



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



TANZANIA NATIONAL BUSINESS COUNCIL (TNBC)

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL AND COMPLIANCE AUDIT FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2024

Controller and Auditor General,
National Audit Office,
Ukaguzi House,
Mahakama Road,
P.O. Box 950,
41101 Tambukareli,
Dodoma, Tanzania.
Tel: 255 (026) 2161200-9,
E-mail: ocag@nao.go.tz
Website: www.nao.go.tz

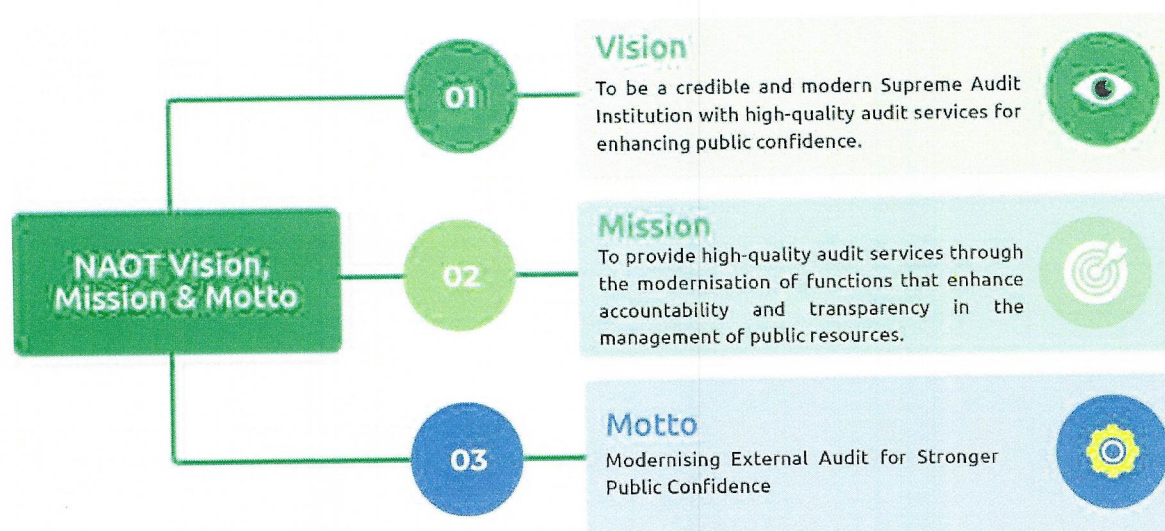
March 2025

AR/PA/TNBC/2023/24

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.



Independence and objectivity

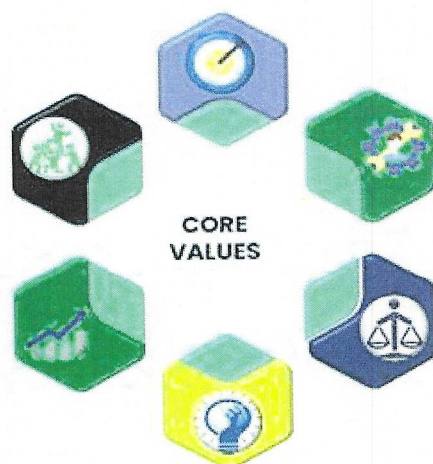
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

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



Professional competence

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

Integrity

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

Creativity and Innovation

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

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Abbreviations

AR	Audit Report
CAG	Controller and Auditor-General
CTI	Confederation of Tanzania Industries
EU	European Union
EUBG	European Union Business Group
EWP	Engineered Wood Products
FWG	Finance for Development Working Group
FYDP	Five Year Development Plan
IBD	International Business Dialogue
ICT	Information Communication Technology
IESBA	International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants
IPSAS	International Public-Sector Accounting Standards
ISSAI	International Standards of Supreme Audit Institutions
LGAs	Local Government Authorities
MDA	Ministries, Departments and Agencies
MPPD	Ministerial Public Private Dialogues
NAO	National Audit Office
NBAA	National Board of Accountants and Auditors
NHIF	National Health Insurance Fund
PPDIF	Public Private Dialogue Institutional Framework in Tanzania
PPDs	Public-Private Dialogues
PSA	Private Sector Associations
PSSSF	Public Services Social Security Fund
RBCs & DBCs	Regional and District Business Councils
TCCIA	Tanzania Chamber of Commerce, Industry and Agriculture
TDV 2025	Tanzania Development Vision 2025
TIC	Tanzania Investment Centre
TNBC	Tanzania National Business Council
TPSF	Tanzania Private Sector Foundation
TWGs	Technical Working Groups
TZS	Tanzania Shilling
USA	United States of America
WCF	Workers Compensation Funds

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairman of the Executive Committee,
Tanzania National Business Council,
P.O. Box 3478,
Dar es Salaam.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Tanzania National Business Council, which comprise the statement of financial position as at 30 June 2024, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Tanzania National Business Council as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs) Accrual basis of accounting and the manner required by Public Finance Act, Cap. 348.

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Tanzania National Business Council 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 of Those Charged with Governance, Statement of Executive Committee's responsibilities and the Declaration by the Head of Finance and 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 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 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 Tanzania National Business Council for the financial year 2023/24 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that procurement of goods, works and services of Tanzania National Business Council 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 Tanzania National Business Council for the financial year 2023/24 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that Budget formulation and execution of Tanzania National Business Council is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.



Charles E. Kichere
Controller and Auditor General,
United Republic of Tanzania
March 2025

2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2024

2.1 BACKGROUND

This report is prepared in compliance with Public Corporation Act, 1992 and Tanzania Financial Reporting Standard No. 1 Report by Those Charged with Governance; the Executive Committee submit its report and financial statements of Tanzania National Business Council for the year ended 30 June 2024.

2.2 CORPORATE OUTLOOK

2.2.1 Incorporation

Tanzania National Business Council (TNBC) was established through Presidential Circular No. 1 of 2001 published as Government Notice No. 691 in the Government Gazette No.39 issued on 28 September 2001 as an institution for providing forum for public and private sector dialogue (PPD) with a view of reaching consensus and mutual understanding on issues relating to the efficient management of resources in the promotion of social economic development of Tanzania. The aim is to create conducive environment for private sector led economic growth in terms of wealth and employment creation and revenue generation in the poverty alleviation process. The circular stipulate specific TNBC objectives as follows:

- i. To provide forum for PPDS with a view of reaching consensus and mutual understanding of strategic issues relating to the efficient management of development resources.
- ii. To promote the goals of economic growth with social-equity and even development.
- iii. To review from time-to-time developments in external and domestic business environment, the challenges they pose to Tanzania, and propose a course of action.
- iv. To exchange views on the prevailing operating and regulatory environment and propose ways to facilitate the public service delivery and make the civil service business friendly.
- v. To review and propose changes in the policy environment to enhance the attractiveness of Tanzania products in the world market.
- vi. To encourage and promote the formulation of coordinated policies on social and economic matters, including consideration of existing and proposed economic legislation, and make recommendations through the government to parliament or other appropriate bodies.

2.2.2 Vision

A credible and modern Tanzania National Business Council for high quality, closer and regular consultations for competitive business and investment environment in the economy.

2.2.3 Mission

“To facilitate high quality Public Private Dialogues, accountability and transparency initiative in the management of competitive business and investment environment”.

2.3 PRINCIPAL ACTIVITIES

The principal activity of TNBC is to provide a forum for organizing regular and closer dialogue between the public and private sector and other stakeholders on issues pertaining to the socio-economic development of Tanzania. The specific functions include: -

- i. Cause to be conducted, such research or survey or study into any aspect of social and economic development policy as it may deem fit;
- ii. Review specific research, reports or policy proposals submitted to it by any of its constituent bodies. It may also call for and consider any such reports if it is necessary to give a true picture of affairs before it;
- iii. Set action targets as well as performance benchmarks for implementing decisions or agreements reached, including assignment of responsibilities for performance; and
- iv. Monitor and evaluate the implementation of policies and measures agreed upon, as to their effectiveness and/or unintended impact.

2.4 ENTITY OPERATING MODEL AND RESOURCES

The Presidential Circular specifies that TNBC's operations should be financed through a cost-sharing model between the Government of the United Republic of Tanzania (URT) and the private sector. However, due to the underdevelopment of the private sector, the Government has predominantly financed TNBC's activities through subventions, which cover salaries (Personnel Emoluments - PE) and other operational costs (OC). TNBC is responsible for coordinating Public-Private Dialogues (PPDs) at both national and sub-national levels, engaging with Ministries, Regions, Districts, and Private Sector Associations (PSAs). These dialogues result in the development and enhancement of policies, laws, regulations, circulars, guidelines, and procedures, all aimed at fostering a conducive business environment for private sector competitiveness. Consequently, TNBC's efforts contribute to sustained, resilient and inclusive economic growth.

2.5 PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

TNBC principal risks are relating to all factors that may hinder realization of its key performance indicators as reflected in its Strategic Plan 2021/22 - 2025/26. The mitigation measures are captured in the strategies to achieve the targets and key performance indicators.

