TANZANIA EDUCATION AUTHORITY



ANNUAL REPORT FOR FINANCIAL YEAR 2017/2018

NOVEMBER, 2018

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. and 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 which include:

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.

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, Dar es Salaam,
Tel:
Fax:

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

And

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

LETTER OF TRANSMITTAL
Hon. Minister,
Ministry 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 2018

Pursuant to section 16(3) of the Education Fund Act No. 8 of 2001, I have the honor to submit the Authority's Annual Report for the financial year 2017/2018 detailing the Authority's operational activities and Audited Financial Statements for the year under review.

The report encompasses the statement of the Chairperson of the Board, the operational report of the Director General; Independent view of the Controller and Auditor General, as well as the Audited Financial Statements of the Fund for the year 2017/18.
On the basis of performance, the Authority has been responsive to national needs in the education sector by implementing projects for rehabilitation of national secondary schools; construction of teachers' houses in hard to reach areas as well as financing construction of classrooms and pit latrines in schools with acute needs.

I hope that the report provides accurate and useful information to the public and other stakeholders on the performance of Tanzania Education Authority for the whole span of the year under review.

Prof. Maurice C.Y Mbago
CHAIRPERSON

1. BOARD CHAIRMAN'S MESSAGE

On behalf of the Board of Tanzania Education Authority, I am honored to present the annual report and financial statements of Tanzania Education Authority for the financial year 2017/2018 covering the period from 1st July 2017 to 30th June, 2018. This Report is prepared in accordance to Section 16(3) of the Education Fund Act No. 3 of 2001.

During the period under review, the Authority continued to implement its activities in line with its vision, mission, objectives and functions as reflected in its Rolling Corporate Strategic Plan 2016/17 to 2020/21, thus working to improve equity, quality and access of education at different levels.

During the period under review, the Authority has financed the the rehabilitation of 10 National secondary schools, constructed teachers houses in hard to reach areas; constructed classrooms, pit latrines and dormitories in schools with acute shortage; facilitated the purchase of laboratory equipments in secondary schools and workshop equipments, and has started the mplementation of Skills Development programs with a focus to providing market driven skills, relevant for employability.

On behalf of the Board, I wish to give my sincerely appreciation to Ministry of Education, Science and Technology for the support and guidance provided in all our operations. We also acknowledge and appreciate the cooperation received from Treasury Registrar, the Treasury, Ministry of Finance, President's office Regional Governments and Local Authorities, as well as Education Regulatory Authorities.

The Board is looking forward to mobilize more support from all stakeholders in the coming financial year to ensure that more projects are undertaken for improving equity, quality and access of education in all levels of education in Tanzania.

Prof. Maurice C.Y Mbago
BOARD CHAIRPERSON

2. DIRECTOR GENERAL'S STATEMENT



GRACEANA SHIRIMA
Acting Director General of (TEA)

On behalf of the Management of Tanzania Education Authority (TEA), I am delighted to present the performance and financial reports of the Authority for the financial year 2017/2018. In this report, the reader will see that our work for the period under review contributed to fulfilling our vision and mission in supporting education projects, countrywide with a focus for equitable access to quality education in Tanzania.

During the financial year 2017/2018 the Authority's total income amounted to TZS 6,049,302,442. This amount comprised of Government Subventions in respect of Personnel Emoluments of TZS 806,452,045; Development Subvention of TZS 3,314,576,270; Skills Development Fund (SDF) Project amount to TZS 300,421,016; Loan penalty income amount to TZS 195,395,101; Loan interest Income amount to TZS 292,715,585; Interest Income amount to TZS 29,480,525 and Other Income amounting to TZS 1,110,261,900. Also, the Authority had opening balance of TZS 38,735,132,529 that was the carryover fund from previous financial year for implementation of different projects which were not implemented in due time.

In this year, the Authority continued with implementation of different educational projects approved by the Board in the financial year 2017/2018 as well as projects approved in the previous years but whose implementation started in the year 2017/2018. The projects implemented in 2017/2018 included rehabilitation of 10 national secondary schools, rehabilitation of national library, construction of teachers' houses in hard to reach areas, purchase of ICT equipments for secondary schools and colleges, purchase of laboratory equipments, purchase of workshop equipments and purchase of boarding furniture for schools with students with special needs.

Despite the achievements made in the implementation of projects, during the year under review, the Authority went through a number of challenges in its operations and support on educational projects. The Authority was able to finance only 33% of its projects planned for the year due to budgetary constraints as a result of non-flow of funds from the statutory sources, understaffing and presence of gaps in some key management positions, lack of sufficient motor vehicles and other facilities to enable smooth monitoring of the projects and lack of construction professionals to support the Authority in the projects implementation. The Authority with the assistance of the Ministry of Education, Science and Technology is working hard to overcome the challenges for better performance in the future.

On behalf of the Management and Staff of Tanzania Education Authority, I register my sincere appreciation to the Board for its continuous support and guidance, the Government and all other Stakeholders for their strong support to ensure that the Authority fulfils its mandates hence improving equity, quality and access of education in the country.

Lastly, I would like to extend my sincere gratitude to the Management of Tanzania Education Authority and Staff for their commitment and hardworking spirit that has enabled the achievement obtained in the year.

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GRACEANA SHIRIMA
Ag. Director General

3. BOARD MEMBERS OF TANZANIA EDUCATION AUTHORITY



01. Prof.
Maurice C. Y. Mbago
Chairperson



02. Prof.
Bernadeta Killian
Vice Chairperson



03.
Mr. Gerald Mweli
Member



04. Mrs.
Mystica Mapunda Ngongi
Member



05. Mr.
Abdul Maulid Mnonya
Member



01. Mr.
Emmanuel Tutuba
Member



01. Ms.
Greceana Shirima
Ag. Director General/Secretary

4. CORPORATE GOVERNANCE

4.1 Corporate Governance

Tanzania Education Authority's policies and operations are directed, controlled and managed in conformity to duty, responsibility, and accountability under a close supervision of the Board. The Board ensures that the Authority complies with governance structures that identify distribution of rights and responsibilities among different stakeholders of the organization. The management team ensure adherence to all policies, guidelines and directives of the Board and the Government.

4.2 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.

