TANZANIA EDUCATION AUTHORITY



ANNUAL REPORT FOR FINANCIAL YEAR 2016/2017

NOVEMBER, 2017

About us
Tanzania Education Authority

Tanzania Education Authority (TEA) was established under section 5 (1) of the Education Fund Act No.8 of 2001 to manage the Education Fund. The Fund was established under the same Act with the intention of supplementing the Government's efforts in financing education development in all levels of education in Tanzania Mainland, and financing tertiary levels of education to Tanzania Zanzibar.

Based on section 4 (3) of the Education Fund Act, the monies deposited in the Fund are used to improve Access, Equity and Quality of education in accordance with provisions of the enabling Act.

Tanzania has been facing significant challenges with regard to provision of equitable quality education to all for decades. One of the major challenges has (persistently) been the means to collect sufficient resources for improvement of quality, equity and access to Education. In early 2000s, the Government had, among other programmes and strategies, established the Education Fund (Managed by Tanzania Education Authority -TEA) for the aim of exploring sustainable sources of revenue for improvement of Access, Equity and Quality of education countrywide.

GENERAL INFORMATION

A. Institutional Mandate

Tanzania Education Authority (TEA) was established under section 5 (1) of the Education Fund Act No.8 of 2001 to manage the Education Fund. The Education Fund was established under the same Act with the intention of supplementing the Government's efforts in financing education. According to section 4 (3) of the Act, the Education Fund shall be used for the purposes of improving quality, access and equity of education at all education levels in the Mainland Tanzania and higher education in Tanzania Zanzibar.

B. Our Vision

TEA aspires to be a world-class education fund responsive to national educational needs through diversified interventions for Tanzania's sustainable education development.

C. Our Mission

To sustainably secure resources for the Education Fund and deploy these resources to support educational projects and/or Programs for improved access, equity, quality of education and skills effectively and efficiently.

D. Functions

Section 6 of the Education Fund Act of 2001 as amended thereof, provides the principal functions of the Tanzania Education Authority including:

a. To provide funds to supplement the provision of education at all levels,
b. To advise the Government on new sources of revenue for the purpose of ensuring an adequate and stable flow of money into the Fund,
c. To raise the quality of Education and increase access and equity,
d. To promote education and training according to needs within the framework of overall national socio-economic development plans and policies,
e. To apply the money deposited into the Fund for the purpose of improvement and promotion of education,

f. To develop and make a periodic review of the formula for allocation and disbursement of the financial resources of the Authority to different educational levels except that, at least fifty per cent of the financial resources shall be provided to finance basic and secondary education,
g. To develop and make a periodic review of the resources allocated for facilitation of education to students with disabilities,
h. To monitor the use of the funds disbursed and ensure adherence to objectives of the Fund other than the funds allocated to other institutions specified under this section,
i. To apply the monies deposited into the Fund for the purpose of giving effect to the mandate of the Authority, the Higher Education Students' Loans Board, the Tanzania Commission for Universities and the National Council for Technical Education pursuant to the formula specified in the Third Schedule, except that; the funds so applied shall relate to the sources specified under section 13(a) to (c). Provided that the Authority shall consult with the Institutions referred to in this section in the application of the money deposited into the Fund.
j. To receive gifts, donations, grants or other money on behalf of the Fund and;
k. To sponsor and provide facilities for higher learning and to establish a relationship or association with institutions both nationally and internationally.

E. Our Core Values

TEA is committed to exercising team spirit, transparency, objectivity and equitable treatment in offering prompt and quality services to its stakeholders with due integrity, courtesy and professionalism.

F. Our contacts

Tanzania Education Authority
Bima Road, Plot No.711,
Mikocheni B,
P.O.BOX 34578, Dar es salaam.
Tel: +255 22 2781165 | +255 22 2781079 | +255 22 2781181
Fax: +255 22 2781086
Email: info@tea.or.tz

G. Our Main Bankers

Bank of Tanzania,

P.O Box 2939

Dar es Salaam – Tanzania
Tel: +255-22-2233000-20
Fax: +255-22-223 4075/8

And;

CRDB Bank Limited, Azikiwe branch,
P. O. Box 72344 Dar es Salaam, Tanzania Azikiwe Street
Tel: +255 22 22 214556/2124558
Fax: +255 22 22 211660

H. Our Auditors

Controller and Auditor General
National Audit Office
P.O. Box 9080
Dar es Salaam

And;

PanAfrican Auditors
P.O. Box 30133,
Kibaha - Tanzania.
Mobile: +255 (0)713727566
Tel +255 (0)754999050
Email: info@panafricanauditors.co.tz

LETTER OF TRANSMITTAL

Hon. Prof. Joyce Ndalichako (MP),
Minister of Education, Science and Technology,
P. O. Box 10,
Dodoma.

RE: SUBMISSION OF TANZANIA EDUCATION AUTHORITY ANNUAL REPORT AND AUDITED ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 2017

Pursuant to section 16(3) of the Education Fund Act No. 8 of 2001, I am honoured to submit Tanzania Education Authority's Annual Report for the financial year ended 30th June 2017.

The report presents the Authority's operational activities and Audited Financial Statements for year ended 30th June 2017. During the year, the Authority implemented a range of pertinent education programs such as infrastructural development and provision of teaching and learning facilities in education institutions.

Hon. Minister, during the same period the composition of the Board had changed following your appointment of new Board Members.

On behalf of the Board, Management and Staff, I wish to convey our sincere gratitude to the Government and particularly your Ministry for the support and guidance extended to the Authority which made it possible to fulfil our obligations enshrined in our enabling Act.

We look forward to your continued support and guidance in the future, as we implement the sector policies aimed at achieving the universal access to education.

Prof. Maurice C.Y Mbago
BOARD CHAIRPERSON

MESSAGE FROM THE CHAIRPERSON OF THE BOARD



I am honored to present the Tanzania Education Authority's Annual Report for the financial year 2016/17 as well as the Authority's performance for the period under review for financial year 2016/17.

At the end of this financial year, we are proud to have commenced the program for renovation and remodeling of national secondary schools, construction of multi-unit teachers' houses, and provision of teaching and learning facilities, as well as support for special and inclusive education. I am delighted to report that during the year under review we funded 68 projects worth TZS 14,725,055,000/= that were committed towards increasing access to education, improving quality and equity.

During the year, the Authority adopted its Rolling Corporate Strategic Plan 2016/17 – 2020/21 to guide its operations and strategic direction for the period. I thank all stakeholders who assisted in preparation of the plan. Their involvement helped TEA to ponder on its past successes and challenges, and shape its strategic direction in the next five years. It is through this plan that TEA looks forward with hope and assurance to contributing to improvement of equity, quality and access to education in Tanzania.

This financial year 2016/17 has been the commencement for implementation of the five-year period Rolling Corporate Strategic Plan 2016/17 – 2020/21. It is our hope that during the course of implementation, our key strategic directions and plans will bear forth meaningful and impactful fruits. Through the laid plans, we hope that the existence of the Education Fund will be felt to be rewarding and its impact felt among education stakeholders and the Tanzania community at large.

I wish to extend my sincere gratitude to the Government for its continued commitment to support the Authority. In the year under review, the Government

committed to the Fund revenue and resources for development and operational functions of the Authority. I also extend my gratitude to voluntary and philanthropic contributors whose cooperation has enabled us to work better. With this support, we look forward to FY 2017/18 with hope for more functional and fruitful operations of the Education Fund.

Prof. Maurice C.Y Mbago
BOARD CHAIRPERSON

STATEMENT OF THE DIRECTOR GENERAL

On behalf of the Management of Tanzania Education Authority (TEA), I am pleased to report on the performance of the Authority for the financial year 2016/2017.

This is the 16th year since the Education Fund was founded and the 13th year since TEA became operational in 2003/2004 with the role of promoting education development through financing education projects that improve equity, quality and access to education in Tanzania.

