



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL AND COMPLIANCE AUDIT FOR THE FINANCIAL YEAR ENDED
30 JUNE 2023

Controller and Auditor General,
National Audit Office,
Audit House,
4 Ukaguzi Road,
P.O. Box 950,
41101 Tambukareli,
Dodoma, Tanzania.
Tel: 255 (026) 2161200,
Fax: 255 (026) 2117527,
E-mail: ocag@nao.go.tz
Website: www.nao.go.tz

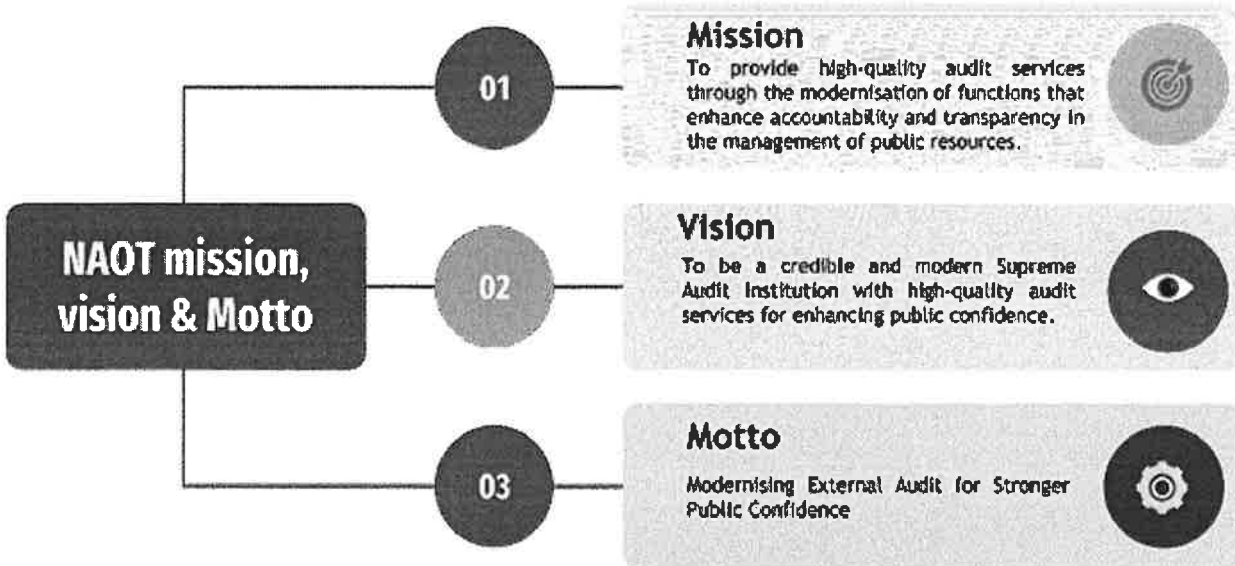
January 2024

AR/PA/PPRA/2022/23

About the National Audit Office

Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10 (1) of the Public Audit Act, Cap 418[R.E 2021]



Independence and objectivity

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

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

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



Professional competence

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

Integrity

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

Creativity and Innovation

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

© This audit report is intended to be used by Public Procurement Regulatory Authority and may form part of the annual general report, which once tabled to National Assembly, becomes a public document; hence, its distribution may not be limited.



TABLE OF CONTENTS

Abbreviations.....	iii
1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL.....	1
1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS.....	1
1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS.....	4
2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR 30 JUNE 2023...5	5
3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE	47
4.0 DECLARATION OF THE CHIEF ACCOUNTANT	48
5.0 FINANCIAL STATEMENTS	49



Abbreviations

ADF	African Development Fund
BOT	Bank of Tanzania
CAG	Controller and Auditor General
CEO	Chief Executive Officer
HIV/AIDS	Human Immune-Deficiency Virus/ Acquired Immune-Deficiency Syndrome
IPSASs	International Public Sector Accounting Standards
ISPGG	Institutional Support Project for Good Governance
ISSAIs	International Standards of Supreme Audit Institutions
MoFP	Ministry of Finance and Planning
NHIF	National Health Insurance Fund
ONA	Office of the National Assembly
PCCB	Prevention and Combating of Corruption Bureau
PE	Procuring Entity
PPA	Public Procurement Act, (CAP.410 R.E 2022)
PFA	Public Finance Regulation
PPAA	Public Procurement Appeals Authority
PPR	Public Procurement Regulations
PPRA	Public Procurement Regulatory Authority
PSPTB	Procurement and Supplies Professionals and Technicians Board
TANePS	Tanzania National Electronic Procurement System
TFRS	Tanzania Financial Reporting Standards
TZS	Tanzania Shilling
VfM	Value for Money



1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board,
Public Procurement Regulatory Authority (PPRA),
P.O. Box 2865,
Dodoma, Tanzania.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Public Procurement Regulatory Authority (PPRA), which comprise the statement of financial position as at 30 June 2023, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Public Procurement Regulatory Authority (PPRA) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.


I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

Other Information

Management is responsible for the other information. The other information comprises the Report by Those Charged with Governance, statement of management responsibility, Declaration by the Head of Finance and Annual Procurement Report but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.



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

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

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

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

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

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

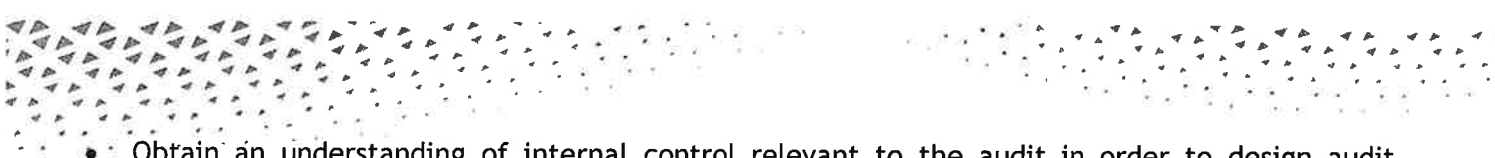
Those charged with governance are responsible for overseeing the entity's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- 
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

In addition, Section 10 (2) of the Public Audit Act, Cap 418 [R.E 2021] requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, Cap 410 [R.E 2022] requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I performed a compliance audit on the procurement of works, goods, and services in the Public Procurement Regulatory Authority (PPRA) for the financial year 2022/23 as per the Public Procurement laws.

Conclusion

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

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in the Public Procurement Regulatory Authority (PPRA) for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that Budget formulation and execution of Public Procurement Regulatory Authority is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.



Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
January 2024



PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

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

2.1 INTRODUCTION

In compliance with the Public Procurement Act; (Cap. 410 R.E. 2022) and the Tanzania Financial Reporting Standard (TFRS) No. 1 on the Report by those charged with Governance of 1 January 2021, the Board of Directors submits their report and the Financial Statements of the Public Procurement Regulatory Authority (PPRA) for the year ended 30 June 2023.

2.2 NATURE OF OPERATIONS

PPRA is a regulatory body established under the Public Procurement Act, [CAP.410 R.E 2022] and charged with the responsibility to regulate and oversee public procurement and related matters as prescribed in the Act. The Public Procurement Regulatory Authority (PPRA) was established in May 2005 after the enactment of Public Procurement Act, 2004 and charged with the responsibility to regulate and oversee implementation of this Act. It replaced the Central Tender Board (CTB), which was established under the Public Procurement Act, 2001. However, in order to provide more powers for PPRA to enforce implementation the Public Procurement Act, 2011 was enacted and repealed the PPA, 2004. There have been a number of amendments to the Act (including amendments made in 2013, 2014, 2016 and 2018), all aiming at strengthening functions of PPRA for effective and efficient delivery of its regulatory functions.

The Public Procurement Act, [CAP.410 R.E 2022] mandated the PPRA to ensure that procurement processes in the public sector are open, fair, transparent, competitive and deliver value for money outcomes to the public. In addition, Section 7(2) of the Public Procurement Act, [CAP.410 R.E 2022] identifies PPRA as a body corporate which has all the powers to expedite its functions.

PPRA is under the Ministry of Finance. PPRA Head Office is in Dodoma and operates one zonal office located at Dar es Salaam region in Mainland Tanzania.

2.3 VISION

A public procurement system that offers value for money.

2.4 MISSION

To regulate public procurement system and promote best practices for attaining value for money.

2.5 CORE VALUES

PPRA has identified the following basic core values which will govern its relationship with the internal and external stakeholders:

(a) Integrity;

PPRA upholds high ethical and moral standards in executing its duties.

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

(b) Team Work;

PPRA upholds interdepartmental co-operation and develops its human resource for achievement of strategic goals.

(c) Professionalism;

PPRA professionally protects the interest of public procurement stakeholders through application of fair, competitive, transparent, value for money and non-discriminatory procurement standards and practices.

(d) Innovativeness;

PPRA values radical and gradual improvements in rendering its services both physical and electronically and

(e) Confidentiality.

PPRA respects the value and ownership of information and does not disclose it without appropriate authority, unless there is a legal or professional obligation to do so.

2.6 OBJECTIVES AND STRATEGIES OF THE AUTHORITY

(a) Objectives of the Authority

During the year, PPRA focused on the implementation of its objectives which guided the Authority in achieving its vision and mission, and facilitating the attainment of value for money in Tanzania Procurement. The Objectives of the Authority as provided under Section 8 shall be to: -

- i) Ensure the application of fair, competitive, transparent, non-discriminatory and value for money procurement standards and practices;
- ii) Set standards for the Public Procurement systems in the United Republic of Tanzania; for the better carrying out of procurement activities;
- iii) Monitor compliance of procuring entities; and
- iv) Build, in collaboration with Public Procurement Policy Division and other relevant professional bodies, procurement capacity in the United Republic.

During the year under review the Authority focused on the implementation of the following objectives

- i) Non-Communicable Diseases, HIV and AIDS infections reduced and supportive services improved;
- ii) Implementation of National Anti-corruption Strategy and Action Plan Enhanced and sustained;
- iii) Performance in Public Procurement Improved; and
- iv) Capacity to Deliver Quality Services Strengthened.

(b) Strategies for Achieving Objectives

- i) Strengthen intervention against spread of HIV/AIDS at work place;
- ii) Strengthen intervention of non-communicable diseases and Covid-19;
- iii) Promote Integrity and accountability to staff and PEs;
- iv) Enhance compliance on CAP 410;
- v) Enhance public procurement capacity;
- vi) Strengthen provision of advisory services on legal frameworks;
- vii) Enhance bidders' compliance with the Public Procurement Act, [CAP.410 R.E 2022]
- viii) Strengthen contracts/ agreements management;
- ix) Enhance e-Procurement systems;
- x) Enhance ICT services and facilities;
- xi) Strengthen ICT Infrastructure and Security;
- xii) Enhance regional and international strategic public procurement networks;
- xiii) Strengthen Board performance and managerial functioning;
- xiv) Strengthen public awareness on public procurement and attainment of value for money;
- xv) Strengthen public asset management;
- xvi) Strengthen Internal control system;
- xvii) Strengthen human resources management;
- xviii) Promote PPRA service delivery and stakeholders involvement;
- xix) Promote conducive working environment;
- xx) Strengthen financial resources management;
- xxi) Strengthen PPRA Annual Plans and budget; and
- xxii) Mainstream Risk Management Framework into plans and budget.

2.7 Managing Operations of the Authority

Pursuant to Section 21 of the Public Procurement Act, [CAP 410 R.E. 2022], the Board of Directors is the governing body of the Authority which is required to ensure compliance to the governing laws and procedures. The Board consists of non-executive members whose chairman is appointed by the President and the other six members are appointed by the minister responsible for Finance. The Board, for better carrying out of its function, has established committees as provided in Section 22 of the Act for effective regulation of the public procurement sector. The Chief Executive Officer of PPRA, who is appointed by the President, is the Secretary to the Board. The Board delegates the day-to-day management and operations of the Authority to the Chief Executive Officer.

In addition, the Board had established a Risk Register which guide Management on risk management process including monitoring of external environment which may impact the regulatory process of the Authority.

2.8 STATEMENT OF SERVICE PERFORMANCE INFORMATION

The Authority's Service Performance Information discloses information needed for accountability and decision-making purpose, primarily to help users of the report by Those Charged with Governance to understand what the Authority had set out to achieve (target) and what it has

achieved (results). The service performance information is generally be a mix of qualitative and quantitative reporting. The reporting of service performance information is based around two elements:

- (i) Outcomes: what the Authority seeks to achieve in terms of its impact on society; and
- (ii) Outputs: the services that the Authority's delivers during the financial year.

The Authority reporting of service performance information is provided in this report under Paragraph 1.29: Key Performance Indicators.

2.9 PPRA OPERATING MODEL

The Authority's operating model is the system of transforming inputs, through its operating activities, into outputs and outcomes that aims to fulfil PPRA's strategic purposes and create value over the short, medium and long term. Thus, PPRA Operating Model is explained below:-

Inputs

(a) Human Capital

The Authority has employed staff with adequate skills and competence to ensure delivery of quality services. Employees are well motivated and perform their duties responsibly and in ethical manner.

(b) Financial Capital

Financial capital of the Authority consist of:-

- i) Money appropriated by Parliament;
- ii) Loans or grants
- iii) Revenues collected from goods or services that are rendered by the Authority; and
- iv) Any other money received or made available to the Authority for the purposes of its functions.

(c) Social and Relationship Capital

In executing its functions, PPRA has established an ethical and transparent relationship with government institutions, customers, suppliers, policy makers and the public in general. The Authority conduct stakeholders' meetings to provided awareness and receive feedback on various Authority issues. PPRA engaged actively on Corporate Social Responsibilities. Each year, the Authority set aside funds directed to contribute to the society well-being.

(d) Intellectual Capital

The Authority has developed Training and Seminar Management System (TSMS), to ensure effective and efficient services delivery.

(e) Natural Capital

The Authority has no natural capital.

Operating Activities

The Authority implements a number of activities in converting inputs into quality service delivery. The operating activities are mainly grouped as public procurement regulatory functions as shown below;

Public procurement regulatory functions

- (i) Advise Government, local government authorities and statutory bodies on procurement principles and practices;
- (ii) Monitor and report on the performance of the public procurement systems in the United Republic of Tanzania and advise on desirable changes;
- (iii) Regulate procurement of consultancies transaction advisors and private part in respect of Public Private Partnership projects in accordance with the regulations made under the Public Private Partnership Act and guidelines issued by the Authority;
- (iv) Prepare update and issue authorized version of the standardized tendering documents procedural forms and any other documents to procuring entities;
- (v) Ensure any deviation from the use of the standardized tendering documents, procedural forms and any other attendant documents require prior written approval of the Authority;
- (vi) Issue guidelines for public procurement system and processes;
- (vii) Organize and maintain a system for the publication of data on public procurement opportunities, awards and any other information of public interest;
- (viii) Conduct periodic inspections of the records and proceedings of the procuring entities to ensure full and correct application of the Public Procurement Act, [CAP.410 R.E 2022]
- (ix) Monitor the award and implementation of public contracts with a view to ensuring that: contracts are awarded impartially and on merit, the circumstances in which each contract is awarded or terminated, do not involve impropriety or irregularity;
- (x) Institute procurement audits during the tender preparatory process, contract audits in the course of execution of an awarded tender; and performance audit after the completion of the contract in respect of any procurement;
- (xi) Determine, develop, introduce, maintain and update related system to support public procurement by means of information and communication technologies including the use of public electronic procurement;
- (xii) Agree on a list, which shall be reviewed annually, of services and supplies in common use by more than one procuring entity which may be subject to common procurement;
- (xiii) Administer and enforce compliance with Public Procurement Act, [CAP.410 R.E 2022] this Act, regulations and guidelines issued by the Public Procurement Act, [CAP.410 R.E 2022];
- (xiv) Build capacity to stakeholders engaged in public procurements issues;

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

- (xv) Obtain price information for standardized common use items and services from relevant public bodies with a view to ensuring that the price conform with the prevailing market prices; and
- (xvi) Undertake research and surveys nationally and internationally on procurement matters.

Outputs

As of 30 June 2023, the Authority conducted special audits at Nelson Mandela African Institution of Science and Technology (NM-AIST), Mbuchi Bridge in Kibiti District, MSD, and the Institute of Accountant Arusha (IAA) on the Projects under Force Account. Furthermore, the Authority conducted six (6) investigation at Prisons Services Department, Shirika la Magereza (SHIMA), Vote 57 Ministry of Defence and National Service, Ruvuma Region on the Contract of Supply of Building Materials by PLM Store, Dar es Salaam Port and TPA Headquarters, and TANESCO for FY 2022/23.

The Authority provided training to forty-two (42) staff on Contract and Procurement Fraud Investigations, Evidence Gathering, and Report Writing. In relation to the development of the National e-Procurement System of Tanzania (NeST), the Authority has completed the e-registration module, e-tendering module, payment wallet sub-module, and the User Acceptance Test (UAT) for 30 PEs with 126 participants, and 54 EOs with 63 participants. Tenderers have been using the e-registration and e-tendering modules from February 27 to March 10, 2023. Development of the system is ongoing according to planned milestones.

During the period under review, the Authority received 19 debarment cases, out of which eleven (11) were rejected for being submitted out of time, and hence proposed for further investigation. The proposals were submitted by NIC (3), TARURA (3), TANESCO (2), TPA, DUCE, TMDA, TCU, TIE, MSD, IRDM, OCEAN ROAD CANCER INSTITUTE, MOI, and NASHONO NKUNGU. The Authority also reviewed 37 Standard Tendering Documents and 20 Procedural forms to accommodate changes made in the law and to align with the requirements of the electronic procurement system.