Table 1 : Risk Appetite Statement

Risk Categories		Mitigation
Strategic Risks	Strategic risks are the risks associated with long-term organizational objectives and how those objectives will be achieved. Strategic risk assessment is normally conducted at Executive Committee Members or Management level and is most effective when integrated with the strategic planning process.	The Council will accept a moderate degree of risk in pursuing a new strategic initiative that is in alignment with our organization's long-term goals

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Risk Categories		Mitigation
Operational Risks	Operational risks are associated with the development and implementation of operational plans. Each directorate or Unit will be responsible for assessment of risks within the directorate/Unit. These risks arise in a day-to-day operation and require a specific and detailed response and monitoring regimes. If not treated and monitored, operational risks could potentially result in major adverse consequences for the Council.	The Council has a low appetite for operational risk. The Council makes resources available to control operational risks to acceptable levels. Acceptance of some risks is often necessary to foster innovation, but this acceptance should in no way lead to non-compliance of applicable laws and regulations.
Reputation Risks	Reputational Risk is the risk that the Council acquires a negative perception from Stakeholders.	The assessment of reputation risks considers the Council's culture, issue escalation and response, and communication strategies. The Council's reputation for integrity and competence is not compromised. There should be no incidences that put the Council's reputation into questions. All staff and stakeholders are frequently reminded of the Council's zero tolerance towards fraud, corruption, or any other related activities which may lead to loss of reputation.
Compliance risks	Compliance/Legal risk is the risk related to the Council's legislative environment, e.g., change in cut crossing legislations, conflicting legislations, etc.	Our organization will not tolerate non-compliance with any legal or regulatory requirement.

In addition, TNBC has the following opportunities: -

- (i) Increased interest for economic diversification from both public and private sector.
- (ii) Improved macroeconomic and business environment in the country and attractive growing market for private sector expansion.
- (iii) The current structure that provides for flexibility which can be creatively used by TNBC and Executive Committee to forge relationship between the private sector and implementing government agencies to accelerate implementation of reforms and improve business environment in Tanzania.

2.6 STAKEHOLDERS' RELATIONSHIPS

TNBC collaborates and interacts with a range of stakeholders in the implementation of its functions. These include Parliament, President's Office, Vice President's Office, Prime Minister's Office, Attorney General Office, National Audit Office (NAO), Ministries, Departments and Agencies (MDA), Office of the Treasury Registrar, Office of the Planning Commission, Regions and Districts, Executive Agencies, Regulatory Authorities, Private Sector Associations (PSAs), Diaspora, Civil Society Organizations (CBOs, NGOs, CSOs and FBOs), Development Partners (DPs) Regional Integration Business Councils (SADC Business Council and

EAC Business Council), Media, Suppliers and Consultants, Professional Bodies, Academic Institutions, Law Enforcement Organs, Special Needs Groups, and the general public in Tanzania. The private sector is represented by leaders of the clusters through Tanzania Private Sector Foundation (TPSF) and other PSAs and individuals.

2.7 STRUCTURE OF THE COUNCIL

The President of the United Republic of Tanzania chairs and appoints members of the Tanzania National Business Council (TNBC). The Council is made up of 50 members, drawn from both Public and Private sectors with equal representation, 25 being public members and 25 selected private sector representatives. The representatives of the Government of the United Republic of Tanzania (URT) are drawn from Ministers of the URT and senior government officials while Private Sector representatives are appointed to the Council through the Tanzania Private Sector Foundation (TPSF), which is the focal organization for the Private Sector Associations in Tanzania. Hence, TNBC meeting is attended by all Ministers of the URT and leaders of the PSAs and specific community groups. In addition, TNBC is attended by the President of Zanzibar and Chairman of the Revolutionary Council of Zanzibar and the Prime Minister of The United Republic of Tanzania.

2.8 EXECUTIVE COMMITTEE

2.8.1 Composition

The Executive Committee (EXCOM) is composed of 16 members, 8 from the public sector (Permanent Secretaries and Deputy Attorney General) and 8 from private sectors representatives and is charged with the responsibility of overseeing the daily activities of TNBC. It is chaired by Chief Secretary of the URT and Co-Chaired by the Chairperson of the TPSF's Board of Directors. The Executive Committee is assisted by Sub-committees of Finance and Administration; and Operations in fulfilling its oversight role. The Chairpersons of the Sub-committees provide updates of sub - committees' deliberations and reports to the Executive Committee on matters that require attention, consideration or approval.

2.8.2 Sub-Committee of Operations

The Sub-committee of operations assists Executive Committee with respect to issues relating to PPDs for conducive business environment for boosting investment, trade, taxation and consumption in the economy. The Sub-committee is expected among others to do the following: -

- i. To review the Strategic Plan and oversee its implementation.
- ii. To review reports and policy recommendations to improve Business Environment for the economy; and
- iii. To oversee the operations of Working Committees (PPD platforms).

2.8.3 Sub-Committee of Finance and Administration

The Sub Committee of Finance and Administration assists Executive Committee with issues relating to financial reporting, audit, human capital, administration and governance. The Sub Committee is expected among others to do the following:

- i. To review the Strategic Plan and propose changes to the Executive Committee for its smooth implementation.
- ii. To review and approve annual work plans and budget
- iii. To scrutinize and adopt audited accounts
- iv. To attend staff and administrative matters and
- v. To review organization governance issues including internal controls and audit reports and oversee adherence to risk management and good governance practices.

Members attended the meeting as shown in the table below.

Table 2: Members who attended Sub- Committee of Finance and Administration held on 28 March 2024

S/N	Name	Title	Position
1	Mr. Mululi M. Mahendeka	Permanent Secretary - President's Office- State House	Chairman
2	Mr. Paul Makanza	Vice chairman- Tanzania Private Sector Foundation	Member
3	Dr. Hashil Abdallah	Permanent Secretary - Ministry of Investment Industry and Trade	Member
4	Mr. Abdulmajid Nsekela	Board member - TPSF Board Director - Tanzania Private Sector Foundation	Member
5	Mrs. Suzan Laiser	Board member - TPSF Board Director - Tanzania Private Sector Foundation	Member
6	Dr. Godwill G. Wanga	Executive Secretary - Tanzania National Business Council	Secretary

2.8.4 Executive Committee Meetings

In the 2023/24 fiscal year, two Executive Committee (EXCOM) meetings were held: one regular and one special session, along with one meeting of the Finance and Administration Sub-Committee. These meetings addressed various matters, including reviewing the implementation of the resolutions from the 14th TNBC meeting, preparing for the 15th TNBC Meeting, reviewing the Tanzania Digital Economy Strategic Framework 2024-34, which was scheduled for launch during the 15th TNBC Meeting.

The regular meeting of EXCOM was conducted on 15 April 2024 addressed various matters, including reviewing the TNBC organization structure and Job descriptions; implementation of the resolutions from the 14th TNBC meeting; The meeting also approved TNBC Client Service Charter

The special meeting of EXCOM was held on 25 May 2024 discussed preparations of the 15th TNBC Meeting; and Tanzania Digital Economy Strategic Framework 2024-2034 scheduled for launch during the 15th TNBC Meeting.

2.8.5 Membership

The members of the Executive Committee are appointed based on their positions within the Government and private sector associations. During the year under review, changes within the Attorney General's Office led to adjustments in the TNBC Executive Committee with Mr. Evaristo Emmanuel Longopa being replaced by Amb. Prof. Kennedy G. Gaston.

The following tables (1, 2, and 3) provide details on the members of the Executive Committee and its Sub-Committees as of the end of the year

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Table 3: Members of the Executive Committee as at 30 June 2024

S/N	Name	Position	Age	Date of appointment	Institution	Nationality	Titles
1	Amb. Dr. Moses Mpogole Kusiuka	Chairman	50	2021	Public Sector	Tanzanian	Chief Secretary of the URT
2	Ms. Angelina Ngalula	Co-Chairperson	48	2016	Private Sector	Tanzanian	Chairperson - TPSF Board of Directors
3	Dr. Jim James Yonasi	Member	50	2023	Public Sector	Tanzanian	Permanent Secretary - Prime Minister's Office - Policy Coordination
4	Dr. Hashil T. Abdallah	Member	48	2023	Public Sector	Tanzanian	Permanent Secretary - Ministry of Investment Industry and Trade
5	Mr. Adolf H. Ndunguru	Member	60	2023	Public Sector	Tanzanian	Permanent Secretary - President's Office POLAG
6	Amb. Prof. Kennedy G. Gastorn	Member	48	2023	Public Sector	Tanzanian	Deputy Attorney General - Attorney General Office
7	Dr. Natu El-Maamry Mwamba	Member	63	2022	Public Sector	Tanzanian	Permanent Secretary - Ministry of Finance and Planning
8	Mr. Mutuli Majula Mahendeka	Member	58	2023	Public Sector	Tanzanian	Permanent Secretary - President's Office- State House
9	Mr. Paul Makanza	Member	56	2021	Private Sector	Tanzanian	Vice chairman- Tanzania Private Sector Foundation
10	Ms Suzan Mashibe	Member	51	2019	Private Sector	Tanzanian	Board Director - Tanzania Private Sector Foundation
11	Mr. Abdulmajid Nsekela	Member	52	2021	Private Sector	Tanzanian	Board Director - Tanzania Private Sector Foundation
12	Mr. Paul Koyi	Member	61	2019	Private Sector	Tanzanian	Board Director - Tanzania Private Sector Foundation
13	Mrs. Suzan Laiser	Member	65	2021	Private Sector	Tanzanian	Board Director - Tanzania Private Sector Foundation
14	Eng. Ngwisa W. Mpembe	Member	52	2021	Private Sector	Tanzanian	Board Director - Tanzania Private Sector Foundation
15	Dr. Jacqueline Mkindi	Member	48	2021	Private Sector	Tanzanian	Board Director - Tanzania Private Sector Foundation
16	Dr. Godwill G. Wanga	Secretary	60	2020	TNBC	Tanzanian	Executive Secretary - Tanzania National Business Council