Reflecting back to the year under review, our work can best be measured by the impact it has made to the schools, colleges, Universities and the students. During the year, our interventions enabled construction of multi-unit teachers; remodeling and rehabilitation of National Secondary schools, and supporting School Water, Sanitation and Hygiene facilities across the country. Though our support was limited, we are confident that our support has contributed greatly to Government's efforts in bringing about education development in our country.

Placing much hope and expectations in a new direction of the Authority, guided by the reviewed Strategic Plan, we are optimistic that in the years ahead we will make strategic Interventions that will allow us reach even more beneficiaries by expanding our volume, width and weight of our annual education support countrywide.

I would like once again to express my gratitude to all our stakeholders for their continued commitment in supporting the Education Fund. I also sincerely thank contributors of the Education Fund including corporate bodies, Agencies, Parastatal Organizations and individuals for their financial and material contributions. Their contributions made significant support as we worked towards improvement of quality, access and equity.

Finally, I would like to thank the TEA Board, Management, staff and all our stakeholders in general for their stern commitment and support to the Authority in fostering education development through their daily efforts.

Graceana R. Shirima
ACTING DIRECTOR GENERAL

1. BOARD MEMBERS OF TANZANIA EDUCATION AUTHORITY

1.	**Prof. Maurice C. Y. Mbago** Chairperson	
2.	**Prof. Bernadeta Killian** Vice Chairperson	
3.	**Mr. Gerald Mweli** Member	
4.	**Dr. Charles Kimei** Member	

5.	**Mr. Abdul Maulid Mnonya** Member	
6.	**Mr. Emmanuel Tutuba** Member	
7.	**Mr. Vuai K. Juma** Member	
8.	**Ms. Graceana R. Shirima** Acting Director General/Secretary	

CORPORATE GOVERNANCE

Governance

Tanzania Education Authority is well managed and its policies and operations are directed, controlled and managed in conformity to duty, responsibility, and accountability. The Board ensures that the Authority complies with governance structures that identify distribution of rights and responsibilities among different participants in the organization.

The Board and Its Committees

TEA is governed by a Board comprising of six Non- executive Members and one Executive Member. The Board is responsible for the performance of the functions and management of the affairs of the Authority. Generally, responsibilities of the Board include considering financial matters, reviewing management performance against budgets and plans, investment decisions, Risk Management and Internal controls.

Members of the Board

The following Board Members served in the Board during the Financial Year under Review for the period of July 2016 to August 2016.

SN	Name	Position	Profession	Nationality
1.	Dr. Naomi B. Katunzi	Chairperson	Educationist	Tanzanian
2.	Dr. Charles S. Kimei	Vice Chairperson	Economist	Tanzanian
3.	Prof. Siriel N. Massawe	Member	Obstetrician & Gynecologist	Tanzanian
4.	Prof. Immanuel K. Bavu	Member	Public Administration	Tanzanian
5.	Mr. Vuai K. Juma	Member	Educationist	Tanzanian
6.	Mr. Clifford Tandari	Member	Economist	Tanzanian
7.	Mr. Joel Laurent	Secretary/Director General	Lawyer	Tanzanian

The following Board Members served in the Board during the Financial Year under review for the period of August 2016 to June 2017.

SN	Name	Position	Profession	Nationality
1.	Prof. Maurice C.Y Mbago	Chairperson	Professor of Statistics	Tanzanian
2.	Prof. Bernadeta Killian	Vice Chairperson	Political Scientist	Tanzanian
3.	Ms. Tully Mwambapa	Co-opted Member	Banking and Finance	Tanzanian
4.	Mr. Juma J. Kaponda	Member	Educationist	Tanzanian
5.	Mr. Vuai K. Juma	Member	Educationist	Tanzanian
6.	Mr. Emmanuel Tutuba	Member	Economist	Tanzanian
7.	Mr. Gerald Mweri	Member	Economist	Tanzanian
8.	Ms. Graceana Shirima	Secretary/Acting Director General	Educationist	Tanzanian

The Board is required by virtue of section 7(5), (6) and (7) of the Education Fund Act 8 of 2001, to establish two permanent committees of the Revenue and Award Committees for the purpose of fulfilling its oversight responsibilities.

To discharge the obligation contained in the first schedule of the Education Fund Act No. 8 of 2001, the Board held meetings as follows: -

(i) 4 Ordinary Board Meetings
(ii) 4 Extra Ordinary Board Meetings
(iii) 4 Executive Committee Meetings
(iv) 4 Revenue Committee Meeting
(v) 4 Award Committee Meeting
(vi) 4 Audit Committee Meetings

Members of the Committees of the Board for the period between July 2016 to August 2016 were as follows:

a) **REVENUE COMMITTEE**

Name	Position
Prof. Immanuel K. Bavu	Chairperson
Dr. Charles S. Kimei	Member
Mr. Clifford Tandari	Member
Mr. Joel Laurent	Secretary

b) **AWARD COMMITTEE**

Name	Position
Prof. Siriel N. Massawe	Chairperson
Dr. Naomi B. Katunzi	Member
Mr. Clifford Tandari	Member
Mr. Joel Laurent	Secretary

c) **EXECUTIVE COMMITTEE**

Name	Position
Dr. Naomi B. Katunzi	Chairperson
Mr. Vuai K. Juma	Member
Prof. Siriel N. Massawe	Member
Mr. Joel Laurent	Secretary

d) **AUDIT COMMITTEE**

Name	Position
Dr. Charles Kimei	Chairperson
Prof. Immanuel K. Bavu	Member
Mr. Vuai K. Juma	Member
Mr. Simon Sayore	Co-opted Member

Members of the Committees of the Board for the period between December 2016 to June 2017 were as follows:

a) REVENUE COMMITTEE

Name	Position
Ms. Charles Kimei	Chairperson
Mr. Emmanuel Tutuba	Member
Mr. Juma J. Kaponda	Member
Ms. Graceana R. Shirima	Member

b) AWARD COMMITTEE

Name	Position
Prof. Bernadeta Kiliani	Chairperson
Mr. Emmanuel Tutuba	Member
Mr. Vuai K. Juma	Member
Ms. Graceana R. Shirima	Member

c) EXECUTIVE COMMITTEE

Name	Position
Prof. Maurice Mbago	Chairperson
Mr. Vuai K. Juma	Member
Prof. Bernadeta Kiliani	Member
Ms. Tully Mwambapa	Member
Ms. Graceana R. Shirima	Member

d) AUDIT COMMITTEE

Name	Position
Ms. Tully Mwambapa	Chairperson
Mr. Vuai K. Juma	Member
Mr. Juma J. Kaponda	Member
Mr. Simon Sayore	Co-opted Member

Statement of Board Responsibility

This statement is issued pursuant to Section 16 of the Education Fund Act No. 8 of 2001, which requires Members of the Board of the Authority to prepare financial statements for each financial period that give a true and fair view of the financial state of affairs of the Authority as at the end of the financial period.

Accounting Policies

The Board Members confirm that appropriate accounting policies have been used and applied consistently, and reasonable and prudent judgement and estimates have been made in the preparation of the financial statements for the year ended 30 June 2017.

Adherence to International Financial Reporting Standards (IFRSs) and the Legal Requirements

The Board Members also confirm that the International Financial Reporting Standards and Tanzania Financial Accounting Standards, Public Finance Act No. 6 of 2001 as amended and the Public Procurement Act No. 21 of 2004 have been adhered to and that the financial statements have been prepared on the basis of the above requirements.

Members of the Board accept responsibility of the Annual Financial Statements for the Year 2016/17 and confirm that they give a true and fair view of the financial affairs of the Authority.

PERFORMANCE OVERVIEW FOR FINANCIAL YEAR 2016/2017

In the Financial Year 2016/17 the Authority continued to implement activities detailed in the TEA Action Plan as approved in the MTEF and Budget for the year as well commenced implementation of projects that were allocated funds by the Board in FY 2015/16.

As per the Authority's conventional norms of support, the Authority continued to support education projects with a focus to improving quality, equity and access to education countrywide, within the limits of its mandate.