In addition, PEs, Economic Operators, and CSOs were capacitated on the application of the new NeST. The Authority conducted training for trainers on the application of NeST to 2 PEs with 47 participants, and training for trainers on the application of NeST to higher Learning Institutions (i.e. IFM, MU, TIA, IAA, MUST, and UDOM) with 38 participants. Similarly, the Authority conducted training on the application of NeST to 299 PEs in Iringa, Mbeya, Mwanza, and Dar es Salaam, with 1,411 participants attending. Additionally, group training on the application of NeST was provided to 1,086 Economic Operators in Dodoma, Dar es Salaam, Arusha, Mbeya, and Mwanza."

Outcomes

The following were noted outcomes:

- (i) Increased compliance with the Public Procurement Act and its Regulations;
- (ii) Increased value for money;
- (iii) Increased implementation of TANEPS; and
- (iv) Increased customers' satisfaction.

2.10 CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

The Authority's current and future development and performance are explained below:

2.11 AUTHORITY STRATEGIC PLAN

In implementing the budget for FY 2022/23, the Authority focused on its strategic objectives as provided in the Third Medium Term Strategic Plan (MTSP III). These objectives are: reducing Non-Communicable Diseases and HIV/AIDS infections while improving supportive services; enhancing and sustaining the implementation of the National Anti-corruption Strategy and Action Plan; improving performance in Public Procurement; and strengthening the capacity to deliver quality services.

Planned interventions included: providing capacity building on Public Procurement Act, [CAP.410 R.E 2022] to all PEs, Economic Operators (Eos), and CSOs; developing, reviewing, and disseminating Procurement Implementation Tools (PIT); mainstreaming all regional public procurement strategies in national procurement procedures; monitoring all public procurement processes in all PEs; monitoring the implementation of procurement contracts in all PEs; conducting procurement compliance and performance audits for all PEs; monitoring Internal Auditors' compliance with the Public Procurement Act, [CAP.410 R.E 2022]; investigating all allegations/complaints/ reported cases of breaches of the Public Procurement Act, [CAP.410 R.E 2022] ; assessing procurement corruption red flags; reviewing and implementing an e-Procurement system; building capacity for PEs and Eos on the e-Procurement system; developing, reviewing, and upgrading internal systems; providing advisory services on the legal framework; preparing and implementing educational and awareness programs on public procurement matters; preparing and implementing the Authority Annual Procurement Plan; and preparing and implementing the Authority Annual Audit Plan.

The Authority, in collaboration with the Ministry of Finance and Planning, will arrange for workshops to educate customers/stakeholders on the necessity to comply with Public Procurement Act [CAP.410 R.E 2022] and its Regulations. The implementation of the Authority's Third Five - Year Strategic Plan started in the Financial Year 2021/22. The Authority's future development plan includes completion of PPRA Head Office buildings, renovation of PPRA buildings at coastal zone, and acquisition of motor vehicles. The Authority had, further plan to have e-procurement strategy and e-procurement guidelines to guide all the system users. The full operationalization of the system will entail the key technological component known as Intelligent/Smart procurement which will have future such as; artificial intelligent, Machine learning, intuitive intelligent, intelligent content extractions, cognitive computing artificial intelligent and Supply chain Management. In addition, the Authority planned to enhance staff performance on service delivery through short- and long-term training, implementing its responsibilities by focusing on customer satisfaction, and increase levels of engagements with key stakeholders in regulated services. In terms of revenue, the Authority projects growth in recognized revenue to TZS 40,654,963,000 in the year 2023/24.

2.12 DEVELOPMENT PLANS AND PERFORMANCE

The Authority operated zonal offices in the Dar es Salaam region during the year under review. These initiatives were focused on improving accessibility of Authority's services. In addition, the Authority continued with improvement operations of e- procurement system to ensure rendered services satisfy and meet expectations of suppliers, bidders, service providers, consultants, contractors and public in general. This includes enhancing the electronic procurement systems (TANePS) in use to address the existing and future operational requirements that provide quality services to our customers, stakeholders and the general public. During the year under review the Authority spent TZS 7,050,000,000 for development projects. In addition, the Authority shall coordinate implementation of activities set out in the plan for implementation of audit findings and observations from the audit conducted by CAG.

SIGNIFICANT ASPECTS OF THE STATEMENT OF FINANCIAL PERFORMANCE

(a) Revenue

During the Financial year ended 30 June 2023 the Authority managed to collect TZS 24,191,955,000 as revenue compared to TZS 17,414,214,000 in 2021/22 as shown below,

Table 1: Revenue Summary

Details	2022/23 TZS'000	2021/22 TZS'000	%Change
Revenue Grants	14,233,058	8,421,397	69
Internally generated fund	9,958,897	8,992,817	11
Total Revenue	24,191,955	17,414,214	39

The revenue increased by TZS 6,777,741,000, equivalent to an increase of 39% compared to the financial year 2021/22. The percentage increase in revenue for the year 2022/23 was facilitated by the automation of TANePS-related fees, an increase in the Public Procurement Act, [CAP.410 R.E 2022] compliance, an increase in the local development budget for the development of NeST and receipt of fund for Construction of PPRA HQ Building from Ministry of Finance.

(b) Expenses

The Authority's expenses for the financial year ended 30 June 2023 amounted to TZS. 19,260,578,000 compared to TZS 16,414,665,000 reported in the preceding year. The major components of expenses during the year ended 30 June 2023 were:

(i) Wages, salaries and employee benefits

During the financial year 2022/23 the Authority spent for Wages, salaries and employee benefits TZS 8,542,146,000, compared to TZS 5,416,417,000 spent during financial year 2021/2022. This increase was attributed by the additional of twenty eight (28) staff from eighty seven (87) to one hundred fifteen (115) staff who was transferred from other government organisation and staff salary adjustments for the financial year ended 30 June 2023;

(ii) Use of goods and services

The Authority incurred a total expenditure of TZS 8,311,738,000 during the year ended 30 June 2023 compared to TZS 6,505,116,000 reported in the preceding year. This was attributed by increase in number of procurement audits and special audits carried out during year. In addition, there was increase in number of Public Procurement Act, [CAP.410 R.E 2022] dissemination workshops conducted during the year.

(iii) Maintenance Expenses

The Authority incurred a total of TZS 938,054,000 during the year ended 30 June 2023 compare to TZS 773,540,000 in the year ended 30 June 2022. This increased contributed by increase in cost of motor vehicle repairs and maintenance since they have been in use for long period of time.

(iv) Other Expenses

During the financial year 2022/23 the Authority's other expenses amounted to TZS 1,203,302,000 compared to TZS 2,301,470,000 in financial year 2021/22. This decrease contributed by completion of ISPGG III project.

(c) Surplus

(i) Surplus fund during the year was TZS 4,931,377,000 compared to TZS 999,549,000. This increase was attributed by major increase in revenue grants from the Government, effective management of expenditures during the year under review and receipt of fund for ongoing construction of PPRA HQ Office building from Ministry of Finance.

2.13 SIGNIFICANT ASPECTS OF STATEMENT OF FINANCIAL POSITION

(a) Cash and Cash Equivalents

During the financial year ended on 30 June 2023, the Authority had a cash and cash equivalent balance of TZS 311,532,000, compared to TZS 3,474,978,000 at the end of the financial year 2021/22. This represents a decrease of TZS 3,163,446,000. The decrease was due to the commencement of a procurement audit in the last quarter of the year; therefore, no procurement funds were carried out at the end of the financial year 2022/23, as in the previous year.

(b) Prepayments and staff advances.

i) Prepayments

During the financial year that ended on 30 June 2023, the Authority had a prepayment amounting to TZS 577,367,000, compared to TZS 102,405,000 from the previous year. The outstanding prepayment amount represents a refundable rent deposit to PSSF of TZS 102,405,000 and TZS 474,962,000 for prepayments of assets, which are for NeST.

ii) Receivables

During the year under review, the Authority had staff advances (salary advances) amounting to TZS 12,150,000, the same as the previous year.

(c) Property and Equipment

During the year ended 30 June 2023, the Authority had property, plant, and equipment (PPE) amounting to TZS 2,423,302,000, compared to TZS 1,761,872,000 in the previous financial year. The increase was contributed to by the purchase of motor vehicles, computers, office equipment, and furniture, as shown in part (d) below:

(d) Additions to Property and Equipment

During the year, the Authority made addition of assets amounting to TZS 926,768,000 compared to TZS 78,738,000 in 2021/22. The purchased motor vehicles, computers, office equipment and furniture during the year was made by cash.

(e) Depreciation charges

Depreciation charged during the year was TZS 265,338 thousand, compared to TZS 279,667,000 in 2021/22. No impairments were established during the year 2022/23.

(f) Intangible Assets

During the year, the Authority had some intangible assets which are fully amortized but are still in use and generating economic benefits to PPRA while other softwares are fully amortized and replaced by MUSE. In addition, the Authority is continuing with the development of e-Procurement system (NeST), which as at 30 June 2023 has spent TZS 4,336,572,000.

(g) Work in Progress - Office Building

During the year, the Authority started the construction of PPRA HQ Office building where a total of TZS 1,706,451,000 were received from Ministry of Finance whereby TZS 768,581,000 were paid directly to HAINAN International Limited as advance payment and TZS 937,870,000 were disbursed to PPRA to pay the Contractor. The Construction is still on going and expected to be completed during 2023-24 financial year.

(h) Payables and Accrued Expenses

The Authority had a balance of payables and accruals at the end of the financial year 2022/23, amounting to TZS 80,000,000, compared to TZS 509,351,000 held at the end of the financial year 2021/22. The outstanding payables and accruals relate to accruals for the audit fee of 2022/23.

(i) Overall financial Performance

During the year ended on 30 June 2023, the Authority had a surplus of TZS 4,931,377,000 compared to a surplus of TZS 999,549,000 recorded in 2021/22. Expenses increased by 17% from TZS 16,314,665,000 in the previous year to TZS 19,260,578,000 in the year 2022/23, while revenue increased by 39% from TZS 17,414,214,000 in the previous year, 2021/22, to TZS 24,191,955,000 in the year 2022/23.

The table below shows a snapshot of financial information for the year ended 30 June 2023.

Table 2: Summary of overall financial performance

Details	2022/23 TZS'000	2021/22 TZS'000	%change
Revenue	24,191,955	17,414,214	39
Expenses	19,260, 578	16,414,665	17
Total Assets	9,367,374	5,351,405	75
Total Liabilities	1,085,821	2,001,229	-46
Net Assets	8,281,553	3,350,176	147

Source: Financial statements 2021/22 and 2022/23

2.14 Level of Capital Expenditure

During the financial year under review, the Authority incurred payments totalling TZS 926,768,000 for the procurement of motor vehicles, computers, office equipment, and furniture. All assets paid for were delivered by suppliers during the year 2022/23. These additions of capital items are expected to improve the day-to-day performance of the Authority, leading to the achievement of its strategic objectives.

2.15 Integrated Financial Management Information System

During the year under review, the Authority's management continued to process its financial data using the Government Accounting System known as 'Mfumo wa Uhasibu Serikalini' (MUSE) and Planrep. MUSE is an accounting system that enhances the Authority's ability to process and reconcile transactions and prepare financial reports, while Planrep enhances the Authority's ability to process budgets.

2.16 Description of Budget Information

The Authority's final revenue budget for the financial year ending on 30 June 2023, amounted to TZS 28,742,259,000, a significant increase from TZS 17,404,692,000 in the fiscal year 2021/22. This budget increase was primarily due to the allocation for the development of the new National electronic Procurement System (NeST), which commenced during the year under review, construction of PPRA Head Office Building in Dodoma and increase in scope for compliance audit. The recognized revenues for the year totalled TZS 24,191,955,000 compared to TZS 17,414,214,000 in 2021/22. This performance improvement can be attributed to an increased recognition of revenue from internally generated funds by 2% and development funds provided by the Government for the NeST project by 58%.

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

The final expenditure budget of the Authority for the financial year ending on 30 June 2023, was TZS 28,742,259,000 a significant rise from TZS 17,407,692,000 in 2021/22. The actual expenditure amounted to TZS 19,260,578,000 in contrast to TZS 16,414,665,000 in 2021/22. This resulted in an under-spending of TZS 9,497,491,000 compared to the final budget. The under-spending can be attributed to the non-attainment of the own-source revenue budget of TZS 15,999,000,000.

2.17 Analysis of Authority's External Aspect/Environment

As a regulator, the Authority is influenced by the external environment. Analysis of political, economic, social, technological, environmental, and legislative factors is conducted to understand the context in which it operates. This analysis helps in identifying the factors that could either facilitate or hinder its implementation. Therefore, this section explains the analysis of external environmental factors that could impact the operations of the Authority:

(a) Political Aspect

Political stability is essential for promoting the economic development and growth of a nation. The current political stability and supportive environment, combined with the efficient utilization of government resources, foster value for money in all public procurement processes. The Authority stands to benefit from government initiatives, such as combating corruption, minimizing political interference, and streamlining bureaucracy, all of which contribute to the promotion of economic development.

(b) Economic aspect

Public procurement constitutes a significant portion of the Government Budget, making a substantial contribution to the growth of the national economy. The performance of procurement is closely linked with the effective implementation of the FYDP, adherence to procurement policies, and the proper management of economic development projects. Within this framework, PPRA will take into account developments in the global arena that could impact its performance.

PPRA continues to monitor the country's public procurement system, ensuring it generates economic opportunities and maximizes value for money. PPRA actively engages in initiatives aligned with global economic trends, while also working towards sustainable development goals, advancements in women's empowerment, youth employment, and financial inclusion.

(c) Social Aspect

The Government has introduced the public procurement system to foster fair, competitive, and transparent procurement processes within the country.

Despite these efforts, the country has experienced disparities resulting from misprocurement, which have perpetuated inequalities within communities and undermined the objectives of the National Development Vision. The Authority is primarily dedicated to ensuring that the procurement system aligns with the government's initiatives to combat poverty by empowering diverse groups, including women, youth, the elderly, and individuals with disabilities, enabling them to participate effectively in public tenders.

(d) Technological aspect

The Authority has adopted various digital initiatives including the National Internet Data Centre (NIDC), e- Government Authority Data Centres, National ICT Broadband Backbone (NICTBB), National Cyber Security Strategy 2016, National ICT Policy (2016) and its implementation strategy. PPRA uses the e- Government system, e- Government Act, 2019 and its Regulations to ensure compliance of the systems. These initiatives are in-line with National Five-Year Development Plan III (2021/22 - 2025/26). PPRA has taken advantage of those initiatives to oversee proper use of technology to advance its services delivery including enhancement of development of NeST.

(e) Environmental Aspect

The environmental key policies and legislations provide guidance for environmental management in the public procurement sector. The main objective of the environmental management is to prevent and/ or reduce environmental degradation, mitigating and adapting to climate change while implementing various procurement contracts in order to achieve sustainable development goals (SDGs). The Authority will promote environmental protection initiatives while undertaking its oversight role.

(f) Legislative Aspect

The legal and regulatory frameworks that govern the public procurement systems contribute to the smooth implementations of PPRA mandates. The Public Procurement Act, [CAP.410 R.E 2022], the Public Procurement Regulations, 2013 as amended by Public Procurement (Amendment) Regulations 2016 [GN No.121 published on 22 April 2016 and local government tender boards (establishment and proceedings regulations, 2018), assisted the Authority to regulate the country's public procurement system. The Act further provides for the establishment of regulations, regulatory and operational bodies with their objectives and mandates. In addition, it provides principles, methods and processes, as well as sanctions against prohibitive actions in public procurement and sets out controls/audit mechanisms and a complaints handling system.

Furthermore, the Public Procurement Act, [CAP.410 R.E 2022] also gives mandate to the Authority to use Public Private Partnership Act Cap. 103 and Regulations made under it, to monitor procurement of Public Private Partnership (PPP) projects.

2.18 RESOURCES

(a) Human Resources

The Authority has employed staff with adequate skills and competence to ensure delivery of quality services. Employees are well motivated and perform their duties responsibly and in ethical manner.

(b) Financial Resources

Financial resources of the Authority consist of:-

- i) Money appropriated by Parliament;

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

- ii) Loans or grants
- iii) Revenues collected from goods or services that are rendered by the Authority; and
- iv) Any other money received or made available to the Authority for the purposes of its functions.

(c) Social and Relationship Resources

In executing its functions, PPRA has established an ethical and transparent relationship with government institutions, customers, suppliers, policy makers and the society in general. The Authority conduct stakeholders’ meetings to provided awareness and receive feedback on various Authority issues. PPRA engaged actively on Corporate Social Responsibilities. Each year, the Authority set aside funds directed to contribute to the society well-being.

(d) Intellectual Resources

The Authority has developed Training and Seminar Management System (TSMS), to ensure effective and efficient services delivery.

(e) Natural Resources

The Authority had no natural resources during the year under review.

