NOVEMBER, 2018

TANZANIA EDUCATION AUTHORITY.

ANNUAL REPORT

FOR FINANCIAL YEAR 2017/2018

MAY, 2020

Email: info@tea.or.tz

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.

ABBREVIATIONS

BESP	Basic Education Support Programme
DC	District Council
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
IAS	International Accounting Standards
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISA	International Standards of Auditing
ISSAI	International Standards of Supreme Audit Institutions
MDAs	Ministries, Departments and Agencies
PAA	Public Audit Act, No. 11 of 2008
PAC	Public Accounts Committee
PAR	Public Audit Regulations, 2009
PFA	Public Finance Act, No.6 of 2001 (Revised 2004)
PFR	Public Finance Regulations, 2001
PPA	Public Procurement Act, 2011
PPR	Public Procurement Regulations, 2013
TEA	Tanzania Education Authority
TZS	Tanzania Shillings
URT	United Republic of Tanzania
SDF	Skills Development Fund

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.

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.

AUDITORS	Controller and Auditor General National Audit Office of Tanzania 4 Ukaguzi road /Tambukareli P.O. Box 9080 41104 DODOMA Tel: +255(026) 2161200 Fax: +255 (026) 231245 Email: ocag@nao.go.tz
JOINT AUDITORS	PanAfrican Auditors P.O. Box 30133, Kibaha - Tanzania. Mobile: +255 (0)713727566 Tel:+255 (0)754999050 Email: info@panafricanauditors.co.tz
PHYSICAL ADDRESS	Tanzania Education Authority Bima Road, Plot No.711, Mikocheni B, P.O.Box 34578 Dar es salaam, Tanzania. Tel: +255 22 2781165 | +255 22 2781079 | +255 22 2781181 Fax: +255 22 2781086 Email: info@tea.or.tz
BANKERS	Bank of Tanzania 2 Mirambo Street 1184, P.O.Box 2939. Dar es Salaam, Tanzania. CRDB Bank Limited, Azikiwe branch, Azikiwe Street, P. O. Box 72344. Dar es Salaam, Tanzania. Tel: +255 22 22 214556/2124558 Fax: +255 22 22 211660

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LETTER OF TRANSMITTAL

Hon. Prof Joyce Ndalichako,
Minister for 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 2019

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 and Audited Financial Statements for the financial year 2018/2019. The report presents the Authority's operational activities and projects implementations for that period.

The Report contains: Statement of the Chairperson of the Board; Report of the Director General on the Authority's operations and the Independent opinion of the Controller and Auditor General.

During the year, the Authority addressed shortage of teachers' houses in hard to reach areas, construction of classrooms, pit latrines in schools with overcrowded pupils/students and teaching and learning facilities in school with special needs students.

It is my expectation that you will find in the report useful information to the Government and to our valued stakeholders on the performance of the Tanzania Education Authority for the whole span of the year under review.

We look forward to your continued support and guidance in the future as we implement the sector policies aimed at increasing equity, quality and access to education in Tanzania.

Prof. Maurice C.Y Mbago

CHAIRPERSON

1.BOARD CHAIRMAN'S MESSAGE



As the Chairman of the Board of Tanzania Education Authority (TEA), I am pleased to present our Annual Report for the Financial Year 2018/2019 prepared in accordance to Section 16(3) of the Education Fund Act No. 3 of 2001.

The report summarizes the work of TEA in the Financial Year 2018/2019. As detailed in the report, TEA has maintained its mandated role of promoting education development by financing projects that raise quality, equity and access to Education in Tanzania. During the year, TEA has engaged with stakeholders, Government Ministries, Public and Private Corporations, Partners and the community across the country to improve teaching and learning environment to all levels of education in Tanzania, as well as financing Institutions' programs for development of skills with a focus of youths' employability and gender empowerment. All activities are geared towards ensuring the improvement of quality, equity and access to education in Tanzania.

Further, I am pleased to note the support and guidance provided by the Ministry of Education, Science and Technology in our operations. We also acknowledge and appreciate the cooperation received from the Treasury Registrar, Ministry of Finance and Planning, President's Office Regional Administration and Local Government, as well as Education Regulatory Authorities.

We are humbled and proud to be in good cooperation with a range of education stakeholders in the country. Further, we appreciate the trust bestowed by the Government on us with regard to improvement of quality, equity and access to education.

Prof. Maurice C.Y Mbago
BOARD CHAIRPERSON

2. DIRECTOR GENERL'S STATEMENT



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 2018/2019. Throughout the year, the Authority has worked to support the improvement of education in the country. Our efforts in the year under review have remained true to our core aim of supporting improvement of quality, equity and increasing access to education in Tanzania.

During the year, TEA supported and oversaw implementation of a range of education projects, which were prioritized based on need, urgency and strategic relevance. These projects include: Construction of Multi-Unit Teachers' houses in Secondary Schools located in difficult and hard to reach areas, Construction of school-pit latrines across the country, especially in schools with acute shortage; construction of classrooms in over-crowded primary and secondary schools; Rehabilitation and remodeling of National Secondary Schools, and construction of girls' dormitories for secondary schools located in hard to reach areas.

The Authority also prioritized on provision of Teaching and Learning (T&L) facilities for students with special needs. With regard to tertiary education, the Authority continued to oversee projects supported by concessional educational loans to strategic projects for Universities and Technical Colleges.

Throughout the year, TEA continued to ensure that its interventions were meaningful, strategic, and had positive sustained impacts in improving provision of quality education to supported institutions and the education sector at large.

During the year, the Authority continued to oversee the operations of the Skills Development Fund (SDF) aiming to enable training institutions in providing market driven needed skills to Tanzania's youths.

In executing its mandated functions, the authority faced a number of challenges including public inertia and inadequate willingness for the Public to contribute to the Education Fund/Fund Assisted projects; increasing demand for support from the Education Fund as compared to lesser resources flowing into the Education Fund; lengthy implementation of projects; inadequate staffing level; lack of technical staff in the field of engineering, project monitoring and evaluations.

As I reflect on the successes achieved during the FY 2018/2029, I would like to extend my sincere gratitude to the Management of Tanzania Education Authority and all Staff for their commitment, and to our Board members for their guidance and oversight leadership and MOEST for support and effective leadership. With such resourceful employee, support and leadership TEA is set to make it greater achievement in the years ahead.

Bahati Geuzye
DIRECTOR GENERAL

3. CORPORATE GOVERNANCE

3.1 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 ensures adherence all of policies, guidelines and directives of the Board and the Government.

3.2 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 2018/2019 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.

3.3 Board Membership and qualifications FY 2018/19

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

S/N	Name	Position	Qualification
1.	 **Prof. Maurice C.Y Mbago**	Chairperson	PhD in Statistics
2.	 **Prof. Bernadeta Killian**	Vice Chairperson	PhD in Political Science
3.	 **Mr. Abdul Maulid Mnonya**	Member	MA Education
3.	 **Mr. Emmanuel Tutuba**	Member	MBA in Corporate Management

S/N	Name	Position	Qualification
4.	 Mr. Gerald Mweli	Vice Chairperson	MSc in Economics and Finance
5.	 Mrs. Mystica Mapunda Ngongi	Member	MBA in Corporate Management
6.	 Ms. Bahati I. Geuzye	Secretary/ Director General	MBA in Corporate Management

COMPOSITION OF BOARD'S COMMITTEES:

i. REVENUE COMMITTEE

The Revenue Committee is comprised of three (3) members from the TEA Board. During the financial year 2018//2019 the Committee was comprised of the following members:

S/N	Name	Position
1.	Prof. Maurice C.Y Mbago	Chairperson
2.	Mr. Abdul M. Maulid	Member
3.	Ms. Bahati I. Geuzye	Secretary

ii. AWARD COMMITTEE

The Award Committee is comprised of three (3) members from the TEA Board including the Director General who serves as the Secretary of the Committee. The following were members of the committee for the financial year 2018/19:

S/N	Name	Position
1.	Prof. Bernadeta Killian	Chairperson
2.	Mr. Gerald Mweli	Member
3.	Ms. Bahati I. Geuzye	Secretary

iii. EXECUTIVE COMMITTEE

The Executive Committee is comprised of four (4) members from the TEA Board including the Director General who serves as the Secretary of the Committee. During the financial year 2018//2019 the Committee was comprised of the following members:

S/N	Name	Position
1.	Prof. Maurice C.Y Mbago	Chairperson
2.	Prof. Bernadeta Killian	Member
3.	Mr. Emmanuel Tutuba	Member
4.	Ms. Bahati I. Geuzye	Secretary

iv. AUDIT COMMITTEE

The Audit Committee is comprised of three (3) members, two members from the TEA Board and one co-opted member from outside the Authority.

During the financial year 2018//2019 the Committee was comprised of the following members:

S/N	Name	Position
1.	Mr. Emmanuel Tutuba	Chairperson
2.	Mrs. Mystica Mapunda Ngongi	Member
3.	Mr. Simon F. Sayore*	Co-opted Member

4.3 TEA Management Team

1. Director General
Ms. Bahati Geuzye



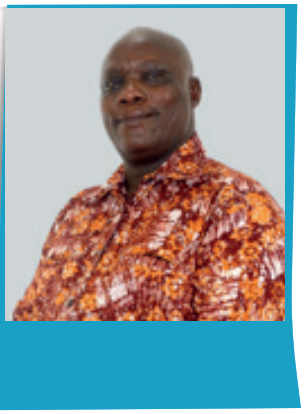
2. Director of Corporate Services
Dr. Erasmus F. Kipesha



3. Director of Resource Mobilization
and Education Support Management
Mr. Waziri Rajabu Salum



4. Procurement Manager
Mr. William Masanja



5. Chief Internal Auditor
Mr. Richard Mazinge



6. Planning Monitoring and Evaluation Manager
Ms. Wendo O, Chiduo



7. Ag. Finance Manager
Njama Ally Moyo



8. Head of ICT & Statistics
Emmanuel Shirima



9. Human Resources Manager
Ms. Tija Ulonda



10. Ag.SDF Coordinator
Mr. Masozi Nyirenda



11. Ag. Education Support Manager
Ms. Anne Mlimuka



12. Resource Mobilization and Advocacy Manager
Mr. Tito Mganwa



4. REVIEW OF FINANCIAL PERFOMANCE FOR THE FY 2018/19

During the financial year 2018/2019, the Authority continued to fulfill its core activities as stipulated in the TEA Rolling Corporate Strategic Plan of 2016/17 to 2020/21 as translated in the annual operational plan.