Annual Approved Income Vs Actual Income for the year 2016/17

During the year under review, a total of TZS 52,925,730,992 was approved as income for the Fund. This amount was to be received from Government Subvention OC, Government Subvention PE, Government Subvention Development, own sources and Foreign fund from ESPJ Project (SDF). Actual income received during the period was TZS 14,599,700,294.00 This is 27.6% of the budgeted amount.

Annual Approved Expenditure Vs Actual Expenditure for the year 2016/17

During the year under review, an amount of TZS 52,925,730,992 was approved as expenditure for the Fund. Being TZS 3,234,717,425 for recurrent expenditure and TZS 49,691,013,567 for development expenditure.

Total actual expenditure for the Financial Year 2016/2017 amounted to TZS 18,843,913,763. This comprised of Expenditure in respect of Fund Assisted Educational Projects amounting to TZS 14,933,566,968 and TZS 3,910,346,795 for Operational expenses.

Education Support in Basic Education

a) **Construction of Multi-Unit Teachers' Houses in difficult and Hard to Reach Areas**

The project for construction of multi-unit teachers' houses in difficult and hard to reach areas aims to provide accommodation to teachers in schools, which are

located in areas with challenging accommodation services. The project commenced with the allocation made in the FY 2015/16 and also with allocations and implementation of projects in the FY 2016/17.

In the year under review, the Authority allocated funds for construction of 30 multi-unit houses in schools that were assessed to be in difficult and hard to reach areas. The Authority also oversaw the construction of 40 multi-unit houses that were allocated in the FY 2015/16.

In the FY 2016/17 the Authority allocated funds for construction of Teachers' houses for the following schools

S/N	NAME OF SCHOOL	REGION
1.	Kwela Secondary school	Rukwa
2.	Biturana secondary school	Kigoma
3.	Kanoge secondary school	Katavi
4.	Ilandamilumba secondary school	Katavi
5.	Msongola secondary school	Dar es salaam
6.	Nyamang'ata secondary school	Mara
7.	Lituhi secondary school	Ruvuma
8.	Maria Nyerere secondary school	Njombe
9.	Selous secondary school	Ruvuma
10.	Ilogombe secondary school	Iringa
11.	Itumpi secondary school	Songwe
12.	Charangwa secondary school	Songwe
13.	Luswisi secondary school	Songwe
14.	Wembere secondary school	Singida
15.	Mpalanga secondary school	Dodoma
16.	Kashishi secondary school	Tabora

S/N	NAME OF SCHOOL	REGION
17.	Maganzo secondary school	Shinyanga
18.	Isakamawe secondary school	Mwanza
19.	Nyugwa secondary school	Kigoma
20.	Mwaukoli secondary school	Simiyu
21.	Mama Maria Nyerere secondary school	Mara
22.	Katahoka secondary school	Kagera
23.	Hawa Mchopa secondary school	Lindi
24.	Lengo secondary school	Mtwara
25.	Sofi secondary school	Morogogo
26.	Baray secondary school	Arusha
27.	Samunge secondary school	Arusha
28.	Udang'u secondary school	Manyara
29.	Ubang'i secondary school	Kilimanjaro
30.	Kiburubutu secondary school	Morogoro

We expect that quality housing and peaceful settlement of teachers will greatly enhance provision of quality education to students in rural and challenging areas.

b) Construction of Pit Latrines for schools

In the year under review, the Authority allocated TZS 948,515,900/= to facilitate construction of 312 Pit Latrines in 13 Schools with acute shortage. The supported projects were implemented in the following schools:

S/N	NAME OF SCHOOL	REGION
1.	Iwumba primary school	Dodoma
2.	Kihomoka primary school	Kigoma
3.	Migunga primary School	Shinyanga
4.	Nyasa I primary School	Tanga
5.	Idukilo primary school	Shinyanga
6.	Mshikamano primary school	Arusha
7.	Bukondamoyo primary school	Shinyanga
8.	Kagongwa primary school	Shinyanga
9.	Kibololo primary school	Singida
10.	Senene primary school	Singida
11.	Kamalampaka primary School	Katavi
12.	Kusa primary School	Katavi
13.	Burundi primary school	Ruvuma
14.	Mbinga primary school	Ruvuma

c) Rehabilitation and remodelling national schools

Tanzania Education Authority, in coordination with the Ministry of Education Science and Technology has been implementing a program for Rehabilitation and Remodeling of secondary schools. TEA was commissioned to rehabilitate 17 National schools, 10 schools with funds allocated in 2015/16 commenced the actual project implementation. The schools are:

S/N	Project	Region
1.	Pugu secondary school	Dar es Salaam
2.	Mzumbe secondary school	Morogoro
3.	Kilakala secondary school	Morogoro

4.	Msalato secondary school	Dodoma
5.	Ilboru secondary school	Moshi
6.	Same secondary school	Kilimanjaro
7.	Nganza secondary school	Mwanza
8.	Mwenge secondary school	Singida
9.	Tabora Boys secondary school	Tabora
10.	Tabora Girls secondary school	Tabora

During the financial year 2016/17 TEA allocated TZS 8,050,000,000/= for rehabilitation and remodeling of 7 National secondary schools which are:

S/N	NAME OF SCHOOLS	REGION
1.	Sengerema secondary school	Mwanza
2.	Bihawana secondary School	Dodoma
3.	Bwiru Girls secondary School	Mwanza
4.	Ruvu secondary School	Pwani
5.	Kondoa Girls secondary school	Dodoma
6.	Korogwe Girls Secondary School	Tanga
7.	Dodoma Secondary School	Singida

The projects have been completed.

d) Support for special needs

Support for special and inclusive education is one of TEA's tireless priority. In the year under review, the Authority supported development and improvement of infrastructure for special needs schools to 7 education institutions. The project also involved support for teaching and learning facilities for such schools.

Institutions that benefited from the program for the financial year 2016/2017 include: Kigongo primary school, Muyenza primary school, Sima A primary school, Ikungi primary school and Mundindi Primary School.

INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

To:
Chairman of the Board,
Tanzania Education Authority,
PO Box 34578,
Dar es Salaam.

Report on the audit of financial statements for the financial year ended 30th June, 2017

Introduction.

I have audited the accompanying financial statements of Tanzania Education Authority which comprise the statement of financial position as at 30th June, 2017 and the statement of financial performance, the statement of changes in net assets, the cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies set out from page 15 to 47.

Opinion

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Tanzania Education Authority as at 30th June, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS).

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of my report. I am independent of Tanzania Education Authority 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Board is responsible for the other information. The other information comprises of the Directors Report and the Declaration by the Head of Finance but does not include the financial statements and our auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Key Audit Matters

Based on the audit performed and having regard to the audit evidence obtained, I have determined that, there are no key audit matters to report.

Management responsibility for the financial statements

The Board of the Tanzania Education Authority is responsible for the preparation and fair presentation of the financial statements in accordance with IPSASs, 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.

Responsibility of the Controller and Auditor General

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 auditor's 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 ISAs 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.

In addition, Sect. 10 (2) of the PAA No.11 of 2008 requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Sect. 48(3) of the Public Procurement Act No.7 of 2011 requires me to state in my annual audit report whether or not the audited entity has complied with the provisions of the Law and its Regulations.

Compliance with the Public Procurement Act, 2011

In view of my responsibility on the procurement legislation and taking into consideration the procurement transactions and processes I have reviewed as part of this audit, I state that, Tanzania Education Authority procurement transactions and processes have generally complied with the requirements of the Public Procurement Act No.7 of 2011 and its underlying Regulations of 2013.