During the financial year 2017/2018 the Board successfully held four (4) ordinary meetings as required by the Board Charter. During the period the Board Committees also held their statutory meetings as scheduled for the year successfully.

Members of the Board

The Board Members who served in the Board during the Financial Year under review are:-

S/N	Name	Position	Qualification	Appt. Date
1.	Prof. Maurice C.Y. Mbago	Chairperson	PhD in Statistics	29th Aug 2016
2.	Prof. Bernadeta Killian	Vice Chairperson	PhD in Political Science	11th Aug 2017
3.	Mr Abdul Maulid Mnonya	Member	MA Education	11th Aug 2017
4.	Mr. Emmanuel Tutuba	Member	MBA in Corporate Management	11th Aug 2017
5.	Mr. Gerald Mweli	Member	MSc in Economics and Finance	11th Aug 2017
6.	Mrs. Mystica Mapunda Ngongi	Member	MBA in Corporate Management	11th Aug 2017
7.	Ms. Graceana Shirima	Secretary/ Ag. Director General	Master of Art in Education Planning and Management	01st Decr 2016

Board Committees

The following were the members of the Board Committees for the financial year 2017/2018

	S/N	Name	Position
Revenue Committee	1. 2. 3.	Prof. Maurice C.Y Mbago Mr. Abdul M.Maulid Ms. Graceana Shirima	Chairperson Member Secretary
Award Committee	1. 2. 3.	Prof. Bernadeta Killian Mr.Gerald Mweli Ms. Graceana Shirima	Chairperson Member Secretary
Executive Committee	1. 2. 3. 4.	Prof. Maurice C.Y Mbago Prof. Bernadeta Kilian Mr. Emmanuel Tutuba Ms. Graceana Shirima	Chairperson Member Member Secretary
Audit Committee	1. 2. 3. 4.	Mr. Emmanuel Tutuba Mrs. Mystica Mapunda Ngongi Mr. Simon F. Sayore* Ms. Wendo O. Chiduo	Chairperson Member Co-opted Member Secretary

4.3 TEA Management Team



01. Ms. Graceana R. Shirima
Ag. Director General



02. Dr. Erasmus F. Kipesha
Director of Planning,
Research and Development



03. Mr. Waziri Rajab Salum
Director of Resource Mobilization
and Education Support Management



04. Mr. Bahati Evagro
Ag. Procurement Manager



05. Mr. Richard Mazinge
Chief Internal Auditor



06. Ms. Wendo Chiduo
Monitoring and Evaluation Manager



07. Mr. Njama Ally
Ag. Chief Accountant



08. Edwin Igenge
Ag. Corporate Secretary



09. Mr. Musa Mzenga
Human Resources Manager



10. Ms. Anne Mlimuka
Ag. Education Support Manager



11. Mr. Tito Mganwa
Ag. Advocacy and Resource Mobilization Manager

5. PERFORMANCE OVERVIEW FOR FINANCIAL YEAR 2018/19

5.1 Annual Approved Income for FY 2018/19

For the financial year 2017/2018, the Authority expected to receive total revenue of TZS 12,208,318,016 from both statutory sources provided under Education Fund Act of 2001 as amended and from other none statutory sources. By the end of the financial year, the Authority was able to mobilize TZS 6,049,302,442 from all sources which is 49.6% performance rate. Revenue performance by source for the year is as shown in the following table:

Annual Approved Revenue Vs Actual Collection

SOURCE	Approved Budget (TZS)	ACTUAL Received (TZS)	%
Government Subvention – PE	1,622,897,000	806,452,045	49.7%
Revenue from Statutory Sources	10,000,000,000	3,314,576,270	33.1%
Development Fund – Foreign	300,421,016	300,421,016	100%
Donations	20,000,000	0	0%
Loan Interest and Penalty	82,000,000	488,110,686	595.3%
Other Income	153,000,000	1,110,261,900	725.7%
Interest Income	30,000,000	29,480,525	98.3%
Total	**12,208,318,016**	**6,049,302,442**	**49.6%**

The modest performance in revenue collection is mainly contribute with low flow of statutory funds from the Government as well as absence of donations from different education contributors.

Apart from the actual revenue received for the year under review, the Authority had an opening balance of cash amounting to TZS 38,735,132,529, which related to projects approved by the Board in previous financial years but which were not implemented in such respective year of approved. Therefore, the Authority total funds available for implementation of projects and administration amounted to TZS 44,784,434,971.

5.2 Income and Expenditure

a. Annual Income

Total income for the Financial Year 2017/2018 amounted to TZS 6,049,302,442. This comprised Government Subventions in respect of Personnel Emoluments amounting to TZS 806,452,045, Development Subvention amounting to TZS 3,314,576,270, SDF Project amount to TZS 300,421,016, Loan Penalty Income amount to TZS 195,395,101, Loan interest Income amount to TZS 292,715,585, Interest Income amount to TZS 29,480,525 and Other Income amounting to TZS 1,110,261,900.
Internally generated income included interest on short-term deposits, Application fees and interest from loans advanced.

b. Total Expenditure

During the FY 2017/2018 the Authority resources spent Total expenditure for the Financial Year 2017/2018 amounted to TZS 32,837,298,794. This comprised of Expenditure in respect of Fund Assisted Educational Projects amounting to TZS 29,544,341,552 And TZS 3,292,957,242 as Operational costs.

5.1 Expenditure for FY 2018/2019

Total expenditure for the Financial Year 2017/2018 amounted to TZS 32,837,298,794. This comprised Expenditure in respect of Fund Assisted Educational Projects amounting to TZS 29,544,341,552 and TZS 3,292,957,242 as Operational costs.