2.19 PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

2.19.1 Principal Risks and Uncertainties

The Authority’s principal risks and uncertainties with their impacts and mitigation are summarized under Table 3 below:

Table 3: The Corporation Risks, Impacts and Mitigation

SN	Risk and Impacts	Mitigation
1	<p>Compliance risk</p> <ul style="list-style-type: none"> • Authority being a Public entity is prone to compliance risks when fails to observe certain legal requirements as such; compliance with legislation governing regulation of Procurement (Public Procurement Act [CAP.410 R.E 2022] Treasury Registrar (Powers and Functions) Act Cap 370 and tax legislation are critical to how we continue to implement our responsibilities and interact with our regulated procurement entities, suppliers, service providers, bidders, customers, contractor, consultants and other stakeholders. • The Procurement, Treasury 	<ul style="list-style-type: none"> • Authority provides expenditure budget to legislation compliance by ensuring staff are equipped with relevant knowledge through training, risk prevention initiatives and engage with policy makers and communities to advocate for appropriate legislation reform. • During sensitive (confidential) information handling, Authority takes the appropriate measures to protect that data and prevent privacy breaches. • Authority maintains good relationships with the Government, Parliamentary sectorial committees and the Parliament in general where we get opportunity to share our comments on legislation changes.

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

SN		Risk and Impacts	Mitigation
		<p>Registrar (Powers and Functions) and Tax legislation are subject to changes. Therefore, If the Authority are unable to foresee, advocate for, plan for, and adapt to legislation change, this could negatively impact the Authority compliance with legislations together with ability to serve regulated procurement entities, suppliers, service providers, bidders, customers, contractor, consultants and other stakeholders. Also, Authority handles sensitive(confidential) information, failure to comply with confidential procedures may impact the Authority image</p>	
2	Reputational risk	<p>Reputational risk is a hidden threat or danger to the good name or standing of Authority and can occur through a variety of ways such as the result of the actions of the Authority and due to the actions of an employee or employees.</p> <p>Authority as Procurement regulator, reputation is key and is directly related to how we carry out regulatory function, how we make regulatory decisions and communicate with the Government and other public institutions, regulated procurement entities, suppliers, service providers, bidders, customers, contractor, consultants and other stakeholders.</p> <p>A negative change in any of our stakeholder’s observation may significantly weaken our ability to promote for positive outcomes that align to Authority vision, mission and core values, and our ability to push long-term performance. This may also affect the cost and availability of financial resources necessary for the implementation of the Authority’ annual plans and budgets.</p>	<ul style="list-style-type: none"> • Authority mitigates reputational risk by understanding what stakeholder expectations are, it’s much easier to meet them. Learn what customers, shareholders, and employees expect from the organization and management, and strive to satisfy these conditions. • Improve internal work flow to minimize delays in responding to customer requirements • Presence of suggestion box and complaints handling committee • Sharing of information through of social network, website and forums for educating clients, stakeholders and staff. • The board and top management recognize the importance of reputational risk management, and Authority through management lead by example to promote positive messages to key stakeholders. <p>Authority training, policies, and procedures ensure that all employees know how to behave and respond appropriately in any situation. When reputation is at risk, employees act quickly and responsibly by doing anything within their power to positively influence public ideas</p> <ul style="list-style-type: none"> • Authority embedded Customer service, transparency and good governance, as the most important messages to convey • Authority have embedded culture which communicates what we expect of staff in applying vision, mission and core values as

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

SN	Risk and Impacts		Mitigation
			<p>a guide for the Authority's regulatory management and decision- making</p> <ul style="list-style-type: none"> Authority continues to ensure deep engagement with the Government, procuring entity's, customers, suppliers, bidders, contractors and other stakeholders in procurement sector to ensure delivery of better and consistently equitable outcomes.
3	Financial Management	<p>The Authority's activities are potentially exposed to a variety financial management risk including financial risk, credit risk and liquidity risk as briefly explained below:</p> <p>(a) Financial risk</p> <p>The financial risk is the possibility that the Authority's cash flow will not be adequate to discharge the Authority's obligations.</p> <p>(b) Credit Risk</p> <p>Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Authority is exposed to credit risk on its receivables in the event of non-performance by counterparties to financial instruments.</p> <p>(c) Liquidity Risk</p> <p>Liquidity risk is the risk of incurring losses resulting from the inability to meet payment obligations in timely manner when they become due of from being unable to do so at a sustainable cost. Therefore, is the risk that the Authority will not have sufficient cash to meet its financial commitments in a timely manner? The Authority's approach to managing liquidity risk is to ensure that sufficient resources is available to meet its obligations when due, without incurring</p>	<p>Preparation of our annual plan and budget in line with the Government guidelines on the preparation of Medium-Term Expenditure Framework (MTEF) to address financial risk management.</p> <p>The Authority mitigates the credit risk by ensuring that salary advances to staff are minimized and recovered within short time, non-issuance of multiple imprest to staff, recovering overdue staff imprest directly from the employee's salary and /or pension, maintaining cash and cash equivalents with the Bank of Tanzania; and minimize make cash deposits to its suppliers or service providers otherwise required as contractual requirements.</p> <p>Authority manages liquidity risk through conscious financial planning and analysis and by forecasting cash flow regularly, monitoring and optimizing net working capital and managing existing credit facilities. This is achieved through maintaining sufficient cash and cash equivalents. In addition, the Authority strives to ensure that no unplanned/unbudgeted expenditures are honored.</p>

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

SN	Risk and Impacts		Mitigation
		unacceptable losses or causing damage to the Authority's reputation	
4	Operational risk	<p>Operational risk is the risk resulting from ineffective or failed internal processes, people, systems, or external events that can disrupt the flow of business operations.</p> <p>The Authority's activities are potentially exposed to a variety of operational risk as briefly shown below:</p> <p>Low coverage and or scope of procurement compliance and performance audits, Limited cooperation from stakeholders, Inappropriate technology for automation, Non or Insufficient submission of documents, Delay in rendering advice, Failure to improve and enhance e-Procurement systems, Inadequate provision of technical support on application of e-Procurement systems to all PEs and Economic Operators, Low of economic operators' participation on scheduled training and seminar, Outdated ICT assets and communication infrastructures, Failure to manage HR Strategy</p>	<p>Availability of Regulations, Directives, and Guidelines that governs Human Resources Practices information sharing whenever there is a delay and the reasons of such delays.</p> <p>To provide capacity building to Management and entire staff on the importance of M&E.</p> <p>Establishment of Baseline Data.</p>

2.19.2 Opportunities

The Authority's risk assessment process identified opportunities that would expectedly enhance the strategic plan execution as summarized below:

NO	CRITERIA	OPPORTUNITIES
1.	Leadership and Management	<ul style="list-style-type: none"> i) Availability of networks at national, regional and international level ii) Good relationship with key stakeholders
2.	Human Resource	<ul style="list-style-type: none"> i) Existence of Performance Management Systems (OPRAS, Contract Performance and Balanced Score Card) ii) Availability of sponsorship for training iii) Availability of legal framework for public service iv) Existence of training institutions and professional bodies v) Existence of National Human Resources System
3.	Advisory Services and Capacity building	<ul style="list-style-type: none"> i. Existence of the Public Procurement Act, [CAP 410 R.E. 2022].and PPR (legal framework) ii. Availability of training courses on emerging sectors
4.	Procurement Performance	<ul style="list-style-type: none"> i) Existence of eGA in providing hosting environment for the systems including TANEPS

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

NO	CRITERIA	OPPORTUNITIES
		ii) Improvement of system functionalities to fully support procurement processes
5.	Financial Management	i) Existence of the Public Procurement Act, [CAP.410 R.E 2022], Public Finance Act, [CAP 348 R.E2020] , PPP Act of 2018 and Budget Act CAP 439; ii) Existence of MUSE, PlanRep, GARI-ITS, GeRAS and GAMIS; iii) Adoption of IPSAS in financial reporting; iv) Existence of Budget Guideline v) Availability of Development Partners to support PFM reforms vi) Existence of Risk Management and Audit Manuals vii) Existence of International Auditing Standards
6.	Security and Risk Management	i) Existence of Guideline for Institutionalizing Risk Management Framework and Fraud Risk Management in Public Sector ii) Existence of National ICT Broadband Backbone iii) Existence of ICT regulatory authorities' commission iv) International Security

2.20 RELATIONSHIP WITH STAKEHOLDERS

The Authority continued to maintain good relations with its stakeholders to enable its existence. Key stakeholders of PPRA range from Government institutions responsible for overseeing performance of the Authority to those whose functionality depends on the Authority's outputs. These stakeholders include MoFP, TRO, PEs, PPAA, GPSA, PCCB, Service Providers, non - State Actors, professional boards, academic and research institutions, politicians, LGAs, Parliament, employees, development partners, NAOT, regional and international partners, the media, trade unions and the general public. Therefore, in decisions making, the Board considers the interests of all stakeholders to ensure their expectations are met.

Categories of stakeholders, their expectations, services offered to them and potential impacts that might arise if stakeholders' expectations are not met are specified hereunder: -

S/N	STAKEHOLDER NAME	SERVICE/PRODUCT OFFERED TO STAKEHOLDERS BY PPRA	EXPECTATIONS	POTENTIAL IMPACT IF EXPECTATIONS ARE NOT MET	RANKING
1.	Ministry of Finance	i. Budget estimates ii. Implementation reports iii. Audited Financial Statements iv. Annual Performance Evaluation Reports (APER) v. Procurement audit vi. Guideline on PPP Procurement Procedures vii. Internal audit reports	i. Timely submission of budget estimates ii. High level of compliance with the Public Procurement Act, [CAP.410 R.E 2022] by all Pes iii. Proper application of fair competitive, transparent, non-discriminatory and value for	i. Lack of informed decision ii. Inadequate financial resources iii. Audit Query iv. Violation of the Public Procurement Act, [CAP.410 R.E 2022] Public Finance Act, [CAP.348 R.E 2020], PPPA, Budget Act and guidelines	HIGH

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

S/N	STAKEHOLDER NAME	SERVICE/PRODUCT OFFERED TO STAKEHOLDERS BY PPRA	EXPECTATIONS	POTENTIAL IMPACT IF EXPECTATIONS ARE NOT MET	RANKING
			money procurement standards and practices iv. Timely submission of budget estimates and performance reports v. Compliance with budget Act and guideline vi. Well-managed and sustainable Authority.	v. Violation of SDG No. 12 section 12.7 (Promote Public Procurement practices that are sustainable in accordance with national policies and priorities) vi. Violation of African Agenda 2063 (An Africa of Good Governance Justice and the rule of Law)	
2.	Paymaster General	i. Advisory services to Paymaster General ii. Procurement Investigation Reports	i. Timely submission of advisory services ii. Timely submission of Investigation Reports	i. Delay in making decision ii. Making wrong decision	HIGH
3.	Treasury Registrar	i. Budget estimates ii. Performance reports iii. Financial Statements	i. Timely and accurate submission of budget and performance report ii. Compliance with budget Act and guideline ii. Timely remittance of contributions to consolidated fund iv. Proper implementation of performance contract	Violation of Registrar Act, budget Act and guidelines	HIGH
4.	Procuring Entities	i. Authorized versions of standard documents and tools ii. Enforce compliance of the Public Procurement Act, [CAP.410 R.E 2022] iii. Procurement capacity building iv. Procurement Practices and advisory services v. Advisory Services	i. Promptly availability of user friendly standard documents and tools ii. Continuing monitoring of compliance iii. Continues capacity building interventions on	i. Non-compliance with the Public Procurement Act, [CAP.410 R.E 2022] Increase in prolonged procurement processes ii. Increase in corruption incidences	HIGH

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

S/N	STAKEHOLDER NAME	SERVICE/PRODUCT OFFERED TO STAKEHOLDERS BY PPRA	EXPECTATIONS	POTENTIAL IMPACT IF EXPECTATIONS ARE NOT MET	RANKING
		vi. Researchable or surveyed procurement information	application of the Public Procurement Act, [CAP.410 R.E 2022] iv. Timely provision of legal and technical advice on the Public Procurement Act, [CAP.410 R.E 2022] Reliable regular information sharing	iii. Violation of African Agenda 2063 (An Africa of Good Governance Justice and the rule of Law) iv. Loss of public image v. Violation of PFA, Budget Act and guidelines vi. Low level of procurement compliance	
5.	PPAA	Technical advisory services on public procurement issues	Compliance with section 97 & 99 of the Public Procurement Act, [CAP.410 R.E 2022]	Failure to make timely decision on procurement appeals	HIGH
6.	GPSA	i. Accurate Annual Procurement Plan and requirements for the procurement processes ii. TANEPS supportive services iii. Necessary assistance as stipulated in the contracting out agreement	Good accessibility and availability of TANEPS	i. Failure to process contract of framework agreements and catalogue items in TANEPS ii. Non-availability of CUIS in the government entities.	HIGH
7.	PSPTB	i. Procurement information on compliance with Public Procurement Act, [CAP.410 R.E 2022] ii. Sharing of experience, knowledge and skills on procurement	i. Timely availability of relevant procurement information ii. Updated with emerging issues in procurement systems ii. Collaboration on procurement issues iv. Offering practical training to procurement trainees	i. Inability to take appropriate action to defaulting professionals ii. Failure to update curriculum iii. Failure to honor CPD hours to professionals	HIGH
8.	DPP	Corruption red flags reports related to PE's procurement processes	i. Timely provision of information related to corruption in	Government will lose financial resources related to procurement processes	HIGH

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

S/N	STAKEHOLDER NAME	SERVICE/PRODUCT OFFERED TO STAKEHOLDERS BY PPRA	EXPECTATIONS	POTENTIAL IMPACT IF EXPECTATIONS ARE NOT MET	RANKING
			public procurement system or processes ii. Collaboration on corruption related to procurement issues		
9.	Economic Operators/Service Provider	i. Procurement capacity building ii. Procurement principle and practices advisory services iii. Publication of data on public procurement opportunities and awards iv. Procurement system support v. Access to procurement information	i. Timely access of updated public procurement information ii. Good access to procurement system	Failure to offer services to the public	MEDIUM
10.	Non-State Actors	i. Procurement capacity building ii. Access to information iii. Cooperation and participation in development of different intervention	i. Good governance, transparency and accountability ii. Timely availability of Procurement information iii. Proper use of public funds	i. Loss of Public image ii. Lack of trust and confidence iii. Poor participation of CSOs in development initiatives iv. Delay in implementation of development projects v. Lack of compliance with the Public Procurement Act, [CAP 410 R.E. 2022].	MEDIUM
11.	Professional Boards, Academic and Research Institutions	i. Procurement research opportunities ii. Procurement information on compliance with the Public Procurement Act, [CAP.410 R.E 2022] iii. Sharing of experience, knowledge and skills on procurement iv. Capacity building	i. Use of procurement research findings ii. Timely availability of relevant procurement information iii. Updated with emerging issues in procurement systems	i. Poor procurement research and development ii. Inadequate number of competent professionals iii. Inability to take appropriate action to	HIGH

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

S/N	STAKEHOLDER NAME	SERVICE/PRODUCT OFFERED TO STAKEHOLDERS BY PPRA	EXPECTATIONS	POTENTIAL IMPACT IF EXPECTATIONS ARE NOT MET	RANKING
		on public procurement matters	<ul style="list-style-type: none"> iv. Offering practical training to procurement trainers v. Collaboration on procurement issues 	defaulting professionals	
12.	Parliament	<ul style="list-style-type: none"> i. Awareness programme on public procurement matters to Parliamentary Committees ii. Clarifications/advice on issues related to public procurement 	<ul style="list-style-type: none"> i. Adequate Knowledge on Procurement matters ii. Well regulated procurement system 	<ul style="list-style-type: none"> i. Un-informed decision on approval of procurement legislations ii. Lack of Political support 	HIGH
13.	Employees of PPRA	<ul style="list-style-type: none"> i. Internal Policies and Regulations ii. Health and Safety iii. Staff Incentives and Rewards iv. Training and career development v. Conducive working environment vi. Job descriptions, confirmation and promotions 	<ul style="list-style-type: none"> i. Clear and fair operational procedures ii. Assurance of health and safety supportive services iii. Timely and adequate incentives iv. Attractive and timely payment of remunerations v. Continued and transparent Capacity building and career progression vi. Appropriate conducive working environment and adequate proper working tools and equipment vii. Clear job description and scheme of service 	<ul style="list-style-type: none"> i. Poor performance ii. Employee turn over iii. Lack of Value for Money iv. Non-compliance to standards, laws and guidelines v. Failure to be independent and objective vi. Low or poor working morale Employee grievances 	HIGH
14.	Development Partners	<ul style="list-style-type: none"> i. Project Implementation Reports ii. Public Procurement Information 	<ul style="list-style-type: none"> i. Clear and timely project implementation reports ii. Good governance, transparency and accountability 	<ul style="list-style-type: none"> i. Unpredictable disbursement of external resources ii. Loss of trust and confidence in financial management 	HIGH

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

S/N	STAKEHOLDER NAME	SERVICE/PRODUCT OFFERED TO STAKEHOLDERS BY PPRA	EXPECTATIONS	POTENTIAL IMPACT IF EXPECTATIONS ARE NOT MET	RANKING
15.	CAG	<ul style="list-style-type: none"> i. Approved Annual Plans and Budget ii. Quarterly and Annual Progress Report iii. Board and Management Minutes iv. Report of those charged with Governance and Financial statement v. Procurement reports vi. PPRA Internal Regulations, Policies and Guidelines vii. Internal audit reports viii. Management responses on CAG's Audit Observations ix. Other financial and non-financial records 	<ul style="list-style-type: none"> i. Compliance to Financial legislations ii. Timely submission of reports and documents required for Audit purpose iii. Timely response to audit queries; iv. Access to information systems 	<ul style="list-style-type: none"> i. Qualified Audit Opinion ii. Failure of Auditor to conduct statutory Audit in time 	HIGH
16.	Regional and International Partners (EAPF, APPN, SADC, OECD-DAC, etc	<ul style="list-style-type: none"> i. Sharing experience and learning through networking ii. Collaboration in Public procurement management 	<ul style="list-style-type: none"> i. Harmonization of public procurement systems ii. Knowledge and Experience sharing 	<ul style="list-style-type: none"> i. Un-harmonized public procurement systems ii. Existence of public procurement system not compliant to best practices 	MEDIUM
17.	Media	Information on public procurement management	Timely accurate and reliable information on public procurement	<ul style="list-style-type: none"> i. Loss of public image ii. Poor dissemination of public information iii. Distortion of information disseminated to the public 	MEDIUM
18.	General public	Information and knowledge on public procurement	Timely and reliable public procurement information and knowledge	Loss of trust and confidence	MEDIUM

2.21 CAPITAL STRUCTURE AND TREASURY POLICIES

2.21.1 Capital Structure

The Authority's capital structure for the year ended 30 June 2023 consists of Accumulated Surplus of TZS 8,281,553,000 compared to 3,350,176,000 in 2021/22.