Prof. Mussa Juma Assad,
Controller and Auditor General of the United Republic of Tanzania

26th February, 2018

National Audit Office of Tanzania,
P.O. Box 9080,
11101 Dar es Salaam, Tanzania.
Tel: 255 (022) 2115157/8
Fax: 255 (022) 2117527

TANZANIA EDUCATION AUTHORITY

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2017

	NOTE	30.06.2017 TZS	30.06.2016 Restated TZS
ASSETS EMPLOYED			
CURRENT ASSETS			
Cash and Cash Equivalents	2	**38,735,132,529**	17,047,511,773
Loans Receivable Due	3	**2,659,083,778**	2,187,742,651
Other Advances & Prepayments	4	**1,432,401,708**	1,853,908,136
Accrued Income	5	**11,152,543**	-
Held to Maturity Investments	7	**-**	20,650,292,629
Total Current Assets		**42,837,770,558**	41,739,455,189
NON-CURRENT ASSETS			
Property, Plant and Equipments	6	**2,920,938,264**	1,246,569,033
Intangible Assets	8	**80,000,000**	160,000,000
Loans and Receivable Not Due	9	**198,428,486**	2,101,161,306
Investment in Shares	10	**-**	3,906,845,769
Total Non Current Asset		**3,199,366,750**	7,414,576,108
TOTAL ASSETS		**46,037,137,308**	49,154,031,297
FINANCED BY:			
EQUITY			
Capital Fund	11	**1,283,574,727**	1,283,574,727
Deferred Capital Grant	12	**1,598,000,000**	85,505,893
Accumulated Surplus	13	**42,295,173,130**	46,305,975,515
Revaluation Reserve		**706,844,604**	706,844,604
Total Equity		**45,883,592,461**	48,381,900,749
LIABILITIES			
Accrued Expenses Payable	14	**153,544,847**	772,130,558
Total Liabilities		**153,544,847**	772,130,558
TOTAL EQUITY AND LIABILITIES		**46,037,137,308**	49,154,031,297

NOTES 1 TO 27 FORM PART OF THE FINANCIAL STATEMENTS

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CHAIRPERSON OF THE BOARD	**DATE**	**ACTING DIRECTOR GENERAL**

TANZANIA EDUCATION AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30TH JUNE, 2017

INCOME	NOTE	30.06.2017	30.06.2016 Restated
		TZS	TZS
Government Subvention OC & PE	15	855,141,999	858,665,455
Government Subvention Development (Education Investment Levy)	16	9,989,900,000	32,391,000,000
Donations		30,000,000	4,560,000
Interest from Loans Advanced		6,168,445	39,926,392
Income from Endowment Fund		2,070,850,500	-
Interest Income		433,253,495	2,113,375,689
Grants Written Off		-	640,951,272
Dividend Income		1,114,065	1,677,098
Other Income		1,213,271,790	463,675,362
		14,599,700,294	36,513,825,268
LESS EXPENDITURE			
Fund Assisted Educational Projects	17	14,933,566,967	16,300,436,051
Staff Cost	18A	2,013,306,607	2,044,738,767
Office Expenses	18B	430,311,794	385,988,654
Board Expenses	18C	127,232,181	218,516,885
Audit Fee and Expenses	18D	132,695,840	129,957,765
Administration Expenses	18E	777,370,250	1,008,838,820
Depreciation and Amortization Expenses	18F	294,603,518	197,957,275
Finance Cost	18G	134,826,605	20,181,371
TOTAL EXPENDITURE		18,843,913,762	20,306,615,588
Surplus/(Deficit) for the Year		(4,244,213,468)	16,207,209,679
Accumulated Surplus/(Deficit) Brought Forward		46,539,386,598	30,074,662,196
ACCUMULATED SURPLUS CARRIED FORWARD		42,295,173,130	46,281,871,876

NOTES 1 TO 27 FORM PART OF THE FINANCIAL STATEMENTS

.....	.....	.....
CHAIRPERSON OF THE BOARD	**DATE**	**ACTING DIRECTOR GENERAL**

TANZANIA EDUCATION AUTHORITY

CASH FLOWS STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2017

PARTICULARS	30.06.2017	30.06.2016
CASH FLOWS FROM OPERATING ACTIVITIES	**TZS**	TZS
Receipts		
Government Subvention OC	**-**	87,310,342
Government Subvention PE	**131,650,630**	287,024,015
Government Subvention Development	**9,989,900,000**	38,514,000,000
Donations	**30,000,000**	4,560,000
Interest from Loans Advanced	**-**	-
Income from Endowment Fund	**-**	-
Interest Income	**21,790,335**	323,342,466
Other Income	**1,213,271,790**	463,675,362
Total Receipts	**11,386,612,755**	39,679,912,185
Payments		
Fund Assisted Educational Projects	**(14,549,098,901)**	(18,721,140,846)
Grants Disbursed	**-**	(664,911,978)
Staff Costs	**(2,013,306,607)**	(2,044,738,768)
Office Expenses	**(430,311,794)**	(385,988,654)
Board Expenses	**(127,232,180)**	(218,516,885)
Audit Expenses	**(132,695,840)**	(92,323,040)
Administration Expenses	**(786,698,750)**	(1,009,181,286)
Payment for Investment in Short Term Deposit	**(29,699,055,000)**	(11,137,532,269)
Finance Cost	**(9,328,500)**	(20,181,371)
Total payments	**(47,747,727,572)**	(34,294,515,097)
NET CASH FLOW FROM OPERATING ACTIVITIES	**(36,361,114,817)**	5,385,397,088
CASH FLOWS FROM INVESTING ACTIVITIES		
Loans Repayments Received	**2,400,251,925**	665,630,179
Loans Disbursements Paid	**(875,357,512)**	(2,020,877,824)
Purchase of Assets	**(65,187,029)**	(62,943,223)
Advance – Acquisition of Assets	**-**	(1,456,999,113)
Receipt of Investment in Short Term Deposits	**52,757,930,769**	-

PARTICULARS	30.06.2017	30.06.2016
Receipt of Investment in Share/Units	**3,831,097,420**	
Increase/ Decrease of Investments in Money Market	**-**	-
Increase/ Decrease of Investments in Treasury Bills	**-**	(2,209,909,177)
Net Cash Flows From Investing Activities	**58,048,735,572**	(5,085,099,158)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/ Decrease of Financing Activities	**-**	-
NET CASH FLOW FROM FINANCING ACTIVITIES	**-**	-
NET INCRESE IN CASH AND CASH EQUIVALENTS	**21,687,620,756**	300,297,930
Cash and cash equivalent at beginning of the year	**17,047,511,773**	16,747,213,844
Cash and Cash Equivalents at the end of the year	**38,735,132,529**	17,047,511,773

NOTES 1 TO 27 FORM PART OF THE FINANCIAL STATEMENTS

.....	.....	.....
CHAIRPERSON OF THE BOARD	**DATE**	**ACTING DIRECTOR GENERAL**

TANZANIA EDUCATION AUTHORITY

STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 30TH JUNE, 2017

PARTICULARS	CAPITAL FUND	DEFERRED CAPITAL GRANT	ACCUMULATED SURPLUS	REVALUATION SURPLUS	TOTAL
	TZS	TZS	TZS	TZS	TZS
Balance as at 1st July 2016	1,283,574,727	1,598,000,000	46,281,871,875	706,844,604	49,870,291,206
Surplus/ (Deficit) for the year ended 30.06.2017			(4,244,213,468)		(4,244,213,468)
Add: Prior Year Adjustments			257,514,723		257,514,723
Balance as at 30th June 2017	**1,283,574,727**	**1,598,000,000**	**42,295,173,130**	**706,844,604**	**45,883,592,461**