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Table 4: Members of Operations Sub Committee as at 30 June 2024

S/N	Name	Position	Age	Date of appointment	Institution	Nationality	Titles
1	Mr. Adolf H. Ndunguru	Chairman	60	2023	Public Sector	Tanzanian	Permanent Secretary - President's Office POLAG
2	Dr. Jim James Yonasi	Member	50	2023	Public Sector	Tanzanian	Permanent Secretary - Prime Minister's Office - Policy Coordination
3	Amb. Prof. Kennedy G. Gastorn	Member	48	2023	Public Sector	Tanzanian	Deputy Attorney General - Attorney General Office
4	Ms. Suzan Mashibe	Member	51	2019	Private Sector	Tanzanian	Board Director - Tanzania Private Sector Foundation
5	Mr. Paul Koyi	Member	61	2019	Private Sector	Tanzanian	Board Director - Tanzania Private Sector Foundation
6	Eng. Ngwisa W. Mpembe	Member	52	2021	Private Sector	Tanzanian	Board Director - Tanzania Private Sector Foundation
7	Dr. Godwill G. Wanga	Secretary	60	2020	TNBC	Tanzanian	Executive Secretary - Tanzania National Business Council

Table 5: Members of Finance and Administration Sub Committee as at 30 June 2024

S/N	Name	Position	Age	Date of appointment	Institution	Nationality	Titles
1	Dr. Jim James Yonasi	Chairman	50	2023	Public Sector	Tanzanian	Permanent Secretary - Prime Minister's Office - Policy Coordination
2	Dr. Hashil T. Abdallah	Member	48	2023	Public Sector	Tanzanian	Permanent Secretary - Ministry of Investment Industry and Trade
3	Mr. Mululi Majula Mahendeka	Member	58	2023	Public Sector	Tanzanian	Permanent Secretary - President's Office-State House
5	Mr. Paul Makanza	Member	56	2021	Public Sector	Tanzanian	Vice chairman- Tanzania Private Sector Foundation
6	Mrs. Suzan Laiser	Member	65	2021	Private Sector	Tanzanian	Board member - TPSF Board Director - Tanzania Private Sector Foundation
7	Dr. Godwill G. Wanga	Secretary	60	2020	TNBC	Tanzanian	Executive Secretary - Tanzania National Business Council

2.9 CAPITAL STRUCTURE AND TREASURY POLICIES

The Presidential Circular outlines that the financing of operations of TNBC should base on a cost-sharing model between the Government of the United Republic of Tanzania (URT) and the private sector. However, given the underdevelopment of the private sector, the Government has been the primary financier of TNBC's activities. The capital structure of the Council for the year under review is characterized by equity, which is primarily composed of Government subventions and grants, as represented by the capital fund, alongside liabilities. TNBC's treasury policies are governed by its financial manual, along with relevant Government circulars, guidelines, and procedures, to ensure that TNBC maintains sufficient resources to support its ongoing operations and sustainability.

2.9.1 Financial Performance

The total income for 2023/24 was TZS 1,969.8 million, compared to TZS 2,215 million in 2022/23, primarily derived from a government subvention and grant. This reflects a 11% decrease in the Government revenue grant during the year under review. Despite this decline, TNBC managed to achieve a surplus of TZS 48 million, although this was lower than the TZS 191 million surplus recorded in the previous year. The drop in revenue is largely attributed to reduced salaries and wages due to two vacant positions.

Table 4 below provides a summarized presentation of the statement of financial performance, supporting the above analysis.

Table 6: Summarised Statement of Financial Performance

	2023/24	2022/23	Changes	
	TZS'000	TZS'000	TZS'000	%
Total income	1,969,834	2,214,980	(246,480)	-11%
Total expenses and transfer	1,921,385	2,023,858	(100,585)	-5%
Surplus	48,449	191,122		

2.9.2 Financial Position

At the end of the year, the total assets amounted to TZS 6,840 million, an increase of TZS 92 million (or 1.37%) compared to TZS 6,748 million in 2022/23. This growth is primarily attributed to the purchase of a motor vehicle during the year. TNBC's financial position is further illustrated by total liabilities of TZS 300 million (up from TZS 256 million in 2022/23) and Net assets of TZS 6,540 million (compared to TZS 6,493 million in 2022/23).

The total liabilities amounted to TZS 300 million, entirely comprised of current liabilities, increased by TZS 44 million, representing an 17% rise from TZS 256 million in 2022/23. This increase is mainly attributable to staff dues provided during the year. Concurrently, the reserves grew by TZS 49 million, or approximately 1%, from TZS 6,491 million to TZS 6,540 million, driven by the surplus recorded during the year.

Table 5: Below is a summarised presentation of the statement of financial position to support the above descriptions

Table 7: Summarised Statement of Financial Position

	2023/24	2022/23	Changes	
Assets	TZS'000	TZS'000	TZS'000	%
Current Assets	32,596	93,041	(60,445)	-65%
Non-Current Assets	6,807,706	6,654,674	153,032	2%
Total assets	6,840,302	6,747,715	92,587	
Current liabilities	300,565	256,427	44,138	17%
Net Assets	6,539,737	6,491,288		
Accumulated Surpluses	6,539,737	6,491,288	48,449	1%
Total Net Asset/Equity	6,539,737	6,491,288		

2.9.3 Cash Flow

During the year, TNBC generated TZS 167 million from operating activities, marking an increase from TZS 94 million in 2022/23. This positive cash flow resulted from receipts of TZS 1,968 million, compared to TZS 2,196 million in the previous year, and payments of TZS 1,801 million, down from TZS 2,120 million. The increase in net cash from operating activities reflects improved efficiency in managing cash flow from core operations.

Out of the operating cash flow, TZS 228 million was allocated to purchasing a motor vehicle, increased from TZS 69 million spent in the previous year. This investment underscores TNBC's commitment to upgrading and enhancing assets to support operational efficiency and effectiveness and improve the working environment. Consequently, a net cash outflow of TZS 60 million for the year, compared to a net inflow of TZS 25 million in 2022/23. Table 6 below is a summarised presentation of the statement of cash flow to support the above descriptions.

Table 8: Summarised Sstatement of Cash Flow

	2023/24	2022/23
	TZS'000	TZS'000
Receipts	1,968,500	2,196,244
Payments	(1,800,993)	(2,102,516)
Net Cash flows from operating activities	167,507	93,728
Total investing activities	(227,952)	(68,799)
Net increase /(decrease)	(60,445)	24,929
Cash and cash equivalent at the beginning of the year	93,041	68,112
Cash and cash equivalent at the end of the year	32,596	93,041

2.10 KEY PERFORMANCE INDICATORS

TNBC Strategic plan 2021/22 - 2025/26 identifies strategic objectives, strategies, targets, and key performance indicators. The key performance indicators for each strategic objective are tabulated below:

Table 8: Key Performance Indicators

S/N	Strategic Objectives	Key performance Indicators
A	Health services improved and HIV/AIDS infections reduced	Prevalence of NCDs to TNBC staff
		HIV & AIDS incidence rate to TNBC staff.
		Perception of people living with HIV and AIDS on quality of supportive services.
B	Effective implementation of National Ant-Corruption strategy enhanced and sustained	Perception level of stakeholders on TNBC service delivery and ethical behaviour.
C	Fora for public-private dialogues with a view of reaching mutual consensus and understanding of strategic issues relating to the efficient management of development resources coordinated, facilitated and conducted	Percentage of stakeholders satisfied with TNBC PPDs and related services
D	Goals of economic growth with social equity and even development promoted	Development level of Tanzania economy in regional and international ranking.
E	Developments in external and domestic business environment and their challenges regularly reviewed and course of action proposed	Level of key stakeholders' perception on TNBC capacity to execute its mandate and roles in resolving business challenges.
F	Views on prevailing operating and regulatory environment exchanged and ways to facilitate improved public service delivery and make civil Service business friendly proposed	Level of key stakeholders' perception on TNBC capability to execute its mandate and roles on improving public and civil service in favour of conducive business environment.
G	The policy environment to enhance attractiveness of Tanzania products in the world market reviewed and changes proposed	Level of key stakeholders' perception on TNBC capability to execute its mandate and roles on improving attractiveness of Tanzania products in world market.
H	Recommendations on formulation of coordinated policies and legislation on social and economic matters through government to parliament or other appropriate bodies issued	Level of stakeholders' perception on TNBC mandate and roles on promotion of coordinated and harmonized policies and legislation on social and economic matters through the Government, Parliament and other relevant bodies.
I	Human resource development and organizational management enhanced	Level of satisfaction of clients with TNBC services delivery.
		Staff turnover rate
		Level of stakeholders' satisfaction with TNBC services delivery
J	Communication and stakeholders engagement improved	Perception level of stakeholders' engagement with TNBC

The implementation of the TNBC's Strategic Plan (SP) 2021/22-2025/26 is executed through Annual Plan and Budget. The implementation performance of the SP will be evaluated in line with the KPIs after its implementation. However, the detailed review of the implementation of the annual plan and budget is given under item 2.12 herein.