2.21.2 Treasury Policies and Objectives

PPRA's treasury policies involve mechanisms established by the board, which delegate financial decisions to Management in a controlled manner. The control instruments in place include legislation, Government Circulars, Guidelines, and Board resolutions related to the opening, operation, and authorization of bank accounts. The primary objective is to ensure the proper control and safeguarding of Government financial resources. Under these mechanisms, the Authority's revenue is collected and remitted directly to revenue collection accounts maintained at commercial banks (CRDB, NMB, AZANIA) and the BANK OF TANZANIA (BOT) using the GePG system. Additionally, revenue is remitted weekly, specifically on Mondays, to the Authority's revenue collection accounts held at the Bank of Tanzania. All expenditures of the Authority are incurred within the approved limits outlined in the annual budget.

2.22 CASH FLOWS

The Authority's cash flows can be analysed through the cash flow statement, which is categorized into three areas: cash flows from operating activities, cash flows from investing activities, and cash flows from financing activities. Thus, the analysis of the Authority's cash flows is summarized below.

(a) Cash Flows from Operating Activities

The net cash flows from operating activities of TZS 3,512,726,000 in current year compared to TZS 619,377,000 of previous year, was resulted as the difference between cash receipts amounting to TZS 22,937,317,000 in current year from Revenue grants, fees, and other revenue; and payments amounting to TZS 19,424,591,000 for wages, salaries and employee benefits; supplies and consumables used, other expenses, maintenance expenses and grants, subsidies and other transfer payments.

(b) Cash Flows from Investing Activities

The net cash flows used in investing activities of TZS 6,676,172,000 in current year compared to TZS 78,738,000 of previous year was derived from cash capital expenditures for acquisition of property and equipment, Advance payment for Acquisition of Property Plant and equipment and Work in progress for NeST Development.

(c) Cash Flows from Financing Activities

There were no net cash flows from financing activities during the financial year ended on 30 June 2023, and in the previous year.

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

2.23 LIQUIDITY

During the financial year ended 30 June 2023, the Authority managed its liquidity level to ensure there is sufficient funds to meet its obligation when due, without incurring unacceptable losses or risking damage to the Authority's reputation. This was achieved through wise liquidity management which includes maintaining sufficient cash and cash equivalents and striving to ensure that Authority renders its services on cash. Thus, the Authority's Liquidity gap which is the excess of current assets over current liabilities for the financial year ended 30 June 2023 was TZS 821,049,000 compared to TZS 3,080,182,000 of previous year. This shows that the Authority was able to meet its current obligations when due.

Therefore, the Authority shall continue to monitor its existing sources of revenue, find other sources of revenue and ensure control of expenditure to minimize the effect of Authority to suffer from failure to discharge its obligations when due.

2.24 KEY PERFORMANCE INDICATORS

OBJECTIVE CODE	OBJECTIVE DESCRIPTION	STRATEGY	TARGETS	KEY PERFORMANCE INDICATORS	OUTCOME INDICATORS
A	Non-Communicable Diseases, HIV and AIDS infections reduced and supportive services improved	Strengthen intervention against spread of HIV/AIDS at work place	HIV/AIDS awareness seminars provided to all staff annually by JUNE 2026	Number of staff attended HIV/AIDS awareness seminar	HIV/AIDS and NCD Prevalence rate at work place
			Staff undergo HIV/AIDS voluntary tests increases from 42 to 81 by JUNE 2026	Number of staff voluntarily tested	
		Strengthen intervention to provide support to PLWHAs	All staff living with HIV/AIDS provided with care and supportive services by JUNE 2026	Number of staff living with HIV/AIDS provided with care and supportive services	
			Strengthen intervention of non-communicable diseases and Covid-19	Staff attended awareness seminars on non-communicable diseases increased from 51 to 81 by JUNE 2026	
		PPRA fitness program developed and implemented annually by JUNE 2026	Number of fitness program developed and implemented		
B	Implementation of National Anti-corruption Strategy and Action Plan Enhanced and sustained	Promote Integrity and accountability to staff and PEs	Procurement Corruption Red Flags assessed in all audited PEs annually by JUNE 2026	Number of audited PEs assessed	Prevalence rate of employees sanctioned for involvement in corruption practices
			Four (4) Integrity Committee meetings conducted annually by JUNE 2026	Number of Integrity Committee meetings conducted	

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

OBJECTIVE CODE	OBJECTIVE DESCRIPTION	STRATEGY	TARGETS	KEY PERFORMANCE INDICATORS	OUTCOME INDICATORS
C	Performance in Public Procurement Improved	Enhance compliance with the Public Procurement Act, [CAP.410 R.E 2022]	Internal auditor's compliance with the Public Procurement Act, [CAP.410 R.E 2022] monitored in all PEs annually by JUNE 2026	Number of PEs monitored	Average level of compliance with the Public Procurement Act, [CAP.410 R.E 2022]
			Procurement process monitored in all PEs annually by JUNE 2026	Number of PEs monitored	
			Procurement contract implementation monitored in all PEs annually by June 2026	Number of PEs monitored	
			Investigations on all allegations/complaints/reported cases of breach of the Public Procurement Act, [CAP.410 R.E 2022]carried out by June 2026	Number of allegations/complaints/reported cases investigated	
			Procurement Compliance audit conducted to all PEs by JUNE 2026	Number of PEs audited on procurement compliance	
			Procurement Performance audit conducted to all PEs by JUNE 2026	Number of PEs audited on procurement performance	
		Enhance public procurement capacity	All PEs, Economic Operators and CSOs capacitated on the Public Procurement Act, [CAP.410 R.E 2022] by June 2026	Number of PEs, Economic Operators and CSOs capacitated on the Public Procurement Act, [CAP.410 R.E 2022]	
			Ten (10) new and 38 existing procurement Implementation tools developed, reviewed and disseminated by June 2026	Number of procurement implementation tools developed, reviewed and disseminated.	
			Ten (10) studies on public procurement issues conducted by June 2026	Number of studies conducted.	
		Strengthen provision of advisory services on legal frameworks	Legal advisory services on CAP 410 provided to all submitted requests by June 2026	Number of legal advisory requests submitted and attended	
		Enhance bidders' compliance with the Public Procurement	All bidders' conducts in procurement process monitored by June 2026	Number of bidders conduct monitored	

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

OBJECTIVE CODE	OBJECTIVE DESCRIPTION	STRATEGY	TARGETS	KEY PERFORMANCE INDICATORS	OUTCOME INDICATORS
		nt Act, [CAP.410 R.E 2022]			
		Strengthen contracts/agreements management	All PPRA contracts/agreements reviewed and advice on proper contract management provided annually by June 2026	Number of contracts/agreements reviewed and advice provided	
		Enhance e-Procurement systems.	e-Procurement system reviewed and implemented by June 2026	e-Procurement system reviewed and implemented	
			All PEs and Economic Operators capacitated on e-Procurement system by June 2026	Number of PEs and Economic Operators capacitated on e-Procurement system	
			All PEs and Economic Operators provided with technical support on application of e-Procurement systems by June 2026	Number of PEs and Economic Operators provided with technical support on e-procurement	
			e-Procurement System integrated/interfaced with all related systems by June 2026.	Number of systems integrated/interfaced	
		Enhance ICT services and facilities.	ICT services, maintenance, facilities and support provided to all PPRA Divisions/Units annually by June 2026	Number of Division/Units provided with ICT services, maintenance, facilities and support	
			All Internal systems developed, reviewed and upgraded by June 2026	Number of internal systems developed reviewed and upgraded	
		Strengthen ICT Infrastructure and Security.	ICT Infrastructure and security services provided to PPRA Divisions /Units annually by June 2026	Number of Divisions/Units provided with ICT Infrastructure and security services	
			PPRA network and communication infrastructures developed, maintained and upgraded annually by June 2026	Number of network and communication infrastructures developed, maintained and upgraded	
		Enhance regional and international strategic public procurement networks	All regional public procurement strategies mainstreamed in national procurement procedures by June 2026	Number of regional public procurement strategies mainstreamed in national procurement procedures	
D	Capacity to	Strengthen	Eighteen (18) Board and	Number of Board and	Level of

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

OBJECTIVE CODE	OBJECTIVE DESCRIPTION	STRATEGY	TARGETS	KEY PERFORMANCE INDICATORS	OUTCOME INDICATORS
	Deliver Quality Services Strengthened	Board performance and managerial functioning	twenty-four (24) Management meetings timely conducted annually by June 2026	Management meetings timely conducted annually	stakeholder's satisfaction with PPRA services
			Seven (7) Board Members capacitated on the performance of their oversight functions annually by June 2026	Number of Board Members capacitated on the performance of their oversight functions	
		Strengthen public awareness on public procurement and attainment of value for money	PPRA educational and awareness program prepared and implemented by June 2026	Number of awareness programs prepared and disseminated	
			PPRA communication policy and strategy reviewed and implemented by June 2026	PPRA communication policy and strategy reviewed and implemented	
		Enhance compliance with the Public Procurement Act, [CAP.410 R.E 2022] and PFA CAP 348	PPRA Annual Procurement Plan prepared and implemented annually by June 2026	Number of planned procurement implemented	
		Strengthen public asset management	PPRA Asset register reviewed and updated annually by June 2026	Updated asset register in place	
		Strengthen Internal control system	PPRA Annual Audit Plan prepared and implemented by June 2026	Percentage of reviews as per audit plan	
		Strengthen human resources management	PPRA Human Resource Strategy reviewed and implemented annually by June 2026	Number of PPRA Human Resource Strategy reviews	
		Promote PPRA service delivery and stakeholders involvement	Client Service Charter (CSC) reviewed and implemented by June 2026	Reviewed Client Service Charter in place	
		Promote conducive	Statutory and administrative services to	Number of staff provided with statutory and	

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

OBJECTIVE CODE	OBJECTIVE DESCRIPTION	STRATEGY	TARGETS	KEY PERFORMANCE INDICATORS	OUTCOME INDICATORS
		working environment	all PPRA staff provided annually by June 2026 Two (2) PPRA Office buildings constructed and one (1) building rehabilitated by June 2026	administrative services Number of PPRA buildings constructed and rehabilitated	
		Strengthen financial resources management	Annual Statutory Financial Reports timely prepared and submitted by June 2026	Statutory financial reports timely prepared and submitted	
		Strengthen PPRA Annual Plans and budget	Annual Plans and budgets timely prepared, approved and implemented by June 2026	Annual plans and budgets timely approved and implemented	
			Annual Plans and budgets Monitored annually by June 2026	M&E reports timely prepared and submitted	
			Strategic Plan's reviewed twice (bi-annually mid-term and end-term) by June 2026	Number of strategic plan reviews	
		Mainstream Risk Management Framework into plans and budget	Risk Register reviewed and implemented annually by June 2026	Updated risk register in place	

2.25 CORPORATE GOVERNANCE MATTERS

2.25.1 Corporate Governance Statement

The overall responsibilities of the Board of Directors, among other things, include providing general oversight on the Authority's operations, identifying key risk areas, monitoring investment decisions and reviewing the performance of management strategic plans and budgets. The Board is also responsible for ensuring presence of a comprehensive system of internal control as well as compliance with sound corporate governance practices.

Therefore, during the year under review, all aspects of good corporate governance principles which include Board operations and control; rights of the Government and general public; stakeholder relations; ethics and social responsibility; accountability, risk management and internal control; and transparency and disclosure are complied with. These are briefly explained below:

2.25.2 Governance Structure of PPRA

Pursuant to Section 21 of the Public Procurement Act, [CAP 410 R.E. 2022], the Board of Directors is the governing body of the Authority. The Board consists of non-executive members whose chairman is appointed by the President and the other six members are appointed by the Minister responsible for Finance. The Chief Executive Officer of PPRA, who is appointed by the President, is the Secretary to the Board. The Board, for better carrying out of its function, has established several committees as provided for under Section 22 of the Public Procurement Act, [CAP 410 R.E. 2022]. Board members who served the Board during the year 2022/23 are indicated in table 4.

Board operations and control

The principle on appointment, composition, size and qualifications of Board members was observed by the respective appointing authorities as follows:

(a) Diversity

The Board is composed of members of different qualifications with diversity of strength and knowledge of public procurement. Diversity is observed through differentiation in the Directors' age, gender, professional qualifications and previous experiences. In addition, members were appointed from both public and private sectors. As well, they are members of professional bodies.

(b) Composition of Board of Directors

The Board of Directors of PPRA is a governing body consisting of the Chairperson who is appointed by the President and six non-executive directors appointed by the Minister responsible for Finance. The Chief Executive Officer (CEO), is appointed by the President, and is the Secretary to the Board. The Board, for better carrying out of its function, has established committees as provided for under Section 22 of the Public Procurement Act, [CAP.410 R.E. 2022]. The Established committees are Audit Committee, Technical committee and Advisory Committee.

Table 4: Members of the board of directors who served the Authority during the period ended 30 June 2023

S/N	Name	Position	Qualification	Nationality	Age	Gender	Date of Appointment	Date of End of Tenure
1	Dr. Leonada R. Mwangike	Chairperson	Phd in Procurement	Tanzanian	51	Female	21 July 2022	20 July 2025
2	Prof. Sufian H. Bukurura	Member	PhD in Law	Tanzanian	67	Male	10 May 2020	09 May, 2023
3	Eng. Sylvester N. Mayunga	Member	MBA, BSc in Engineering	Tanzanian	59	Male	19 January 2022	18 January, 2025
4	Eng. Prof. Ninatubu M. Lema	Member	PhD project management, MSc engineering	Tanzanian	67	Male	10 May 2020	09 May, 2023

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

S/N	Name	Position	Qualification	Nationality	Age	Gender	Date of Appointment	Date of End of Tenure
5	Adv. Grace M.J Mfinanga	Member	LLM	Tanzanian	64	Female	10 May 2020	09 May, 2023
6	Mrs. Mary S. Lyimo	Member	LLB	Tanzanian	68	Female	19 January 2022	18 January, 2025
7	Hon. Allan J. Kiula	Member	MBA	Tanzanian	60	Male	19 January 2022	18 January, 2025
8	Eliakim C. Maswi	Secretary/CEO	Msc Finance	Tanzanian	57	Male	16 May 2022	To date

(c) The Functions of the Board

To enhance accountability to the Government and the public at large, the duties and responsibilities of the board shall include, but not limited to:

- i) Analyse and approve Authority's operational plans, medium- and long-term plans;
- ii) Approve the Annual budget;
- iii) Approve the Annual Financial Statements;
- iv) Approve new revenue sources;
- v) Approve the Annual Procurement Plan;
- vi) Determine composition of committees, Terms of Reference and conditions of service;
- vii) Receive and approve or ratify decisions of its committees;
- viii) Approve appointment and disciplinary issues of directors, managers and heads of Units;
- ix) Approve the Annual Performance Evaluation Report of the Authority;
- x) Approve proposed organization structure, scheme of service, salary structure, manning levels and incentive package for submission to the approving authority;
- xi) Approve amendment of procurement contract price that increase the original price by more than 15%;
- xii) Approve opening of new and closure of existing zonal offices;
- xiii) Approve new sources of revenue and fees to be charged by the Authority;
- xiv) Approve proposal for opening of new bank accounts of the Authority;
- xv) Approve the aggregate Annual Procurement Audit Report;
- xvi) Set forth policies that will guide Management in the conduct of its day to day activities;
- xvii) Enter into performance contract with Chief Executive Officer and assess his performance relative to the set targets;
- xviii) Approve and monitor the progress of major capital expenditure, acquisitions and divestitures; and
- xix) Approve reports on progress and outcome of litigation cases where necessary.

(d) The Board Independence

The Authority assesses the independence of Board members on an annual basis, to ensure that the Board always benefits from independent and objective judgment.

(e) The Board Instruments

The Authority has developed the Board's Code of Ethics and Conduct, in compliance with the Treasury Registrar's Board of Directors Code of Ethics and Conduct Guidelines, 2016 of which has been cascaded down to all employees. Also has established Charters of the Board and its Committees so as to guide the Board in undertaking its oversight role and planned activities. The Code and the Charters are reviewed where needs arise to cope with changes. Further, the Board develops a work plan and an evaluation toolkit annually, to ensure effectiveness.