4.1. Income Flow

The Authority received total revenue of TZS 19,122,774,230 during the financial year 2018/2019; this includes Government Subvention Development and own source collections. The actual revenue of TZS 19,122,774,230 was above the adjusted budgeted revenue of TZS 16,305,458,272 by TZS 2,817,315,958 or 17% making the revenue flow performance for the year under review to stand at a rate of 117%.

The increase in 17% of revenue flow, above the budgeted amount comes from an increase in allocation of Government Subvention for implementation of Education Projects, and an increase in collections from Authorities own sources. Details of revenue flow is presented in the following table:

S/NO.	DESCRIPTION	BUDGETED REVENUE TZS	ACTUAL REVENUE TZS
1.	Government Subvention PE	1,830,744,000	899,062,000
2.	Government Subvention Dev.	10,000,000,000	12,000,000,000
3.	Skill Development Fund (SDF)	4,461,524,272	4,461,524,272
4.	Donations	1,310,000	114,212,536
5.	Interest from Loan Advances	4,800,000	344,680,429
6.	Interest Revenue	4,800,000.00	12,259,023
7.	Other Income	2,280,000.00	1,093,216,501
8.	Loan Penalty	-	197,819,469
	TOTAL REVENUE RECEIVED	**16,305,458,272**	**19,122,774,230**

4.2 Expenditure

The Authority has expended a total of TZS 22,831,164,438 for the Financial Year 2018/2019. This amount comprises of expenditure in respect of Fund Assisted Educational Projects amounting to TZS 19,463,868,590 and TZS 3,367,295,848 as Operational costs (Other Charges). The amount of expenditure is greater than the revenue received due to the fact that during the FY 2018/2019, the Authority implemented carried over projects with committed/allocated funds from preceding year(s). On the other hand, capital expenditure during the period amounted to TZS 167,941,388 was used to purchase office property and equipment.

5.0 SUPPORT FOR EDUCATION PROJECTS FOR FY 2018/19

During the financial year 2018/2019, the Authority had several achievements in the implementation of its Fund Assisted Projects with intent to improve provision of equitable access to education in Tanzania. Specifically, The Authority allocated and disbursed funds to: 84 schools for construction of 252 classrooms; 15 schools for construction of 60 Teachers' houses; and 11 schools for construction of 12 girls' dormitories. Also the Authority disbursed fund to 14 Institutions for implementations of SDF projects.

5.1 Education Support in Basic Education

a) Construction of Girls' Dormitories

In the Financial Year 2018/2019, the Authority implemented a Project for Construction of Girls Dormitories in various Secondary Schools that were in hard to reach areas and those schools with Advanced Level education. The project resulted in the construction of 10 dormitories in 10 secondary schools. Beneficiary schools were selected based on analysis of data from Basic Education Statistics (BEST-2017), indicating schools with comparatively more acute need for dormitories nationwide.

Schools that benefited from the project include: Mkula (Busega DC), Kamagi (Sikonge DC), Inyonga (Mlele DC), Lulumba (Iramba DC), Kibakwe (Mpwapwa DC), Endasak (Hanang DC), Kilumba (Nyasa DC), Kisange (Kasulu DC) and Muyenzi (Ngara DC).

b) Construction of 40 Multi Unit Teachers' houses in Secondary Schools 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 started to be implemented in 2016/2017, and has been done on annual basis ever since.

In the financial year 2018/2019, the Authority continued to implement the project for construction of multi-unit teachers' houses in schools located in hard to reach areas.



Picture 2: A six in one Multi-unit Teachers' House at Baray Secondary School in Karatu-Arusha.

The project involved the following schools: Mvuti – Ilala MC; Mjawa- Kibiti DC; Msata – Chalinze DC; Iyogwe – Gairo DC; Duga – Mkinga DC, Likokona – Nanyumbu DC; Mikangaula – Nanyumbu DC; Mihambwe – Tandahimba DC; Isanzu – Mkalama DC;

Kandawale – Kilwa DC; Kinamapula – Ushetu DC; Ndololeji – Itilima DC; Luegu – Namtumbo DC; Uleling'ombe – Kilosa DC, Kiangara – Liwale DC. Manda – Ludewa DC; Sakami – Kondoa DC; Nduruma – Ukerewe DC; Shishani – Magu DC; Nyaluhande – Busega DC; Mwasamba – Busega DC; Kisaka – Serengeti DC; Nyambureti – Serengeti DC; Yaeda Ampa – Mbulu DC; Micheni –Mafia DC; Eng'eno – Simanjiro DC; Lesoit – Kiteto DC and Loiboriret – Simanjiro DC. Most of these construction projects were carried over from 2016. The Authority continued with close follow-up and supervisory role in coordination with respective local councils.

A total of 30 houses were constructed through Force Account Procurement Method, where as TEA directly funded the schools, and the construction was supervised by their respective Councils. Teachers' houses constructed via this model include Uhambing'eto – Kilolo DC; Kakunyu – Misenyi DC; Nemba – Biharamulo DC; Oldonyolengai – Monduli DC; Sale – Ngorongoro DC; Kasanga – Kalambo DC; Itebula – Uvinza DC; Kapalala - Chunya DC; Inyonga – Mlele DC; Usunga – Sikonge DC; Nyasato – Mbogwe DC; Vumari – Same DC. The projects were finalized and schools started to use the constructed houses.

In the same year, the Authority started implementing a project for construction of 30 Multi- Unit Teachers' houses in Secondary Schools in difficult and hard to reach areas which was implemented under the supervision of respective Councils. The project benefited the following Schools: Kanoge - Nsimbo DC, Lituhi – Nyasa DC, Maria Nyerere - Wang'ing'ombe DC, Itumpi – Mbozi DC, Charangwa – Chunya DC, Katahoka – Biharamulo DC, Hawa Mchopa – Ruangwa DC and Kashishi – Kaliua DC.

c) Construction of Pit Latrines for schools

In the year under review, the Authority supported construction of 338 pit latrines to 13 Schools with acute shortage. The supported projects were implemented in the following primary schools: Tuleane - Nanyumbu DC; Kamalampaka and Kusa Primary Schools - Mlele DC; Idisanhambo - Kishapu DC; Kibololo and Senene

Primary schools - Mkalama DC; Mubembe - Bukoba DC; Dakawa Centre - Kilosa DC; Chengena -Namtumbo DC; Burundi - Mbinga DC; Iwumba and Migunga Primary Schools - Nyasa DC.



Picture 3: School pit latrines at Ngungwini Primary School in Handeni-Tanga.

d) Rehabilitation and Remodeling of National Schools

TEA in coordination with the Ministry of Education, Science and Technology has been implementing a program for rehabilitation and remodeling of national secondary schools. TEA was commissioned to rehabilitate 17 National schools, out of which 10 schools were rehabilitated prior to this financial year, the schools are Pugu, Mzumbe, Kilakala, Msalato, Ilboru, Same, Nganza, Mwenge, Tabora Boys and Tabora Girls Secondary Schools.

During the financial year 2018/19, TEA implemented the project for rehabilitation of 7 national secondary schools. The project was supervised by Mbeya University of Science and Technology (MUST) Consulting Bureau as a consultant. Benefited secondary schools include: Sengerema, Bihawana, Bwiru Girls, Ruvu, Kondoa Girls and Korogwe Girls. The projects have been completed.

e) Support for Students with Special Needs

Support for special and inclusive education is one of TEA's continuing priority. In the year under review, the Authority implemented the project for improvement of infrastructure for students with special needs to seven (7) schools indicated in the table below.

S/N	NAME OF INSTITUTION	COUNCIL	REGION	DISBURSED AMOUNT TSH.
1	Rugambwa Girls secondary school	Bukoba	Kagera	38,224,384
2	Biharamulo A Primary School	Biharamulo	Kagera	113,717,300
3	Kabindi Primary School	Biharamulo	Kagera	113,217,300
4	Shinyanga secondary school	Kishapu	Shinyanga	164,923,000
5	Uvinza Special Education Primary School	Uvinza	Kigoma	150,000,000
6	Kitangali Mazoezi Primary school	Newala	Mtwara	150,000,000
7	Toangoma Primary School	Temeke	Dar es Salaam	260,000,000
	GRAND TOTAL			**990,081,984**

Institutions that benefited from the program for the financial year 2018/2019 include: Kigongo and Mugeza primary schools - Ngara DC, Sima A - Bariadi DC, Ikungi - Ikungi DC, Mundindi - Ludewa DC, Rugambwa secondary school - Bukoba MC and; Jangwani Girls secondary school - Ilala MC.

5.2 Education Support Tertiary Education

In the year under review, the Authority issued a concessional Loan of TZS 500,000,000 to Dar es Salaam University College of Education (DUCE) for construction of Administration Block. Also, the Authority also provided a Grant of TZS 245,466,729 to the National Institute of Transportation for purchase of Aviation Training equipment for training students in aviation studies.

