST)

	2022/23 TZS'000'	2021/22 TZS'000'
Innovation /Research Grant	<u>4,918,250</u>	<u>4,413,200</u>
For the purpose of Cash flow: Innovation /Research Grant	<u>4,915,000</u>	<u>4,413,200</u>
TOTAL	<u>4,915,000</u>	<u>4,413,200</u>

NOTE 15: REVENUE GRANTS

BUNI PROJECT	146,044	230,908
Programme- Biosafety Systems	12,570	0
Open Forum-Ag Bio-Tech-OFAB	191,928	230,373
SIDA Capacity Building	909,774	3,478,970
Human Capital Development Fund (HDIF)	-	76,884
IDRC	231,572	225,550
EDCTP Project expenditure account	96,515	35,198
Tanzania Biodiversity	30,739	3,760
Int. Network for Av. of Scientific Public	7,806	2,435
Funguo Project	216,207	420,984
HEET World Bank Expenditure	632,043	0
Research Chair - Plover Tambo	416,765	0
SAIS Program	-	<u>37,437</u>
Total	<u>2,891,963</u>	<u>4,742,499</u>

NOTE 15 (a) Project Grants Received

HDIF Project Revenue	0	160,752
Sida - Capacity Building Project	944,839	1,758,017
Bio fertilizer project	0	29,247
Open Forum-Ag Bio-Tech-OFAB	174,954	444,026
IDRC	537,645	182,514
EDCTP Project revenue	15,546	0
Oliver Tambo Project	1,390,982	209,451
SAIS Project	0	37,437
UNDP Funguo Project	277,215	445,000
HEET Project	0	<u>2,696,055</u>
Total	<u>3,341,181</u>	<u>5,962,499</u>

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15 (b) HERIN FUNDS	2022/23	2021/22
	TZS '000'	TZS '000'
HERIN (Research Institutions) funds Received	<u>1,098,214</u>	<u>730,420</u>

NOTE 16: INTERNALLY GENERATED REVENUE

Research Permit Fees	486,419	355,708
Application Fees	<u>78,003</u>	<u>53,294</u>
TOTAL	<u>564,422</u>	<u>409,002</u>

For the purpose of the cash flows internally generated revenue include:

Internally generated revenue (Note16)	<u>564,422</u>	<u>409,001</u>
TOTAL	<u>564,422</u>	<u>409,001</u>

NOTE 17: OTHER OPERATING REVENUE

Sundry Income	186,748	71,583
Proceed from sale of assets	-	7,831
Internet Service Provision	<u>627,587</u>	<u>558,957</u>
TOTAL	<u>814,335</u>	<u>638,371</u>

For the purpose of the cash flows statement internally generated revenue include:

Sundry Income (Note 17)	<u>186,748</u>	<u>71,583</u>
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NOTE 18: GAIN / (LOSS) IN EXCHANGE RATE

Exchange gain for the year	217,351	1,668,491
Exchange loss for the year	<u>(186,732)</u>	<u>(1,684,775)</u>
TOTAL	<u>30,619</u>	<u>(16,284)</u>

NOTE 19: GENERAL ADMINISTRATIO EXPENSES

	2022/23	2021/22
	TZS '000'	TZS '000'
Staff Salaries	3,684,531	3,198,750
Pension Employers Contribution	553,718	478,354
National Health Insurance	111,021	95,466
Acting Allowance	1,750	730
Wages	12,900	400
Maintenance & Repair Office Furniture	21,581	26,244
Stationery (Office Consumables)	22,496	33,357
Telex Telephone & Telegrams	31,990	27,475
Postage & Courier Services	1,131	500
Burial Expenses	5,275	4,653
Electricity	120,498	19,713
Generator Expenses	150	(234)
Water	17,994	8,366

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Office Cleaning Expense	27,917	38,620
Insurance other properties	11,098	1,575
Medical Expenses	15,330	18,042
Recruitment Expenses	5,472	22,216
*Food and Refreshments	42,727	83,976
Extra Duty Allowances	56,728	20,268
Housing Allowances	222,638	121,134
Special Allowances	29,360	12,255
Hardship allowance	0	1,000
Security Allowances	30,609	21,095
Commissioners Annual Fee	26,875	21,193
Transport & Travelling Allowances	84,501	144,244
Per diem Domestic	68,136	39,514
Motor Vehicle Running	114,772	81,742
Outfit Allowances	5,054	300
Leave Assistance & Package Fare	21,293	2,365
Membership Fees Nat & Intern	12,048	3,615
Bank Charges	6,309	5,954
Audit Fees & Expense	6,237	0
Land Rent	14,096	56
Amortisation expenses intangibles	19,420	19,420
Local Training	500	2,608
Provision for bad and doubtful debts	(764,827)	0
SIDA operational cost ICT equipment	19,720	0
SIDA operation cost external audit	23,380	50,005
SIDA operational field travel cost	12,681	9,290
SIDA operational communication costs	30,720	53,923
SIDA annual review meeting and reporting	4,260	28,230
SIDA Bank charges	5,964	6,576
SIDA operation cost stationery	5,650	410
Sida Upd&Imp CSTComm Strategy	8,872	0
SIDA internal audit expenses	0	89,352
SIDA Consultative workshops travel	0	1,322
Sida QualityAssurance[ISOCert]	2,125	0
Sida performance management system	200	11,930
SIDA Procurement Training	1,500	5,230
SIDA Resource Mobilization	38,028	127,853
SIDA Publication framework costs	1,288	15,540
SIDA Training of researchers and media personnel	92,591	284,564
SIDA Broadcasting and print materials	0	23,250
SIDA Establishing STI forum(s)	23,083	20,421
SIDA Staff training on grant management	0	50,000
SIDA Six staff training in financial management	0	7,680
SIDA Staff training in administration and performance	6,540	102,729
SIDA Inhouse staff training	3,340	25,240
SIDA Training on the use of the national research M&E	37,649	75,360
SIDA Trainings in research ethics principle & integrity	0	266,405
SIDA writing winning research proposals	21,910	(8,817)
SIDA Institutional Policy	8,315	27,575
SIDA Risk Training	0	4,611
Support Costs - Overhead	356	621
Tanzania Biodiversity info Mgt	30,739	3,760
OFAB Monthly allowances	127,756	127,756
OFAB Scientific meetings and Conferences (Outreach Programmes)	64,173	102,617
IDRC Staff monthly remuneration	16,215	16,215