(f) Governance on Audit

The Board continues to oversee Management implementation of the Controller and Auditor General's recommendations made during the statutory audit of the previous financial years. In addition, the Board continues to oversee Management implementation of recommendations made by the Authority Internal Auditor.

(g) Rights of the Government and the General Public

- i) The Authority recognizes, respects and protects the rights of the Government and the general public through:
- ii) Availing information on the Authority's performance by submission of quarterly performance reports to relevant Government authorities and publishing annual reports together with audited financial statements;
- iii) Ensuring equitable treatment of all regulated service providers and customers in discharging the Authority functions;
- iv) Ensuring that Government, Ministries and Agencies hold meetings with the Authority's Management, when required, to discuss any matter related to the Authority's performance or service delivery; and
- v) Engaging the media on dissemination of important Authority's information.

2.25.3 Meetings of Those Charged with Governance

During the financial year 2022/23, the Board had three committees namely, Audit Committee, Advisory Committee and Technical Committee. The Audit Committee dealt with issues related to risk management budget/planning, finance and audit. The Advisory Committee advised the Paymaster General (PMG) on applications for retrospective approvals, as they happened. The Technical Committee dealt with other core functions regarding to public procurement namely; monitoring and compliance, capacity building, technical advisory services as well as procurement information system.

Paragraph 5(1) of the First Schedule to the Public Procurement Act, [CAP.410 R.E 2022] states that, the Board shall meet at such times and such places being not less than once in a month as the Chairperson may determine. During the year under review, a total of four ordinary board meetings were planned and implemented with an addition of two extra ordinary meetings making a total of six board meetings conducted during the year. In exercising its oversight role, the board received, discussed and approved among others, budget, annual procurement plan, financial

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

statements, internal audit quarterly reports, annual performance evaluation report (APER) and quarterly progress reports.

2.25.4 Committees of Those Charged with Governance

During the financial year 2022/23, the Board had three committees namely,

- (i) Audit Committee,
- (ii) Advisory Committee, and
- (iii) Technical Committee.

The audit committee dealt with issues related to risk management, finance and audit. The Advisory Committee advised the Paymaster General (PMG) on applications for retrospective approvals, as they happened. The Technical Committee dealt with other core functions of public procurement namely monitoring and compliance, capacity building, technical advisory services as well as procurement information system. Composition of Board Committees is as explained below.

(i) Audit Committee composition

S/N	Name	Position	Number of meetings	Attendance	Nationality
1	Mrs. Mary S. Lyimo	Chairperson	5	5	Tanzanian
2	Adv. Grace M. J. Mfinanga	Member	5	5	Tanzanian
3	Eng. Sylvester N. Mayunga	Member	5	5	Tanzanian
4	Hon. Allan J. Kiula	Member	5	5	Tanzanian

(ii) Advisory Committee composition

S/N	Name	Position	Number of Meetings	Attendance	Nationality
1	Prof. Sufian H. Bukurura	Chairperson	4	4	Tanzanian
2	Mrs. Mary S. Lyimo	Member	4	4	Tanzanian
3	Eng. Prof. Ninatubu M. Lema	Member	4	3	Tanzanian
4	Hon. Allan J. Kiula	Member	4	4	Tanzanian

(iii) Technical Committee composition

S/N	Name	Position	Number of Meetings	Attendance	Nationality
1.	Eng. Prof. Ninatubu M. Lema	Chairperson	6	4	Tanzanian
2.	Prof. Sufian H. Bukurura	Member	6	5	Tanzanian
3.	Eng. Sylvester N. Mayunga	Member	6	5	Tanzanian
4.	Adv. Grace M. J. Mfinanga	Member	6	5	Tanzanian

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

2.25.5 Attendance to Committees Meetings

During the financial year 2022/23, a total of five audit committee meetings were held, four meetings of the Advisory Committee were held whereas the Technical Committee held six meetings.

S/N	Board Committee	Number of Meetings
1	Audit Committee	5
2	Advisory Committee	4
3	Technical Committee	6
	Total	15

2.26 MANAGEMENT OF THE AUTHORITY

The Chief Executive Officer, of the Authority and the Secretary to the Board, is responsible to the Board for the proper administration and management of the functions and affairs of the Authority. The Authority's Management team, which is under the supervision of the Chief Executive Officer demonstrated capability to handle all operational and administrative matters efficiently. The Management, under the Chief Executive Officer, is structured in the five (5) Divisions and two (2) Units as follows:

- i. Division of Corporate Services;
- ii. Division of Legal and Public Affairs;
- iii. Division of Capacity building and Advisory services;
- iv. Division of Information Systems;
- v. Division of Monitoring and Compliance;
- vi. Internal Audit Unit; and
- vii. Procurement Management Unit.

2.27 Overall Authority Performance

PPRA in financial year 2022/23, aimed at improving public procurement systems in order to achieve value for money. The objectives of the Authority as stipulated in section 8 of the Public Procurement Act, [CAP.410 R.E 2022], are outlined hereunder:

- a) Ensure application of fair, competitive, transparent, non-discriminatory and value for money procurement standards and practices;
- b) Set standards for the public procurement systems in the United Republic of Tanzania;
- c) Monitor compliance of procuring entities; and
- d) Build, in collaboration with Public Procurement Policy Division and other relevant professional bodies, procurement capacity in the United Republic.

During the year under review, PPRA planned to implement various key priority Interventions which were included in the budget for the Financial Year (FY) 2022/23. Among others, the planned interventions included; Capacity building on the Public Procurement Act, [CAP.410 R.E 2022] to all PEs, Economic Operators (Eos) and CSOs; Development, review and dissemination of Procurement Implementation Tools (PIT); Mainstreaming all regional public procurement

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

strategies in national procurement procedures; Monitoring of all public procurement processes in all PEs; Monitoring of procurement contracts implementation in all PEs; Conducting procurement compliance and performance audit to PEs; Monitoring Internal Auditors Compliance with the Public Procurement Act, [CAP 410 R.E.2022]; Conducting investigations on all allegations/complaints/reported cases of breach of the Public Procurement Act, [CAP.410 R.E.2022]; assessment of procurement corruption red flags; Review and implement e Procurement system; To build capacity to PEs and Eos on e-Procurement system; Development, review and upgrading the internal systems; Providing advisory services on Legal framework; Prepare and implement educational and awareness program on public procurement matters; Prepare and implement the Authority Annual Procurement Plan and Prepare and implement Authority Annual Audit Plan. Here under details the achievements made during the period under review.

2.27.1 Summary of MTEF Achievements vs. Planned Priority Intervention

SN	PRIORITY INTERVENTION	ACHIEVEMENTS AS AT 30 June 2023
1.	a) All PEs, Economic Operators and CSOs capacitated on the Public Procurement Act, [CAP.410 R.E 2022] by June 2023.	<ul style="list-style-type: none"> i. Conducted training on the Public Procurement Act, [CAP 410 R.E. 2022]., to 462 out of 864 PEs ii. Conducted training on application of TANEPS to 258 PEs in various regions Arusha, Morogoro and Mwanza whereby 396 participants attended. iii. Conducted three (4) group training on application of TANEPS to 266 Economic Operators in Arusha, Morogoro and Mwanza; iv. Conducted one (1) group training on the Public Procurement Act, [CAP 410 R.E. 2022]. to the Federation of Procurement and Supplies Students Association Club in Dodoma (244 students attended) and Tanzania Institute of Accountancy Procurement Professional Club in Mwanza (78 students attended). v. Provided a total of 476 technical advisory services on the Public Procurement Act, [CAP 410 R.E. 2022].to various PEs.
	b) PEs, Economic Operators and CSOs capacitated on application of new National e-Procurement System of Tanzania (NeST) by June 2023	<ul style="list-style-type: none"> i. Conducted training of trainers on application of NeST to the 2 PEs with 47 participants in Iringa from 15 to 20 May, 2023. ii. Conducted training of trainers on application of NeST to higher Learning Institutions (i.e IFM, MU, TIA, IAA, MUST and UDOM) with 38 participants. iii. Conducted training on application of NeST to 299 PEs in Iringa, Mbeya, Mwanza and Dar es Salaam whereby 1,411 participants attended. iv. Conducted group training on application of NeST to 1,086 Economic Operators in Dodoma, Dar es Salaam, Arusha, Iringa, Mbeya and Mwanza.
2.	Ten (10) new and 38 existing procurement Implementation tools developed, reviewed and disseminated by June	<ul style="list-style-type: none"> i. 37 out of 38 Standard Tendering Documents and 20 procedural forms were reviewed to accommodate changes made in the Law and to align with requirements of electronic procurement system. The

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

SN	PRIORITY INTERVENTION	ACHIEVEMENTS AS AT 30 June 2023
	2023	<p>documents were also inserted in NeST;</p> <ul style="list-style-type: none"> ii. Four (4) new Standard Tendering Documents were developed to align with requirements of electronic procurement system; They include; STD for Procurement of Goods direct from Manufacturers or Authorized Dealers, STD for Procurement of Services direct from Service Providers, STD for Special Group under Goods category in Swahili version, STD for special Groups- Non Consultancy in Swahili version. Two draft STDs are awaiting internal review while two STD are awaiting approval by Management. iii. Coordinated and conducted stakeholders workshop to validate 4 procurement implementation tools namely guideline on special groups, guideline for procurement direct from manufacturer, STD for procurement of goods from manufacturer and STD for procurement of services from manufacturer. iv. Two Guidelines translated into Swahili language which are Guidelines for Community Participation in Public Procurement; and Guidelines for Participation of Special Groups in Public Procurement. And v. Reviewed and approved nine applications from (9) PEs namely; STAMICO, PURA, TARURA, NDC, TANROADS HQ, REA, Ministry of Energy, DART and Tanzania Plant Health and Pesticides Authority (TPHPA) on deviation from the STDs issued by PPRA together with other Procurement Guidelines which were customized by PEs to suits their needs.
3.	Three studies on public procurement issues conducted by June 2023	<ul style="list-style-type: none"> i. Prepared a report on the study of effectiveness of application of Force Account which wa conducted jointly with ERB, CRB, AQRB and NCC. ii. Conducted pilot market survey for commonly used items and services used by the Government in five (5) regions of Tanzania Mainland.
4.	All regional public procurement strategies mainstreamed in national procurement procedures by JUNE 2023	<ul style="list-style-type: none"> i. Coordinated and participated in the East African Procurement Forum held in Kampala Uganda from 23 - 24 March, 2023; ii. Participated in preparation of Joint Procurement Rules, Draft Bilateral Agreement, and Terms of Reference for Detailed Feasibility Study for the development of a natural gas export project between the Governments of Tanzania and Kenya; iii. Participated in a team appointed by MOF to receive 'maoni' from various PEs regarding amendments on the Public Procurement Regulations; iv. Participated in a team appointed by Ministry of Finance

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

SN	PRIORITY INTERVENTION	ACHIEVEMENTS AS AT 30 June 2023
		<p>to fine tune the Public Procurement Bill submitted to CPD ready for discussion by the Cabinet Committee;</p> <p>v. Reviewed 'Draft National Supply Chain Management Policy' and attended a meeting for its review.</p>
5.	Legal Advisory services on CAP 410 provided by JUNE 2023.	<p>A. Debarment Matters 19 debarments received out of which Eleven (11) were rejected for being submitted out of time hence recommended for Investigation. The proposals were submitted from NIC (3); TARURA (3); TANESCO (2); TPA, DUCE, TMDA, TCU, TIE, MSD, IRDM, OCEAN ROAD CANCER INSTITUTE, MOI and NASHONO NKUNGU</p> <p>B. Civil Litigation and Other Cases Against PPRA</p> <p>i. Misc. Civil Case No. 8 of 2022 Between Ms Mnamunga Logistics Ltd Vs Public Procurement Regulatory Authority (PPRA) & The Attorney General determined before the High Court in favour of the Authority (Government).</p>
		<p>ii. Misc. Civil Case No. 10 of 2022 Between Ms Mnamunga Logistics Ltd Vs Public Procurement Regulatory Authority (PPRA) & The Attorney General determined before the High Court in favour of the Authority (Government).</p> <p>iii. Appeal Case. No. 31 of 2022 - 2023 between M/s Amandi Holding Limited against Public Procurement Regulatory Authority and Tanzania Ports Authority was filed before the Public Procurement Appeals Authority. On 16 March 2023 the Appeal was decided in favour of PPRA (Government).</p> <p>C. Applications for Retrospective Approval: Nine (9) applications are pending waiting for PEs to submit relevant documents. The Applications are from: Ministry of Health, TANROADS (3), TAMISEMI, Office of the Solicitor General (2), RAS Ruvuma, STAMIGOLD and TSN.</p>
6.	Procurement process monitored in all PEs annually by June 2023	<p>i. 733 APP were submitted through TANEPS and reviewed;</p> <p>ii. 725 GPNs were published through TANEPS; and</p> <p>iii. Procurement compliance reports to PEs 232 for FY 2021/2022 were prepared and dispatched.</p>
7.	Investigations on all allegations/complaints/report ed cases of breach of The Public Procurement Act, [CAP.410 R.E 2022] carried out by June 2023	<p>i. Reviewed and provided technical opinion on five (05) Tenders which are of No. LGA/034/2022-2023/W/03; PA/082/2021-2022/HQ/G/400 LOT 1; LGA/180/2018-2019/NCS/53 Lot 1; LGA/018/DCC /2022/2023/HQ/NCS/30; and ME-013/2020-2021 /HQ/W/04.</p> <p>ii. Coordinated training on Procurement Audit and Investigation to (42) PPRA Staff;</p>

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

SN	PRIORITY INTERVENTION	ACHIEVEMENTS AS AT 30 June 2023
		<ul style="list-style-type: none"> iii. Undertook special procurement audit at Tanzania Shipping Agencies Corporation (TASAC) for Multinational Lake Victoria Maritime Communication and Transport Project (MLVMCT) iv. Special procurement audit at Nelson Mandela African Institution of Science and Technology (NM-AIST) v. Special audit on Construction of Mbuchi bridge in Kibiti District- Pwani Region implemented by TARURA HQ as directed by Hon. Prime Minister; vi. Investigation Report on procurement conducted at Prisons Services Department; vii. Investigation Report on procurement conducted at Shirika la Magereza (SHIMA); viii. Special procurement audit on the performance in the Procurement Process and Ability of MSD to Execute its Mandate of Supply of Commodities for Health Facilities; ix. The Investigation Report on Vote 57 Ministry of Defense and National Service on Procurement of 10 Vehicles for Military Officials (General Level); x. The Investigation Report on Contract of Supply of Building Materials by PLM Store in Councils in Ruvuma Region; xi. The Investigation Report on Design, Supply, Installation, Configuration & Commissioning of Integrated Security System for Dar es Salaam Port and TPA Headquarters; xii. The Investigation Report Non-compliance issues on procurement at TANESCO for FY 2020/21 as reported by CAG; xiii. Special procurement audit at the Institute of Accountant Arusha (IAA) on the Projects under Force Account.
8.	Procurement contract implementation monitored in all PEs annually by June 2023	<ul style="list-style-type: none"> i) Procurement Performance (VfM) Audits reports to PEs 44 for FY 2021/2022 were prepared and 40 dispatched to respective PEs; ii) Procurement, Contract and Performance Audit tools were reviewed; iii) Manuals i.e., PPP, Value for Money and Compliance were reviewed; and iv) Procurement and Contract audit were conducted for 5 LGAs in FY 2022/2023 and reports were prepared ready to dispatch to respective PEs.
9.	Procurement Compliance audit conducted to all PEs by June 2023 (Zonal Services)	<ul style="list-style-type: none"> i) Prepared 46 compliance audit report for project implemented using COVID 19 FUND for FY 2021/2022 and 45 reports were dispatched to respective PE; ii) Procurement and Contract audit were conducted for 3 LGAs in FY 2022/2023 and reports were prepared ready to dispatch to respective PEs; iii) A total of 6142 stakeholders were provided clarifications and advisory services on Procurement matters to various stakeholders through Phone Calls, Emails, Live Chats and Physical Visit; iv) List of 5768 Procuring Entities within Coastal Zone office were identified in Tanga, Mtwara, Lindi, Pwani and Dar-es-salaam Region. The PEs was categorized in a group of LGAS, RAS, Dispensaries, Primary Schools

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

SN	PRIORITY INTERVENTION	ACHIEVEMENTS AS AT 30 June 2023
		and Secondary Schools;
10.	e-Procurement system reviewed and implemented by June 2023	National e-Procurement System of Tanzania (NeST): i. The e- registration module Completed; ii. The e-tendering module Completed iii. The User Acceptance Test (UAT) for 30 PEs with 126 participants; 54 EOs with 63 participants; and Tenderers have started for e- registration and e-tendering Bug fixing for the issued raised during the pilot phase iv. The payment wallet sub-module is completed

2.28 EMPLOYEES' WELFARE

PPRA continued to strengthen its capacity to deliver good quality services by implementing strategies that are stipulated in the Operational Plan for FY 2021/22. In order for the Authority to exercise its mandate and deliver quality services, the following were done as detailed in subsequent subsections.

(a) STAFF COMPLEMENT, GENDER BALANCE AND DISABLED PERSONS

As at the end of the financial year 2022/23, the Authority's staff compliment stood at 115 as compared to 87 in the preceding financial year (2021/22). The approved establishment of the Authority is 171. The staff compliment as at 30 June 2023 is shown below.