2.11 PREJUDICIAL ISSUES

There has been no legal action taken against TNBC or its management during the year the year under review.

2.12 STATEMENT OF SERVICE PERFORMANCE/ IMPLEMENTATION INFORMATION DURING THE YEAR

During the 2023/24 fiscal year, TNBC actively pursued its mandate by facilitating closer and regular consultations and dialogues between the government and the private sector on issues related to the business environment and the country's economic development. These public-private dialogues (PPD) specifically aimed at reaching consensus resolutions to enhance and promote a more conducive environment for businesses, investments, and the broader economy. In the year under review, TNBC implemented the following activities:

2.12.1 TNBC Meeting

During the year under review, preparations for the 15th TNBC meeting, which include preparing and sending meeting notice to members and invitees, follow up on papers and presentations to be discussed, drafting speeches and reports to be presented, preparation of venue branding and promotional material. It also included coordination and facilitation of two Executive Committee meetings and Digital transformation working group. However, the meeting was scheduled to take place in the first quarter (29th July) of FY 2024/25.

The 5th TNBC meeting was successfully conducted on 29th July 2024 as planned.

2.12.2 TNBC Executive Committee Meeting

In the 2023/24 fiscal year, two Executive Committee (EXCOM) meetings were held: one regular and one special session, along with one meeting of the Finance and Administration Sub-Committee. These meetings addressed various matters, including reviewing the TNBC organization structure and Job descriptions; implementation of the resolutions from the 14th TNBC meeting; preparations for the 15th TNBC Meeting; and Tanzania Digital Economy Strategic Framework 2024-2034 scheduled for launch during the 15th TNBC Meeting. The meeting also approved TNBC Client Service Charter.

2.12.3 Ministerial Public Private Dialogues (MPPDs)

During the 2023/24 year, eight MPPD meeting were coordinated under the Ministries of Industry and Trade, Transport, Natural Resources, Tourism, Finance, Minerals, Health and Agriculture. These meeting focused on identifying both sectoral opportunities, challenges and resolutions thereof, and providing valuable insights for improving business environment towards attracting investments and other development initiatives.

2.12.4 Technical Working Groups (TWGs)

During the year under review, TNBC continued to facilitate and coordinate eight Technical Working Groups (TWGs) focused on Digital Transformation, Agriculture, Industrialization, Finance, Tourism, Business Environment, Blue Economy, and Forestry. Key achievements of the TWGs include:

- i. Contributing to the development of the Tanzania Digital Economy Strategic Framework 2024-2034.
- ii. Assisting in the creation of the Tanzania Agriculture Master Plan 2025.
- iii. Reviewing the implementation of the EWP Action Plan.
- iv. Contributing to a report on transitioning towards more sustainable and robust furniture production in Tanzania to increase foreign exchange revenue.
- v. Contributing to the preparation of the Tanzania Tourism Product Diversification Strategy.
- vi. Reviewing the implementation of the Blueprint for Regulatory Reforms within the 2023/24 budget.

2.12.5 International Business Dialogue (IBD)

During the year under review, TNBC played a key role in facilitating and coordinating private sector participation in the International Business Fora hosted by Tanzania during state visits abroad. These forums aimed at promoting Tanzania's business and investment opportunities in countries such as India, Qatar, Oman, Sweden, Ghana, Estonia, Belgium, and Indonesia.

2.12.6 Regional and District Business Councils (RBCs & DBCs)

TNBC established Regional and District Business Councils (RBCs and DBCs) to ensure that Public-Private Dialogues (PPDs) are conducted at regional and district levels. The goal is to engage local governments in mobilizing all stakeholders to address business and investment challenges within their localities, where regular interaction with businesses occurs. TNBC is responsible for building the capacity of RBCs and DBCs, and elevating issues and resolutions requiring national attention to the TNBC's executive Committee and National Business Council level.

During the 2023/24 year, TNBC supported/ facilitated 20 regions in coordinating and conducting RBC and DBC meetings. Specifically, TNBC attended RBCs in Songwe, Simiyu, Iringa, Mwanza, Dar es Salaam, Lindi, Mara, Kigoma, Mbeya, Kagera, Kilimanjaro, Manyara, Katavi, Pwani, Ruvuma, Rukwa, Dodoma, Shinyanga, Singida, and DBCs in districts such as Kongwa, Kondoa, Chemba, Mpwapwa, Misenyi, Serengeti, Rorya, Kyera, Mvomero, Kilosa, Ubungo, Temeke, Kigamboni, Kinondoni, Kwimba, Liwale, Mtama, Nachingwea, Kilwa, Singida, Chunya, Ilala, Ikungi, Korogwe, Mbalali, Bahi, and Chamwino.

Additionally, TNBC escalated policy and legal issues from RBC and DBC meetings to the TNBC Executive Committee for national consideration. The issues included strengthening PPDs at sub-national levels, expediting the implementation of the Blueprint, addressing challenges at Kariakoo Market, resolving cross-border trade issues, and harmonizing multiple taxes and levies in Local Government Authorities (LGAs). Furthermore, in collaboration with the Prime Minister's Office, TNBC organized special training on PPDs for both the public and private sectors in the Coastal region.

2.12.7 Staff Welfare and Management

To sustain welfare, relationships, and good governance, TNBC maintained open communication between management and staff throughout the year. The organization upheld its commitment as an equal opportunity employer, with a focus on gender equality and inclusion of people with disabilities. TNBC employs 12 staff members, comprising 4 females and 8 males. Additionally, TNBC ensured all statutory contributions were made for its employees, including Health Insurance (National Health Insurance Fund - NHIF), Pensions (Workers Compensation Funds - WCF), and employee contractual gratuity.

2.12.8 Staff Training

TNBC maintained the policy for staff training, career development and equal opportunity for promotion to its entire staff as stipulated in TNBC manuals and Government circulars regarding training. During the year under review, TNBC facilitated training to its staff through workshops and seminars for continuous professional development whereas TZS 3.0 million was incurred for training during the year compared to TZS 7.16 million incurred in the year 2022/23 for training TNBC staff.

2.12.9 Organizational Development Initiatives

During the year under review TNBC implemented and participated in the following organizational development Initiatives designed to improve effectiveness, efficiency, relationship with key stakeholders and overall health of the Institution:

i. Public Employee Performance Management Information Systems (PEPMIS)

TNBC undertook a significant organizational development initiative by implementing the Public Employee Management Information System (PEPMIS) or **E-Utendaji** designed by the government to improve employee's performance. This initiative involved setting clear, measurable goals for employees and ensuring that these goals are aligned with the organization's strategic objectives. By integrating PEPMIS, TNBC is expected to enhance performance management practices, foster greater alignment between individual and organizational goals, and drive overall organizational effectiveness.

ii. MPPDs, RBCs, and DBCs Presidential Award for Outstanding Performance

During the year, TNBC established criteria for recognizing and awarding regions that excel in enhancing the pro-business environment. This initiative aims to incentivize and elevate regional performance by issuing the Presidential Award to the three top-performing regions at TNBC meetings. The objective is to drive improvements in the business environment across localities and foster a competitive and supportive local economic development. The Presidential award shall be issued annually during the TNBC Meeting.

iii. Study on Cross-Border Trade for Socio-Economic Transformation

During the year under review, TNBC conducted a comprehensive survey to analyze the impact of cross-border trade on socio-economic transformation in the economy. The survey involved visiting regional cities and borders to understand the characteristics, factors, and requirements for cross-border trade. Key locations visited included the following borders: Sirari (Mara), Holili (Kilimanjaro), Horohoro (Tanga), Manyovu (Kigoma), Mtukula (Kagera), Kabanga (Kagera), Rusumo (Kagera), Mtambaswala (Mtwara), Tunduma (Songwe), Kasumulu (Mbeya), and Namanga (Arusha). The findings of this study will inform the ongoing policy and legislative reforms.

iv. Study on Participation of Private Sector in Combating Corruption

During the year under review, TNBC collaborated with the Prevention and Combating of Corruption Bureau (PCCB) to prepare research proposal on the role of private sector in combating corruption. Specific, the study intends to understand state of corruption in the country and how the private sector can participate in combating corruption.

v. Collaboration with Private Sector Associations

During the year under review, TNBC collaborated with Private Sector Associations on initiatives that focus on enhancing private sector development and conducive business environment. Specific areas of collaboration include

(a) Coordination of Private Sector Participation in FYDP III

During the year under review, TNBC continued to coordinate private sector participation as mandated by the Government in the FYDP III execution. Specifically, TNBC collaborated with Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) to assess regions and district that are pro-business environment and to coordinate, facilitate and conduct sub national PPDs. The private sector was also engaged in the preparation of *“Tanzania Digital Economy Strategy Framework 2024-2034”*. Also, TNBC in collaboration with PSAs, coordinated private sector participation in state visit to India, Qatar, Oman, Norway, Sweden, Ghana, Estonia, Belgium, Indonesia and South Korea.