5.3 Support for programs for Skills Development

During the financial year 2018/19, the Authority also implemented skills development projects through grants provided through the Skills Development Fund (SDF) in which the $1.7 million was allocated to finance skills development projects in 14 training institutions.



Picture 6: Trainees of SUGECO (Morogoro)attending practical session for green house crops. The project was funded by TEA through Skills Development Fund

5.4 Corporate Social responsibility Projects

Building networks and synergic partnerships aimed at financing education development in Tanzania is one of the pertinent roles of Tanzania Education Authority. TEA is mandated by the Education Fund Act (2001) to recognize Awarding Certificates of Education Appreciations to all donors who contribute to education projects/programs through the Education Fund. The Certificates may enable contributors who are taxpayers in Tanzania to obtain Tax Relief by application to the Commissioner General of Tanzania Revenue Authority.

In the financial Year, 2018/2019 the Authority successfully held an Awarding Ceremony at Karimjee Hall in Dar es Salaam for recognizing the contributors of education projects/programs through the Education Fund.



Picture 7: Representatives of organizations and agencies that contributed to education projects/programs attending an Awarding Ceremony organized by TEA in November 2018.

6. CHALLENGES

Apart from the achievement made during the year, the Authority also faced a number of challenges, which constrained the Authority from achieving maximum output as expected. Key challenges include: insufficient staff in some key operational areas such as the Directorate of Resource Mobilization and Education Support, impeding Authority's effort in reaching targets for mobilization of financial and material resources for the Education Fund; the use of force account with standardized costs in all areas which have resulted in difficult in project implementation in some areas due to challenging project execution environment, additional costs incurred due to construction materials price fluctuation and price differences depending on location as well as inadequate community participation. Another challenge during the year was inadequate number of motor vehicles to enable effective monitoring and supervision of projects.

7. RISK MANAGEMENT AND INTERNAL CONTROLS

The Board accepts the final responsibility for Risk Management and Internal Control system of the Authority and keeping proper accounting records that disclose with reasonable degree of accuracy at any time, the financial position of the Authority and enable it to ensure that the financial statements comply with the Education Fund Act, Cap 412. It is the responsibility of the Management to ensure that adequate operational and financial systems are in place and working to provide assurance on:

(i) Effectiveness and efficiency of operations.
(ii) Compliance with laws and regulations.
(iii) The reliability and timeliness of accounting records.
(iv) Safeguarding the assets of the Authority and putting in place necessary safeguards and controls to facilitate prevention and detection of theft and fraud, errors and other irregularities.
(v) Business sustainability and continuity.
(vi) Maintenance of TEA's good reputation.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Authority's system is designed to provide the Governing Body with reasonable assurance that the procedures in place are operating effectively.

The Governing Body assessed the internal control systems throughout the financial year ended 30th June 2019 and is of the opinion that they have met accepted criteria. The Governing Body carries risk and internal control assessment through the Audit Committee.

GOING CONCERN

The Board Members have reviewed the financial position of TEA as exhibited by the Statement of Financial Position as at 30th June, 2019 and the related Statement of

Financial Performance. On the basis of the aforesaid review, the Board Members are satisfied that the Authority is a going concern and has continued to adopt the going concern basis of preparing the financial statements.

i) Solvency

A review of TEA's Statement of Financial Position as at 30th June, 2019 and particularly the net worth (Net Asset) and the working capital performance indicated and confirmed that TEA was solvent. Total assets of the Authority by far exceeded total liabilities at the balance sheet date, 30th June, 2019.The current ratio, which is the ratio of total current assets to total current liabilities, as at 30th June, 2019 was 248:1.

ii) Auditors

The Controller and Auditor General is the statutory auditor of TEA by virtue of Article 143 of the Constitution of the United Republic of Tanzania and as amplified in section 32(4) of the Public Audit Act, No. 11 of 2008. However, in accordance with section 33 (1) of the above-mentioned Act, the Controller and Auditor General appointed M/s PAN AFRICA AUDITOR, to carry out the audit of the Financial Statements of the Authority for the financial year ended 30th June, 2019 in jointly with the Controller and Auditor General.

iii) Employees' Welfare

The Authority continued to offer benefits to staff that have been approved by the Government. The Authority provided training to enhance skills, and also provided furniture and housing allowance to entitled staff in line with TEA Staff Regulations.

iv) Gender Parity

TEA is an equal opportunity employer that gives equal access to employment opportunities to persons with the right capabilities. Out of 43 employees as at 30th June 2019 there were 24 males and 19 females. As such it ensures that the best available person is appointed in a given position free from discrimination of any kind.

v) Support for Persons with Disability

It is TEA's policy to give employment to persons with disabilities whenever practicable. Currently there is one staff with disability. In FY 2018/19 TEA has supported 24 projects for special needs thematic areas. Every year, TEA allocates funds for supporting special and inclusive education, because it is one of its priority areas for education support. In the year under review, the Authority supported development and improvement of infrastructure for students with special needs to 7 education institutions. TEA also supported provision of Teaching and learning facilities for students with special needs to 17 education institutions.

vi) Environmental Protection

In supporting conservation and environmental protection, TEA insists on compliance with statutory environmental impact assessment whenever required for projects it supports.

vii) HIV/AIDS

TEA recognizes that HIV and AIDS is an important aspect to be addressed at workplace for optimal output. TEA continued to implement the HIV/AIDS policy through which preventive care and supportive services are provided to employees.

viii) Future Outlook

a) TEA will continue to make strategic interventions to the education projects/programmes that will enhance impact to the education sector.
b) TEA will finalize process of rehabilitation of office building acquired from National Insurance Corporation for its office accommodation.

8. STATEMENT OF DIRECTORS' RESPONSIBILITIES

These financial statements have been prepared by the TEA Board of Directors of Tanzania Education Authority in accordance with the provisions of section 25 (4) of the Public Finance Act, No 6 of 2001 (Revised 2004). The financial statements as required by

the said Act are presented in a manner consistent with the International Public Sector Accounting Standards (IPSAS) - Accrual basis of accounting.

The Board of Tanzania Education Authority is responsible for establishing and maintaining a system of effective Internal Control designed to provide reasonable assurance that the transactions recorded in the accounts are within the statutory authority and that they contain the receipt and use of all public financial resources by Tanzania Education Authority.

To the best of our knowledge, the system of Internal Control has operated adequately throughout the reporting period and that the financial statements and underlying records provide a reasonable basis for the preparation of the financial statements for the 2018/2019 financial year.

We accept responsibility for the integrity of the financial statements, the information they contain and their compliance with the Public Finance Act, No. 6 of 2001 (revised 2004) and instructions issued by Treasury in respect of the year under review.

9.1 Approval of the financial statements

The Financial Statements of the Authority, as indicated above, were approved by the Board on 18th January 2020 and are signed on its behalf by:

.....	.....	.....
CHAIRPERSON	**DATE**	**DIRECTOR GENERAL**

9. DECLARATION OF THE HEAD OF FINANCE OF TANZANIA EDUCATION AUTHORITY

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act, No. 33 of 1972, as amended by Act No. 2 of 1995, requires Financial Statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of Financial Statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Authority to discharge the responsibility of preparing Financial Statements of an entity showing a true and fair view of the entity's financial position and performance in accordance with applicable Accrual-International Public Sector Accounting Standards (IPSASs) and statutory financial reporting requirements.

Full legal responsibility for the preparation of Financial Statements rests with the Authority's Board as stated under the Board's Responsibility statement on page 8.

I Njama Ally, being the Head of Finance/Accounting of Tanzania Education Authority hereby acknowledge my responsibility of ensuring that Draft Financial Statements for the year ended 30th June 2019 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the Draft Financial Statements comply with applicable accounting standards and statutory requirements as at that date and that they have been prepared based on properly maintained financial records.

……

Njama Ally

Position: Acting Chief Accountant

NBAA Membership No.: ACPA 2594

Date: .....

10. 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, 2019

Unqualified opinion.

I have audited the financial statements of Tanzania Education Authority, which comprise the statement of financial position as at 30th June, 2019 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 21 to 51.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Tanzania Education Authority as at 30th June, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis.

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.

Other Information

The Management 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.

Responsibilities of Management and Those Charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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(amended 2016) 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 (amended 2016)

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(amended 2016) and its underlying Regulations of 2013 (amended 2016).