NOTES 1 TO 27 FORM PART OF THE FINANCIAL STATEMENTS

TANZANIA EDUCATION AUTHORITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL EXPENDITURE FOR THE YEAR 2016-2017

EXPENDITURES	Budget	Actual	Variance	% Change	Remarks
	2016/2017	2016/2017	2016/2017		
	TZS	TZS	TZS		
Staff Costs					
Salaries and Wages	1,505,289,834	1,028,316,527	476,973,307	32%	Lack of recruitment permit
Consolidated Allowances	856,703,564	730,861,954	125,841,610	15%	Actual Existing staff
Employers Pension Contribution	138,000,000	138,804,423	(804,423)	-1%	Actual Existing staff
Travel on Leave	128,641,988	93,275,669	35,366,319	27%	Economic use of leave
Staff Welfare	43,184,199	19,890,634	23,293,565	54%	Reduced spending
Medical Expenses	15,900,000	2,157,400	13,742,600	86%	Staff use NHIF
Office Expenses					
Telephone	54,000,000	32,307,988	21,692,012	41%	Economical use of the facility
Office Rent	218,115,904	314,872,812	(96,756,908)	-44%	Payment of arrears for the year 2015/2016
Postage and Telegrams	3,000,000	2,778,644	221,356	7%	
Printing and Publications	20,500,000	25,746,500	(5,246,500)	-26%	Increased costs of printing
Stationery and Office Supplies	14,400,000	32,853,995	(18,453,995)	-128%	Increasing cost of operation due to special audit
Newspapers & Periodicals	13,600,000	11,426,400	2,173,600	16%	Reduce number of newspaper
Office Cleaning	18,000,000	10,557,455	7,442,545	41%	Effective procurement procedure

Board and Audit Expenses					
Board Meeting Expenses	137,115,000	127,232,181	9,882,819	7%	
External Audit Fees & Expenses	92,000,000	111,848,840	(19,848,840)	-22%	Mainly caused by increased scope.
Internal Audit & Investigations Expenses	107,490,000	20,847,000	86,643,000	81%	Project where not audited as per planned
Administrative Expenses					
Travel Local	75,164,400	149,971,672	(74,807,272)	-100%	Increase scope of projects
Administrative Expenses	97,530,000	81,102,353	16,427,647	17%	Cost Effective use of resource.
Staff Training Expenses	303,271,000	22,667,474	269,603,526	93%	Special audit conducted to TEA staff not able to attend training.
Seminars	48,250,600	31,461,500	16,789,100	35%	Use of public institutions
Electricity	56,400,000	40,200,000	16,200,000	29%	Economic use of facility
Consultancy	151,025,000	16,183,444	134,841,556	89%	Use of internal expertise
Public Relations	205,500,000	24,740,000	180,760,000	88%	Use of website and internet
Advertisement Expenses	24,600,000	10,518,793	14,081,207	57%	Use of website and internet
Motor Vehicles Running costs	90,000,000	35,229,874	54,770,126	61%	Good Maintenance of Vehicles
Motor Vehicles Insurance	37,000,000	36,515,079	484,921	1%	

System Development and maintenance	88,100,000	24,088,443	64,011,557	73%	Reschedule of development Oracle Modules
Tender Board Meeting	29,200,000	15,545,900	13,654,100	47%	Decrease in tenders for construction
Donations	5,000,000	34,767,900	(29,767,900)	-595%	Increased of donations activities.
Fund Raising	24,600,000	3,382,479	21,217,521	86%	Rescheduled Fund Raising Events
Legal Expenses	10,000,000	894,000	9,106,000	91%	No major legal disputes
Security Expenses	30,480,012	26,704,159	3,775,853	12%	Enhanced Security services
Repair and Maintenance-motor Vehicles	60,000,000	55,687,849	4,312,151	7%	
Repair and Maintenance-Plant & Machinery	5,000,000	4,140,000	860,000	17%	Economic use of facility
Repair and Maintenance-Office Machines	6,000,000	5,192,000	808,000	13%	Economic use of facility
Repair and Maintenance – Computer Hardware	8,000,000	6,797,000	1,203,000	15%	Economic use of the computers and preventive measure
Project Monitoring and Evaluation	42,000,000	59,491,831	(17,491,831)	-42%	Increase scope of Monitoring Activities.
Planning and Investment	68,874,000	90,288,500	(21,414,500)	31%	Scope of work increase.
Bank Charges	19,000,000	9,328,500	9,671,500	51%	Bank Transaction decrease.

TANZANIA EDUCATION AUTHORITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

30TH JUNE, 2017

NOTE 1: ACCOUNTING POLICIES

1.1Basis for Preparation of the Financial Statements

Financial Statements have been prepared under the historical cost convention in Tanzania Shillings with modifications where considered necessary to incorporate revaluation adjustments on property, plant and equipment. The Financial Statements have been prepared in accordance with International Public Sector Accounting Standards.

The accounting policies have been consistently applied in these financial statements.

1.1.1 The Tanzania Education Authority adopted the following Fundamental Accounting Concepts: -

- Going Concern Concept
- Accrual Basis of Accounting
- Matching Principle of Accounting

1.1.2 The Accounting Policies as detailed in the financial statements were developed taking into account the following criteria: -

- Prudence
- Substance Over Form
- Relevance and Materiality

1.2 Summary of Significant Accounting Policies for the Year ended 30th June, 2017

1.2.1 Property, Plant and Equipment

Property, Plant and Equipment are initially recorded at cost and later modified whenever revaluation is undertaken in order to incorporate the revaluation adjustments in the accounts.

1.2.2 Cost comprises of expenditure that is directly attributable to the acquisition (purchase or construction) of the item. Subsequent costs are included in the asset's carrying amount, only when it is probable that the future economic benefits associated with the use of the asset.

1.2.3 Depreciation of Assets

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 Authority. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Gain and losses on disposal are determined by comparing the disposal proceeds with the carrying amount and the resulting difference credited/charged to Statement of Comprehensive Income account.

Depreciation expense on Property, Plant and Equipment and amortization of intangible assets have all been charged on a straight-line method using approved depreciation rates as shown hereunder.

• Motor Vehicles	25%
• Plant and Equipment	25%
• Furniture and fittings	10%
• IT Hardware	33.3%
• Office Machines	12.5%

1.2.4 Amortization of Intangible Assets (IT-Software)

Intangible Assets which comprise of IT Software are amortized over a period of 3 years at a rate of 33.3% per annum.

1.2.5 Investments

Tanzania Education Authority classifies its investments in the following categories: Loans, Receivables, and Held to Maturity. The classification depends on the purpose for which the investments were acquired.

1.2.5.1 Loans and Receivables

Loans and Receivables are non-derivative financial assets with fixed or determinable payments and are not quoted in the active market and with no intention of being traded in the financial markets. They are included in current assets category except for those of maturities greater than twelve months after Statement of Financial Position date. These are classified as non-current assets. Loans and Receivables are included in non-current assets category in the 2016/2017 Statement of Financial Position.

1.2.5.2 Held to Maturity Investments (Fixed Deposits & Treasury Bonds)

Held to Maturity Investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Tanzania Education Authority Management has the ability and positive intention to hold to maturity. Those Investments maturing from less than twelve months have been classified under current assets.

1.2.5.3 Non-Current Assets (Intangible Assets)

Acquired Computer Software and web development costs are capitalized on the basis of the costs incurred to acquire and bring to use the specific assets.

Amortization expense for intangible assets has been computed at a rate of 33.3% for IT Software.

1.2.5.4 Cash and Cash Equivalents

Cash comprises of cash in hand and demand deposits with banks. Cash Equivalents comprises of investments in money market instruments (fixed deposits) with maturity periods of not greater than twelve months.

1.2.5.5 Loans and Receivables

Loans Receivable Due and Loan Receivable not due are disclosed in the Statement of Financial Position under Notes 3 and 10, respectively.

NOTE 2 CASH AND CASH EQUIVALENTS: -

Current Account Balances		**30.06.2017**	30.06.2016
Particulars	**Currency**	**TZS**	TZS
Bank of Tanzania	TZS	**37,857,633,541**	**16,000,000,000**
Bank M Ltd Call Account	TZS	**-**	**34,392,161**
CRDB Bank PLC Call Account	TZS	**-**	**1,147,905**
CRDB Bank PLC - Azikiwe	TZS	**792,222,657**	**892,920,563**
CRDB Bank PLC - Kijitonyama	TZS	**83,276,331**	**108,760,700**
CRDB Bank PLC- Kijitonyama	USD	**-**	**8,290,445**
Cash in Hand	TZS	**2,000,000**	**2,000,000**
Total Cash & Cash Equivalents		**38,735,132,529**	**17,047,511,773**

Note: Out of this amount a total of TZS. 37,928,287,982 Has been approved by TEA Board for financing Education assisted projects. These projects are at different stages of implementation.