(b) Meetings with Public and Private Sector Organisations (PSAs)

During the year under review, TNBC conducted strategic meetings with different Public Institutions and PSAs to strengthen her relationship with these stakeholders to agree and align key priority areas for interventions. TNBC conducted meeting with President Office, Planning Commission and agreed to collaborate on conducting cross- border study; a meeting with Tanzania Tourist Board (TTB) and agreed to collaborate on promoting Tourism through PPDs; a meeting with TPSF, TCCIA, CTI and TAFFA to collaborate on promoting trade and investments involving business communities in Tanzania. The main agenda focus on adoption of universal membership by all actors in the private sector.

2.12.10 Monitoring of Implementation of TNBC resolutions

During the year under review, TNBC in collaboration with the Prime Minister's Office (Policy, Parliament, Coordination) monitored the implementation of the consensus resolutions emanated from 14th TNBC meeting by MDAs and regulatory and independent institutions and the private sector. Also, TNBC assigned and monitored implementation of resolutions of Executive Committee Meetings, Ministerial Public Private Dialogue (MPPDs) and Technical Working Groups (TWGs) and Regional and District Business Councils (RBCs & DBCs). This involved following up with the implementing agents, analyzing and compiling implementation reports and communicating feedback results to the Executive Committee, TWGs and 15th TNBC meetings. Some of the consensus resolutions emphasized on Fast-tracking implementation of the Blueprint for Regulatory Reforms, implementation of EWP action plan, Digital transformation and integration of ICT systems to improve business environment, attract investments, and Private Sector Development in our economy. Generally, TNBC has significantly and indirectly contributed to conducive business environment for sustained, inclusive and resilient economic growth through increased volumes of direct investments, trade, and government revenues.

2.12.11 Cross cutting issues on HIV/AIDS Infection, Non-Communicable Diseases and Anti-Corruption

During the year under review, TNBC implemented national strategies on HIV/AIDS, non-communicable diseases, and anti-corruption. To support these initiatives, TNBC organized seminars to raise awareness among staff about HIV/AIDS, non-communicable diseases, and anti-corruption measures. These seminars aimed to enhance work ethics and integrity within the organization. Additionally, TNBC provided all necessary services and protective gear to staff to ensure a safe working environment.

2.13 FUTURE OUTLOOK

TNBC is a leading formal consultative body through its Public Private Dialogic (PPD) Platforms between public and private sectors in Tanzania. TNBC is committed to innovatively sustain economic and social reforms, building on success achieved and experience gained over years. During the financial year 2024/25, TNBC will focus on areas with high socio-economic development impacts in performing its core function of providing fora for regular and closer public private dialogues with view of reaching consensus on social economic development of Tanzania as guided by Tanzania Development Vision 2025 (TDV2025), Five-Year Development Plan III (FYDP III), TNBC Strategic Plan (2021/22 - 2025/26) and PPD Institutional Framework (PPDIF), Election Manifesto 2020. It is envisaged that this will be achieved through the following initiatives:

- i. Facilitate Public-Private Dialogues (PPDs) at sub-national levels (District Business Council and Regional Business Council), Sectorial/Ministerial (Technical Working Groups and Ministerial Public Private Dialogues), and National Business Council and International Business Dialogues.

- ii. Linking Sectorial/ Ministerial Public Private Dialogues with TNBC and promoting innovative solutions and interventions to the Executive Committee and TNBC meetings with strategic intent of triggering action by both public and private sectors.
- iii. Coordinate PPDs on pro-business environment through technical working groups mainly focusing on implementation of TNBC consensus resolutions including Blueprint for Regulatory Reforms addressing legal and regulatory challenges in all sectors of the economy.
- iv. Coordinate PPDs on finance technical working group mainly focusing on addressing Tanzania tax administration System and improving forex revenue.
- v. Coordinate PPDs in tourism sector through Tourism Working Group mainly focusing on tourism product diversification.
- vi. Coordinate PPDs in industrialization sector through Industrialization Working Group mainly focusing on Industrialization Policy Formulation Framework, blueprint initiative and related issues.
- vii. Coordinate PPDs in forestry sector through Forestry Working Group mainly focusing on *Transitioning Towards a More Sustainable and Robust Furniture Production in Tanzania for Increased Forex Revenue Reserve*.
- viii. Coordinate PPDs in ICT sector through Digital Transformation Working Group mainly focusing on enhancing implementation of the Tanzania digital economy strategic framework (2024-34).
- ix. Coordinate PPDs in Blue Economy through Blue Economy Working Group mainly focusing on enhancing utilization of blue economy opportunities.
- x. Coordinate PPDs in agriculture sector through Agriculture Working Group mainly focusing on commercialization of agricultural sector. TNBC has coordinated and facilitated one Agriculture Working Groups Meeting.
- xi. Coordinate and encouraging private sector participation in public processes focusing on development, review and updating policies, strategies, guidelines, laws, and regulations on business, investment and economic issues.
- xii. Enhancing competitive business and investment environment for sustaining economic growth PPDs.
- xiii. Implementation of the Strategic Plan 2021/22-2025/26 and Client Service Charter towards realization of the key performance indicators of improved business environment and investment climate towards high-income economy.
- xiv. Continue with follow up on implementation of all consensus resolutions reached in previous PPDs.
- xv. Organize regular and closer consultations between public and private sectors at all levels with the purpose of improving business environment and lowering cost of doing business in Tanzania. The TNBC agenda and engagement will be streamlined into consultative (PPD) platforms for consensus resolutions to address challenges, and.
- xvi. Coordinate communication of the achievements and successes to enhance visibility and public confidence and motivates more positive actions towards realizing the objectives of FYDP III, election manifesto and TDV 2025. TNBC will thus continue to organize regular consultations between Government and Private Sector in all levels with the purpose of lowering cost of doing business.

2.14 EMPLOYEE WELFARE

i. Management and Employees' Relationship

TNBC is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties. During the year under review, open communication was maintained with employees through regular meetings between management and staff in order to promote good governance.

ii. Medical Assistance

TNBC has engaged National Health Insurance Fund (NHIF) to deal with staff medical requirements. During the year, Employer contributed towards the Fund Total TZS 20,800,800 (TZS 22,155,600 in 2022/2023).

iii. Financial Assistance to Staff

Loans have been available to all confirmed employees in the form of salary advance and staff loans.

iv. Employees Benefit Plans

During the year under review, TNBC contributed TZS 56,142,000 (TZS 52,614,000 in 2022/2023) to PSSSF. These represent employer contribution only. The Remaining part was contributed by employee to the respective Pension Funds. The amount contributed by TNBC is included in note 7 Wages, Salaries, and Employees benefits.

For Employees on contract, TNBC pays a gratuity at the end of the contract term at the rate agreed in the contract of each employee. For Permanent employees or staff, TNBC pays contribution to the Pensions Fund, which is publicly, administered pension plans, on a mandatory basis.

v. Persons Living with Disabilities

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, respective effort will be made to ensure that their employment with TNBC continues and appropriate retraining is arranged. It is the TNBC policy that training, career development and promotion of disabled persons, shall, as far as possible, be identical to that of other employees.

2.15 GENDER PARITY

During the year under review, TNBC retained 12 employees out of which 4 are females and 8 are males. Tanzania National Business Council is committed to employment policies which

follow best practices, based on equal opportunity for all employees. TNBC recognizes the need for ensuring fair employment practices in recruitment, selection, retention, training and career development of staff.

2.16 ENVIRONMENTAL

TNBC is taking measures to strengthen preparedness for natural disasters risks and protection of the environment through various risk management initiatives. TNBC continued to comply with the requirements and directives of National Environment Management Council (NEMC) and other Government institutions.

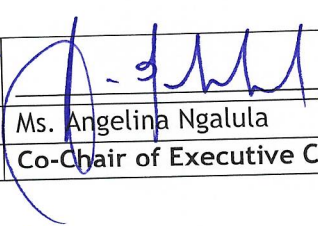
2.17 STATUTORY AUDITOR

The Controller and Auditor-General (CAG) is the Statutory Auditor of TNBC pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2005), and as amplified in section 10 of the Public Audit Act, Cap 418. However, in accordance with section 33 of the same Act, BAAS ASSOCIATES is authorized by the Controller and Auditor General to carry out the statutory audit of Tanzania National Business Council for the year ended 30 June 2024 on his behalf.

The Auditors are responsible for providing assurance of the correctness and consistency of the Report for Those Charged with Governance and the Financial Statements.

2.18 APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements of TNBC are approved by the Executive Committee and authorized for issue on..... and are signed on its behalf by:

	
Mr. Mululi Mahendeka	Ms. Angelina Ngalula
Member of Executive Committee	Co-Chair of Executive Committee
	Date

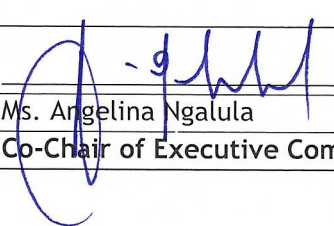
3.0 STATEMENT OF EXECUTIVE COMMITTEE RESPONSIBILITY

It is the responsibility of the Executive Committee to prepare financial statements that give true and fair view of the financial position and state of affairs of Tanzania National Business Council (TNBC) operations at the end of every financial year. It is also the responsibility of the Executive Committee to ensure that TNBC maintains proper accounting records that disclose, with reasonable accuracy, her financial position.