Projects Implemented

S/N	PROJECTS	AMOUNT (TZS)
1.	Rehabilitation of national schools	16,819,868,325
2.	Rehabilitation of national library	22,909,404
3.	Teachers' houses	4,026,965,026
4.	School inspection and quality assurance	198,368,781
5.	Allocation for ICT equipments	192,625,590
6.	Laboratory equipments	43,850,000
7.	Fixtures and fittings	18,159,160
8.	Boarding facilities	875,919,649
9.	Workshop equipments	274,718,729
10.	Learning Facilities	201,696,000
11.	Construction of Dormitories	1,890,365,751
12.	Classrooms	1,876,017,988
13.	Pit Latrines	3,037,618,131
14.	Special needs	65,259,000

5.2 Project implementation in FY 2017/2018

For the period under review, the Authority continued to implement projects approved in that year as well as carryover projects from other previous year. The following projects were implemented during the financial year 2017/2018:

a) Construction of Classrooms

Construction of 13 Schools in various regions, the schools which benefited and respective regions are outlined as follows:

S/N	PROJECT	REGION
1.	Iwumba Primary School	Dodoma
2.	Kihomoka Primary School	Kigoma
3.	Migunga Primary School	Shinyanga
4.	Nyasa I Primary School	Tabora
5.	Idukilo Primary School	Shinyanga
6.	Mshikamano Primary School	Dar es Salaam
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

b) Construction of Pit Latrines

In the financial year 2017/18, the Authority implemented a project for construction of Pit Latrines in 13 primary schools across the country. Benefited schools include; Masibwe Primary School, Ng'wagwita B Primary School, Nhobola A Primary School, Tuleane Primary School, Kamalampaka Primary School, Kusa Primary School, Idisanhambo Primary School, Kibololo Primary School, Senene Primary School, Mubembe Primary School, Dakawa Primary School, Chengana Primary School and Burundi Primary School.

c) Construction of Teachers' Houses

During the financial year 2017/18, the Authority implemented project for construction of teachers' houses for hard to reach areas in 14 councils. The project involved allocation of TZS 2,100,000,000/- for construction of 45 Teachers' houses in hard to reach areas across Tanzania Mainland. The allocations for construction of teachers' houses involved 14 regions as indicated in the following table:

S/N	PROJECT	COUNCIL	REGION
1.	Bungw'angoko Shule ya Sekondari	Geita TC	Geita
2.	Ilemela Shule ya Sekondari	Chato	Geita
3.	Mfriga Shule ya Sekondari	Njombe DC	Njombe
4.	Makete Girls Shule ya Sekondari	Makete	Njombe
5.	Kikore Shule ya Sekondari	Kondoa DC	Dodoma
6.	Nono Shule ya Sekondari	Karagwe	Kagera
7.	Gasuma Shule ya Sekondari	Bariadi DC	Simiyu
8.	Mwabayanda Shule ya Sekondari	Maswa	Simiyu
9.	Vikumburu Shule ya Sekondari	Kisarawe	Coast
10.	Mzenga Shule ya Sekondari	Kisarawe	Coast
11.	Kisiju Shule ya Sekondari	Mkuranga	Coast
12.	Nyange Shule ya Sekondari	Kilombero	Morogoro
13.	Mamboya Shule ya Sekondari	Kilosa	Morogoro
14.	Busangumugu Shule ya Sekondari	Ukerewe	Mwanza

d) Rehabilitation of National Secondary Schools

During the period under review, the Authority implemented project for rehabilitation of seventeen (17) National secondary schools in two categories. The first categories involved 10 schools namely Pugu Secondary, Kilakala Secondary, Mzumbe Secondary, Msalato Secondary, Mwenge Secondary, Same secondary, Ilboru secondary, Tabora boys secondary, Tabora girls Secondary and Nganza Secondary school.

The second category involved seven (7) schools namely Ruvu Secondary, Dodoma Secondary, Bihawana Secondary, Kondoa Girls Secondary, Korogwe Girls Secondary, Bwiru Girls Secondary and Sengerema Secondary school. Rehabilitation work of these schools was done using force account method.

e) Purchase of Teaching and Learning Materials, Laboratory and ICT Equipments

During the Financial Year 2017/18 the Authority implemented a project for enhancing laboratory and ICT Equipments across the country. Specifically, the Authority facilitated purchase of laboratory equipments at Chang'ombe Secondary School, Dodoma Secondary School and at Marian University College. Also during the year, the Authority facilitated the purchase of teaching and learning materials at Mzumbe University, Development of Curricula at Mwalimu Nyerere Memorial University.

f) Special needs

For the financial year 2017/2018 the Authority facilitated projects geared to support schools with special needs students. The support was extended to 5 schools. The support focused on provision of teaching and learning materials for students with special needs. The Authority facilitated construction of water tanks at Muheza Primary School, classrooms at Sima A Primary School and Mundindi Primary School, pit latrines at Kigongo Primary School and purchase of teaching and learning materials at Ikungi Primary School.

g) Implementation of Skills Development Fund

During the financial year, the Authority started the implementation of Skills Development Fund (SDF), the project that focus on providing grants to facilitate skills training to the youth in order to improve their skills for self-employment as well as meeting the market demand for skills.

A total budget of TZS 3,717,900,000/- was set aside by the Ministry of Education, Science and Technology to support the implementation of the pilot phase of the SDF projects. A total of 15 training institutions benefited during the first phase of implementation.

Permanent Secretary Ministry of Education, Science and Technology Dr. Leonard Akwilapo addressing the beneficiaries and Stakeholders during the launching of SDF pilot phase.

Minister of Education, Science and Technology
Hon. Prof. Joyce Ndalichako (MP)
inaugurating the SDF pilot phase in Dar-es-salaam.





The Chairman of the Board Prof. Maurice Mbago receiving the Dummy Check as SDF funding for pilot phase from the World Bank representative, in presence of the Minister of Education, Science and Technology and Permanent secretar-

INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

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

Report on the audit of financial statements for the financial year ended 30th June, 2018

Introduction

I have audited the accompanying financial statements of Tanzania Education Authority which comprise the statement of financial position as at 30th June, 2018, 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 22 to 41.

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, 2018, 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

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. 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.