TANZANIA EDUCATION AUTHORITY

NOTE 3: LOANS RECEIVABLE DUE SCHEDULE 30TH JUNE 2017

INSTITUTION	BEGINNING BALANCE AS AT 01.07.2016	DISBURSED DURING THE YEAR	PROVISION FOR IMPAIRMENT/ ADJUSTMENTS	REPAYMENTS PRINCIPAL 2016/17	CLOSING BALANCE AS AT 30.06.2017	INSTALMENTS DUE WITHIN NEXT 12 MONTHS 30.06.2017	INSTALMENTS DUE WITHIN NEXT 12 MONTHS 30.06.2016
	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Wazo Hill Secondary School	6,780,438	-	-	-	6,780,438	6,780,438	6,780,438
St Moses Primary School	12,300,000	-	-	-	12,300,000	12,300,000	12,300,000
St Augustine University-Mwanza	221,089,800	-	-	- (50,000,000)	171,089,800	171,089,800	221,089,800
The Winning Spirit Sec School	22,160,000	-	-	(350,000)	21,810,000	21,810,000	8,273,384
Muleba Secondary School	1,940,000	-	1,680,000	(3,620,000)	-	-	1,940,000
Archbishop John Sepeku	9,251,037	-	31,822,718	(41,073,755)	-	-	9,251,037
Sebastian Kolowa University	58,148,862	-	-	(10,000,000)	48,148,862	48,148,862	58,148,862
St Augustine University Tabora	688,065,053	-		(80,000,000)	608,065,053	608,065,053	668,065,053
The Institute of Adult Education		172,235,429			172,235,429	172,235,429	
Mzumbe University		500,000,000			500,000,000	383,833,333	
Ardhi University		263,000,000			263,122,083	263,122,083	
Ailanga Juniour Seminary	12,253,886	-		-	12,253,886	12,253,886	12,253,886

INSTITUTION	BEGING BALANCE AS AT 01.07.2016	DISBURSED DURING THE YEAR	PROVISION FOR IMPAIRMENT / ADJUSTMENTS	REPAYMENTS PRINCIPAL 2016/17	CLOSING BALANCE AS AT 30.06.2017	INSTALMENTS DUE WITHIN NEXT 12 MONTHS 30.06.2017	INSTALMENTS DUE WITHIN NEXT 12 MONTHS 30.06.2016
	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Theofilo Kisanji University	470,000,000	-	-	-	470,000,000	470,000,000	470,000,000
Sokoine University of Agriculture	201,575,055	-		(123,157,669)	78,417,387	78,417,385	201,575,055
Libermann Pre-Primary	13,521,216	-	-	-	13,521,216	13,521,216	13,521,216
Mbogamo Sec. School	23,811,000	-	-	(2,000,000)	21,811,000	21,811,000	23,811,000
Kisukuru Regent	60,816,165	-		(37,910,500)	22,905,665	22,905,665	60,816,164
Mzinga Secondary School	79,053,055	-		-	79,053,055	79,053,055	79,053,055
Daystar Primary School	49,000,000	-		(15,000,000)	34,000,000	34,000,000	49,000,000
Loamo Secondary School	58,000,000	-		(20,000,000)	38,000,000	38,000,000	47,000,000
Genius King School	98,000,000	-		(29,000,000)	69,000,000	26,000,000	55,000,000
Charles Totera Sec School	92,261,818	-		-	92,261,818	53,000,000	81,000,000
TEJ Secondary School	42,138,325	-		-	42,138,325	42,138,325	36,900,000
Pemier Secondary School	52,634,547	-		-	52,634,547	52,634,547	24,000,000
Agape Secondary School	27,963,700	-		-	27,963,700	27,963,700	27,936,700
TIE	1,988,140,000	-	-	(1,988,140,000)	-	-	-
TOTAL	**4,288,903,957**	**935,357,512**	**33,502,718**	**(2,400,251,925)**	**2,857,512,264**	**2,659,083,778**	**2,187,742,650**

TANZANIA EDUCATION AUTHORITY

NOTE 4: OTHER RECEIVABLES, PREPAYMENTS & ADVANCES

Details	**30.06.2017**	30.06.2016
	TZS	**TZS**
Loans to Staff	**523,967,575**	**648,148,885**
Imprest to Staff	**1,390,000**	**18,541,500**
Loans Interest Receivable	**700,524,936**	**743,458,215**
Other Advances / Prepayments	**99,902,889**	**433,064,503**
PE subvention Receivables	**104,939,210**	**9,017,936**
Dividends Receivables	**1,677,098**	**1,677,097**
TOTAL	**1,432,401,708**	**1,853,908,136**

NOTE 5 ACCRUED INCOME

TZS 11,152,543 expected to be received as revenue for Financial Year 2016/2017 as follows: -

RECEIVED FROM	**DATE BANKED**	**RECEIPT NUMBER**	**AMOUNT**
			TZS
CRDB BANK	11/07 2017	03057	10,0384,478
CRDB BANK	10/07/2017	03055	557,033
CRDB BANK	10/07/2017	03056	557,032
TOTAL			**11,152,543**

NOTE 6: PROPERT,PLANT AND EQUIPMENTS

	Land	Building	Motor Vehicles	Plant & Equipments	Furniture & Fittings	IT Hardware	Office Machines	TOTAL
COST	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
01.07.2016	855,500,000	1,512,494,107	279,050,000	16,251,000	61,788,500	148,678,699	13,790,936	**2,887,553,242**
Additions 2016/17	2,292,000	-	306,999,113	14,868,000	8,585,000	39,209,984	4,524,545	**376,478,642**
30.06.2017	**857,792,000**	1,512,494,107	**586,049,113**	**31,119,000**	**70,373,500**	**187,888,683**	**18,315,481**	**3,264,031,884**
DEPRECIATION								
01.07.2016	-	-	74,620,043	4,099,712	6,946,069	40,134,212	2,690,066	**128,490,102**
Charge for the year 2016/17	-	-	146,512,278	4,372,500	7,037,350	54,391,955	2,289,435	**214,603,518**
30.06.2017	-		221,132,321	8,472,212	13,983,419	94,526,167	4,979,501	**343,093,620**
NBV 30.6.17	**857,792,000**	1,512,494,107	**364,916,792**	**22,646,788**	**56,390,081**	**93,362,516**	**13,335,980**	**2,920,938,264**
NBV 30.6.16	855,500,000	-	204,429,957	12,151,288	54,842,431	108,544,487	11,100,870	**1,246,569,033**

NOTE 7: HELD TO MATURITY INVESTMENTS

(MATURITY ABOVE 3 MONTHS BUT WITHIN ONE YEAR)

Name of Bank	30.06.2017	30.06.2016
	TZS	TZS
African Banking Corporation	-	**5,320,889,448**
Commercial Bank of Africa	-	**917,124,288**
Bank M Ltd	-	**1,313,502,988**
United Bank for Africa	-	**1,948,235,812**
CRDB Bank PLC	-	**3,125,512,668**
KCB Bank Ltd	-	**532,739,953**
Twiga Bancorp Ltd	-	**3,150,694,982**
Equity Bank (T) Ltd	-	**3,262,730,427**
Maendeleo Bank Ltd	-	**1,078,862,063**
Total Held to Maturity Investments	-	**20,650,292,629**

NOTE: All amount invested in Commercial Banks were deposited to Bank of Tanzania as require by secular.