Charles Edward Kichere,

Controller and Auditor General of the United Republic of Tanzania

31st March, 2020

National Audit Office

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2019

ASSETS EMPLOYED	NOTE	30.06.2019	30.06.2018 Restated	30.06.2017 Restated
CURRENT ASSETS		**TZS**	**TZS**	**TZS**
Cash and Cash Equivalents	2	5,868,082,587	11,054,805,690	38,735,132,529
Loans Receivable Due	3	5,142,928,321	5,536,944,930	4,167,865,792
Other Advances & Prepayments	4	2,423,883,187	1,705,284,572	1,770,504,686
Stock	14	89,212,536	-	11,152,543
Total Current Assets		13,524,106,631	18,297,035,192	44,684,655,550
NON-CURRENT ASSETS				
Property, Plant and Equipment	5	3,407,785,108	3,491,089,121	2,975,324,858
Intangible Assets	6	100	100	80,000,000
Total Non-Current Asset		3,407,785,208	3,491,089,221	3,055,324,858
TOTAL ASSETS		16,931,891,839	21,788,124,413	47,739,980,408
FINANCED BY:				
EQUITY				
Capital Fund	7	2,881,574,727	2,881,574,727	2,881,574,727
Accumulated Surplus	8	13,995,700,722	17,704,090,929	44,704,860,834
Total Equity		16,877,275,449	20,585,665,656	47,586,435,561
LIABILITIES				
Accrued Expenses Payable	9	54,616,390	1,202,458,757	153,544,847
Total Liabilities		54,616,390	1,202,458,757	153,544,847
TOTAL EQUITY AND LIABILITIES		16,931,891,839	21,788,124,413	47,739,980,408

NOTES 1 TO 24 FORM PART OF THE FINANCIAL STATEMENTS

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

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE, 2019

REVENUE	NOTE	30.06.2019 TZS	RESTATED 30.06.2018 TZS
Government Subvention PE	10	899,062,000	806,452,045
Government Subvention Development	11	12,000,000,000	3,314,576,270
SDF Income		4,461,524,272	300,421,016
Interest from Loans Advanced	12	344,680,429	292,715,585
Loan Penalty Income	12	197,819,469	195,395,101
Other Income	13	1,093,216,501	1,110,261,900
Donations	14	114,212,536	-
Interest Income		12,259,023	29,480,525
		19,122,774,230	6,049,302,442
LESS EXPENDITURE			
Educational Projects	15	19,463,868,590	29,544,341,552
Staff Cost	16A	1,648,851,803	1,606,374,215
Office Expenses	16B	120,385,672	266,800,006
Board Expenses	16C	240,514,000	130,323,500
Audit Fee and Expenses	16D	196,822,504	160,223,638
Administration Expenses	16E	897,524,519	728,991,640
Depreciation and Amortization Expenses	16F	251,177,998	314,311,135
Finance Cost	16G	12,019,352	12,998,112
TOTAL EXPENDITURE		22,831,164,438	32,764,363,798
Surplus/(Deficit) for the Year		-3,708,390,208	-26,715,061,356
Accumulated Surplus/(Deficit) Brought Forward		17,704,090,929	44,704,860,834
Prior year Adjustments			-285,708,548
ACCUMULATED SURPLUS CARRIED FORWARD		13,995,700,722	17,704,090,929

NOTES 1 TO 24 FORM PART OF THE FINANCIAL STATEMENTS

....

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

CASH FLOWS STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2019

PARTICULARS	NOTE	30.06.2019	30.06.2018
CASH FLOWS FROM OPERATING ACTIVITIES		**TZS**	**TZS**
Receipts			
Government Subvention PE	25	131,421,179	188,354,377
Government Subvention Development	11	12,000,000,000	3,314,576,270
SDF Income		4,461,524,272	300,421,016
Donations	26	25,000,000	-
Interest Income		12,259,023	29,480,525
Other Income	13	1,093,216,501	1,110,261,900
Total Receipts		17,723,420,974	4,943,094,088
Payments			
Fund Assisted Educational Projects	30	(19,815,753,422)	(27,604,227,339)
Operational Costs			
Staff Costs	16A	(1,648,851,803)	(1,606,374,215)
Office Expenses	27	(112,257,979)	(266,800,006)
Board Expenses	16C	(240,514,000)	(130,323,500)
Audit Expenses	28	(186,202,504)	(160,223,638)
Administration Expenses	29	(1,419,792,419)	(722,691,640)
Finance Cost		(12,019,352)	(12,998,113)
Total payments		(23,435,391,479)	(30,503,638,451)
NET CASH FLOW FROM OPERATING ACTIVITIES-A		(5,711,970,505)	(25,560,544,363)
CASH FLOWS FROM INVESTING ACTIVITIES			

Loans Repayments Received	31	692,941,388	234,467,511
Loans Disbursements Paid		-	(1,566,374,488)
Purchase of Assets		(167,873,984)	(787,875,499)
NET CASH FLOWS FROM INVESTING ACTIVITIES-B		525,067,403	(2,119,782,476)

CASH FLOWS STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2019 (Cont.)

PARTICULARS	30.06.2019 TZS	30.06.2018 TZS
CASH FLOW FROM FINANCING ACTIVITIES		
NET INCRESE/DECREASE IN CASH AND CASH EQUIVALENTS(A+B)	(5,186,903,102)	(27,680,326,839)
Cash and Cash Equivalent at Beginning of the Year	11,054,985,689	38,735,132,529
Cash and Cash Equivalents at the End of the Year	5,868,082,587	11,054,805,690

NOTES 1 TO 31 FORM PART OF THE FINANCIAL STATEMENTS

…… ……. ……..

….. DATE DIRECTOR GENERAL

CHAIRPERSON OF THE BOARD

STATEMENT OF CHANGES IN NET ASSETS/EQUITY FOR THE YEAR ENDED 30TH JUNE, 2019

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	46,281,871,874	706,844,604	49,870,291,205
Prior year Adjustment Depreciation			17,640,834		17,640,834
Add: Prior Year Adjustments PROJECT EXPENSES			257,514,723		257,514,723
Restated Balance as at 1st July 2016	**1,283,574,727**	**1,598,000,000**	**46,557,027,431**	**706,844,604**	**50,145,446,762**
Surplus/ (Deficit) for the year ended 30.06.2017			-4,244,213,468		-4,244,213,468
Balance as at 30th June 2017	**1,283,574,727**	**1,598,000,000**	**42,312,813,963**	**706,844,604**	**45,901,233,294**
Balance as at 1st July 2017	1,283,574,727	1,598,000,000	42,312,813,963	706,844,604	45,901,233,294
Prior year adjustment loan penalty& interest			1,648,456,507		1,648,456,507
transfer			706,844,604	-706,844,604	0
Prior year Adjustment Depreciation			36,745,759		36,745,759
Restated Balance as at 30th June 2017	**1,283,574,727**	**1,598,000,000**	**44,704,860,834**	**0**	**47,586,435,561**
Surplus/ (Deficit) for the Year Ended 30.06.2018			-26,715,061,356		-26,715,061,356
Balance as at 30th June 2018	**1,283,574,727**	**1,598,000,000**	**17,989,799,477**	**0**	**20,871,374,204**
Opening Balance 1st July 2018	1,283,574,727	1,598,000,000	17,989,799,477	0	20,871,374,204
adjustment of loan penalty and dividend			-285,708,548		-285,708,548
Restated Balance as at 1st July 2018	**1,283,574,727**	**1,598,000,000**	**17,704,090,929**	**0**	**20,585,665,656**
Surplus/ (Deficit) for the Year Ended 30.06.2019			-3,708,390,208		-3,708,390,208
Balance as at 30th June 2019.	**1,283,574,727**	**1,598,000,000**	**13,995,700,722**	**0**	**16,877,275,449**

NOTES 1 TO 24 FORM PART OF THE FINANCIAL STATEMENTS

NOTE: Prior year adjustments includes adjustments of overcharge of depreciation of prior year 2017/2018, dividend of shares and loan penalty.

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

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR 2018-2019

Detail	Budget	Actual	Variance	% Change	Remarks
	2018/2019	**2018/2019**	**2018/2019**		
Opening Balance	7,385,330,561	7,385,330,561			
REVENUE	**2018/2019**	**2018/2019**	**2018/2019**		
Government Subvention PE	1,830,744,000	899,062,000	(931,682,000)	-50%	Unfavorable variance is due to the approved estimates taking into consideration amounts for payment of salaries for new recruitment, promotion and salary adjustments which did not take place.
Government Subvention Development	10,000,000,000	12,000,000,000	2,000,000,000	20%	
SDF Revenue	4,461,524,272	4,461,524,272	-	0%	
Donations	1,310,000	114,212,536	112,902,536	8,619 %	Fund received from various Institutions and books from Oxford University to support Education Project.
Interest from Loans Advanced	4,800,000	344,680,429	339,880,429	7080%	Strengthen internal procedure for loan follow up
Loan Penalty Income	0	243,835,399	243,835,399		
Interest Revenue	4,800,000	12,259,023	7,459,023	155 %	Improved efficiency in loan follow-ups and collections.
Other Income	2,280,000	1,093,216,501			Receipts of funds for best

			1,090,936,501	47,848%	students from MOEST not included in TEA Budgets
Total Income	23,690,788,833	19,186,307,351	-4,504,481,482	-19%	
Expenditure					
Staff Costs	2,471,516,830	1,648,851,803	-822,665,027	-33%	Favorable variance is due to failure to recruit new staff following Government directives of suspending employment pending completion of verification exercise for existing Government employees.
Office Expenses	127,000,000	120,385,672	-6,614,328	-5.2%	
Board Meeting Expenses	241,899,388	240,514,000	-1,385,388	-0.5%	
Audit Expenses	200,000,000	196,822,504	-3,177,496	-1.5%	
Administration Expenses	973,780,100	956,275,519	-17,504,881	-1.8%	
Finance Cost	13,500,000	12,019,352	-1,480,648	-11%	
Fund Assisted Educational Projects	14,461,524,272	19,463,868,590	5,002,344,318	35%	variance was due to more fund incurred to support previous years Education Project.
Total Expenditure	18,193,452,060	22,638,737,440	4,445,285,380	24%	Expenditure incurred to support Education Fund Project.

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

The Authority's budget is prepared on a cash basis and covers the same period (1st July 2018 to 30th June 2019) as the Financial Statements.

Authority budget is prepared on a different basis from the actual revenue and expenditure disclosed in the Financial Statements. The Financial Statements are prepared on accrual basis using a classification based on the nature of expenses in the Statement of Financial Performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the Statement of Comparison of Budget and Actual Amounts.

Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. There are no timing differences for Authority.

Entity differences occur when the budget omits program/activity or an entity that is part of the entity for which the financial statements are prepared. Authority has no other entities associated with it; hence there are no entity differences for Authority.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

30TH JUNE, 2019

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, 2019

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.