Report on Other Legal and Regulatory Requirements

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
13th February, 2019

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

ASSETS EMPLOYED	NOTE	30.06.2018	30.06.2017 Restated
CURRENT ASSETS		**TZS**	**TZS**
Cash and Cash Equivalents	2	11,054,805,690	38,735,132,529
Loans Receivable Due	3	5,536,944,930	4,167,865,792
Other Advances & Prepayments	4	1,990,993,120	1,853,908,136
Accrued Income	5	-	11,152,543
Total Current Assets		**18,582,743,740**	**44,768,059,000**
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	3,363,767,532	2,920,938,264
Intangible Assets	6	100	80,000,000
Total Non-Current Asset		3,363,767,632	3,000,938,264
TOTAL ASSETS		21,946,511,372	47,768,997,264
FINANCED BY:			
EQUITY			
Capital Fund	7	2,881,574,727	2,881,574,727
Accumulated Surplus	8	17,862,477,889	44,733,877,690
Total Equity		20,744,052,616	47,615,452,417
LIABILITIES			
Accrued Expenses Payable	9	1,202,458,756	153,544,847
Total Liabilities		1,202,458,756	153,544,847
TOTAL EQUITY AND LIABILITIES		21,946,511,372	47,768,997,264

NOTES 1 TO 22 FORM PART OF THE FINANCIAL STATEMENTS

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CHAIRPERSON OF THE BOARD	DATE	DIRECTOR GENERAL

TANZANIA EDUCATION AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE, 2018

INCOME	**NOTE**	**30.06.2018**	**30.06.2017 Restated**
		TZS	**TZS**
Government Subvention PE	10	806,452,045	855,141,999
Government Subvention Development	11	3,314,576,270	9,989,900,000
SDF Income		300,421,016	
Donations		-	30,000,000
Interest from Loans Advanced		292,715,585	205,371,813
Income from Endowment Fund		-	2,070,850,500
Loan Penalty Income		195,395,101	172,193,290
Interest Income		29,480,525	680,826,588
Dividend Income		-	1,114,065
Other Income	12	1,110,261,900	965,698,697
		6,049,302,442	14,971,096,952
LESS EXPENDITURE			
Fund Assisted Educational Projects	13	29,544,341,552	14,764,190,544
Staff Cost	14A	1,606,374,215	2,013,306,607
Office Expenses	14B	266,800,006	470,511,794
Board Expenses	14C	130,323,500	127,232,181
Audit Fee and Expenses	14D	160,223,638	132,695,840
Administration Expenses	14E	722,691,640	906,546,673
Depreciation and Amortization Expenses	14F	393,546,131	294,603,518
Finance Cost	14G	12,998,112	134,826,605
TOTAL EXPENDITURE		**32,837,298,794**	**18,843,913,762**
Surplus/(Deficit) for the Year		(26,787,996,352)	(3,872,816,810)
Accumulated Surplus/(Deficit) Brought Forward		44,650,474,241	48,523,291,051

ACCUMULATED SURPLUS		
CARRIED FORWARD	17,862,477,889	44,650,474,241

NOTES 1 TO 22 FORM PART OF THE FINANCIAL STATEMENTS

…… …… ……

CHAIRPERSON OF THE BOARD DATE DIRECTOR GENERAL

TANZANIA EDUCATION AUTHORITY

CASH FLOWS STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2018

PARTICULARS	30.06.2018	30.06.2017
CASH FLOWS FROM OPERATING ACTIVITIES	TZS	TZS
Receipts		
Government Subvention PE	188,354,377	131,650,630
Government Subvention Development	3,314,576,270	9,989,900,000
SDF Income	300,421,016	
Donations	-	30,000,000
Interest Income	29,480,525	21,790,335
Other Income	1,110,261,900	1,213,271,790
Total Receipts	4,943,094,088	11,386,612,755
Payments		
Fund Assisted Educational Projects	(27,604,227,339)	(14,549,098,901)
Staff Costs	(1,606,374,215)	(2,013,306,607)
Office Expenses	(266,800,006)	(430,311,794)
Board Expenses	(130,323,500)	(127,232,180)
Audit Expenses	(160,223,638)	(132,695,840)
Administration Expenses	(722,691,640)	(786,698,750)
Payment for Investment in Short Term Deposit	-	(29,699,055,000)
Finance Cost	(12,998,113)	(9,328,500)
Total payments	(30,503,638,451)	(47,747,727,572)

NET CASH FLOW FROM OPERATING ACTIVITIES-A CASH FLOWS FROM INVESTING ACTIVITIES	(25,560,544,363)	(36,361,114,817)
Loans Repayments Received	234,467,511	2,400,251,925
Loans Disbursements Paid	(1,566,374,488)	(875,357,512)
Purchase of Assets	(787,875,499)	(65,187,029)
Receipt of Investment in Short Term Deposits	-	52,757,930,769
Receipt of Investment in Share/Units	-	3,831,097,420
NET CASH FLOWS FROM INVESTING ACTIVITIES-B	(2,119,782,476)	58,048,735,573

CASH FLOWS STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2018 (Cont.)

PARTICULARS	30.06.2018 TZS	30.06.2017 TZS
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/ Decrease of Financing Activities	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	-	-
NET INCRESE/DECREASE IN CASH AND CASH EQUIVALENTS(A+B)	(27,680,326,839)	21,687,620,755
Cash and Cash Equivalent at Beginning of the Year	38,735,132,529	17,047,511,773
Cash and Cash Equivalents at the End of the Year	11,054,805,690	38,735,132,529

NOTES 1 TO 22 FORM PART OF THE FINANCIAL STATEMENTS

…… ....

CHAIRPERSON OF THE BOARD DATE DIRECTOR GENERAL

TANZANIA EDUCATION AUTHORITY

STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 30TH JUNE, 2018

PARTICULARS	CAPITAL FUND TZS	ACCUMULATED SURPLUS TZS	TOTAL TZS
Balance as at 1st July 2017	2,881,574,727	44,650,474,241	47,532,048,968
Surplus/ (Deficit) for the Year Ended 30.06.2018		(26,787,996,352)	(26,787,996,352)
Balance as at 30th June 2018	2,881,574,727	17,862,477,889	20,744,052,616

NOTES 1 TO 22 FORM PART OF THE FINANCIAL STATEMENTS

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CHAIRPERSON OF THE BOARD DATE DIRECTOR GENERAL

TANZANIA EDUCATION AUTHORITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL EXPENDITURE FOR THE YEAR 2017-2018

Expenditure	Budget 2017/2018 TZS	Actual 2017/2018 TZS	Variance 2017/2018 TZS	% Change	Remarks
Staff Costs Salaries and Wages	1,622,987,000	807,182,000	815,805,000	50%	No new recruitment and promotions.
Consolidated Allowances	580,641,788	715,263,417	(134,621,629)	-23%	Increasing number of temporary transferred staff from other Public Institutions.
Employers Pension Contribution	23,400,000	6,284,080	17,115,920	73%	Change of payment procedures on Gratuity.
Travel on Leave	90,933,347	30,684,717	60,248,630	66%	Change of payment modality on Annual Leave.
Staff Welfare Medical Expenses	45,000,000 6,880,000	44,645,000 2,315,000	355,000 4,565,000	1% 66%	Reduced additional medical cost not covered by NHIF
Sub Total	2,369,842,135	1,606,374,215	763,467,920	32%	
Office Expenses					
Telephone	7,500,000	1,607,091	5,892,909	79%	Rigorous control on use of the facility