NOTE 8: INTANGIBLE ASSETS

	30.06.2017	30.06.2016
	TZS	TZS
COST		
As at 30th June, 2016	570,307,659	570,307,659
Additions during the Year	-	-
Revaluation during the Year	-	-
As at 30thJune, 2017	570,307,659	570,307,660
AMORTIZATION		
As at 30th June, 2016	410,307,659	330,307,660
Amortization Charge for The Year	80,000,000	80,000,000
As at 30th June, 2017	490,307,659	410,307,659
Net Book Value as at 30th June 2017	80,0000,000	160,000,000

TANZANIA EDUCATION AUTHORITY

NOTE 9 LOANS & INTEREST RECEIVABLES NOT DUE AS AT 30TH JUNE 2017

INSTITUTION	BIGING BALANCE AS AT 01.07.2016	DISBURSED DURING THE YEAR	PROVISION FOR IMPAIRMENT/ ADJUSTMENTS	REPAYMENTS PRINCIPAL 2016/17	CLOSING BALANCE AS AT 30.06.2017	INSTALMENTS NOT DUE WITHIN NEXT 12 MONTHS 30.06.2017
	TZS	TZS	TZS	TZS	TZS	TZS
Wazo Hill Secondary School	6,780,438	-	-		6,780,438	-
St Moses Primary School	12,300,000	-	-		12,300,000	-
St Augustine University-Mwanza	221,089,800	-	-	(50,000,000)	171,089,800	-
The Winning Spirit Sec School	22,160,000	-	-	(350,000)	21,810,000	-
Muleba Secondary School	1,940,000	-	1,680,000	(3,620,000)		-
Archbishop J Sepeku	9,251,037	-	31,822,718	(41,073,755)		-
Sebastian Kolowa University	58,148,862	-	-	(10,000,000)	48,148,862	-
St Augustine University-Tabora	688,065,053	-		(80,000,000)	608,065,053	-

NOTE 9: LOANS & INTEREST RECEIVABLE NOT DUE AS AT 30th June 2017 (CONT'D)

INSTITUTION	BEGING BALANCE AS AT 01.07.2016	DISBURSED DURING THE YEAR	PROVISION FOR IMPAIRMENT/ ADJUSTMENTS	REPAYMENTS PRINCIPAL 2016/17	CLOSING BALANCE AS AT 30.06.2017	INSTALMENTS NOT DUE WITHIN NEXT 12 MONTHS 30.06.2017
	TZS	TZS	TZS	TZS	TZS	TZS
Ailanga Junior Seminary	12,253,886	-	-		12,253,886	-
Theofilo Kisanji University	470,000,000	-	-		470,000,000	-
Sokoine University of Agriculture	201,575,055			(123,157,669)	78,417,387	-
Libermann Pre-Primary	13,521,216	-	-	-	13,521,216	-
Mbogamo Sec School	23,811,000	-	-	(2,000,000)	21,811,000	-
Kisukuru Regent	60,816,165	-		(37,910,500)	22,905,665	-
Mzinga Sec School	79,053,055	-			79,053,055	-
Daystar Primary School	49,000,000	-		(15,000,000)	34,000,000	-
Loamo Sec School	58,000,000	-		(20,000,000)	38,000,000	
Genius King School	98,000,000	-		(29,000,000)	69,000,000	43,000,000
Charles Totera Sec School	92,261,818				92,261,818	39,261,818
TEJ Sec School	42,138,325	-		-	42,138,325	-
Pemier Sec School	52,634,547				52,634,547	-
Agape Sec School	27,963,700	-			27,963,700	-
TIE	1,988,140,000		-	(1,988,140,000)	-	-
Ardhi University		263,122,083			263,122,083	-
The Institute of Adult Education		172,235,429			172,235,429	-
Mzumbe University		500,000,0000			500,000,000	116,166,668
TOTAL	**4,288,903,957**	**935,357,512**	**33,502,718**	**(2,400,251,925)**	**2,857,512,264**	**198,428,486**

NOTE 10: INVESTMENTS IN SHARES HELD IN OTHER COMPANIES

	30.06.2017	30.06.2016
	TZS	TZS
CRDB Bank PLC Shares	-	36,352,900
Unit Trust of Tanzania	-	3,870,492,869
TOTAL	-	3,906,845,769

NOTE: All Shares and Units were sold and amount were deposited to Bank of Tanzania as require by secular.

NOTE 11: CAPITAL FUND

	30.06.2017	30.06.2016
	TZS	TZS
Balance as at 30th June, 2016	1,283,574,727	1,073,665,550
Capital Gain from Investments in shares with Companies listed under DSE and units held with UTT.	-	209,909,177
Balance as at 30th June, 2017	1,283,574,727	1,283,574,727

NOTE 12: DEFERRED CAPITAL GRANT

Under the Authority's policy, the capital grant is amortized to Statement of Financial Performance annually in terms of amounts relating to annual depreciation expenses, which relate to fixed assets received under the grant still in use by TEA as of Statement of Financial Position date.

	30.06.2017	30.06.2016
	TZS	TZS
Additional Development Subvention from Government (Capital Grant)		
During the year ended 30th June 2014 the Authority received as Government Capital Grant a total of TZS 1,598,000,000 as Development Grant. This money was meant to facilitate acquisition of office building. The asset was acquired at a cost of TZS 2,300,000,000 of which the building was valued at TZS 1,512,494,107 the rest is the value of land (financed by capital grant and other internal sources.)	1,512,494,107 85,505,893	1,598,000,000 (1,512,494,107)

TOTAL	**1,598,000,000**	**85,505,893**

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NOTE 13: ACCUMULATED SURPLUS

	30.06.2017	30.06.2016
	TZS	TZS
Balance as at 30th June, 2016	**46,281,871,875**	**17,671,414,490**
Surplus/(Deficit) for the Year	**(4,244,213,468)**	**16,207,209,679**
Add:Prior Year Adjustments	**257,514,723**	**12,403,247,706**
Balance as at 30th June, 2017	**42,295,173,130**	**46,281,871,875**

The Accumulated Fund balance of TZS 42,295,173,130 up to 30th June, 2017 has been arrived at after taking into account Deficit of income over expenditure for the year amounting to TZS 4,244,213,468 The Accumulated Fund, inter alia, provides financial resources for loans granted to Educational Institutions which have been receiving educational support from TEA since 11th September, 2003.Also We made adjustment to reverse all unspent balances from the Accrued Expenses of TZS 28,944,012,844 which affect the Previous Accumulated surplus by TZS 12,403,247,706.

Out of this amount a total of TZS. 37,928,287,982 Has been approved by TEA Board for financing Education assisted projects. These projects are at different stages of implementation.

NOTE 14: ACCRUED EXPENSES PAYABLE

	30.06.2017	30.06.2016
	TZS	TZS
Accrued Expenses- Operation	152,775,497	795,464,845
TACAIDS Fund	769,350	769,350
TOTAL	**153,544,847**	**796,234,195**

NOTE 15: GOVERNMENT SUBVENTION RECEIVED FOR THE YEAR 2016/2017

DATE	**TZS**
Jul-2016	76,105,000
Aug-2016	76,105,000
Sep-2016	71,155,000
Oct-2016	69,033,000
Nov-2016	68,083,000
Dec-2016	68,083,000
Jan-2017	68,083,000
Feb-2017	71,123,000
Mar-2017	71,123,000
Apr-2017	71,123,000
May-2017	72,273,000
Jun-2017	72,852,999
TOTAL	**855,141,999**

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NOTE 16: EDUCATION LEVY FOR THE YEAR 2016/2017

In order to enhance its resources, the Education Fund Act was amended to include levy based income [2.5% excise duty imposed on electronic communication services under the Excise (Management and Tariff) Act]. During the year, the Authority received TZS 9,989,900,000 from the Government being part of Education levy.