Staff complement as at 30 June 2023

S/N.	Staff Category	Number of Staff		Total
		Male	Female	
1.	Managerial Staff	11	8	19
2.	Technical Staff	55	22	77
3.	Support Staff	8	11	19
	Total	74	41	115

Gender balance and disabled persons

The Authority's recruitment policy is based on certain fundamental principles which among others includes equality under which we observe equal opportunity and refrain from discrimination during recruitment process. As such, equal opportunity is given to all qualified Tanzanian regardless of race, color, religion, disability, gender or status. Recruitment and engagement are therefore based on merit; therefore, transparency and patriotism are maintained throughout the process. Special services are facilitated to disabled and challenged staff who happen to declare their status or those with physical disabilities.

The Authority strives to retain and develop professionals through succession planning and staff development implemented annually. Staff affairs are of high priority such that equitable staff

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

incentive policy, improved working environments and facilitation of periodic staff meeting and workers council pave way to teamwork and organizational common goal realization. This makes the Authority to be one of the most attracting Government employer recently through equal investment in workforce.

(b) Training Support

The Authority enhanced educational levels and skills of its employees in managerial, regulatory and technical areas. During the year under review, 91 employees attended seminars and workshops organized by professional bodies and short-term training; and 9 staff attended long-term training. Details of the training are presented below: -

Training attended by staff in 2022/23

S/N	Description of training	Number of staff		
		Female	Male	Total
1.	Long term training	2	7	9
2.	Short term training, Professional seminars and workshops	54	37	91

(c) Medical Assistance

All staff in the Authority are members of the National Health Insurance Fund (NHIF) and when a staff does not get required medical facility under NHIF cover, the Authority refunds the staff costs incurred where appropriate. The Authority pays mandatory contribution each month to NHIF and for the year under audit the Authority incurred TZS 99.76 million as medical expenses under NHIF.

(d) Health & Safety

The Authority takes all reasonable and practicable measures to safeguard health, safety and welfare of its staff. A safe working environment is ensured to all staff by providing protective gears, training and supervision where necessary.

(e) Interventions against COVID -19

During the year under review, PPRA adhered to Government's directives on how to protect and reduce transmission of COVID -19 pandemic to staff. The Authority provided sanitizers in the office, hand sanitizers and face masks to its staff. Furthermore, staff were continuously appraised on the government guidelines and measures to be taken against the pandemic while they are in the office as well as out of the office.

(f) Employees Benefit Plan

The Government through Treasury pays mandatory contributions to a publicly administered pension scheme (PSSSF) which qualifies to be a defined contribution plan. The amount incurred for the financial year 2022/23 was TZS 661,917,000 (2021/22 was TZS 456,560,000).

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

2.29 CHALLENGES AND WAY FORWARD

During the year under review, the Authority encountered a number of challenges including the following:

S/N	Challenge	Description	Recommendation
1.	Inadequate transparency	80% of the tenders are partially processed in the system (TANePS) annually.	<ul style="list-style-type: none"> i. Authority initiated a Business Process Re-engineering (BPR) which once implemented through electronic procurement system (NeST) will enhance controls that will compel PEs to use e-procurement system in the entire procurement cycle. ii. The development of NeST will enhance the use of the system and hence promote the transparency in the public procurement. ii. Amendment of the PPA Act to address the use of e-procurement to increase transparency.
2.	Non-compliance with the Public Procurement Act, [CAP 410 R.E. 2022].	reluctance of some PEs to submit mandatory reports to the Authority	<ul style="list-style-type: none"> i. In collaboration with the Internal Auditor General (IAG), Internal auditors are to submit their related reports through GARI-ITS ii. To enhance controls in the electronic procurement system that will facilitate access of information required in routine monitoring.
		Failure by some suppliers, contractors and service providers to meet their contractual obligations	To continue reminding PEs to institute provisions which are in the contracts in order to ensure suppliers, contractors and service provider comply with contractual terms and conditions.
		Failure for PEs to implement procurement audit recommendations	The Authority recommend to the competent Authority to take appropriate actions as stipulated in Section 20 of the Public Procurement Act, [CAP 410 R.E. 2022].

2.30 PREJUDICIAL ISSUES

The Authority had no any prejudicial issues at the end of the financial year 2022/23.

2.31 STATEMENT OF COMPLIANCE

The Report by Those Charged with Governance is prepared in compliance with the new Tanzania Financial Reporting Standard No. 1 (TFRS No. 1) as issued by the National Board of Accountants and Auditors (NBAA) and became effective from 1 January 2021. The Authority's financial statements have been prepared in compliance with the International Public Sector Accounting Standards (IPSASs) as issued by the International Public Sector Accounting Standards Board (IPSASB).

2.32 FUTURE PERFORMANCE OF SIGNIFICANT EVENTS AFTER REPORTING DATE

Management is not certain about any significant event that will impact future performance of the Authority. Though due to ongoing initiatives of reviewing the current PPA and its regulations, there is possibility of reviewing the current fees for various services rendered by the Authority. This review may either positively or negatively impact future performance of the Authority.

2.33 SOLVENCY

The Authority's state of affairs as at 30 June 2023 is reflected in these financial statements. The Authority's Liquidity gap which is the excess of current assets over current liabilities for the financial year ended 30 June 2023 was TZS 821,049,000 compared to TZS 3,080,182,000 of previous year. This shows that the Authority was able to meet its current obligations when due. The Board considers the Authority to be solvent.

2.34 AUDITORS

The Controller and Auditor General is the statutory auditor of PPRA by virtue of Article 143 of the Constitution of the United Republic of Tanzania as amplified by section 10 (1) of the Public Audit Act, Cap 418 (R.E. 2021).

2.35 APPROVAL

This Report was approved and authorized for issue by the Board of Directors during its 91 Extra Ordinary Meeting held on 17 January, 2024 and signed on its behalf by:

By order of the Board



Dr: Leonada R. Mwangi
Chairperson of the Board



Eliakim C. Maswi
Chief Executive Officer

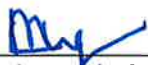
Date 17/01/2024

3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The Board is required by Section 26 of the Public Procurement Act, [CAP 410 R.E. 2022], to prepare financial statements that give a true and fair view of the state of affairs of the Authority as at the end of the financial year and of the surplus or deficit of the Authority for that period. The Board confirms that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year ended 30 June 2023.

The Board also confirms that the International Public Sector Accounting Standards (IPSAS), have been followed. The Board is responsible for keeping proper accounting records, for safeguarding the assets of the Authority and hence taking reasonable steps for prevention of fraud and other irregularities.

By order of the Board



Dr: Leonada R. Mwangi
Chairperson of the Board



Eliakim C. Maswi
Chief Executive Officer

Date 17/01/2024

4.0 DECLARATION OF THE CHIEF ACCOUNTANT

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

It is the duty of a Professional Accountant to assist the Board of Directors and Management to discharge the responsibility of preparing financial statements of the Authority showing a true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of the financial statement's rests with the Board of Directors as under Directors Responsibility statement on item No.2 on Report of the Directors.

I, **Avodia D. Rukonge** being the Chief Accountant of the Public Procurement Regulatory Authority (PPRA), hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2023 have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) and Public Finance Act, [CAP.348 R.E.2020].

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

Signed by:  _____

Name: Avodia D. Rukonge
Position: Chief Accountant
NBAA Membership No: ACPA 2431

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

5.0 FINANCIAL STATEMENTS

5.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

ASSETS	Note	2022/23 TZS'000	2021/22 TZS'000
Current Assets			
Cash and Cash Equivalents	7	311,532	3,474,978
Prepayments and Advances	8	577,367	102,405
Receivables	9	12,150	12,150
Total Current Assets		901,049	3,589,533
Non-Current Assets			
Property, and Equipment	10	2,423,302	1,761,872
Work in Progress - Software	11	4,336,572	-
Work in Progress - Building	12	1,706,451	-
Total Non-Current Asset		8,466,325	1,761,872
TOTAL ASSETS		9,367,374	5,351,405
LIABILITIES			
Current Liabilities			
Payables and Accruals	13	80,000	509,351
Total Current Liabilities		80,000	509,351
Non-Current Liabilities			
Deferred revenue (Capital)	14	1,005,821	1,491,878
Total Non-Current Liabilities		1,005,821	1,491,878
TOTAL LIABILITIES		1,085,821	2,001,229
Net Assets		8,281,553	3,350,176
NET ASSETS /EQUITY			
Taxpayers' Fund:			
Accumulated Surpluses		8,281,553	3,350,176
TOTAL NET ASSETS/EQUITY		8,281,553	3,350,176

Notes form part of the financial statements which were approved and signed on behalf of the Board of Directors by;



Dr: Leonada R. Mwangike
Chairperson of the Board



Eliakim C. Maswi
Chief Executive Officer

Date 17/01/2024

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

	Note	2022/23 TZS'000	2021/22 TZS'000
REVENUE			
Revenue from non-exchange transactions			
Revenue Grants from Government	16(i)	14,233,058	8,421,397
Fees, Fine, Penalties and Forfeits	16(ii)	6,556,108	6,833,190
Other Revenue	16(iii)	1,768,639	478,915
		<u>22,557,805</u>	<u>15,733,502</u>
Revenue from exchange transactions			
Training and examination fee	17	<u>1,634,150</u>	<u>1,680,712</u>
TOTAL REVENUE		<u>24,191,955</u>	<u>17,414,214</u>
EXPENSES AND TRANSFERS			
Expenses			
Wages, Salaries and Employee Benefits	18	8,542,146	5,416,417
Use of goods and services	19	8,311,738	6,505,116
Maintenance Expenses	20	938,054	773,540
Other Expenses	21	1,203,302	2,301,470
Depreciation of Property, Plant and Equipment	10	265,338	279,667
Bad Debt	22	-	1,038,455
Total Expenses		19,260,578	16,314,665
Transfers			
Grants, Subsidies and other transfer payments 23		-	100,000
TOTAL EXPENSES AND TRANSFERS		19,260,578	16,414,665
Surplus for the Year		4,931,377	999,549
Notes form part of the financial statements			



Dr: Leonada R. Mwangike
Chairperson of the Board



Eliakim C. Maswi
Chief Executive Officer

Date 17/01/2024

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

	Accum. Surplus TZS'000'	Total TZS'000'
As at 30 June 2023		
Opening Balance as at 01 July 2022	3,350,176	3,350,176
Surplus for the Year	4,931,377	4,931,377
Closing Balance as at 30 June 2023	8,281,553	8,281,553
As at 30 June 2022		
Opening Balance as at 1 July 2021	2,332,279	2,332,279
Adjustment	18,348	18,348
Surplus for the Year	999,549	999,549
Closing Balance as at 30 June 2022	3,350,176	3,350,176

Notes form part of the financial statements



Dr: Leonada R. Mwangi
Chairperson of the Board



Eliakim C. Maswi
Chief Executive Officer

Date 17/01/2024

5.4 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

CASH FROM OPERATING ACTIVITIES
RECEIPTS

	Note	2022/23 TZS'000	2021/22 TZS'000
Revenue from non-exchange transactions			
Revenue Grants from Government	27(a)	13,752,003	6,612,521
Fees, Fine, Penalties and Forfeits	27(b)	6,556,108	6,833,189
Other Revenue	27(c)	995,056	466,830
		<u>21,303,167</u>	<u>13,912,540</u>
Revenue from exchange transactions			
Receipts from training and examination fee	27(d)	1,634,150	1,680,712
		<u>1,634,150</u>	<u>1,680,712</u>
Total Receipts		<u>22,937,317</u>	<u>15,593,252</u>
PAYMENTS			
Wages, Salaries and Employee benefits	27(e)	(8,542,146)	(5,416,417)
Use of Goods and Services	27(f)	(8,741,089)	(6,505,116)
Other Expenses	27(g)	(1,203,302)	(2,178,802)
Maintenance Expenses	27(h)	(938,054)	(773,540)
Grants, Subsidies and other Transfer Payments		-	(100,000)
Total Payment		<u>(19,424,591)</u>	<u>(14,973,875)</u>
NET CASH FLOW FROM OPERATING ACTIVITIES		<u>3,512,726</u>	<u>619,377</u>
CASH FLOW USED IN INVESTING ACTIVITIES			
Acquisition of property, Plant and Equipment	10	(926,768)	(78,738)
Work in Progress - Building 12A		(937,870)	-
Work in Progress-Software		(4,336,572)	-
Advance payment for Acquisition of Property Plant and equipment (NeST Hardware)		(474,962)	-
Total Investing Activities		<u>(6,676,172)</u>	<u>(78,738)</u>
NET CASH FLOW FROM INVESTING ACTIVITIES		<u>(6,676,172)</u>	<u>(78,738)</u>
Net increase/(decrease) in cash and cash equivalent		(3,163,446)	540,639
Cash and Cash equivalent at beginning of Period		3,474,978	2,934,339
Cash and cash equivalent at end of period		311,532	3,474,978
Notes form part of the financial statements			

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

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

	Original Budget	Reallocations/Carry over	Final Budget (B)	Actual Amount (A)	Variance (B-A)	Percentage
	TZS (000)	TZS (000)	TZS (000)	TZS (000)	TZS (000)	%
RECEIPTS						
Revenue from Non Exchange transactions	19,379,429	7,112,891	26,492,320	21,303,167	5,189,153	20
Revenue from Exchange transactions	2,249,939	-	2,249,939	1,634,150	615,789	27
Total Receipts	21,629,368	7,112,891	28,742,259	22,937,317	5,804,942	20
PAYMENTS						
Wages, Salaries and Employee Benefits	8,453,916	114,391	8,568,307	8,542,146	26,161	0
Use of Goods and Service	8,484,648	405,291	8,889,939	8,311,738	578,201	7
Other Expenses	2,264,031	(317,809)	1,946,222	1,203,302	742,920	38
Maintenance Expenses	798,385	113,418	911,803	938,054	(26,251)	(3)
Grants and Transfers	100,000	-	100,000	-	100,000	100
Advance Payment for Acquisition of Property Plant and Equipment		500,000	500,000	474,962	25,038	5
Acquisition of Property, Plant and Equipment	1,528,388	90,000	1,618,388	926,768	691,620	43
Acquisition of Intangibles (Work in Progress)		6,207,600	6,207,600	4,336,572	1,871,028	30
			-			
Total	21,629,368	7,112,891	28,742,259	24,733,542	4,008,717	14
Net Receipts/Payments	-	-	-	1,796,225	1,796,225	

Explanations on the significant variances is on note 6.4.

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

NOTE 1.0: GENERAL INFORMATION

The Public Procurement Regulatory Authority was established by the Public Procurement Act, No. 21 of 2004 (as repealed by Act No 7 of 2011). The Act stipulates in detail the objectives, functions and powers of the Authority. The Authority offices are located at the 9 Floor of Kambarage Tower, Jakaya Kikwete Road, P. O. BOX 2865, Dodoma.

The overall management of PPRA is vested in the Board of Directors as the Governing body under the supervision of the Ministry of Finance and Planning. The Chief Executive Officer carries out the day-to-day operations of the Authority.

These financial statements of PPRA for the year ended 30 June 2023 were authorized for issue in accordance with the resolution of the Board of Directors.

NOTE 2: BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) accrual basis. The measurement basis applied in the preparation of these financial statements is the historical cost and accrual basis, except where otherwise stated (for example, the Statement of Cash Flows).

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

Budget is prepared on cash basis while the statement of financial position and performance are Prepared on accrual basis. The variation between the accrual items versus cash items are reconciled through preparation of reconciliation statements of budget versus actual as per IPSAS 24 requirement.

The complete set of the financial statements comprises a statement of financial position, a statement of financial performance, a statement of changes in net assets, a cash flow statement, a comparison of budget and actual amounts, and notes comprising a summary of significant accounting policies and other explanatory notes.

NOTE 2.1: STATEMENT OF CASH FLOWS

The statement of cash flow is prepared using direct method.

NOTE 3.0: STATEMENT OF COMPLIANCE WITH IPSAS AND LAWS

The financial statements are prepared in accordance with international Public Sector Accounting Standards (IPSAS) Accruals Basis of Accounting as issued by the International Public Sector Accounting Standards Board (IPSASB) and other applicable laws of United Republic of Tanzania.

NOTE 4: NEW AND AMENDED STANDARDS ADOPTED BY THE AUTHORITY

The Authority is aware of a number of new standards and some amendments issued but not yet effective as at 30 June 2023 and which might have impact in the Authority financial statements. These standards are those that the entity reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The entity intends to adopt these standards when they become effective. The Standards includes;

- i. IPSAS 41, Financial Instruments, establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement;
- ii. IPSAS 42, Social Benefits, provides guidance on accounting for social benefits expenditure. It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effect of social risk. Specific examples include state retirement benefits, disability benefits, income support and unemployment benefits;
- iii. IPSAS 44, Non-current asset Held for Sale and Discontinued operations, this standard specifies the accounting for assets held for sale and the presentation and disclosures of discontinued operations. It requires assets that meet criteria to be classified as held for sale to be measured at the lower of the carrying amount and fair value less cost to sell and depreciation on such assets to cease;
- iv. IPSAS 45 Property, Plant and Equipment, this standard replaces IPSAS 17 Property, Plant and Equipment by adding current operational value as a measurement basis in the updated current value model for assets within its scope, identifying the characteristics of heritage and infrastructural assets, and adding new guidance on how these important types of public sector assets should be recognized and measured;
- v. IPSAS 46 Measurement - The standard identifies approaches under those measurements bases to be applied through individual IPSAS to achieve the objectives of financial reporting. The standard defines measurement bases that assist in reflecting fairly the cost of services, operational capacity and financial capacity of assets and liabilities;
- vi. IPSAS 47 Revenue - The Standard replaces IPSAS 9 and 23 as it is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of binding arrangement; and
- vii. IPSAS 48 Transfer expenses - the standard establishes principles that a transfer provider (an entity) shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flows arising from transfer expense transactions.