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Int. Network for Av. of Scientific Public	7,806	2,435
EDCTP Support clinical trials of Tuberculosis -Field expenses	96,515	35,198
Automation of HRMIS	0	10,789
National M& E framework	0	17,923
Monitoring and Evaluation	0	1,070
Restructuring of website	0	6,800
UNESCO/STI Related activities	0	(2,000)
Sida Operational cost internal	0	6,312
SIDA Project self assessment	0	12,091
SIDA Project TNCR	0	4,308
Training on the portal for COSTECH Staff	0	5,988
SIDA commitment	0	<u>13,934</u>
TOTAL	<u>5,332,703</u>	<u>6,199,462</u>

	2022/23	2021/22
✓ NOTE 20: REASEARCH COORDINATION AND PROMOTION	TZS '000'	TZS '000'
Commission Grants Research	316,828	122,730
Fellowship / Human Capital Development	9,110	3,420
Support to R&D Inst / Infrastructure	71,272	1,033,774
Support to R&D Institution - RF	450,064	580,970
Meetings, Seminars, etc	739,416	150,276
Technology Transfer & Innovation	2,052,486	1,101,451
Produce (20) project briefs	1,528	0
Produce (4) policy briefs	5,250	0
Upgrade research management	1,250	0
Administration Costs Including M&E	1,353,437	565,830
Auditing of Fund	176,262	176,291
Subscription Memberships Fees	420	0
Transfer of Tech / Dissemination	33,798	194,767
Improve research registration and Clearance eco	54,175	5,751
International collaboration SAIS	59,157	68,639
IDRC Research grants	215,357	209,335
Sida consolidation of research finding for production	22,428	1,741
Support 16 competitive and 4 commission research	13,985	81,258
Seminar on use of evidence based for decision making	0	20,791
M&E for supported projects	0	33,382
Support six (6) Postdoctoral fellowships	7,415	(3,890)
SIDA supported Conference and exhibitions	22,974	0
HEET expenditure	632,043	0
Research Chair - Oliver Tambo	<u>416,765</u>	0
TOTAL	<u>6,655,420</u>	<u>4,346,516</u>

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NOTE 21: TECHNOLOGY DEVELOPMENT AND TRANSFER

	2022/23	2021/22
	TZS '000'	TZS '000'
R & D Advisory committee	138,570	307,791
Up calling	0	52,161
To support national innovation week-Funguo	175,963	420,985
BUNI support establishment of innovation space and hubs	146,043	230,908
Update of costech library management system	1,340	96,940
Institutional repositories	24,110	0
Increased access to innovation funds	215,850	76,262
Innovation Cluster Management	82,745	193,278
Innovation funds	286,288	665,804
equipment for knowledge labor	<u>29,400</u>	0
TOTAL	1,100,309	<u>2,044,129</u>

NOTE 22: INFORMATION AND DOCUMENTATION

Maintenance of Higher Education and Research Institutions Network	<u>776,203</u>	<u>396,296</u>
TOTAL	<u>776,203</u>	<u>396,296</u>

NOTE 23: PRIOR YEAR ADJUSTMENTS

Note 23(a) Prior year adjustments as at 1 July 2022

Understatement of deferred grant - SIDA Project (Note 9)	0	407,434
Overstatement of project debtors (Note 3)	0	<u>102,365</u>
TOTAL		<u>509,799</u>

The effect of the prior year adjustments for 2022/22 is the increase in deferred revenue grant as at 30 June 2022 and the decrease in grant revenue for the year 2020/21 by TZS 509,799,000.