The Executive Committee also is responsible for the safeguarding of the assets of TNBC and taking reasonable steps in the prevention and detection of fraud, error and other irregularities. Therefore, the Executive Committee hereby confirms that suitable policies have been used and applied consistently and reasonable and prudent judgments and estimates have been made in the preparation of the TNBC's Financial Statements for the year ended 30 June, 2024.

The Executive Committee further confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going-concern basis. The Executive Committee has reasonable expectation that TNBC has adequate resources to continue in operations for the foreseeable future.

The Executive Committee also accepts responsibility for the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

	21.03.2025	
Mr. Mululi Mahendeka		Ms. Angelina Ngalula
Member of Executive Committee	Date	Co-Chair of Executive Committee

4.0 DECLARATION OF THE HEAD OF FINANCE/ACCOUNTING

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

It is the duty of a Professional Accountant to assist the Governing Board 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 International Public-Sector Accounting Standards (IPSAS) and statutory financial reporting requirements. Full legal responsibility for the preparation of the financial statements, rests with the Governing Board.

I, **Oliva Damas Vegulla**, being the Director of Finance and Administration of Tanzania National Business Council (TNBC) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2024 have been prepared in compliance with International Public-Sector Accounting Standards (IPSASs) and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Tanzania National Business Council (TNBC) as on that date and that they have been prepared based on properly maintained financial records.

Olivegulla

Signed by: CPA. Oliva Damas Vegulla

Position: Director of Finance and Administration

NBAA Membership No.: ACPA 5471

Date: 26/03/2025

5.0 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

			Re-stated
	NOTES	2024	2023
		TZS000	TZS000
ASSETS			
Current Assets			
Cash and cash equivalent	14	32,596	93,041
Total Current Asset		32,596	93,041
Non-Current Assets			
Property plant and equipment	15	6,807,706	6,654,674
Total Non CurrentNon-Current Assets		6,807,706	6,654,674
TOTAL ASSETS		6,840,302	6,747,715
LIABILITIES			
Current liabilities			
Payables and accruals	16	300,565	256,427
Total Current Liabilities		300,565	256,427
NET ASSETS/EQUITY			
Capital Contributed by:			
Capital fund	17	6,402,000	6,402,000
Accumulated surplus/ (deficits)	18	137,737	89,288
TOTAL NET ASSETS/EQUITY		6,539,737	6,491,288
TOTAL NET ASSETS/EQUITY AND LIABILITIES		6,840,302	6,747,715

Mr. Muluti Mahendeka
Member of Executive Committee

21.03.2025
Date

Dr. Godwill G. Wanga
Executive Secretary

TANZANIA NATIONAL BUSINESS COUNCIL

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

	NOTES	2024 TZS '000'	Re-stated 2023 TZS '000'
REVENUE FROM NON- EXCHANGE TRANSACTIONS			
Subvention from other government entities	5	1,968,500	2,196,244
Other revenue	6	-	18,736
TOTAL REVENUE		1,968,500	2,214,980
EXPENSES			
Wages,salaries and employee benefits	7	1,135,436	1,089,620
Use of goods and services	8	482,236	641,437
Maintenance expenses	9	22,712	15,256
Depreciation of property, plant and equipment	10	74,920	69,051
Other expenses	11	125,180	117,555
Social benefits	12	79,770	85,750
Expected credit loss	14	(1,334)	1,888
TOTAL EXPENSES		1,918,920	2,020,558
TRANSFER			
Grants and transfer	13	1,130	3,300
TOTAL EXPENSES AND TRANSFERS		1,920,050	2,023,858
Surplus/ deficit		48,449	191,122

Mr. Mululi Mahendeka
Member of Executive Committee

Date

Dr. Godwill G. Wanga
Executive Secretary

TANZANIA NATIONAL BUSINESS COUNCIL

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024

	Capital fund	Accumulated Surplus /(Deficit)	Total
	TZS 000	TZS 000	TZS 000
Opening balance as at 01 July 2023	6,402,000	89,288	6,491,288
Surplus/ Deficit for the year	-	48,449	48,449
Closing balance as at 30 June 2024	6,402,000	137,737	6,539,737
Opening balance as at 01 July 2022	6,402,000	(101,834)	6,300,166
Surplus/ Deficit for the year	-	191,122	191,122
Closing balance as at 30 June 2023	6,402,000	89,288	6,491,288

Mr. Mululi Mahendeka
Member of Executive Committee

Date

21.03.2025

Dr. Godwill G. Wanga
Executive Secretary

TANZANIA NATIONAL BUSINESS COUNCIL

CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	Notes	2024 TZS000	Re-stated 2023 TZS000
CASH FLOWS OPERATING ACTIVITIES			
Receipts			
Grants	5	1,968,500	2,196,244
Payments			
Employees costs	19	(1,108,812)	(1,241,636)
Other payments	20	(693,515)	(858,991)
Total payments		(1,802,327)	(2,100,627)
Net cash flows from / (used to) operating activities	21	166,172	95,617
CASH FLOW FROM INVESTING ACTIVITIES			
Purchases of property, plant and equipment	15	(227,952)	(68,799)
Net cash flows to investing activities		(227,952)	(68,799)
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash flows from financing activities		-	-
Net increase / (decrease) in cash and cash equivalent		(61,779)	26,818
Cash and cash equivalent at the beginning of the year		94,929	68,111
Cash and cash equivalent at the end of the year		33,150	94,929

Mr. Mululi Mahendeka
Member of Executive Committee

Date

Dr. Godwill G. Wanga
Executive Secretary

TANZANIA NATIONAL BUSINESS COUNCIL

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2024

	Original Budget	Reallocations/ Adjustments	Final Budget (B)	Actual Amount on Comparison Basis (A)	Difference in Final Budget & Actual (B-A)	%	Remarks
RECEIPTS	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'		
Subvention from other Government Entities	2,127,255	-	2,127,255	1,968,500	(158,756)	-7%	
Total Receipts	2,127,255	-	2,127,255	1,968,500	(158,756)		
Payments							
Staff salaries and benefit	1,284,547	(46,783)	1,237,764	1,108,812	128,952	10%	1
Use of goods and services	365,543	171,298	536,840	466,058	70,783	13%	2
Social benefits	-	-	-	79,770	(79,770)	-100%	3
Other expenses	127,910	(3,470)	124,440	123,846	594	0%	
Maintenance expenses	35,200	(11,211)	23,989	22,712	1,277	5%	4
Grants and transfers	1,500	-	1,500	1,130	370	25%	5
Acquisition of property, plant and equipment	312,555	(109,833)	202,722	227,952	(25,230)	-12%	6
Total Payment	2,127,255	-	2,127,255	2,030,279	96,976		
Net Receipts/payments	-	-	-	(61,779)	(61,779)		

EXPLANATION FOR VARIANCES - Remarks - Refer to Note 24

Mr. Muluti Mahendeka
Member of Executive Committee

21.03.2024

Date

Dr. Godwill G. Wanga
Executive Secretary

6.0 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. GENERAL INFORMATION

The Tanzania National Business Council ("The Council" or "TNBC") was established through Presidential Circular No. 1 of 2001 published in the Government Gazette No.39 issued on 28 September 2001.

The Council discharges its functions under the Prime Ministry Office (entry point) under the day-to-day supervision of the Executive Committee chaired by the Chief Secretary of the United Republic of Tanzania.

The principal activity of TNBC is to provide fora for regular and closer dialogues between the public and private sectors and other stakeholders on issues pertaining to business environment and the socio-economic development of Tanzania.

The Council's registered office and address of its principal place (Headquarters) of business is:

21 GHANA AVENUE
P.O.BOX 3478
DAR-ES-SALAAM
Phone: +255 22 2122984-6
Email: es@tnbc.go.tz
Website: www.tnbc.go.tz

2. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out herein below. These policies have been consistently applied to all the years presented except where otherwise stated,

Basis of Preparation

The financial statements have been prepared under the historical cost convention. No adjustments have been made for inflationary factors affecting the accounts. These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) accrual basis. The preparation of financial statements in conformity with IPSAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying TNBC's accounting policies. The areas involving a higher degree of judgment or complexity or areas where assumptions and estimates are significant to the financial statements are separately disclosed in a note. Report by Those Charged with Governance has been prepared in accordance to The Tanzania Financial Reporting Standards No. 1 issued by National Board of Accountants and Auditors.

2.1 Foreign Currency Translations

Items included in the financial statements are presented in the Tanzania shillings currency units rounded to the nearest 1,000-shilling, which is also the Council's functional currency.

Foreign currency transactions are translated into Tanzanian shillings (TZS) using the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities at the reporting date, which are expressed in foreign currencies, are translated into Tanzania shillings (TZS) at the rates ruling at the date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the yearend exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance.

2.2 Revenue Recognition

Revenue from non-exchange transactions is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

Revenue received from the Government for personnel emoluments and other charges are credited to the Statement of Financial Performance in the period which they are received.

Revenues from non-exchange transactions with other entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfers is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

Grants are not recognized until there is reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received. When the entity receives grants attached with conditions to return the grants when conditions are not fulfilled, the entity recognizes deferred revenue and releases the amount as revenue when conditions are met. When the entity receives grants without conditions to return the grants when conditions are not fulfilled, the entity recognizes revenue instantly.