1.2.1.1. ??????Sub title

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.

1.2.2. 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 are charged on a straight-line method using approved depreciation rates as shown hereunder.

- Motor Vehicles 20%
- Plant and Equipment 20%
- Furniture and fittings 20%
- IT Hardware 25%
- Office Machines 20%
- Building 2%

1.2.3. Amortization of Intangible Assets (IT-Software)

Intangible Assets which comprise of IT Software are amortized over a period of 4 years at a rate of 25% per annum.

1.2.4. 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 25% for IT Software.

1.2.5. 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.

1.2.6. Loans Receivables Due

Loans Receivable Due are disclosed in the Statement of Financial Position under Notes 3 and recognized as current asset.

NOTE 2 CASH AND CASH EQUIVALENTS: -

Current Account Balances		30.06.2019	30.06.2018
Particulars	Currency	TZS	TZS
Bank of Tanzania	TZS	**1,285,104,211**	**8,947,262,365**
SDF Bank of Tanzania	TZS	**3,222,024,898**	**-**
CRDB Bank PLC - Azikiwe	TZS	**1,355,136,080**	**1,876,905,035**
CRDB Bank PLC - Kijitonyama	TZS	**9,910,973**	**228,638,290**
SDF CRDB Bank-Kijitonyama	TZS	**(6,093,575)**	**-**
Cash in Hand	TZS	**2,000,000**	**2,000,000**
Total Cash & Cash Equivalents		**5,868,082,587**	**11,054,805,690**

Note: The amount of TZS 1,285,104,211was collected from various sources, TZS 3,222,024,898 for 60% of the SDF Project and TZS 1,355,136,080 for Education Projects. Those projects were at different stages of implementation.

TANZANIA EDUCATION AUTHORITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

NOTE 3 30TH JUNE, 2019 NOTE3 LOAN RECEIVABLE

NAME OF INSTITUTION	BEGING BALANCE AS AT 01.07.2018	ADJUSTMENT 2018/19	PRINCIPAL REPAYMENTS 2018/19	CLOSING BALANCE AS AT 30.06.2019
	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	59,537,535	-	-	59,537,535
St Augustine University Tabora	796,065,053	-	-	796,065,053
The Institute of Adult Education	150,000,000	-	(50,000,000)	100,000,000
Mzumbe University	1,200,000,000	-	(200,000,000)	1,000,000,000
Ardhi University	601,732,000	-	(10,691,018)	591,040,982
AilangaJuniour Seminary	9,072,903	-		9,072,903

NAME OF INSTITUTION	BEGING BALANCE AS AT 01.07.2018	ADJUSTMENT 2018/19	PRINCIPAL REPAYMENTS 2018/19	CLOSING BALANCE AS AT 30.06.2019
	TZS	TZS	TZS	TZS
TheofiloKisanji University	500,000,000		-	500,000,000
Sokoine University of Agriculture	335,993,276		-	335,993,276
Libermann Pre-Primary	44,278,074		(8,037,299)	36,240,775
Mbogamo Sec. School	29,811,000		(13,800,133)	16,010,867
Mzinga Secondary School	100,053,055		-	100,053,055
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		(4,968,344)	60,609,096
Agape Secondary School	39,177,559		-	39,177,559
Dar es Salaam University College of Education	500,000,000		(100,000,000)	400,000,000
College of Business Education	162,785,029			162,785,029
Tumaini University Iringa	81,073,127	(49,728,642)		31,344,484
Open University of Tanzania	385,049,406	43,208,829		428,258,235
TOTAL	**5,535,851,722**	**(6,519,814)**	**(387,496,794)**	**5,141,835,114**

TANZANIA EDUCATION AUTHORITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019

NOTE 4: OTHER RECEIVABLES, PREPAYMENTS & ADVANCES

Details	30.06.2019	30.06.2018
	TZS	TZS
Loans to Staff	261,910,584	350,211,578
Imprest to Staff	90,334,600	20,104,000
Loans Interest Receivable	761,023,061	839,833,620
Loans Penalty Receivable	774,757,349	462,500,394
PE subvention Receivables	11,293,320	32,634,980
Other Advances/Prepayments	524,564,273	-
TOTAL	2,423,883,187	1,705,284,572

Note: Other advances/ prepayment TZS 524,564,273.00 was paid to GPSA for procurement of 3 (three) Authority Motor Vehicles.

NOTES OF THE FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2019

NOTE 5A: MOVEMENT OFPROPERT, PLANT AND EQUIPMENT

Description	Land	Building	Motor Vehicles	Plant & Equipment	Furniture & Fittings	IT Hardware	Office Machines	TOTAL
COST			TZS	TZS	TZS	TZS	TZS	TZS
01.07.2018	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
Additions 2018/19	-	65,509,285	-	2,917,000	8,725,002	71,387,372	19,335,326	167,873,984
Disposals 2018/19	-	-	-	-	-	-	-	-
30.06.2019	857,792,000	2,075,494,175	523,049,113	229,896,380	114,205,105	297,689,788	58,654,807	4,156,781,367
DEPRECIATION								
01.07.2018	-	40,199,698	257,287,188	30,644,432	45,582,299	117,071,874	7,032,771	497,818,262
Charge for the year 2018/19		41,509,884	99,752,080	45,652,626	21,900,604	33,499,561	8,863,243	251,177,998
Disposals 2017/18	-	-	-	-	-	-	-	-
30.06.2019	-	81,709,581	357,039,268	76,297,058	67,482,903	150,571,436	15,896,014	748,996,259
NBV 30.6.19	857,792,000	1,993,784,594	166,009,845	153,599,322	46,722,202	147,118,352	42,758,793	3,407,785,108
NBV 30.6.18	857,792,000	1,969,785,192	265,761,925	196,334,948	59,897,804	109,230,542	32,286,710	3,491,089,121

NOTE 5B: MOVEMENT OFPROPERT, PLANT AND EQUIPMENT AS PER 30TH JUNE, 2018 RESTATED

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	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								
Restated Acc. Deprec 30.06.2017	0	0	177,877,366	6,785,162	27,199,619	71,865,379	4,979,501	288,707,026
Charge for the year 2017/18	-	80,399,394.61	130,762,278	29,827,728	9,191,340	61,574,769	1,790,719	**313,547,231**
Prior Year Adjustments	0.00	-40,199,696.80	-26,152,455.36	-5,968,458.41	9,191,340.09	-16,368,273.31	262,550.44	-79,235,996
Restated Deprec. Charges 2017/18	0	40,199,697.81	104,609,823	23,859,270	18,382,680	45,206,496	2,053,269	**234,311,235**
Disposals 2017/18			-31,500,000.00					**-31,500,000.00**
Adjustment Depreciation Disposal			6,300,000.00					**6,300,000**
Acc. Deprec. 30.6.2018	-	80,399,397	320,394,599	38,299,940	23,174,759	156,100,936	6,770,221	**625,139,852**
Restated Acc. Deprec. 30.06.2018	**0**	**40,199,698**	**257,287,188**	**30,644,432**	**45,582,299**	**117,071,874**	**7,032,771**	**497,818,262**
NBV 30.6.18	**857,792,000**	**1,929,585,495**	**202,654,514**	**188,679,440**	**82,305,344**	**70,201,480**	**32,549,261**	**3,363,766,532**
Restated NBV 30.6.18	**857,792,000**	**1,969,785,192**	**265,761,925**	**196,334,948**	**59,897,804**	**109,230,542**	**32,286,710**	**3,491,089,121**
Restated NBV 30.6.17	**857,791,999**	**1,512,494,107**	**408,171,747**	**24,333,838**	**43,173,881**	**116,023,304**	**13,335,980**	**2,975,324,858**

NOTE 5B: MOVEMENT OF PROPERT, PLANT AND EQUIPMENT AS PER 30TH JUNE, 2017 RESTATED

Description	Land	Building	Motor Vehicles	Plant &Equipment	Furniture & Fittings	IT Hardware	Office Machines	TOTAL
COST	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
01.07.2016	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	2,291,999	-	306,999,113	14,868,000	8,585,000	39,209,984	4,524,545	**376,478,642**
30.06.2017	**857,791,999**	**1,512,494,107**	**586,049,113**	**31,119,000**	**70,373,500**	**187,888,683**	**18,315,481**	**3,264,031,884**
DEPRECIATION								
Restated Acc. Deprec 30.06.2016	0	0	60,667,543	3,287,162	13,124,919	31,079,578	2,690,066	**110,849,268**
Charge for the year 2016/17			146,512,278	4,372,500	7,037,350	54,391,955	2,289,435	**214,603,518**
Adjustments	0	0	-29,302,455	-874,500	7,037,350	-13,606,154	0	**-36,745,759**
Restated Deprec. Charges 2016/17		0	117,209,823	3,498,000	14,074,700	40,785,801	2,289,435	**177,857,759**
Acc. Deprec. 30.6.2017	0	0	221,132,321	8,472,212	13,983,419	94,526,167	4,979,501	**343,093,620**
Restated Acc. Deprec. 30.06.2017	**0**	**0**	**177,877,366**	**6,785,162**	**27,199,619**	**71,865,379**	**4,979,501**	**288,707,026**
NBV 30.6.17	**857,791,999**	**1,512,494,107**	**364,916,792**	**22,646,788**	**56,390,081**	**93,362,516**	**13,335,980**	**2,920,938,264**
Restated NBV 30.6.2017	**857,791,999**	**1,512,494,107**	**408,171,747**	**24,333,838**	**43,173,881**	**116,023,304**	**13,335,980**	**2,975,324,858**
Restated NBV 30.6.2016	855,500,000	0	218,382,457	12,963,838	48,663,581	117,599,120	11,100,870	1,264,209,866