TANZANIA EDUCATION AUTHORITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL EXPENDITURE FOR THE YEAR 2017-2018

Expenditure	Budget 2017/2018 TZS	Actual 2017/2018 TZS	Variance 2017/2018 TZS	% Change	Remarks
Office Expenses					
Office Rent	142,208,000	139,594,317	2,613,683	2%	
Postage	7,000,000	6,324,300	675,700	10%	Cost control measures
Printing and Publications	9,760,000	6,049,680	3,710,320	38%	Cost control measures
Stationery and Office Supplies	57,552,000	55,705,275	1,846,725	3%	
Newspapers & Periodicals	11,688,000	10,178,000	1,510,000	13%	Reduced number of newspaper.
Electricity	25,000,000	23,099,659	1,900,341	8%	Cost control measures
Water	27,800,000	9,939,364	17,860,636	64%	Cost control measures
Office Cleaning	14,500,000	14,302,320	197,680	1%	
Sub Total	303,008,000	266,800,006	36,207,994	21%	

TANZANIA EDUCATION AUTHORITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL EXPENDITURE FOR THE YEAR 2017-2018

Expenditure	Budget 2017/2018 TZS	Actual 2017/2018 TZS	Variance 2017/2018 TZS	% Change	Remarks
Board and Audit Expenses					
Board Meeting Expenses	134,784,000.00	130,323,500	4,460,500	13%	Meetings were conducted as planned.
Sub Total	134,784,000.00	130,323,500	4,460,500	13%	
External Audit Fees & Expenses	107,000,000	106,007,820	992,180	1%	
Internal Audit & Investigations Expenses	80,000,000	54,215,818	25,784,182	38%	Decrease in rate of per diem.
Sub Total	187,000,000	160,223,638	26,776,362	17%	
Administrative Expenses Staff Recruitment and Repatriation	22,530,000	34,772,600	(12,242,600)	-54%	Increased cost of staff relocation for SDF project and other departments.

TANZANIA EDUCATION AUTHORITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL EXPENDITURE FOR THE YEAR 2017-2018

Expenditure	Budget 2017/2018 TZS	Actual 2017/2018 TZS	Variance 2017/2018 TZS	% Change	Remarks
Administrative Expenses					
Travel Local	21,430,000	17,819,300	3,610,700	17%	Decrease in rate of per diem.
Foreign Travelling	3,000,000	2,362,866	637,134	21%	Cost control measures
Staff Training Expenses	40,620,619	39,724,500	896,119	2%	
Seminars	63,150,000	45,078,000	18,072,000	29%	Use of public venues and trainers.
Consultancy	4,000,000	-	4,000,000	100%	No consultancy undertaken
Public Relations	70,175,000	22,150,000	48,025,000	68%	Reduced media publicity and engagement.
Advertisement Expenses	21,042,870	20,841,800	201,070	1%	
Fuel for Motor Vehicles costs	44,596,000	42,314,697	2,281,303	5%	
Professional Membership	3,000,000	1,994,324	1,005,676	34%	Payment made for fewer staff due to transfers.
Insurance	35,000,000	10,234,848	24,765,152	71%	Reduced number of ensured Vehicles.

TANZANIA EDUCATION AUTHORITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL EXPENDITURE FOR THE YEAR 2017-2018

Expenditure	Budget 2017/2018 TZS	Actual 2017/2018 TZS	Variance 2017/2018 TZS	% Change	Remarks
Administrative Expenses					
System Development and maintenance	50,148,000	37,260,338	12,887,662	26%	Rescheduled development of document management systems.
Tender Board Meeting	38,780,000	12,742,000	26,038,000	67%	Decrease in Tender Board meetings.
Fund Raising	15,941,448	6,090,000	9,851,448	62%	Rescheduled Fund Raising Events
Legal Expenses	14,000,000	13,290,000	710,000	5%	
Security Expenses	30,000,000	20,743,842	9,256,158	31%	Reduced security guarded com pounds from 2 to 1
Repair and Maintenance-motor Vehicles	37,000,000	34,372,168	2,627,832	7%	
Repair and Maintenance-Office Machines	4,820,000	4,661,000	159,000	3%	

Project Monitoring and Evaluation	129,000,000	295,641,195	(166,641,195)	-67%	Increased scope of Monitoring Activities.
Budget and Planning	70,000,000	60,598,161	9,401,839	13%	Scope of work decrease
Sub Total	718,233,937	722,691,640	152,781,654	34%	
Bank Charges	19,059,716	12,998,112	6,061,603	32%	Bank Transactions.
Total Operation cost	3,731,927,788	2,899,411,111	989,756,033	22%	

NOTE: Negative variance represents over expenditure while positive variance represents under expenditure.

TANZANIA EDUCATION AUTHORITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2018

NOTE 1: ACCOUNTING POLICIES

1.1 Basis 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, 2018

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 will be realized.

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. Gains 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.

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.

1.2.6 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.

1.2.7 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.

1.2.8 Loans Receivables Due

Loans Receivable Due are disclosed in the Statement of Financial Position under Notes 3

NOTE 2 CASH AND CASH EQUIVALENTS: -

Current Account Balances		**30.06.2018**	**30.06.2017**
Particulars	Currency	TZS	TZS
Bank of Tanzania	TZS	8,947,262,365	37,857,633,541
CRDB Bank PLC - Azikiwe	TZS	1,876,905,035	792,222,657
CRDB Bank PLC - Kijitonyama	TZS	228,638,290	83,276,331
Cash in Hand	TZS	2,000,000	2,000,000
Total Cash & Cash Equivalents		11,054,805,690	38,735,132,529

Note: The amount of TZS 8,947,262,365 was for Education assisted projects. These projects are at different stages of implementation.