2.3 Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The costs include expenditure directly attributable to the acquisition of the items. All other repairs and maintenance are charged to the statement of financial performance during the financial period in which they are incurred.

Valuations are performed wherever necessary to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any revaluation surplus is credited to the asset's revaluation reserve included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the income statement, in which case the increase is recognised in the income statement. A revaluation deficit is recognised in the income statement, except to the

extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method.

The estimated useful lives are as follows:

SN	Class of assets	Useful life (Years)
1.	Motor vehicles	5
2.	Computer equipment	4
3.	Other office equipment	8
4.	Furniture and fittings	8
5.	Office Building	50

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

2.4 Impairment of Assets

At each reporting date, property, plant and equipment, intangible assets, are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and the amount of an impairment loss is recognized immediately in the statement of financial performance.

2.5 Financial Instruments

All financial instruments of TNBC are non-derivative financial instruments. These non-derivative instruments are cash and cash equivalents and accounts payables.

All financial instruments to which TNBC is a party have to be recognised in the financial statements and its Expected Credit Loss (ECL) be computed in accordance to IPSAS 41 which require entities to estimate and account for credit losses on financial assets, including loans, receivables and other debt instrument. ECL is based on forward- looking approach that considers potential future losses rather than just historical loss data.

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ECL is computed by establishing the stage of the financial asset whereby stage 1 is Performing asset which have not experienced a significant increase in credit risk since initial recognition, stage 2 is Under performing asset which have experienced a significant increase in credit risk and stage 3 is Non-performing assets which are credit impaired. The classification of stage determines how the ECL is calculated as follows;

$$\text{ECL} = \text{EAD} \times \text{PD} \times \text{LGD}$$

Whereby;

EAD is Exposure at Default being the amount the entity is exposed to at the time of default, considering off-balance sheet exposure as well.

PD is Probability of Default is the likelihood that the borrower will default over a specified time horizon (12 months or lifetime)

LGD is Loss Given Default is the amount of exposure that is not receivable if the borrower defaults expressed as a percentage.

During the year under review TNBC financial assets comprised cash and cash equivalent only; amounting to TZS 33,150,134 (TZS 94,929,349 in 2022/23), held at CRDB Bank Plc. The CRDB Bank Plc's probability of default is 2.16% as rated by Moody's Corporation, which is an independent global analyst in investments and financial analysis.

The computation of the expected credit loss resulted into a loss of TZS 554,042 (TZS 1,888,474 in 2022/23).

Credit risk

In the normal course of operations, Tanzania National Business Council is exposed to credit risk from transactions with banking institutions. The Council manages its exposure to credit risk by holding bank balances with Tanzanian registered banking institutions.

As at 30 June 2024, the total amount of cash and cash equivalents was TZS 33,150,134 (TZS 94,929,349 in 2022/23) held with CRDB Bank Plc.

The carrying amount of the financial assets represents the maximum credit exposure. Tanzania National Business Council does not require any collateral or security to support financial instruments as it holds no any receivables.

Foreign currency exchange rate risk

Tanzania National Business Council operates TZS. Significant amount of revenues and expenses are settled in TZS therefore management believes that the organisation is not materially exposed to currency risk. Foreign currency transactions are translated to Tanzania shillings at exchange rates at the dates of the transactions.

Interest rate risk

Interest rate risk arises from possible impact of changes in the interest rates on the value of financial instruments. Tanzania National Business Council does not have assets and liabilities that are dependent on the interest rate levels. Therefore, management believes that the Council has no exposure to interest rate risk.

2.6 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and bank deposits. Bank overdraft (if any) that are repayable on demand and form an integral part of the Council's cash management are included as component of cash and cash equivalents for the purpose of the cash flow statement.

2.7 Other Non-Derivative Financial Instruments

Accounts payable is made up of sundry creditors, accruals and provisions for employees' entitlements. These represent amounts due for services and/or materials received to prior year-end, but not paid for as of the statement of financial position date and liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier respectively. Accounts payable are recognized initially at cost and subsequently measured at amortized cost.

2.8 Employee Benefits

2.8.1 Short-Term Employee Benefits

These include salaries and wages, annual leave and other short-term benefits. These are charged to statement of financial performance as they are incurred.

2.8.2 Post-Employment Benefits

The Council operates a defined contribution plan for employees other than contract employees.

Employees of the Council are members of Public Services Social Security Fund (PSSSF); where the employees and employer contribute to the fund based on monthly basic salaries at the rates of 5% for employee and 15% for employer. The employer's contribution amount is charged to the statement of financial performance when due. PSSSF will bear the pension obligations of the Council's staff after members' retirement from active employment with the Council.

2.8.3 Termination Benefits

Termination benefits are benefits provided in exchange for the termination of an employee's employment as a result of either:

- i. The Council's decision to terminate an employee's employment before the normal retirement date; or
- ii. An employee's decision to accept an offer of benefits in exchange for the termination of employment.

The amount of terminal benefits is calculated based on the provisions of the Employment and Labor Relations Act. The amount payable in respect of the terminal benefits is charged to the statement of financial performance in the period it is incurred.

2.8.4 Gratuity

An employee appointed by the Council on contract of fixed duration is entitled to be paid a gratuity equivalent to 25% of his/ her total drawn basic salary paid annually. The amount payable for each year is accrued and charged to the statement of financial performance in the period when it is incurred.

2.8.5 Provisions

Provisions are recognized when the Council has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

3. MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

As of the reporting date, TNBC's current liabilities exceeded its current assets by TZS 268 million, compared to TZS 163 million in the 2022/23 fiscal year. Despite this, the Council has recorded a surplus of TZS 47 million, with an accumulated surplus of TZS 91 million in 2022/23. Notably, approximately 75% of the current liabilities represent staff gratuity and dues, for which the government has committed funds through PSSSF to settle as they become due at the end of contracts. This demonstrates a significant improvement in the Council's financial position and reflects the government's strong commitment to supporting the Council's ongoing operations, thereby reinforcing its ability to continue as a going concern.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with IPSAS accrual basis requires the use of estimates and assumptions that affect the amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on the Executive Committee's best knowledge of the current events and actions, actual results ultimately may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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The most significant use of judgement and estimates is the useful Lives of Property, Plant and Equipment. TNBC has made accounting estimation of the future useful lives of property, plant and equipment based on the expected pattern of consumption of the future economic benefits and reviewed its depreciation rates. The useful lives of items of property, plant and equipment have been estimated annually and are in line with the rate at which they are depreciated. The depreciation rates of property plant and equipment are given in Note 2.4.

Also the judgement and estimates has been made in the computation of expected credit loss as a result of adoption of IPSAS 41. The basis of computation and the effects to the financial statements are given in note 2.6 and note 14.

5 SUBVENTION FROM OTHER GOVERNMENT ENTITIES

	2024	2023
	TZS000	TZS000
Subvention for other charges	1,177,167	1,389,670
Subvention for personal emolument	791,333	806,574
	<u>1,968,500</u>	<u>2,196,244</u>

6 OTHER INCOME

	2024	2023
	TZS000	TZS000
Amortisation of deferred capital grants	-	18,736
	<u>-</u>	<u>18,736</u>

7 WAGES, SALARIES AND EMPLOYEE BENEFITS

	2024	2023
	TZS000	TZS000
Casual labour	-	2,320
Civil servants	773,457	806,574
Extra duty	10,570	5,840
Food and refreshment	31,985	17,119
Furniture	-	-
Honoraria	14,270	-
Housing allowance	151,073	144,892
Leave travel	45,507	13,320
Moving expenses	-	1,200
Sitting allowance	17,350	7,800
Telephone allowance	25,200	24,825
Transport allowance	-	65,730
Fuel allowance	66,024	-
	<u>1,135,436</u>	<u>1,089,620</u>

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8 USE OF GOODS AND SERVICES

	2024	2023
	TZS000	TZS000
Accommodation	-	-
Advertising and publication	5,234	11,843
Air travel tickets	55,844	75,255
Conference facilities	250	3,665
Diesel	49,463	57,860
Electricity	10,779	10,869
Entertainment	-	30
Food and refreshment	11,963	16,777
Gifts and Prizes	-	300
Ground transport (bus, train, water)	800	1,610
Ground travel (bus, railway, taxi etc)	9,263	10,143
Health insurance	-	-
Internet and email connections	2,947	2,020
Office consumables (papers, pencils, pens and stationeries	3,301	12,162
Outsourcing costs (includes cleaning and security services	23,881	21,986
Per diem - domestic	210,895	295,298
Per diem - foreign	62,842	95,384
Posts and telegraph	562	-
Printing and photocopying costs	10,405	18,128
Production and printing of training materials	-	-
Publicity	-	-
Sewage charges	250	200
Subscription fees	2,881	-
Telephone charges (land lines)	62	363
Training allowance	-	-
Tuition fee	3,000	7,160
Visa application fees	-	384
Wire, wireless, telephone, telex services and facsimile	-	-
Exhibition, festivals and celebrations	10,800	-
Telephone charges utility supplies and services	166	-
Water and waste disposal(garbage)	1,510	-
Printing and Photocopying papers	4,000	-
Water charges	1,139	-
	482,237	641,437

9 MAINTANANCE EXPENSES

	2024	2023
	TZS000	TZS000
Air conditioners	850	-
Motor vehicles and water crafts	16,120	7,393
Outsource maintenance contract services	-	1,643
Photocopiers	-	-