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019

NOTE 6: INTANGIBLE ASSETS

Details	30.06.2019	30.06.2018
	TZS	TZS
COST		
As at 30th June, 2018	570,307,659	570,307,659
As at 30thJune, 2019	570,307,659	570,307,659
AMORTIZATION		
As at 30th June, 2018	(570,307,559)	(490,307,659)
Amortization Charge for The Year	0	79,999,900
As at 30th June, 2019	(570,307,559)	(570,307,559)
Net Book Value as at 30th June 2019	**100**	**100**

NOTE 7: CAPITAL FUND

Details	30.06.2019	30.06.2018
	TZS	TZS
Balance as at 30th June, 2018	2,881,574,727	2,881,574,727
Balance as at 30th June, 2019	**2,881,574,727**	**2,881,574,727**

NOTE 8: ACCUMULATED SURPLUS

Details	30.06.2019	30.06.2018
	TZS	TZS
Balance as at 30th June, 2018	17,704,090,929	44,704,860,834
Surplus/(Deficit) for the Year	-3,708,390,208	(26,715,061,356)
Prior Year Adjustments	-	(285,708,548)
Balance as at 30th June, 2019	**13,995,700,721**	**17,704,090,930**

The Accumulated Surplus balance of TZS 13,995,700,722 up to 30th June 2019has been arrived at after taking into account Deficit of income over expenditure for

the year amounting to TZS 3,708,390,208. The Accumulated Surplus, 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	30.06.2019	30.06.2018
	TZS	TZS
Accrued Expenses- Operation		1,202,458,757
CS LIMITED COMPANY	4,625,600	
GG TRADING COMPANY	948,000	
TANZANIA STANDARD NEWSPAPER	531,000	
TEMESA	439,256	
SCI TANZANIA LIMITED	259,600	
CHARLES ODILO FAUSTINE	644,000	
e-GOVERNMENT AGENCY	10,620,000	
EAST AFRICAN TECHNOLOGY LIMITED	1,789,500	
DIGTALL LIMITED	4,159,500	
TTCL	990,050	
LEONARD AUTOMOTIVE GARAGE	663,160	
PAYE	5,055,849	
NSSF	6,838,539	
PPF	2,431,520	
TEA SACCOS	5,704,261	
HESLB	1,179,151	
NHIF	2,385,330	
LAPF	106,100	
PSPF	1,880,596	
Tughe Contribution	74,000	
Rambirambi Katiba na Sheria	5,000	
PSSSF	2,731,000	
NMB /CRDB Loan/African Capital	187,003	
GEPF	9,000	
House Loan	359,375	
TOTAL	**54,616,390**	**1,202,458,757**

NOTE 10: GOVERNMENT SUBVENTION RECEIVED-PE FOR THE YEAR 2018/2019

DATE	**TZS**
Jul-2018	69,756,000
Aug-2018	69,756,000
Sep-2018	69,831,000
Oct-2018	69,831,000
Nov-2018	74,331,000
Dec-2018	69,381,000
Jan-2019	69,381,000
Feb-2019	74,591,000
Mar-2019	81,671,000
Apr-2019	83,511,000
May-2019	83,511,000
Jun-2019	83,511,000
TOTAL	**899,062,000**

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019

NOTE 11: GOVERNMENT SUBVENTION - DEV FOR THE YEAR 2018/2019

During the year, the Authority received TZS 12,000,000,000 from the Government.

MONTH	BUDGET	ACTUAL RECEIVED	CUMULATIVE VARIANCE
	TZS	TZS	TZS
Jul-18	833,333,333	-	833,333,333
Aug-18	833,333,333	1,000,000,000	166,666.667
Sep-18	833,333,333	1,000,000,000	166,666.667
Oct-18	833,333,333	1,000,000,000	166,666.667
Nov-18	833,333,333	1,000,000,000	166,666.667
Dec-18	833,333,333	1,000,000,000	166,666.667
Jan-19	833,333,333	1,000,000,000	166,666.667
Feb-19	833,333,333	1,000,000,000	166,666.667
Mar-19	833,333,333	1,000,000,000	166,666.667
Apr-19	833,333,333	1,000,000,000	166,666.667
May-19	833,333,333	1,000,000,000	166,666.667
Jun-19	833,333,337	2,000,000,000	1, 166,666.663
TOTAL	**10,000,000,000**	**12,000,000,000**	**2,000,000,000**

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019

NOTE 12: INTEREST AND PENALT INCOME

	INSTITUTION	Interest Income	Penalty Income
		30-Jun-19	30-Jun-19
S/N		TZS	TZS
1	Wazo Hill Secondary School	4,610,921	2,967,554
2	St Moses Primary School	1,495,556	955,467
3	St Augustine University-Mwanza	9,173,642	13,738,695
4	The Winning Spirit Sec School	2,832,191	1,422,685
5	Sebastian Kolowa University	2,582,978	3,834,625
6	St Augustine University Tabora	63,483,755	66,889,093
7	The Institute of Adult Education	5,680,000	
8	Mzumbe University	72,000,000	-
9	Ardhi University	38,687,394	31,552,909
10	AilangaJuniour Seminary	393,451	203,765
11	TheofiloKisanji University	25,286,529	19,386,638
12	Sokoine University of Agriculture	28,954,654	27,165,825
13	Libermann Pre-Primary	2,009,795	1,793,019
14	Mbogamo Sec. School	1,075,614	1,451,942
15	Mzinga Secondary School	6,173,786	6,062,280
16	Charles Totera Sec School	4,476,680	6,715,020
17	TEJ Secondary School	2,192,900	3,289,349
18	Pemier Secondary School	2,582,927	3,444,588
19	Agape Secondary School	1,733,518	2,477,013
20	Dar es Salaam College of Education	30,000,000	-
21	College of Business Education	4,468,999	4,468,999
22	Tumaini University Iringa	2,509,800	-
23	Open University of Tanzania	29,989,655	-
24	TEA Staff Interest Loan	2,285,685	-
	TOTAL	**344,680,430**	**197,819,466**

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019

NOTE: 13 OTHER INCOME

Details	30.06.2019	30.06.2018
	TZS	TZS
School Incentive	1,071,273,501	915,283,000
Necta-Wraping Machine	-	172,912,971
Employee Contribution	-	14,870,308
Application fees	385,000	2,210,000
GePG-Test	-	2,000
Selcom	-	3,783,621
NSSF Contribution	3,000,000	
Arusha Technical College	3,059,000	1,200,000
Must(Mbeya University of Science & Technology)	15,499,000	-
Total	**1,093,216,501**	**1,110,261,900**

NOTE: 14 DONATION

Details	30.06.2019	30.06.2018
	TZS	TZS
Tanzania Revenue Authority	20,000,000	-
Tanzania Communications Regulatory Authority	5,000,000	-
Oxford University Press	89,212,536	-
Total	**114,212,536**	**-**

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019

NOTE 15: EDUCATIONAL PROJECTS – GRANTS

Project Name	30.06.2019	30.06.2018
	TZS	TZS
Allocation School Incentive Scheme	1,071,283,000	1,815,800,000
Construction of Dinning Hall	600,000,000	-
Allocation Rehabilitation of National Schools	1,161,783,038	16,819,868,325
Allocation Rehabilitation of National Libraries	-	22,909,404
Allocations Teachers' Houses construction	4,140,413,000	4,026,965,026
Allocation School Inspection and Quality Assurance	-	198,368,781
Allocation ICT	133,759,549	192,625,590
Allocation Laboratory Equipment	60,020,800	43,850,000
Allocation Fixtures & Fittings	-	18,159,160
Allocation Boarding Facilities	299,703,800	875,919,649
Allocations Workshops Equipment	-	274,718,729
Learning Facilities	-	201,696,000
Allocation Dormitories Constructions	2,859,767,325	1,890,365,751
Allocation construction classrooms & pit Latrines	7,459,934,350	3,037,618,005
Allocation to special needs Students	242,214,018	60,218,131
SDF Project	1,434,989,710	65,259,000
TOTAL	**19,463,868,590**	**29,544,341,551**

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019

NOTE 16: OPERATIONAL COSTS

16A: Staff Costs

Details	30.06.2019	30.06.2018
	TZS	TZS
Salaries and Wages	920,512,000	807,182,000
Consolidated Allowances	685,754,246	715,263,418
Employers Pension Contribution	1,200,000	6,284,080
Travel on Leave	12,621,627	30,684,717
Staff Welfare	25,563,930	44,645,000
Medical Expenses	3,200,000	2,315,000
Sub Total	**1,648,851,803**	**1,606,374,215**

16B: Office Expenses

Details	30.06.2019	30.06.2018
	TZS	TZS
Telephone	2,410,260	1,607,091
Office Rent	-	139,594,317
Postage and Telegraphs	8,296,700	6,324,300
Printing and Publications	14,198,672	6,049,680
Stationery and Office Supplies	41,906,090	55,705,275
Newspapers & Periodicals	9,285,000	10,178,000
Electricity	15,500,000	23,099,659
Water	14,671,750	9,939,364
Office Cleaning	14,117,200	14,302,320
Sub Total	**120,385,672**	**266,800,006**

16C: Board Expenses.