TANZANIA EDUCATION AUTHORITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2018 (Continued)

NOTE 3: LOANS RECEIVABLE DUE SCHEDULE 30TH JUNE 2018.

NAME OF INSTITUTION	BEGING BALANCE AS AT 01.07.2017	DISBURSED DURING THE YEAR	PRINCIPAL REPAYMENTS 2017/18	CLOSING BALANCE AS AT 30.06.2018
	TZS	TZS	TZS	TZS
Wazo Hill Secondary School	66,381,759	-	-	66,381,759
St Moses Primary School	20,000,000	-	-	20,000,000
St Augustine University-Mwanza	204,677,782	-	-	204,677,782
The Winning Spirit Sec School	46,286,580	-	-	46,286,580
Sebastian Kolowa University	58,349,621	-	-	58,349,621
St Augustine University Tabora	796,065,053	-	-	796,065,053
The Institute of Adult Education	172,235,429	27,764,571	(47,702,372)	152,297,628
Mzumbe University	500,000,000	700,000,000	-	1,200,000,000
Ardhi University	263,122,083	338,609,917	-	601,732,000
Ailanga Juniour Seminary	9,072,903	-	-	9,072,903

TANZANIA EDUCATION AUTHORITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2018 (Continued)

NOTE 3: LOANS RECEIVABLE DUE SCHEDULE 30TH JUNE 2018.

NAME OF INSTITUTION	BEGING BALANCE AS AT 01.07.2017	DISBURSED DURING THE YEAR	PRINCIPAL REPAYMENTS 2017/18	CLOSING BALANCE AS AT 30.06.2018
Theofilo Kisanji University	500,000,000	-	-	500,000,000
Sokoine University of Agriculture	337,132,931	-	-	337,132,932
Libermann Pre-Primary	53,676,540			53,676,540
Mbogamo Sec. School	29,811,000	-	-	29,811,000
Kisukuru Regent	22,905,665	-	(22,905,665)	-
Mzinga Secondary School	100,053,055	-	-	100,053,055
Daystar Primary School	34,000,000	-	(34,000,000)	-
Loamo Secondary School	38,000,000	-	(38,000,000)	-
Genius King School	54,687,313	-	(54,687,313)	-

Charles Totera Sec School	95,261,819	-	-	95,261,819
TEJ Secondary School	43,038,325	-	-	43,038,325
Pemier Secondary School	65,577,440	-	-	65,577,440
Agape Secondary School	39,177,559	-	-	40,709,306
Dar es Salaam University College of Education	-	500,000,000		500,000,000
College of Business Education	162,785,029		-	162,785,029
Tumaini University Iringa	81,073,127		-	81,073,127
Open University of Tanzania	374,494,777		-	374,494,777
TOTAL	4,167,865,791	1,566,374,488	(197,295,350)	5,536,944,930

TANZANIA EDUCATION AUTHORITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2018 (Continued)

NOTE 4: OTHER RECEIVABLES, PREPAYMENTS & ADVANCES

Details	30.06.2018 TZS	30.06.2017 TZS
Loans to Staff	350,211,578	648,148,885
Imprest to Staff	20,104,000	18,541,500
Loans Interest Receivable	839,833,620	743,358,215
Loans Penalty Receivable	746,531,844	-
Other Advances / Prepayments	-	433,164,502
PE subvention Receivables	32,634,980	9,017,936
Dividends Receivables	1,677,098	1,677,098
TOTAL	**1,990,993,120**	**1,853,908,136**

TANZANIA EDUCATION AUTHORITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2018 (Continued)

NOTE 5: MOVEMENT OF PROPERT, PLANT AND EQUIPMENT

Description	Land	Building	Motor Vehicles	Plant & Equipment	Furniture & Fittings	IT Hardware	Office Machines	Total
COST	**TZS**	**TZS**	**TZS**	**TZS**	**TZS**	**TZS**	**TZS**	**TZS**
01.07.2017	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
Additions 2017/18	0	497,490,783	0.0	195,860,380	35,106,603	38,413,733	21,004,000	787,875,499
Disposal			(63,000,000.00)					(63,000,000)
30.06.2018	857,792,000	2,009,984,890	523,049,113	226,979,380	105,480,103	226,302,416	39,319,481	3,988,907,383
DEPRECIATION								
01.07.2017	0	0	221,132,321	8,472,212	13,983,419	94,526,167	4,979,501	343,093,620
Charge for the year 2017/18	-	80,399,396.61	130,762,278	29,827,728	9,191,340	61,574,769	1,790,719	313,547,231
Disposals 2017/18			(31,500,000.00)					(31,500,000.00)
30.06.2018	0	80,399,397	320,394,599	38,299,940	23,174,759	156,100,936	6,770,221	625,139,851
NBV 30.6.18	857,792,000	1,929,585,494	202,654,514	188,679,440	82,305,344	70,201,480	32,549,260	3,363,767,532
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

NOTE 6: INTANGIBLE ASSETS

Details	30.06.2018 TZS	30.06.2017 TZS
COST		
As at 30th June, 2017	570,307,659	570,307,659
As at 30thJune, 2018	570,307,659	570,307,659
AMORTIZATION		
As at 30th June, 2017	490,307,659	410,307,659
Amortization Charge for The Year	79,999,900	80,000,000
As at 30th June, 2018	570,307,559	490,307,659
Net Book Value as at 30th June 2018	100	80,0000,000

NOTE 7: CAPITAL FUND

Details	30.06.2018 TZS	30.06.2017 TZS
Balance as at 30th June, 2017	2,881,574,727	2,881,574,727
Balance as at 30th June, 2018	2,881,574,727	2,881,574,727

NOTE 8: ACCUMULATED SURPLUS

Details Details	30.06.2018 TZS	30.06.2017 TZS
Balance as at 30th June, 2017	44,650,474,241	48,523,291,051
Surplus/(Deficit) for the Year	(26,787,996,352	(3,872,816,810)
Balance as at 30th June, 2018	17,862,477,889	44,650,474,241

The Accumulated Fund balance of TZS 17,862,474,241 up to 30th June, 2018 has been arrived at after taking into account Deficit of income over expenditure for the year amounting to TZS 26,787,996,352. 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.