NOTE 5: SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

NOTE 5.1: RECLASSIFICATION OF EXPENSES

In preparation of 2022/23 financial statements, expenses have been reclassified to reflect the nature of expenses incurred (Classification by Nature). This reclassification of expenses had been applied consistently as previous year.

NOTE 5.2: FUNCTIONAL, PRESENTATION, CURRENCY TRANSLATION AND ROUNDING OFF

NOTE 5.2.1: FUNCTIONAL AND PRESENTATION CURRENCY

In line with IPSAS 4, items included in the financial statements are measured in Tanzanian shillings, the currency of the primary economic environment in which the Authority operates ("functional currency"). The financial statements are presented in Tanzanian Shillings, which is the Authority's functional and presentation currency and all values are rounded to the nearest thousand (TZS'000) except where otherwise stated.

NOTE 5.2.2 FOREIGN CURRENCIES TRANSLATION

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Financial Performance.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. On-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.

Balances in the Financial Position which are in foreign currency are translated at the closing rate at the date of that statement of Financial Position.

NOTE 5.3: PROPERTY AND EQUIPMENT

Property and equipment that qualify for recognition as an asset will be measured at its cost. Where an asset is acquired through a non-exchange transaction, its cost will be measured at its fair value as at the date of acquisition. These assets are subsequently shown at historical cost, less accumulated depreciation and impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to Authority and the cost of the item can be reliably measured. Where an asset is

acquired at no cost, or for a nominal cost through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

The Authority has elected to use the cost model for all classes of property, plant and equipment. Depreciation is calculated on a straight-line method so as to allocate the cost or revalued amount to its residual value over estimated useful life as follows:

Description	Useful life (Rate (%) Per Annum)
Motor vehicles	5 years (20)
Computers	4 years (25)
Furniture, Fittings and Equipment	5 years (20)
Buildings	50 years (2)

Major renovations are depreciated over the remaining useful life of the related assets or to the date of the next major renovation, whichever is sooner. All other repairs and maintenance expenditure are charged to the Statement of Financial Performance during the financial period in which it is incurred. The asset's residual values and useful lives are reviewed and adjusted if appropriate at each Statement of Financial Position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

NOTE 5.3.1 A REVIEW OF REMAINING ECONOMIC LIFE OF ASSETS

According to Public Assets Management Guidelines 2019 together with Treasury Circular No.6 of 2018/19 requires all Accounting Officers to review useful life of their Non-Current Assets which are still in use. Therefore, during the year ended 30 June 2023, the Authority in collaboration with the Ministry of Finance through Division of Public Asset Management to reviewed remaining economic life of the Authority's Assets.

NOTE 5.4: INTANGIBLE ASSETS

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

NOTE 5.5: IMPAIRMENT OF ASSETS

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

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

NOTE 5.6: PROVISIONS

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

NOTE 5.7: INVENTORIES

Inventories are measured at cost upon initial recognition. Inventories that are acquired through non-exchange transactions, are measured at their fair value at the date of acquisition. Subsequently inventories are valued at the lower of cost and current replacement cost. Cost is determined on a weighted average cost method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Inventories are recognized as an expense when issued for consumption in the normal course of operations of the Authority.

NOTE 5.8: ACCOUNTS PAYABLES AND ACCRUALS

Accounts payable and accruals are obligations arise from the goods purchased and services rendered but they are not paid for as at the reporting date. Initially Payables are recognized and measured at their fair and subsequently measured at amortized cost using the effective interest method. They are classified as current liabilities if they are due within a year or less, if not they are presented as noncurrent liabilities.

NOTE 5.9: TRADE AND OTHER RECEIVABLES

Trade receivables are recognized initially at fair value and subsequently measured at value less provision for bad and doubtful debts. Specific provision shall be made in the financial statements against trade receivables considered to be doubtful of collection. When a trade receivable is Uncollectable, it is written off against the Provision for bad and doubtful debts accounts. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

NOTE 5.10: CASH AND CASH EQUIVALENTS

The Authority's Cash and Cash Equivalents comprise cash at bank only, and are subject to an insignificant risk of changes in value. They are initially and subsequently measured at their fair value.

NOTE 5.11: REVENUE RECOGNITION

(a) REVENUES FROM NON - EXCHANGE TRANSACTIONS

The Authority recognizes revenues from fees when service is rendered and the asset recognition criteria are met. Other no exchange revenues are recognized when it is probable that the future economic benefits or service potential will flow to the Authority and the fair value of the asset can be measured reliably.

(i) Fees, Fines, Penalties and forfeits

The Authority recognizes revenue from fees charged from various services rendered which are advertising fees, Annual fees, and Registration fees only when it is probable that the economic benefits associated with the transaction will flow to the Authority

(ii) Amortization of revenue Grants from the Government

Revenue grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. When there are conditions attached to government grants, grants are recognized as a liability in a Statement of Financial Position and when amortized are recognized immediately in the Statement of Financial Performance. When there no conditions attached, they are recognized in total in the Statement of Financial Performance.

Thus, according to MUSE accounting system all transfers/inflow from the government are recognized as assets and liability, then during operations the recipient reduce carrying amount of the liability recognized and recognize an amount of revenue equal to that reduction.

(iii) Other Revenue

The Authority recognizes revenue from other revenue charged from various services rendered which are miscellaneous receipts, miscellaneous income, Professional fees, receipt from Audit fees and Tender Documents only when it is probable that the economic benefits associated with the transaction will flow to the Authority

(b) REVENUES FROM EXCHANGE TRANSACTION.

Revenue from Exchange Transactions is recognized to the extent that it is probable that the economic benefits will flow to the Authority and the amount can be measured reliably.

(i) Receipts from Training and Examination fees

The Authority recognizes receipts from training and examination fees charged for various services rendered only when it is probable that the economic benefits associated with the transaction will flow to the Authority.

NOTE 5.12 TRANSFER REVENUE

Assets and revenue recognized as a consequence of a transfer are measured at the fair value of the assets recognized as at the date of recognition. Non-monetary assets are measured at their fair value, which is determined by reference to observable market values or by independent appraisal by a member of the valuation profession. Receivables are recognized when a binding transfer arrangement is in place, but cash or other assets have not been received.

Assets and revenue arising from transfer transactions are recognized in the period in which the transfer arrangement becomes binding, except for some services in-kind. The Authority recognizes only those services in-kind that are received as part of an organized program and for which it can determine a fair value by reference to market rates. Other services in-kind are not recognized.

Where a transfer is subject to conditions that, if unfulfilled, require the return of the transferred resources, the Authority recognizes a liability until the condition is fulfilled.

NOTE 5.13: EMPLOYEES BENEFITS

In line with IPSAS 39, the Authority had the following employee benefits:

(i) DEFINED CONTRIBUTION PLAN

The Authority contributes to statutory defined benefit for its employees under the Permanent and Pensionable term of employment at the rate of 15% of basic salary to the Public Service Social Security Fund (PSSSF) on a mandatory basis.

The Authority has no further payment obligations once the contributions have been paid. The contributions are recognized as an employee benefits expense when they are due and are charged to the statement of financial performance in the year to which they relate.

(ii) OTHER LONG - TERM EMPLOYMENT BENEFITS

Gratuity arrangement is based on 25% on the monthly basic pay and qualifies as a defined benefit plan. For the year ended 30 June 2022, the Authority had Five Employees under Defined Benefit Plan Scheme. Gratuities are remitted to the Public Service Social Security Fund (PSSSF) which is responsible for keeping the funds and payment of gratuity of government contract employees. From February 2013, Treasury - Ministry of Finance and Planning remits the gratuities directly to the PSSSF (Refer Treasury Registrar Circular with Ref. No. C/BE.115/187/01/154 of 11 July 2013). Lumpsum payment are made by PSSSF to contract employees upon completion of contract period or termination.

(iii) SHORT - TERM EMPLOYEE BENEFITS

Short-term employee benefits, such as leave Travel, is recognized during the period in which the employee renders the related service. The Authority recognizes the expected cost of employee rewards only when the Authority has a present legal or constructive obligation to make such payment, and a reliable estimate can be made. For the year ended 30 June 2023 all employee took their leave and they were all paid their Leave Travel. There was no leave travel outstanding for respective financial Year.

NOTE 5.14: GRANTS

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. When there are conditions attached to government grants, grants are recognized as a liability in a Statement of Financial Position and when amortized are recognized immediately in the Statement of Financial Performance. When there no conditions attached, they are recognized in total in the Statement of Financial Performance.

Thus, according to MUSE accounting system all transfers/inflow from the government are recognized as assets and liability, then during operations the recipient reduce carrying amount of the liability recognized and recognize an amount of revenue equal to that reduction.

NOTE 5.15: RELATED PARTIES

The key management personnel (as defined by IPSAS 20, “Related Party Disclosures”) are the members of the Board of Directors and Management, who together, constitute the governing body of PPRA. Related party transactions are disclosed under Note 26.

NOTE 5.16: COMPARATIVE FIGURES

Comparative previous figures have been regrouped or adjusted necessary to conform to changes in presentation in the current year.

NOTE 5.17: FINANCIAL RISK MANAGEMENT

In Financial year ended 30 June 2023, the Authority continued to implement financial risk management activities based on the Annual Risk management Action Plan and prevailed economic, financial, social and regulatory environment in the country. The overall objectives in managing risks were to ensure that appropriate Internal Controls are in place and are effective in safeguarding the Authority’s Assets, enhancing compliance with the laws and protecting the organizational image to the public.

During the year under review, the Authority conducted financial risk management assessment and implemented mitigations measures that were designed to address prevailing risks to which the

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

Authority was exposed. Further, financial risk management reviews were conducted and the key risks and results were reported to the Board of Directors for decision and guidance.

The key financial management risks that were identified during the reporting period include Financial, Credit risk, Liquidity, as indicated in the Authority Risk Management Register. The risks identified during the period were mitigated by developing and implementing controls designed to minimize the likelihood of occurrence of the potential risks.

Financial management risks and Risk mitigation measures that implemented during the reporting period are explained below: -.

SN	Risk and Impacts		Mitigation
1	Financial Management	<p>The Authority's activities are potentially exposed to a variety financial management risk including financial risk, credit risk and liquidity risk as briefly explained below:</p> <p>(d) Financial risk</p> <p>The financial risk is the possibility that the Authority's cash flow will not be adequate to discharge the Authority's obligations.</p> <p>(e) Credit Risk</p> <p>Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Authority is exposed to credit risk on its receivables in the event of non-performance by counterparties to financial instruments.</p>	<p>We prepare our annual plan and budget in line with the Government guidelines on the preparation of Medium-Term Expenditure Framework (MTEF) to address financial risk management.</p> <p>The Authority mitigates the credit risk by ensuring that salary advances to staff are minimized and recovered within short time, non-issuance of multiple imprest to staff, recovering overdue staff imprest directly from the employee's salary and /or pension, maintaining cash and cash equivalents with the Bank of Tanzania; and minimize make cash deposits to its suppliers or service providers otherwise required as contractual requirements.</p> <p>Authority manages liquidity risk through conscious financial planning and analysis and by forecasting cash flow regularly, monitoring and optimizing net working capital and managing existing credit facilities. This is achieved through maintaining sufficient cash and cash equivalents. In addition, the Authority strives to ensure that no</p>

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

SN	Risk and Impacts		Mitigation
		<p>(f) Liquidity Risk Liquidity risk is the risk of incurring losses resulting from the inability to meet payment obligations in timely manner when they become due of from being unable to do so at a sustainable cost. Therefore, is the risk that the Authority will not have sufficient cash to meet its financial commitments in a timely manner. The Authority's approach to managing liquidity risk is to ensure that sufficient resources is available to meet its obligations when due, without incurring unacceptable losses or causing damage to the Authority's reputation</p>	<p>unplanned/unbudgeted expenditures are honored.</p>

The Board of Directors continued to assume final responsibility for overseeing risk management and internal control system of the Authority by ensuring the adequate internal financial and operational control systems are developed, implemented, improved and maintained and governance principles are upheld throughout the Authority.

NOTE 5.18: GOING CONCERN

The Authority's Management has assessed the Authority's ability to continue as a going concern and is satisfied that the Authority has the resources to continue its operations for the foreseeable future. Moreover, Management has not found any suspicious information that may have impact on the Authority's ability to continue as a going concern. Therefore, the financial statements are prepared on the going concern basis.

NOTE 5.19: ASSETS PLEDGED AS SECURITY FOR LIABILITIES

None of the Authority's assets have been pledged as security for liabilities.

NOTE 5.20: CONTROLLING ENTITY AND ULTIMATE CONTROLLING ENTITY

The Ministry of Finance and Planning is the Controlling Entity and the Government of the United Republic of Tanzania is the Ultimate Controlling Entity of the Authority.

NOTE 6: BUDGET PERFORMANCE INFORMATION

IPSAS 24 requires a public sector entity that is required or elect to make publicly available its approved budget to present budgetary information covering classification and basis adopted in the approved budget, budget period covered, explanation of changes between approved original and final budget because of reallocations within budget and material difference (variances) between the final budget amounts and actual amounts during the year for both revenue and expenditure.

NOTE 6.1: BUDGETARY BASIS

The budget for financial year 2021/23 was prepared on cash basis as per requirements of the law and relevant Government Circulars. It was also prepared in line with the Medium - Term Expenditure Framework (MTEF) as one of the requirements of the Government Budget Guidelines for Preparation of 2022/23 budget.

NOTE 6.2: BUDGET PERIOD COVERED

The budget for the financial year 2022/23 covered a twelve (12) months period starting 1 July 2022 to 30 June 2023.

NOTE 6.3: CHANGES BETWEEN APPROVED ORIGINAL AND FINAL BUDGET

During the period under review, the Authority managed to earn funds to the tune of TZS 6,707,600,000 as a reallocation between. The request and approval of funds was made and submitted to the Ministry of Finance and Planning in order to support implementation of the following activities:

- i. Amendment of the Public Procurement Act, [CAP 410 R.E. 2022].;
- ii. Construction of the new e-procurement system (NeST) that also involving undertaking the business re-engineering;
- iii. Preparation of various guidelines and tools that have eventually been embedded in the new e-procurement system;
- iv. Increase in undertaking investigations and special audits undertaken by the Authority following Government directives and Parliamentary committees;
- v. Introduction of pilot study for commonly used items and services used by the Government in five (5) regions of Tanzania Mainland.

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

- vi. Awareness and capacity building session and workshop to address the ongoing amendments of the Public Procurement Act, [CAP 410 R.E. 2022].and NeST;
- vii. Increase in scope of compliance audit (due to the change in monitoring approach that was initially undertaken at the end of the Financial Year, whereas for the Financial Year 2022/23; the authority started quarterly audits

Additionally, the Authority received TZS 405,000,000 as an increase in Other Charges, which were used to pay outstanding claims from previous years related to the Arusha International Conference Centre.

NOTE 6.4: BUDGET VARIANCES EXPLANATION

The funds allocated for the Recurrent and Development Budget were less than what was budgeted for FY 2022/23. During the year under review, the Authority received 100% of the Government subvention for Recurrent Expenditure, 99% of the Government subvention for local development, and 57% from Own sources, as projected. The Authority had ongoing activities and contracts at the year-end, resulting in lower expenditure than the budgeted amount.

NOTE 7: CASH AND CASH EQUIVALENTS

	30.06.2023	30.06.2022
	TZS'000	TZS'000
BOT Own source Collection Account	151,393	2,961,456
Development Expenditure Cash Account	-	480,000
Own source Collection Account - CRDB	117,900	20,070
Own source Collection Account - NMB	620	1,800
Own source Recurrent Expenditure GF	41,619	10,597
Recurrent Expenditure Cash Account	-	-
USD BOT Collection Account	-	1,055
	311,532	3,474,978

NOTE 8. PREPAYMENTS AND ADVANCE

	2022/23	2021/22
	TZS'000	TZS'000
Prepayments - Assets	474,962	-
Prepayment to Government Entities	102,405	102,405
	577,367	102,405

During the financial year ending on 30 June 2023, the Authority had prepayments totaling TZS 102,405,000, representing a refundable rent deposit to PSSSF, and TZS 474,962,000 related to equipment prepayments for NeST. This is in comparison to TZS 102,405,000 at the close of the financial year 2021/22, which pertained to a refundable rent deposit with PSSSF.