Details	30.06.2019	30.06.2018
	TZ	TZS
Board Meeting Expenses	240,514,000	130,323,500
Sub Total	**240,514,000**	**130,323,500**

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019

16D: Audit Expenses

Details	30.06.2019	30.06.2018
	TZS	TZS
External Audit Fees & Expenses	107,506,961	106,007,820
Internal Audit & Investigation expenses	89,315,543	54,215,818
Sub Total	**196,822,504**	**160,223,638**

16E: Administrative Expenses

Details	30.06.2019	30.06.2018
	TZS	TZS
Staff Recruitment and Repatriation	17,357,930	34,772,600
Travel Local	24,059,606	17,819,300
Foreign Travelling	-	2,362,866
Staff Training Expenses	48,201,813	39,724,500
Seminars	27,638,600	45,078,000
Consultancy	45,300,000	-
Public Relations	10,200,000	22,150,000
Advertisement Expenses	29,062,400	20,841,800
Professional Membership	875,000	1,994,324
Insurance	20,818,286	10,234,848
Motor Vehicles Running Costs	33,986,505	42,314,697
System Development and Maintenance	59,420,819	37,260,338
Tender Board Meetings	23,644,000	12,742,000
Fund Raising	38,611,612	6,090,000
Legal Expenses	105,000	13,290,000
Security Expenses	21,377,409	20,743,842
Repair and Maintenance- Motor Vehicles	82,845,129	34,372,168
Repair and Maintenance- Office Machines	-	4,661,000
Exhibitions	7,100,000	-
Award Ceremony	24,202,000	-
District Education Fund Affiliation	26,923,014	-
Planning and Investment	55,920,100	48,318,161
Final Account Preparation	15,400.000	12,280,000
Reviews of Policies	30,010,000	-
Project Monitoring and Evaluation	328,600,896	295,641,195
Sub Total	**956,275,519**	**722,691,639**

16F: Depreciation and Amortization Expenses

Details	30.06.2019	Restated 30.06.2018
	TZS	TZS
Depreciation of Fixed Assets	251,177,998	234,311,235
Sub Total	**251,177,998**	**234,311,235**

16G: Finance Cost

	30.06.2019	30.06.2018
	TZS	TZS
Bank charges	12,019,352	12,998,113
Sub Total	**12,019,352**	**12,998,113**

GRAND TOTAL(A+B+C+D+E+F+G)	**3,426,046,848**	**3,133,722,347**

NOTE 17: 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 18: RELATED PARTY TRANSACTIONS

PSAS 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 2018/2019 amounted to TZS 988,419,000. These were disbursements in favor of key Management personnel in terms of remuneration and allowances.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019

The analysis is as follows: -

Details	**2018/2019**	**2017/2018**
	TZS	**TZS**
Board Allowances	111,880,000	71,575,500
Key Management Remuneration	469,755,000	297,000,000
Key Management Allowances	406,784,000	438,668,000
Total	**988,419,000**	**807,243,500**

NOTE 19: 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 20: PRESENTATION CURRENCY

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

NOTE 21: 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 22: RESTRICTIONS

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

NOTE 23: CONTINGENT LIABIILITIES

There is one pending labor case at Commission for Mediation CMA/DSM/LA/R.701/207 where one TEA retired staff Mr Fredy Mbeyella claim for his salary arrears and other entitlements for the period he was serving as Head of Procurement Management Unit amount to **TZS 236,488,660.73.**

NOTE 24: COMMITMENT ON TEA's PROJECT

PROJECT APPROVED FOR ALLOCATION BUT NOT YET DISBURSED IN THE FINANCIAL YEAR 2018/2019

(A). CONSTRUCTION OF PIT LATRINES TO 40 SECONDARY AND PRIMARY SCHOOLS					
SN	**REGION**	**COUNCIL**	**NUMBER OF PROJECTS**	**APPROVED AMOUNT TZS**	**NAME OF INSTITUTION**
1	SIMIYU	BARIADI DC	1	50,000,000	Lung'wa Sec. School
2	KATAVI	MPIMBWE	1	50,000,000	Mkuyuni Pr. School
	TOTAL		**2**	**100,000,000**	

(B). CONSTRUCTION OF 3 CLASSROOMS AND EQUIPING OF FURTUNITURES PER SCHOOL					
SN	**REGION**	**COUNCIL**	**NUMBER OF PROJECTS**	**APPROVED AMOUNT TZS**	**NAME OF INSTITUTION**
	PRIMARY SCHOOLS				
3	KATAVI	NSIMBO	1	60,000,000	Mnyamasi Pr.School
4	KIGOMA	KIBONDO	1	60,000,000	Kumwambu Pr. School
5	KIGOMA	KASULU	1	60,000,000	Juhudi Pr. School
	TOTAL		**3**	**180,000,000**	

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019

NOTE 24: COMMITMENT ON TEA's PROJECT

(C). CONSTRUCTION OF 10 GIRLS DORMITORIES					
SN	**REGION**	**COUNCIL**	**NUMBER OF PROJECTS**	**APPROVED AMOUNT TZS**	**NAME OF INSTITUTION**
6	IRINGA	KILOLO	1	150,000,000	Pomerini Integrated School
	TOTAL		**1**	**150,000,000**	

	(D). CONSTRUCTION OF DINNING HALLS AND KITCHENS				
7	KATAVI	MPIMBWE	1	150,000,000	Mizengo Pinda Sec. School
	TOTAL		**1**	**150,000,000**	

(E). SUPPORT TO INCLUSIVE AND SPECIAL NEED EDUCATION					
S/N	**NAME OF INSTITUTION**	**REGION**	**NUMBER OF STUDENTS**	**APPROVED AMOUNT TZS**	**TYPE OF PROJECT**
8	PONGWE PRIMARY SCHOOL-	Tanga TC		30,000,000	Construction of 3 Special classrooms and purchase of teaching and learning facilities for students with special needs FY 2017/18
	TOTAL			**30,000,000**	

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019

NOTE 24: COMMITMENT ON TEA's PROJECT

(F) CONSTRUTION OF STORM WATER DRAINAGE SYSTEM FY 2017/18					
9	UNIVERSITY OF DAR ES SALAAM	DAR ES SALAAM		**170,965,480**	Construction of Storm Water drainage system to the UDSM Hostels along Sam Nujoma Road FY 2017/18
	TOTAL			**170,965,4800**	
GRAND TOTAL				**630,965,480**	

NOTE 23. PRIOR YEAR ADJUSTMENT AND TRANSPOSITION

The Audited financial statement for the financial year 2015/2016; 2016/2017 and 2017/2018 figures have been adjusted to reflect the true and fair view. Also the comparative figure of 2016/2017 and 2017/2018 has been restated to correct the prior period error.

Adjustment made during the year.

23.1. Statement of Financial Position.

Depreciation figure

Since 2017/2018 the authority charged depreciation based on TEA financial regulation and accounting manual. However, in 2017 Ministry of Finance and plan issued circular no. 2, 2017/2018 of testing impairment and charging depreciation. Based on that Authority made adjustment to reflect the difference.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019

NOTE 23. PRIOR YEAR ADJUSTMENT AND TRANSPOSITION

•	DESCRIPTION	ACCGEN RATE	TEA RATE
•	Office Building	2%	4%
•	Motor Vehicles	20%	25%
•	Plant and Equipment	20%	25%
•	Furniture and fittings	20%	10%
•	IT Hardware	25%	33.3%
•	Office Machines	20%	12.5%

23.2. Adjustment for 2015/2016.

The depreciation figure for the property plant and equipment for the financial year 2015/2016 was overstated by TZS 17,740,834.00 that lead to understatement of Profit and Net Book Value figure of respective assets. Thus adjustment has been done retrospective to correct the error.

Respective Journal Entry.

DR. Accumulated Depreciation TZS 17,740,834.00

CR depreciation charge TZS 17,740,834.00

Being adjustment of overcharge depreciation

Dr. Property plant and Equipment TZS 17,740,834.00

CR. Statement of financial performance (surplus) TZS 17,740,834.00

Being correction of understatement of Net book value and profit.

23.3. Adjustment 2016/2017

In the financial year, 2016/2017 depreciation was overcharge by **TZ 36,745,759.00,** this also lead to understatement of profit and Net Book Value figure. Thus cumulatively figure of profit and Asset were understated by **TZS 54,386,593.52.**

Thus adjustment has been done retrospective to correct the error.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019

NOTE 23. PRIOR YEAR ADJUSTMENT AND TRANSPOSITION

Respective Journal Entry.

DR. Accumulated Depreciation TZS 36,745,759.00

CR depreciation charge TZS 36,745,759.00

Being adjustment of overcharge depression

DR. Property plant and Equipment TZS 37,745,759.00

CR. Statement of financial performance (surplus) TZS 37,754,759.00

Being correction of understatement of Net book value and profit.

Restated figure is as described below.

DESCRIPTION	2016/2017 (TZS)	RESTATED BALANCE 2016/2017 (TZS)	ADJUSTMENT(TZS)
Property, Plant and Equipment	2,920,938,264.00	2,975,324,857.52	54,386,593.52

23.4. Adjustment 2017/2018

Financial statement for the financial year 2017/2018 has been restated to effect the overcharged figure of depreciation of TZS79,235,996 cumulatively profit and Asset were understated by TZS 127,321,589/=

Respective Journal Entry.

DR. Accumulated Depreciation TZS 79,235,996

CR depreciation charge TZS 79,235,996

Being adjustment of overcharge depression

DR. Property plant and Equipment TZS 79,235,996

CR. Statement of financial performance (surplus) TZS 79,235,996

Being correction of understatement of Net book value and profit.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019

NOTE 23. PRIOR YEAR ADJUSTMENT AND TRANSPOSITION

Restated figure is as described below.

DESCRIPTION	20172018**(TZS)**	RESTATED 2017/2018**(TZS)**	ADJUSTMENT**(TZS)**
Property, Plant and Equipment	3,363,767,532	3,491,089,121	127,321,589

23.5. Adjustment 2017/2018

Adjustment of Loan interest receivable and dividend payable

The statement of financial position of 2017/2018 has been restated on component of loan interest and penalty receivable wrongly calculated and dividend receivable to the extent of TZS 285,708,548.00, which comprises dividend receivable of TZS 1,677,098 and Loan interest and penalty receivable of TZS 284,031,450 related to Tumaini University Iringa and Open University of Tanzania.