NOTE 9: ACCRUED EXPENSES PAYABLE

Details Details	30.06.2018 TZS	30.06.2017 TZS
Accrued Expenses- Operation	1,201,689,406	152,775,497
TACAIDS Fund	769,350	769,350
TOTAL	1,202,458,756	153,544,847

NOTE 10:GOVERNMENT SUBVENTION RECEIVED FOR THE YEAR 2017/2018

DATE	TZS
Jul-2017	64,274,000
Aug-2017	64,950,995
Sep-2017	64,951,000
Oct-2017	64,951,000
Nov-2017	66,906,050
Dec-2017	66,906,000
Jan-2018	66,906,000
Feb-2018	67,583,000
Mar-2018	69,756,000
Apr-2018	69,756,000
May-2018	69,756,000
Jun-2018	69,756,000
TOTAL	**806,452,045**

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2018 (Continued)

NOTE 11: GOVERNMENT SUBVENTION - DEV FOR THE YEAR 2017/2018

During the year, the Authority received TZS 3,314,576,270 from the Government.

MONTH	BUDGET TZS	ACTUAL RECEIVED TZS	CUMULATIVE VARIANCE TZS
Jul-17	833,333,333		833,333,333
Aug-17	833,333,333	3,314,576,270	(1,647,909,603)
Sep-17	833,333,333		(814,576,270)
Oct-17	833,333,333		18,757,063
Nov-17	833,333,333		852,090,397
Dec-17	833,333,333		1,685,423,730
Jan-18	833,333,333		2,518,757,063
Feb-18	833,333,333		3,352,090,397
Mar-18	833,333,333		4,185,423,730
Apr-18	833,333,333		5,018,757,063
May-18	833,333,333		5,852,090,397
Jun-18	833,333,337		6,685,423,734
TOTAL	**10,000,000,000**	**3,314,576,270**	**6,685,423,730**

NOTE: 12 OTHER INCOME

Details	AS AT 30.06.2018 TZS	AS AT 30.06.2017 TZS
School Incentive	915,283,000	931,800,000
Necta-Wraping Machine	172,912,971	-
Employee Contribution	14,870,308	
Application fees	2,210,000	8,058,697
GePG-Test	2,000	-
Selcom	3,783,621	-
PPF Contribution	1,200,000	-
St. Marks College	-	25,840,000
Total	**1,110,261,900**	**965,698,697**

TANZANIA EDUCATION AUTHORITY
NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2018 (Continued)

NOTE 13: FUND ASSISTED EDUCATIONAL PROJECTS – GRANTS

Project Name	30.06.2018 TZS	30.06.2017 TZS
Allocations Official School Ranking	-	2,500,850,341
Pre Entry Programme	-	150,151,000
Allocation School Incentive Scheme	1,815,800,000	27,399,600
STEP Primary	-	800,000,000
Curriculum Review	-	19,840,000
Allocation Rehabilitation of National Schools	16,819,868,325	1,420,553,198

Allocation Rehabilitation of National Libraries	22,909,404	224,462,103
Allocations Teacher's Houses construction	4,026,965,026	5,805,074,520
Boarding Facilities	-	1,529,322,332
Fund Assisted Education Projects	-	1,180,285,402
MOEST Governance	-	53,702,957
PMORALG Governance	-	161,297,538
District Education Fund Affiliation	-	120,887,362
Allocation School Inspection and Quality Assurance	198,368,781	770,364,191
Allocation ICT	192,625,590	
Allocation Laboratory Equipment	43,850,000	
Allocation Fixtures & Fittings	18,159,160	
Allocation Boarding Facilities	875,919,649	
Allocations Workshops Equipment	274,718,729	
Learning Facilities	201,696,000	
Allocation Dormitories Constructions	1,890,365,751	
Allocation construction classrooms & pit Latrines	3,037,618,005	
Allocation special needs	60,218,131	
SDF Project	65,259,000	
TOTAL	**29,544,341,552**	**14,764,190,544**

NOTE 14: OPERATIONAL COSTS

14A: Staff Costs

Details	30.06.2018 TZS	30.06.2017 TZS
Salaries and Wages	807,182,000	1,028,316,527
Consolidated Allowances	715,263,418	730,861,954
Employers Pension Contribution	6,284,080	138,804,423
Travel on Leave	30,684,717	93,275,669
Staff Welfare	44,645,000	19,890,634
Medical Expenses	2,315,000	2,157,400
Sub Total	**1,606,374,215**	**2,013,306,607**

14B. Office Expenses

Telephone	1,607,091	32,075,988
Office Rent	139,594,317	314,872,812
Postage and Telegraphs	6,324,300	2,778,644
Printing and Publications	6,049,680	25,746,500
Stationery and Office Supplies	55,705,275	32,853,995
Newspapers & Periodicals	10,178,000	11,426,400
Electricity	23,099,659	28,200,000
Water	9,939,364	12,000,000
Office Cleaning	14,302,320	10,557,455
Sub Total	**266,800,006**	**470,511,794.00**

14C: Board Expenses.

Board Meeting Expenses	130,323,500	127,232,181
Sub Total	130,323,500	127,232,181

14C: Board Expenses.

External Audit Fees & Expenses	106,007,820	111,848,840
Internal Audit & Investigation expenses	54,215,818	20,847,000
Sub Total	160,223,638	132,695,840

14E: Administrative Expenses

Details	30.06.2018 TZS	30.06.2017 TZS
Staff Recruitment and Repatriation	34,772,600	-
Travel Local	17,819,300	149,971,672
Foreign Travelling	2,362,866	-
Staff Training Expenses	39,724,500	22,667,474
Seminars	45,078,000	31,461,500
Consultancy	-	16,183,444
Public Relations	22,150,000	24,740,000
Advertisement Expenses	20,841,800	10,518,793