NOTE 9: RECEIVABLES

Details	2022/23	2021/22
	TZS'000	TZS'000
Staff salary advance	12,150	12,150
	12,150	12,150

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

NOTE 10: LAND, PROPERTY AND EQUIPMENT as at 30 June 2023

	Land	Building	Motor vehicle	Computers	Office Equipment	Furniture	Total
Cost	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
As at 1 July 2022	826,510	301,000	634,149	377,870	1,322,133	300,111	3,761,773
Additions for the Year			614,158	182,847	86,583	43,180	926,768
As at 30 June 2023	826,510	301,000	1,248,307	560,717	1,408,716	343,291	4,688,541
Depreciation							
At 01 July 2022	-	85,931	508,279	271,827	934,051	199,813	1,999,901
Charge for the year		5,002	87,650	45,886	98,129	28,671	265,338
As at 30 June 2023	-	90,933	595,929	317,713	1,032,180	228,484	2,265,239
Net book Value							
At 30 June 2023	826,510	210,067	652,378	243,004	376,536	114,807	2,423,302
At 30 June 2022	826,510	215,069	125,870	106,043	388,082	100,298	1,761,872

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

*Additional note 2: Land, Property and Equipment as at 30 June 2022

	Land	Building	Motor vehicle	Computers	Office Equipment	Furniture	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Cost							
As at 1 July 2021	826,510	301,000	634,149	350,532	1,280,713	290,131	3,683,035
Additions for the Year	-	-	-	27,338	41,420	9,980	78,738
As at 30 June 2022	826,510	301,000	634,149	377,870	1,322,133	300,111	3,761,773
Depreciation							
At 01 July 2021	-	80,810	444,335	224,669	804,086	166,334	1,720,234
Charge for the year	-	5,121	63,944	47,158	129,965	33,479	279,667
As at 30 June 2022	-	85,931	508,279	271,827	934,051	199,813	1,999,901
Net book Value							
At 30 June 2022	826,510	215,069	125,870	106,043	388,082	100,298	1,761,872
At 30 June 2021	826,510	220,190	189,814	125,863	476,627	123,796	1,962,800

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

NOTE 11: Work in Progress - Software

	2022/23	2021/22
	TZS'000	TZS'000
Work in progress - Software	4,336,572	-
	4,336,572	-

During the year under review, the Authority initiated the development of a new electronic procurement system in phases. The first phase, covering e-Registration and e-Tendering, commenced operations on 1 October 2023, following its start in July 2022. The Authority is continuing with second phase of development.

NOTE 12.: Work in Progress - Building

During the year under review, the Authority received a total of TZS 1,706,451,000 from the Ministry of Finance for Construction of the PPRA HQ Office building which is still on- going whereby, TZS 768,581,000 were paid directly by Ministry of Finance to HAINAN International Limited as Advance Payment and the remaining TZS 937,870,000 was disbursed to PPRA to pay the contractor.

NOTE 12 A: INTANGIBLE ASSETS

The Authority has some intangible assets which are fully amortized but are still in use and generating economic benefits to PPRA while other softwares are obsolete and fully amortized. Below is the table of fully amortized assets at cost.

S/N	Asset category	Cost TZS'000	Remarks
1	Accounting (SAGE 300ERP) and Audit (Team mated & ACL) Software's	185,765	Replaced by MUSE
2	Old Accounting Software (SAGEACCPAC	402,47	Replaced by MUSE
	Total	588,2	-

NOTE 13: PAYABLES AND ACCRUALS

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Deposit General	-	-
Misc. Deduction	-	-
Other Accounts Payables	-	387,693
Supplies of goods and services	80,000	121,658
Unapplied Deposit Account	-	-
Withholding tax	-	-
	80,000	509,351

NOTE 14: DEFERRED REVENUE (CAPITAL)

30.06.2023	30.06.2022
------------	------------

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

	TZS'000	TZS'000
Deferred Capital Grant	1,005,821	1,010,823
Development Deferred Income (note 15C)	-	481,055
	1,005,821	1,491,878

During the year under review, the Authority held a Deferred Capital Grant of TZS 1,005,821, 000 which was related to the building received from the Government. This represented a decrease of TZS 5,002,000 from the previous amount of TZS 1,010,823,000 with the decrease attributed to amortization recognized in the statement of financial performance.

Furthermore, the Authority received funds for Development Activities under the PFMRP local funding. In the financial year 2022/23, a total of TZS 7,107,600,000 was approved for development activities, of which TZS 7,050,000,000 was received from local funds. As of June 30, 2023, the Authority had expended a total of TZS 7,050,000,000 with no remaining balance for the year.

Additionally, as of 30 June 2023, the Authority had not recognized any liability in relation to PFMRP local funding due to the absence of unspent transfers (funds) from the PFMRP local funding.

Moreover, it is noteworthy that all unspent funds from PFMRP local funding during the last financial year were successfully utilized in their entirety during the year under review.

NOTE 15: LIABILITIES RECOGNISED UNDER TRANSFER AGREEMENT

(a) Liabilities Recognised Under ADB-ADF Transfer Arrangements

The Institutional Support for Good Governance Project III (ISPGG III) was completed in December 2021; therefore, as of 30 June 2023, the Authority had not recognized any liability under this Project.

Liability recognized under transfer arrangements

	30.06.2023	30.06.2022
	TZS'000	TZS'000
BOT Collection Account	-	1,055
Total liability recognized under transfer arrangements	-	1,055

(b) Liabilities Recognised Under PFMRP- Basket Funding Transfer Arrangement

The Authority also receives funds for Development Activities under PFMRP - Basket funding. In the financial year 2022/23, a total of TZS 7,107,600,000 was approved for development activities, and TZS 7,050,000,000 was received from local funds. As of 30, June 2023, the Authority had spent a total of TZS 7,050,000,000 and had no committed funds during the year.

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

	2022/23	2021/22
	TZS'000	TZS'000
Transfer received	7,050,000	1,000,000
Total fund	7,050,000	1,000,000
Transfer Revenue recognized during the year	(7,050,000)	(520,000)
Liability recognized under transfer arrangements	-	480,000

(c) Total Liability recognized under transfer arrangements: -

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Liability under grants from ADB - ADF III	-	1,055
Liability under grants from PFMRP	-	480,000
Total	-	481,055

NOTE 16: REVENUE FROM NON EXCHANGE TRANSACTIONS

i) AMORTIZATION OF REVENUE GRANTS FROM THE GOVERNMENT

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Government Grant Development Foreign	34,481	2,597,597
Government Grant Development local	8,467,870	1,100,000
Government Grant Other Charges	2,405,311	1,976,270
Government Grant Personal Emolument	3,325,396	2,747,530
	14,233,058	8,421,397

Out of the total amortization of revenue grants amounting to TZS 14,233,058,000, an actual amount of TZS 13,752,003,000 was received during the year. The difference of TZS 481,055,000 represents funds received in the previous financial year, which were amortized during the year under review.

ii) FEES, FINES, PENALTIES & FORFEITS

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Advertising fees	2,221,170	1,484,455
Receipt from Annual Fees	1,399,716	820,160
Registration Fees	2,935,222	4,528,575
	6,556,108	6,833,190

iii) OTHER REVENUE

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Miscellaneous Receipts	74,261	205,829
Miscellaneous Income	773,583	5,120
Professional Fees	664,175	30,380
Receipt from Audit fees	-	-
Receipt from Miscellaneous Fees		3,522
Tender Documents	256,620	234,064
	1,768,639	478,915

Out of TZS 1,768,639,000, actual income/revenue collected during the year were TZS 995,056,000. The difference of TZS 773,583 thousand, TZS 5,002,000 relates to amortization of deferred capital grant and TZS 768,581,000 relates to advance payment for construction of office building paid directly by the Ministry of Finance to HAINAN International Limited.

NOTE 17.0: REVENUE FROM EXCHANGE TRANSACTIONS

	30.06.2023	30.06.2022
Receipt from training and examination fees	1,634,150	1,680,712
	1,634,150	1,680,712

NOTE 18.0: WAGES, SALARIES AND EMPLOYEE BENEFITS

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Acting Allowance	9,706	34,000
Civil Servants	3,325,396	2,747,530
Court Attire Allowance	4,500	-
Dizel Allowances	238,208	-
Electricity	130,904	64,006
Electricity Allowance	9,715	-
Extra-Duty	1,410,425	381,913
Facilitation Allowance	10,900	-
Food and Refreshment	98,007	18,335
Furniture	219,624	66,000
Honoraria	959,248	415,833
Housing Allowance	816,649	496,370
Internship Allowance	107,729	18,010
Leave Travel	413,292	335,607
Medical and Dental Refunds	12,000	88,770
Moving Expenses	48,400	16,343

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

Outfit Allowance	0	4,059
Professional Allowances		-
Responsibility Allowance	107,469	280,250
Risk Allowance	10,850	-
Salary Advance		-
Sitting Allowance	230,447	211,890
Special Allowance		128,389
Staff debts		-
Subsistence Allowance	45,040	101,287
Telephone	109,981	-
Top up Allowance	87,070	-
Transport	82,530	-
Transport Allowance	51,660	-
Uniform Allowance	2,400	7,825
	8,542,146	5,416,417
**TZS 99.76 of NHIF have been included in Civil Servants (3,325,396 *3%).		

NOTE 19.0: USE OF GOODS AND SERVICES

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Advertising and Publication	11,400	11,950
Air Travel Tickets	99,227	104,039
Cleaning Supplies	-	6,577
Communication Network Services	23,016	2,561
Computer Software	36,086	55,314
Computer Supplies and Accessories	5,000	19,140
Conference Facilities	250,402	302,186
Consumable Medical Supplies	7,537	-
Courier Services	12,600	6,700
Diesel	420,715	306,211
Drugs and Medicines	1,000	-
Educational Radio and TV broadcasting programming	24,955	11,540
Electricity	39,362	39,107
Entertainment	89,285	48,550
Exhibition, Festivals and Celebrations	42,988	34,500
Food and Refreshments	693,402	379,172
Gifts and Prizes	30,500	80,500
Ground Transport (Bus, Train, Water)	40,000	119,224
Ground travel (bus, railway taxi, etc)	823,396	961,289
Ground travel (bus, railway taxi, etc)	-	
Hiring of Training Facilities	-	3,000
Internet and Email connections	121,821	61,300
Newspapers and Magazines	5,755	5,952
Office Consumables (papers, pencils, pens and stationaries)	263,142	112,964

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

Outsourcing Costs (includes cleaning and security services)	31,082	126,354
Per Diem - Domestic	4,174,808	2,035,540
Per Diem - Foreign	204,472	412,527
Posts and Telegraphs	13,200	13,200
Printing and Photocopy paper	-	18,314
Printing and Photocopying Costs	66,757	52,963
Printing Material	40,466	37,077
Production and Printing of Training Materials	44,477	30,900
Protective Clothing, footwear and gears	1,000	-
Publicity	8,100	46,405
Remuneration of Instructors	11,900	45,810
Rent - Office Accommodation	465,796	468,139
Software License Fees	2,000	-
Special Uniforms and Clothing	21,500	-
Subscription Fees	55,915	32,500
Technical Materials	-	5,000
Technical Service Fees	50,510	109,391
Telephone Charges (Land Lines)	-	66,368
Textbooks	-	8,600
Training Materials	-	500
Tuition Fees	76,166	316,881
Tuition fees	-	-
Uniforms	2,000	-
Visa Application Fees	-	6,871
Total	8,311,738	6,505,116

NOTE 20: MAINTENANCE EXPENSES

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Cement, Bricks and Building Materials	63,050	641
Computers, printers, scanners, and other computer related equipment	75,372	108,810
Direct Labour (contracted or casual hire)	17,793	-
Motor Vehicles and Water Craft	169,470	114,81
Outsource maintenance contract services	386,369	5376,295
TV sets and Radios	-	2,714
Tyres and Batteries	26,000	9,263
	938,054	773,540

NOTE 21.0: OTHER EXPENSES

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Other Payments	-	1,115,666
Audi fees	80,000	121,658
Burial Expenses	7,400	16,600
Consultancy fees	6,498	946,378
Directors fees	72,000	72,000
Honorariums (expert opinion)	5,360	2,000
Security Services	56,701	6,768
Sundry Expenses	975,343	20,400
	1,203,302	2,301,470

NOTE 22.0: BAD DEBT

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Bad Debt	-	1,038,455
	-	1,038,455

NOTE 23.0: TRANSFERS

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Grants, Subsidies and other Transfer Payments	-	100,000
	-	100,000

NOTE 24.0: RELATED PARTY TRANSACTIONS AND BALANCES

The key management personnel (as defined by IPSAS 20, "Related Party Disclosures") are the members of the Board of Directors and Management, who together, constitute the governing body of PPRA. Details of the payments to the related parties is as shown in 25A and 25B.

NOTE 25A: BOARD REMUNERATION

The remunerations of the Board of Directors are approved by the Treasury Registrar and are reviewed from time to time to match with what is being paid in similar Government organisations. During the year 2022/23, the annual Directors Fees were paid to eight members of the Board of Directors at the approved rates as follows; TZS 12,000,000 for Chairman and TZS 10,000,000 to other members of the Board.

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)**Board Remuneration**

Details	Number of persons	30.06.2023	30.06.2022
		TZS '000	TZS '000
Directors' fees	8	72,000	72,000
Sitting allowance	8	73,650	62,550
Total Remuneration		145,650	134,550

NOTE 25B: COMPENSATION OF SENIOR STAFF

The senior staff consists of CEO, heads of divisions, heads of independent units, and heads of sections. During the year, remunerations of senior staff were as follows: -

Details	Number of Staff	30.6.2023	30.6.2022
		TZS'000	TZS'000
Salaries	18	1,641,518	1,178,185
Retirement benefit obligations	18	217,616	107,154
Utilities	18	120,150	84,370
Housing allowance	18	215,950	103,400
Total		2,195,234	1,473,109

NOTE 26: CARRY OVER BUDGET

As of the financial position date, the Authority had no carry-over budget.

Details	30.06.2023	30.06.2022
	TZS 000	TZS 000
PFMRP activities	-	480,000
ISPGG III Project	-	-
PE Deductions	-	-
Development Own Source	-	-
Total	-	480,000

NOTE 27: Schedule to reconcile revenue and expenditure from accrual to cash basis

Description	Reference to cash flow statement	Actual Amounts on Accrual Basis	Accrued Amount/ Other amortization, gains/bad debt	Actual Amount on Comparable Basis
		A	C	F=(A+B-C-D-E)
Revenue		TZS' 000	TZS' 000	TZS' 000
Revenue from non exchange transactions				
Amortization of Revenue Grants *	27(a)	14,233,058	481,055	13,752,003
Fees, Fines, Penalties and Forfeits	27 (b)	6,556,108	-	6,556,108
Other Revenue **	27(c)	1,768,639	773,583	995,056
		22,557,805	1,254,638	21,303,167
Revenue from exchange transactions				
Receipts from training and examination fee	27(d)	1,634,150		1,634,150
Total Revenue		24,191,955	1,254,638	22,937,317
Expenses				
Wages, Salaries and Employee Benefits	27 (e)	8,542,146	-	8,542,146
Use of Goods and Service	27 (f)	8,311,738	-	8,741,089
Maintenance expenses	27 (g)	938,054	-	938,054
Other Expenses ***	27 (h)	1,203,302	-	1,203,302
Depreciation and amortization	11	265,338	265,338	-
Total Expenses		19,260,578	265,338	19,424,591
(Deficit)/Surplus		4,931,377	-	3,512,726

*Out of TZS 14,233,058,000 of amortization of revenue grants, the actual amount received during the year were TZS 13,752,003,000, the non-cash revenue amounting to TZS 481,055,000 were amortization of deferred income of previous year.

**Out of TZS 1,768,639,000 of other revenue actual amount received during the year were TZS 995,056,000. The amount of TZS 5,002,000 was amount of amortization of deferred capital grant and TZS 768,581,000 were advance payment for Construction of PPRA Office building paid directly by Ministry of Finance to HAINAN International Limited.

NOTE 27.1: Reconciliation between of actual amounts on a comparable basis as presented in the statement of Budget Vs Actual and net cash flows from operating, investing and financing activities in the statement of Cash Flows.

	Operating	Financing	Investing	Total
Actual Amount on Comparable Basis as presented in the statement of Budget Vs Actual	3,942,077	-	6,676,172	10,618,249
Basis Differences	429,351	-	-	429,351
Timing Differences	-	-	-	-
Entity Differences	-	-	-	-
Actual amount in the statement of Cash Flows	3,512,726	-	6,676,172	10,188,898

NOTE 28: Reconciliation of Net Cash Flow from operating activities to Surplus/(Deficit)

Details	Notes	30.06.2023 TZS'000	30.06.2021 TZS'000
Surplus/(Deficit) for the year:		4,931,377	999,549
Adjustments for:			
Depreciation and amortization	10	265,338	279,600
Non-Monetary revenue - construction of office building		(768,581)	
Increase/decrease in receivables	9	-	1,203,472
Increase in inventories		-	26,196
Increase in Prepayments	8	-	11,112
Increase in deferred income (revenue)		-	(22,951)
Increase/decrease in deferred income (capital)	14	(486,057)	(1,747,389)
Decrease in accounts payables	13	(429,351)	(130,279)
Cash generated from / (used in) operations		3,512,726	619,377

NOTE 29: Analysis of cash payments presented in Cash Flow

Description	2022-23 TZS' 000	2021-22 TZS' 000
Expenditure as per statement of financial performance on accrual basis		
Wages, Salaries and Employee Benefits	8,542,146	5,416,417
Use of Goods and Service	8,311,738	6,505,116
Maintenance Expenses	938,054	773,540
Other Expenses	1,203,302	2,301,469
Bad Debts	-	1,038,455
Grants, Subsidies and Other Transfer Payments	-	100,000
Total Expenditures as per Statement of Financial Performance	18,995,240	16,134,997
Adjustment of changes in working capital and non-cash expenses		
Cash out used to pay last financial year payables (Refer to the statement of financial position for	429,351	-