Note 23(b): Prior year adjustment as at 1 July 2022:

	TZS '000'	TZS '000'
Amount receivable from MUHAS Project - unspent funds	0	250,000
Overstatement of depreciation (Note 5(b))	0	997,770
Reversal of NFAST Infrastructure Project commitments/liabilities (Note 9)	0	279,495
Reversal of NFAST Research projects commitments/liabilities (Note 9)	0	646,342
TOTAL	0	<u>2,173,607</u>

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NOTE 24: RECONCILIATION OF THE SURPLUS FROM ORDINARY ACTIVITIES WITH NET CASHFLOW FROM OPERATING ACTIVITIES

	2022/23	2021/22
	TZS '000'	TZS '000'
Surplus/(Deficit) for the Year	(733,077)	770,084
Adjustment for non-cash items:		
Depreciation (Note 5(a))	600,505	348,160
Amortization of Intangible Assets (Note 7)	19,420	19,420
Gain or loss in exchange (Note 18)	30,619	(16,284)
Amortization of Capital Grant (Note 13)	31,780	0
Non Cash adjustments on administration expenses	<u>0</u>	<u>(50,000)</u>
Cash flow after adjustment for Non-Cash items	(50,753)	1,071,380
WORKING CAPITAL MOVEMENTS:		
Increase in inventories	(16,525)	2,696
Increase in Trade and Other Receivables	(147,671)	141,884
Increase in Deferred Revenue	2,583	1,512,299
Adjustment accounts payable	26,013	0
Increase in Accounts Payable, Exchange	<u>308,008</u>	<u>(221,126)</u>
Net Cash Flow From Working Capital	<u>172,408</u>	<u>1,435,753</u>
NET CASH FLOW FROM OPERATIONS	<u>121,655</u>	<u>2,507,133</u>

NOTE 25 CASH PAID TO SUPPLIERS AND EMPLOYEES

Staff Salaries	4,349,271	3,772,571
General Administration Expenses	203,460	836,848
Research, Coordination and Promotion	4,710,551	2,881,631
Technology, Development and Transfer	1,060,824	465,402
Information and Documentation	773,622	359,680
Grant Expense	<u>3,366,877</u>	<u>4,681,298</u>
TOTAL	<u>14,464,605</u>	<u>12,997,430</u>

NOTE 26: EXPLANATIONS FOR VARIANCES BETWEEN BUDGET AND ACTUAL PERFORMANCE

- (a) More staff were transferred to COSTECH by UTUMISHI to fill vacant positions, hence more Personal Emoluments charges.
- (b) Other Charges (OC) fund was not releases as planned.
- (c) There was decrease of researchers applying research applications and permits due to COVID-19.
- (d) Government releases all research funds as per approved budget 2022/23. In addition, the Commission received TANSIS funds for supporting MAKISATU 2023 winners
- (e) % Increase due collection of HERIN debts
- (f) % decrease was due late disbursement of donor fund
- (g) Staff were transferred to COSTECH from other institution, hence higher Personal Emoluments charges.
- (h) More research expenditures were incurred during the year

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- (l) Expenses were limited to the fund collected/received for operating expenditure.
- (j) Donor funded project expenditure was done as per donor plan.

NOTE 27: PROVISION FOR IMPAIRMENT OF 50 BOKO PLOTS

Tanzania Commission for Science and Technology's ownership of land 50 plots at Boko in Dar es Salaam with a total value of TZS 305,745,000 is in dispute between the Commission and four trespassers who have built houses in some of the plots. The High Court (Land Division) ruling of 1 October 2009 was in favor of the trespassers. The Commission appealed against the High Court ruling on 1 October 2009. The Appeal was ruled in favor of COSTECH in 2016. In April and May 2019, the trespassers lodged references with the Court of Appeal seeking a review by three Justices of Appeal of the rulings that refused their applications to appeal out of time against the decisions of the High Court Land Division in 2016. A settlement out of court process for the Boko plots is currently considered by an advisory team constituted by COSTECH at the request of the Treasury Registrar.

However, COSTECH has written a letter to TR requesting the permission of Chief Secretary to allow the cases to be settled out of court and to execute the deed of settlement.

NOTE 28: RELATED PARTY TRANSACTIONS AND BALANCES

The Key Management Personal (as defined by IPSAS 20, "Related Party Disclosure") are the members of the Board of Directors and Management, who together constitute the governing body of Tanzania Commission for Science and Technology (COSTECH). The aggregate remuneration and number of members of the board of Directors and Management are:

Details	2022/23 TZS'000'	2021/22 TZS'000'
(i) Commissioner's remuneration Fees	<u>43,690</u>	<u>43,690</u>
(ii) Senior Staff remuneration Salaries	<u>992,600</u>	<u>992,600</u>

The Senior consists of the Director General, Heads of Divisions, Heads of Directorates and Heads of Sections.

NOTE 29: CURRENCY

These financial statements are presented in Tanzania shillings (TZS).

NOTE 30: EVENTS AFTER THE REPORTING DATE

As at the date of signing the audit report, there were no events that occurred subsequent to the reporting date, 30 June 2023, that warrant disclosure or adjustments to the amounts included in the financial statements as at that date, as required by IPSAS 14.

NOTE 31: COMPARATIVES

Where necessary, comparative figures have been adjusted or reclassified to conform to changes made in the current year.