Professional Membership	1,994,324	3,661,537
Insurance	10,234,848	2,398,435
Motor Vehicles Running Costs	42,314,697	35,229,874
Motor Vehicles Insurance	-	36,515,079
System Development and Maintenance	37,260,338	24,088,443
Tender Board Meetings	12,742,000	15,545,900
Donations	-	34,767,900
Fund Raising	6,090,000	3,382,479
Legal Expenses	13,290,000	894,000
Security Expenses	20,743,842	26,704,159
Repair and Maintenance- Motor Vehicles	34,372,168	55,687,849
Repair and Maintenance- Plant & Machinery	-	4,140,000
Repair and Maintenance- Furniture & Fittings	-	20,000
Repair and Maintenance- Office Machines	4,661,000	5,192,000
Repair and Maintenance- Computer Hardware		6,797,000
Repair and Maintenance-Building	-	174,000
Planning and Investment	60,598,161	90,288,500
Entertainment		12,700,000
Administration cost	-	63,588,381
Project Monitoring and Evaluation	295,641,195	229,228,254
Sub Total	722,691,640	906,546,673

14F: Depreciation and Amortization Expenses

Depreciation of Fixed Assets	393,546,131	294,603,518
Sub Total	393,546,131	294,603,518

14G: Finance Cost

Bank charges	12,998,113	134,826,605
Sub Total	12,998,113	134,826,605

GRAND TOTAL (A+B+C+D+E+F+G)	**3,292,957,242**	**3,910,346,795**

NOTE 15: 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.

NOTE 16: 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 2017/2018 amounted to TZS 735,668,000. These were disbursements in favour of key Management personnel in terms of remuneration, allowances, and loans.

Details	2017/2018 (TZS)	2016/2017 (TZS)
Key Management Remuneration	297,000,000	486,750,000
Key Management Allowances	438,668,000	491,471,333
Balance as at 30th June 2018	735,668,000	978,221,333

NOTE 17: 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 18: PRESENTATION CURRENCY

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

NOTE 19: 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 20: RESTRICTIONS

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

NOTE 21: CONTINGENT LIABIILITIES

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

NOTE 22: COMMITMENT ON TEA's PROJECT

PROJECT APPROVED FOR ALLOCATION BUT NOT YET DISBURSED

(A)	CONSTRUCTION OF TEACHERS HOUSES IN HARD TO REACH AREAS				
S/N	**REGION**	**COUNCIL**	**NUMBER OF PROJECTS**	**APPROVED AMOUNT TZS**	**NAME OF INSTITUTION**
	SECONDARY SCHOOLS				
1	GEITA	GEITA	1	150,000,000	Bungw'angoko secondary school
2	GEITA	CHATO	1	150,000,000	Ilemela secondary school
3	NJOMBE	NJOMBE (V)	1	150,000,000	Mfriga secondary school
4	COAST	KISARAWE	1	150,000,000	Vikumburu Secondary School
5	COAST	KISARAWE	1	150,000,000	Mzenga Secondary School
	TOTAL		**5**	**750,000,000**	

(B). CONSTRUCTION OF PIT LATRINES TO 40 SECONDARY AND PRIMARY SCHOOLS

SN	**REGION**	**COUNCIL**	**NUMBER OF PROJECTS**	**APPROVED AMOUNT TZS**	**NAME OF INSTITUTION**
6	SIMIYU	BARIADI DC	1	50,000,000	Dutwa Sec. School
7	SIMIYU	BARIADI DC	1	50,000,000	Sengerema Pr. School
8	KIGOMA	UJIJI	1	50,000,000	Kibirizi Pr. School
9	MARA	TARIME DC	1	50,000,000	Ntaburo Pr. School
	TOTAL		**4**	**200,000,000**	

NOTE 22: COMMITMENT ON TEA's PROJECT

PROJECT APPROVED FOR ALLOCATION BUT NOT YET DISBURSED

(C) CONSTRUCTION OF TEACHERS HOUSES IN HARD TO REACH AREAS

S/N	REGION	COUNCIL	NUMBER OF PROJECTS	APPROVED AMOUNT TZS	NAME OF INSTITUTION
	SECONDARY SCHOOLS				
10	SHINYANGA	MSALALA	1	60,000,000	Mwl. Nyerere Sec. School
11	PRIMARY SCHOOLS				
12	MTWARA	TANDAHIMBA	1	60,000,000	Mnaida Pr.School
13	DSM	KIGAMBONI	1	60,000,000	Vijibweni Pr. School
14	DSM	TEMEKE	1	60,000,000	Msufini Pr. School
15	MTWARA	NANYUMBU	1	60,000,000	Muungano Pr. School
16	KIGOMA	UJIJI	1	60,000,000	Airport Pr. School
17	PWANI	MLANDIZI	1	60,000,000	Nyansimbi Pr. School
18	MARA	TARIME DC	1	60,000,000	Buguti Pr. School
	TOTAL		**8**	**480,000,000**	

(D). CONSTRUCTION OF 10 GIRLS DORMITORIES

S/N	REGION	COUNCIL	NUMBER OF PROJECTS	APPROVED AMOUNT TZS	NAME OF INSTITUTION
19	MANYARA	MBULU TC	1	150,000,000	Gehandu Secondary school
20	MANYARA	MBULU TC	1	150,000,000	Kainam Secondary school

NOTE 22: COMMITMENT ON TEA's PROJECT

PROJECT APPROVED FOR ALLOCATION BUT NOT YET DISBURSED

21	PWANI	KIBAHA DC	1	150,000,000	Kwala Sec. School
22	KIGOMA	UVINZA	1	150,000,000	Uvinza Sec. School
23	KATAVI	MPIMBWE	1	150,000,000	Mbede Sec. School
24	KIGOMA	KASULU TC	1	150,000,000	Kasange Sec. School
	TOTAL		**6**	**900,000,000**	

E). CONSTRUCTION OF DINNING HALLS AND KITCHENS

25	KATAVI	MPIMBWE	1	150,000,000	Usevya Sec. School
	TOTAL		**1**	**150,000,000**	

(F). SUPPORT TO INCLUSIVE AND SPECIAL NEED EDUCATION

S/N	REGION	COUNCIL	NUMBER OF PROJECTS	APPROVED AMOUNT TZS	NAME OF INSTITUTION
26	Toangoma Primary School Temeke	DSM	3154	260,000,000	Construction of 2 dormitories for students with special needs, 24 Pit latrines and 3 classrooms
	TOTAL		**3154**	**260,000,000**	

(G) REHABILITATION AND REMODELING OF 10 NATIONAL SCHOOLS FY 2017/18

27		TOTAL AMOUNT		342,994,925.69	
GRAND TOTAL				**3,082,994,926**	

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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