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Repair and maintenance furniture	2,342	3,305
Tyres and batteries	3,400	2,915
	<u>22,712</u>	<u>15,256</u>

10 DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT

	2024	2023
	TZS 000	TZS 000
Computers and photocopiers	19,500	5,167
Motor vehicles	52,948	49,149
Office equipment	752	1,140
Furniture and fittings	-	11,875
Public building	1,720	1,720
	<u>74,920</u>	<u>69,051</u>

11 OTHER EXPENSES

	2024	2023
	TZS000	TZS000
Audit fees	17,280	16,000
Audit supervision expenses	-	1,010
Bank charges and commission	-	125
Burial expenses	1,500	3,000
Consultancy fees	-	1,975
Director's fee	98,000	83,000
Honorariums (expert opinion)	6,400	12,445
Specialized equipment and supplies	2,000	-
	<u>125,180</u>	<u>117,555</u>

12 SOCIAL BENEFITS

Retirement benefit gratuity	79,770	85,750
	<u>79,770</u>	<u>85,750</u>

13 GRANTS AND TRANSFERS

	2024	2023
	TZS000	TZS000
Architects and Quantity Surveyors Regulatory Board	-	1,000
National Board of Accountants and Auditors	-	800
Public Procurement Regulatory Authority	1,130	1,500
	<u>1,130</u>	<u>3,300</u>

14 CASH AND CASH EQUIVALENT

	2024	2023
	TZS 000	TZS 000
Cash at bank	33,150	94,929
	<u>33,150</u>	<u>94,929</u>
Less: Expected credit loss provisions	554	1,888
Cash and cash equivalent	<u>32,596</u>	<u>93,041</u>

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Expected credit loss provisions		
EAD - Exposure at Default	33,150	94,929
*RVR - Recoverable rate	22.62%	7.90%
**LGD - Loss Given Default - (100%-RVR)	77.38%	92.10%
PD - Probability of Default	2.16%	2.16%
Expected Credit Loss = EAD*PD*LGD	554	1,888
Expected credit loss provision	(1,334)	1,888
* 2024: $(7,500/33,150) * 100\% = 22.62\%$	2023: $(7,500/94,929) * 100\% = 7.90\%$	
** 2024: $(100\% - 22.62\%) = 77.38\%$	2023: $(100\% - 7.90\%) = 92.10\%$	

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The computation of the expected credit loss (ECL) resulted into a loss of TZS 553,042 (TZS 1,888,474 in 2022/23).

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15: MOVEMENT OF PROPERTY, PLANT AND EQUIPMENT

	Land TZS'000'	Public building TZS'000'	Motor vehicles TZS'000'	Computer and photocopiers TZS'000'	Office equipment TZS'000'	Office Furniture and fittings TZS'000'	Total TZS'000'
Cost							
At 1 July 2023	6,316,000	86,000	446,576	157,949	47,313	97,863	7,151,701
Additions	-	-	227,952	-	-	-	227,952
Disposal	-	-	-	-	-	-	-
As at 30 June 2024	6,316,000	86,000	674,528	157,949	47,313	97,863	7,379,653
Depreciation							
At 1 July 2023	-	5,160	270,458	88,201	35,346	97,862	497,027
Charge for the year	-	1,720	52,948	19,500	752	-	74,920
As at 30 June 2024	-	6,880	323,406	107,701	36,097	97,862	571,947
Net book value							
As at 30 June 2024	6,316,000	79,120	351,122	50,248	11,215	1	6,807,706
As at 30 June 2024	6,316,000	80,840	176,118	69,749	11,967	1	6,654,674
As at 30 June 2023							

MOVEMENT OF PROPERTY, PLANT AND EQUIPMENT 2022/23

	Land TZS'000'	Public building TZS'000'	Motor vehicles TZS'000'	Computer and photocopiers TZS'000'	Office equipment TZS'000'	Office Furniture and fittings TZS'000'	Total TZS'000'
Cost							
At 1 July 2022	6,316,000	86,000	446,576	89,150	47,313	97,863	7,082,902
Additions	-	-	-	68,799	-	-	68,799
Disposal	-	-	-	-	-	-	-
As at 30 June 2023	6,316,000	86,000	446,576	157,949	47,313	97,863	7,151,701
Depreciation							
At 1 July 2022	-	3,440	221,309	83,034	34,205	85,988	427,976
Charge for the year	-	1,720	49,149	5,167	1,140	11,875	69,051
As at 30 June 2023	-	5,160	270,458	88,201	35,346	97,862	497,027
Net book value							
As at 30 June 2023	6,316,000	80,840	176,118	69,749	11,967	1	6,654,674
As at 30 June 2023	6,316,000	82,560	225,266	6,117	13,107	11,876	6,654,926
As at 30 June 2022							

AR/PA/TNBC/2023/24

Controller and Auditor General

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16 PAYABLES AND ACCRUALS

	2024	2023
	TZS 000	TZS 000
Supplies of goods and services	73,827	56,313
Staff claim	226,738	200,114
	<u>300,565</u>	<u>256,427</u>

17 CAPITAL FUND

	2024	2023
	TZS000	TZS000
Opening balance	6,402,000	6,402,000
Additions	-	-
Closing balance	<u>6,402,000</u>	<u>6,402,000</u>

18 CAPITAL ACCUMULATED SURPLUS/ DEFICIT

	2024	2023
	TZS000	TZS000
Opening balance	89,287	(101,834)
Surplus/ deficit	48,449	191,121
Closing balance	<u>137,736</u>	<u>89,287</u>

19 PAYMENTS TO EMPLOYEES

	2024	2023
	TZS000	TZS000
Opening balance - employees claims	200,114	352,130
Wages, salaries and employee benefits	1,135,436	1,089,620
	<u>1,335,550</u>	<u>1,441,750</u>
Closing balance - employees claims	226,738	200,114
Cash payments	<u>1,108,812</u>	<u>1,241,636</u>

20 OTHER PAYMENTS

	2024	2023
	TZS000	TZS000
Opening balances - accounts payables	56,313	52,006
Use of goods and services	482,236	641,437
Maintenance expenses	22,712	15,256
Other expenses	125,180	117,555
Social benefits	79,770	85,750
Grants and transfer	1,130	3,300
	<u>767,341</u>	<u>915,304</u>
Closing balances - accounts payables	73,826	56,313
Cash payments	<u>693,515</u>	<u>858,991</u>

21 RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/ DEFICIT

	2024	2023
	TZS000	TZS000
Surplus for the period	48,449	191,122
Add / less non-cash items		
Depreciation of property, plant and equipment	74,920	69,051
Amortisation of deferred capital grant	-	(18,736)

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Add / less changes in working capital	(1,334)	1,888
Expected credit loss	44,138	(147,708)
Decrease in payables and accruals	<u>166,172</u>	<u>95,617</u>

22 RECONCILIATION OF BUDGET AND STATEMENT OF PERFORMANCE SURPLUS

	2024	2023
	TZS000	TZS000
Surplus as per statement of financial performance	48,449	191,122
Amortisation of deferred capital grant	-	(18,736)
Depreciation charge for the year	74,920	69,051
Purchases of property, plant and equipment	(227,952)	(68,799)
Changes in accounts payable	44,138	(147,708)
Surplus as per budget and actual statement	<u>(60,445)</u>	<u>24,929</u>

23 RELATED PARTY TRANSACTIONS

(1) Prime Ministry Office

Government subvention received from the Prime Ministry Office:

	2024	2023
	TZS000	TZS000
Subvention for other charges	1,177,167	1,389,670
Subvention for personal emolument	791,333	806,574
Total Government transfers	<u>1,968,500</u>	<u>2,196,244</u>

(1) Key Management Employees - 3 members

	2024	2023
	TZS000	TZS000
Short term benefits	219,960	291,100
Gratuity	54,990	72,775
Statutory allowances	61,848	84,932
	<u>336,798</u>	<u>448,807</u>

24. EXPLANATION FOR VARIANCES

- (1) Budget for two positions expected to be filled during the year, those position were not filled.
- (2) Carryover funds for purchase of car & other expenses
- (3) Direct contribution from the central Government for social benefit, that amount was not budgeted.
- (4) Actual costs remained below projections due to fewer repairs than anticipated.
- (5) The budget included provisions for PPRA fees; which was eliminated due to the introduction of new systems.
- (6) Price fluctuations in the acquisition of a car caused by changes in exchange rates.

25. RESTATEMENT OF COMPARATIVE FIGURE

The comparative figures have been restated to account for the expected credit loss as a result of adoption of IPSAS 41. The items which have been affected are cash and cash equivalent in the statement of financial position and other expenses in the statement of financial performance

	TZS "000"
Cash and cash equivalent	1,888
Other expenses	(1,888)
Total	NIL

26. COMPARATIVE FIGURES

Previous year's figures have been regrouped wherever necessary in order to make them comparable with the current year figures.

27. CONTINGENT LIABILITY

TNBC had no contingent liability as at 30 June, 2024.

28. CAPITAL COMMITMENTS

TNBC had no capital commitment as at 30 June, 2024.

29. POST REPORTING EVENTS

There were no material events, adjusting or non-adjusting, which had occurred between the reporting date and the date when the Financial Statements are authorized for issue.