MONTH	BUDGET	ACTUAL RECEIVED	CUMULATIVE VARIANCE
	TZS	TZS	TZS
Jul-16	1,500,000,000	833,000,000	667,000,000
Aug-16	1,500,000,000	833,000,000	667,000,000
Sep-16	1,500,000,000	826,900,000	673,100,000
Oct-16	1,500,000,000	833,000,000	667,000,000
Nov-16	1,500,000,000	833,000,000	667,000,000
Dec-16	1,500,000,000	833,000,000	667,000,000
Jan-17	1,500,000,000	833,000,000	667,000,000
Feb-17	1,500,000,000	833,000,000	667,000,000
Mar-17	1,500,000,000	833,000,000	667,000,000
Apr-17	1,500,000,000	833,000,000	667,000,000
May-17	1,500,000,000	833,000,000	667,000,000
Jun-17	1,500,000,000	833,000,000	667,000,000
TOTAL	**18,000,000,000**	**9,989,900,000**	**8,010,100,000**

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NOTE 17: FUND ASSISTED EDUCATIONAL PROJECTS – GRANTS

(a) Projects	30.06.2017	30.06.2016
	TZS	TZS
Official School Ranking	2,500,850,341	2,104,800,000
Pre Entry Programme	150,151,000	234,559,000
School Incentive Scheme	27,399,600	1,056,951,272
STEP Primary	800,000,000	9,532,997,480
Curriculum Review	19,840,000	160,000,000
Rehabilitation of National Schools	1,420,553,198	66,479,926
Rehabilitation of National Libraries	224,462,103	-
Construction of Teacher's Houses	5,805,074,520	-
Boarding Facilities	1,529,322,332	31,637,428
Fund Assisted Education Projects	1,180,285,402	335,499,000
TEA Governance	169,736,423	484,960,170
MOEST Governance	53,702,957	1,075,872,709
PMORALG Governance	161,297,538	121,493,360
District Education Fund Affiliation	120,887,362	-
School Inspection and Quality Assurance	770,364,191	625,930,000
MOEST Building	-	27,237,417
EMIS MOEST	-	33,271,422
EMIS PMORALG	-	137,406,867
TOTAL	14,933,566,967	16,300,436,051

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NOTE 18: OPERATIONAL COSTS

18A: Staff Costs

	30.06.2017 TZS	30.06.2016 TZS
Salaries and Wages	1,028,316,527	1,028,674,187
Consolidated Allowances	730,861,954	732,315,968
Employers Pension Contribution	138,804,423	107,779,350
Travel on Leave	93,275,669	111,650,573
Staff Welfare	19,890,634	39,049,234
Medical Expenses	2,157,400	25,269,455
Sub Total	2,013,306,607	2,044,738,767

18B. Office Expenses

Telephone	32,075,988	65,117,763
Office Rent	314,872,812	231,665,790
Postage and Telegrams	2,778,644	3,488,062
Printing and Publications	25,746,500	22,122,640
Stationery and Office Supplies	32,853,995	35,592,774
Newspapers & Periodicals	11,426,400	11,294,000
Office Cleaning	10,557,455	16,707,625
Sub Total	430,311,794	385,988,654

18C: Board Expenses.

Board Meeting Expenses	127,232,181	218,516,885
Sub Total	127,232,181	218,516,885

18D: Audit Expenses

External Audit Fees & Expenses	111,848,840	112,896,240
Internal Audit & Investigation expenses	20,847,000	17,061,525
Sub Total	132,695,840	129,957,765

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18E: Administrative Expenses

	30.06.2017 TZS	30.06.2016 TZS
Staff Recruitment and Repatriation	-	9,310,000
Travel Local	149,971,672	70,136,421
Foreign Travelling	-	12,047,072
Staff Training Expenses	22,667,474	157,952,680
Seminars	31,461,500	35,955,180
Water & Electricity	40,200,000	41,895,600
Consultancy	16,183,444	1,905,525
Public Relations	24,740,000	1,590,000
Advertisement Expenses	10,518,793	18,665,065
Professional Membership	3,661,537	3,044,648
Group Asset Insurance	2,398,435	3,967,599
Motor Vehicles Fuel Costs	35,229,874	85,121,941
Motor Vehicles Insurance	36,515,079	18,615,715
System Development and Maintenance	24,088,443	48,275,044
Tender Board Meetings	15,545,900	32,357,700
Withholding Tax on Income from Investment	-	246,076,750
Donations	34,767,900	20,600,000
Fund Raising	3,382,479	4,636,832
Legal Expenses	894,000	10,725,000
Security Expenses	26,704,159	27,089,749
Repair and Maintenance- Motor Vehicles	55,687,849	118,315,679
Repair and Maintenance- Plant & Machinery	4,140,000	-
Repair and Maintenance- Furniture & Fittings	20,000	1,466,500
Repair and Maintenance- Office Machines	5,192,000	2,106,300
Repair and Maintenance- Computer Hardware	6,797,000	20,141,820
Repair and Maintenance-Building	174,000	
Entertainment	12,700,000	15,590,000
Management Meeting Expenses	-	1,250,000
Administration cost	62,148,381	
Award Ceremony	1,800,000	
Planning and Investment	90,288,500	
Monitor and Evaluation	59,491,831	-
Sub Total	777,370,250	1,008,838,820
18F. Depreciation and Amortization Expenses		
Depreciation and Amortization Expenses	294,603,518	197,957,275
18G. Finance Cost		
Finance Cost	134,826,605	20,181,370
	3,910,346,795	4,006,179,537

GRAND TOTAL (A+B+C+D+E+F+G)

NOTE 19: COMMITMENT ON TEA's LIQUID FUNDS

LOANS APPROVED FOR ALLOCATION BUT NOT YET DISBURSED

NAME	TYPE OF PROJECT	FINANCIAL YEAR	ALLOCATED TZS	UNDISBURSED TZS	REMARKS
UNIVERSITIES					
Mzumbe University	Loan for construction of five storey extension block for rooms and library	2016/17	700,000,000	700,000,000	To be executed in financial 2017/18
TOTAL			**700,000,000**	**700,000,000**	

NOTE 20: RISK MANAGEMENT

The Authority has introduced an Entity Wide Risk Management Framework (EWRMF) which will, inter alia, facilitate risk based planning and management of its business operations in conformance to the requirements of sound Corporate Governance principles and best practice.

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NOTE 21:
RELATED PARTY TRANSACTIONS

IPSAS 20 requires certain disclosures to be made on the remuneration of key management personnel and close members of the families of key management personnel during the reporting period.

Transactions with related parties during the year 2016/2017 amounted to TZS 978,221,333. These were disbursements in favor of key Management personnel in terms of remuneration, allowances, and loans.

The analysis is as follows: -

	2016/2017 TZS	2015/2016 TZS
Key Management Remuneration	**486,750,000**	**561,000,000**
Key Management Allowances	**491,471,333**	**373,384,000**
Key Management Loans	**-**	**269,000,000**
Balance as at 30th June 2017	**978,221,333**	**1,203,384,0000**

NOTE 22: COMPARATIVE FIGURES

Previous year's figures in the Financial Statements have been reclassified or re-arranged wherever considered necessary to make them comparable to the current year's figures in order to facilitate better presentation and comparability.

NOTE 23: PRESENTATION CURRENCY

Financial reports are presented in Tanzania Shillings at full amount. Figures have been rounded to the nearest shilling.

NOTE 24 PRESENTATIONS AND CLASSIFICATION OF ITEMS

Presentation and classification of items of accounts comprising various assertions in the financial statements for the current year have, where considered necessary, been reclassified or regrouped to facilitate comparability with previous year's figures.

NOTE 25: RESTRICTIONS

There were no amounts of restrictions on title, property, plant and equipment pledged as security for liabilities.

NOTE 26: CONTINGENT LIABIILITIES

There were no contingent liabilities outstanding as at the year end.

NOTE 27: BUILDING PURCHASED DURING THE YEAR 2015-16

The Authority acquired a building located at Mikocheni from National Insurance Corporation (NIC) valued at TZS 1,512,494,107. This building has been included in the Property, Plant and Equipment's pool.

What we do

We secure adequate and stable financing for the Education Fund
We advise the Government on new sources of revenue for the purpose of ensuring adequate and stable financing flow of money into the Fund. We promote education and training according to needs within the framework of overall national socio-economic development plans and policies.

We apply the monies deposited into the Fund for purposes of improvement and promotion of education of education. We develop and review periodically formula for allocation and disbursement of funds to different educational levels. We monitor use of funds disbursed and ensure adherence to the objectives of the Fund.

We receive gifts, donations, grants or other moneys on behalf of the Fund. We establish and promote relationship or association with institutions both nationally and internationally.

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