Respective Journal Entry.

DR. Accumulated surplus TZS 1,677,098

CR Dividend Receivable TZS 1,677,098

Being write-off Dividend receivable

DR. Accumulated surplus TZS 284,031,450

CR. Loan interest and penalty receivable TZS 284,031,450

Being correction of overstatement of Surplus.

23.6 **Adjustment 2017/2018**

Adjustment of Loss on disposal of asset

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019

NOTE 23. PRIOR YEAR ADJUSTMENT AND TRANSPOSITION

The statement of financial performance of 2017/2018 has been restated to effect the loss on disposal of asset amounts TZS 6,300,000.00.

23.7. SUMMARY OF ADJUSTMENT

STATEMENT OF FINANCIAL POSITION			
	IMPACT OF CORRECTION OF ERROR		
DESCRIPTION	AS PREVIOUSLY REPORTED	ADJUSTMENT	AS RESTATED
	TZS	TZS	TZS
1ST July 2016			
NON CURRECT ASSET			
Property plant and equipment	1,246,569,033	17,640,834	1,264,209,867
intangible			
Total Non-Current Asset	**1,246,569,033**	**17,640,834**	**1,264,209,867**
TOTAL EQUITY			
Capital Fund	2,881,574,727	-	2,881,574,727
Accumulated Surplus	42,295,173,130	17,640,834	42,312,813,964
TOTAL EQUITY	45,176,747,857	17,640,834	45,194,388,691
1st July 2017			
NON CURRECT ASSET			
Property plant and equipment	2,920,938,264	54,386,594	2,975,324,858
intangible	80,000,000	-	80,000,000
Total Non-Current Asset	**3,000,938,264**	**54,386,594**	**3,055,324,858**

STATEMENT OF FINANCIAL POSITION			
	IMPACT OF CORRECTION OF ERROR		
DESCRIPTION	AS PREVIOUSLY REPORTED	ADJUSTMENT	AS RESTATED
	TZS	TZS	TZS
TOTAL EQUITY			
Capital Fund	2,881,574,727	-	2,881,574,727
Accumulated Surplus	44,650,474,241	54,386,594	44,704,860,835
TOTAL EQUITY	47,532,048,968	54,386,594	47,586,435,562
30th June 2018			
Property plant and equipment	3,363,766,531	127,321,590	3,491,088,121
intangible	100	100	100
Total Non Current Asset	**3,363,766,631**	**127,321,690**	**3,491,088,221**
TOTAL EQUITY			
Capital Fund	2,881,574,727	-	2,881,574,727
Accumulated Surplus	17,862,477,899	(158,386,958)	17,704,090,941
TOTAL EQUITY	**20,744,052,626**	**(158,386,958)**	**20,585,665,668**

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019

NOTE 23. PRIOR YEAR ADJUSTMENT AND TRANSPOSITION

STATEMENT OF FINANCIAL PERFOMANCE			
	IMPACT OF CORRECTION OF ERROR		
	AS PREVIOUSLY REPORTED	ADJUSTMENT	AS RESTATED
	TZS	TZS	TZS
For the year ended 30th June 2018			
Total income	6,049,302,442.00	-	6,049,302,442.00
EXPENDITURE			
ADMINSTRATION EXPENSES	722,691,640	6,300,000	728,991,640
DEPRECIATION AND AMOTIZATION	393,546,131	(79,234,995)	314,311,136
OTHER EXPENSES	31,721,061,023	-	31,721,061,023
TOTAL EXPENSES	32,837,298,794	(72,934,995)	32,764,363,799
TOTAL COMPREHENSIVE INCOME	**(26,787,996,352)**	**72,934,995**	**(26,715,061,357)**

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019

NOTE 25: GOVERNMENT SUBVENTION RECEIVED-PE FOR THE YEAR 2018/2019 AND 2017/2018

PERIOD	2018/2019 AMOUNT TZS	PERIOD	2017/2018 AMOUNT TZS
Jul-18	14,853,112	Jul-17	10,212,013
Aug-18	13,923,920	Aug-17	18,845,198
Sep-18	11,892,441	Sep-17	15,600,573
Oct-18	9,852,861	Oct-17	15,600,573
Nov-18	10,241,478	Nov-17	15,709,923
Dec-18	9,817,600	Dec-17	15,709,973
Jan-19	9,520,690	Jan-18	15,767,473
Feb-19	9,920,422	Feb-18	15,607,050
Mar-19	10,298,514	Mar-18	16,242,265
Apr-19	10,366,714	Apr-18	16,353,112
May-19	10,366,714	May-18	16,353,112
Jun-19	10,366,714	Jun-18	16,353,112
	131,421,179		**188,354,377**

NOTE: 26 DONATIONS

Details	30.06.2019 TZS	30.06.2018 TZS
Tanzania Revenue Authority	20,000,000	-
Tanzania Communications Regulatory Authority	5,000,000	-
Total	**25,000,000**	**-**

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019

NOTE: 27 OFFICE EXPENSES

	30.06.2019	30.06.2018
Details	**TZS**	**TZS**
Telephone	2,083,167	1,607,091
Office Rent	-	139,594,317
Postage and Telegraphs	8,296,700	6,324,300
Printing and Publications	10,039,172	6,049,680
Stationery and Office Supplies	38,908,990	55,705,275
Newspapers & Periodicals	8,641,000	10,178,000
Electricity	15,500,000	23,099,659
Water	14,671,750	9,939,364
Office Cleaning	14,117,200	14,302,320
Sub Total	**112,257,979**	**266,800,006**

NOTE: 28 AUDIT EXPENSES

Details	30.06.2019	30.06.2018
	TZS	**TZS**
External Audit Fees & Expenses	96,886,961	106,007,820
Internal Audit & Investigation expenses	89,315,543	54,215,818
Sub Total	**186,202,504**	**160,223,638**

NOTE:29 ADMINISTRATIVE EXPENSES

Details	**30.06.2019**	**30.06.2018**
	TZS	**TZS**
Staff Recruitment and Repatriation	17,357,930	34,772,600
Travel Local	24,059,606	17,819,300
Foreign Travelling	-	2,362,866
Staff Training Expenses	48,201,813	39,724,500
Seminars	27,638,600	45,078,000
Consultancy	45,300,000	-
Public Relations	10,200,000	22,150,000
Advertisement Expenses	28,531,400	20,841,800
Professional Membership	875,000	1,994,324
Insurance	20,818,286	10,234,848

Details	30.06.2019	30.06.2018
	TZS	TZS
Motor Vehicles Running Costs	33,986,505	42,314,697
System Development and Maintenance	58,757,862	37,260,338
Tender Board Meetings	23,644,000	12,742,000
Fund Raising	38,611,612	6,090,000
Legal Expenses	105,000	13,290,000
Security Expenses	21,377,409	20,743,842
Repair and Maintenance- Motor Vehicles	82,845,129	34,372,168
Repair and Maintenance- Office Machines	-	4,661,000
Exhibitions	7,100,000	-
Award Ceremony	24,202,000	-
District Education Fund Affiliation	26,923,014	-
Administration Expenses	532,661,857	-
Planning and Investment	55,920,100	48,318,161
Final Account Preparation	6,200,000	12,280,000
Reviews of Policies	30,010,000	-
Project Monitoring and Evaluation	254,447,296	295,641,195
Sub Total	**1,419,792,419**	**722,691,639**

NOTE 30: EDUCATIONAL PROJECTS – GRANTS

Project Name	30.06.2019	30.06.2018
	TZS	TZS
Allocation School Incentive Scheme	1,071,283,000	1,815,800,000
Construction of Dinning Hall	600,000,000	-
Allocation Rehabilitation of National Schools	1,163,667,870	16,804,307,488
Allocation Rehabilitation of National Libraries	-	22,909,404
Allocations Teachers' Houses construction	4,440,413,000	3,051,965,026
Allocation School Inspection and Quality Assurance	-	198,368,781
Allocation ICT	133,759,549	192,625,590
Allocation Laboratory Equipment	60,020,800	43,850,000
Allocation Fixtures & Fittings	-	18,159,160
Allocation Boarding Facilities	299,703,800	875,919,649
Allocations Workshops Equipment	-	274,718,729
Learning Facilities	-	201,696,000
Allocation Dormitories Constructions	2,859,767,325	1,740,812,376
Allocation construction classrooms & pit	7,509,934,350	2,237,618,005

Project Name	30.06.2019	30.06.2018
	TZS	TZS
Latrines		
Allocation to special needs Students	242,214,018	60,218,131
SDF Project	1,434,989,710	65,259,000
TOTAL	**19,815,753,422**	**27,604,227,339**

NOTE: 31 LOANS REPAYMENT RECEIVED

	2018/2019	2017/2018
INSTITUTION NAME	AMOUNT	AMOUNT
	TZS	TZS
Mzinga Secondary School	20,000,000	-
Premier Girls Sec School	20,000,000	-
Liberman Primary School	15,000,000	13,521,216
Daystar Primary School	-	34,097,556
Kisukuru Regency Sec School	-	23,556,900
Institute of Adult Education	55,680,000	58,000,000
Loamo Secondary school	-	53,551,839
Genius King Junior Sec School	-	50,800,000
Mzumbe University	272,000,000	-
Mbogamo Secondary School	23,811,000	-
Ardhi University	156,450,388	-
Dar es Salaam University College of Education	130,000,000	-
TOTAL	**692,941,388**	**233,527,511**

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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