



THE UNITED REPUBLIC OF TANZANIA  
NATIONAL AUDIT OFFICE



**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE  
AUDIT OF FINANCIAL STATEMENTS AND COMPLIANCE AUDIT OF  
TANZANIA NATIONAL BUSINESS COUNCIL (TNBC) FOR THE  
FINANCIAL YEAR ENDED 30 JUNE 2021**

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March, 2022

AR/PA/TNBC/2020/21

## **Mandate**

The statutory mandate and responsibilities of the Controller and Auditor General are provided for under Article 143 of the Constitution of the URT of 1977 and in Section 10 (1) of the Public Audit Act, Cap 418.

## **Vision**

A credible and modern Supreme Audit Institution with high-quality audit services for enhancing public confidence.

## **Mission**

To provide high-quality audit services through modernization of functions that enhances accountability and transparency in the management of public resources.

**Motto:** "Modernizing External Audit for Stronger Public Confidence"

## **Core values**

In providing quality services, NAO is guided by the following Core Values:

- i. Independence and objectivity
- ii. Professional competence
- iii. Integrity
- iv. Creativity and Innovation
- v. Results-Oriented
- vi. Teamwork Spirit

## **We do this by:**

- ✓ Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- ✓ Helping to improve the quality of public services by supporting innovation on the use of public resources;
- ✓ Providing technical advice to our clients on operational gaps in their operating systems;
- ✓ Systematically involve our clients in the audit process and audit cycles; and
- ✓ Providing audit staff with adequate working tools and facilities that promote independence.

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

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## TANZANIA NATIONAL BUSINESS COUNCIL (TNBC)

### ABBREVIATIONS

AMCHAM	American Chamber of Commerce
CAG	Controller and Auditor General
CTI	Confederation of Tanzania Industries
DBC	District Business Council
EU	European Union
EUBG	European Union Business Group
EWP	Engineered Wood Products
FDT	Forestry Development Trust
FYDP	Five Year Development Plan
GAMIS	Government Assets Management Information System
GARI-ITS	Government Audit Recommendations Management Information System
HCMIS	Human Capital Management Information System
ICT	Information Communication Technology
IESBA	International Ethics Standards Board for Accountants
IFC	International Finance Corporation
IPSAS	International Public Sector Accounting Standards
IRT	Investors' Round Table
ISSAIs	International Standard of Supreme Audit Institutions
JICA	Japan International Cooperation Agency
JWT	Jumuiya ya Wafanyabiashara Tanzania
LGAs	Local Government Authorities
MACHINGAS	Swahili slogan for Street vendors (Hawkers)
MPPDs	Ministerial Public Private Dialogues
NAO	National Audit Office
NBAA	National Board of Accountant and Auditors
NEMC	National Environment Management Council
NHIF	National Health Insurance Fund
PLANREP	Planning and Reporting Platform
PO-RALG	President's Office, Regional Administration and Local Government
PPDs	Public Private Dialogues
PSAs	Private Sector Associations
PSSSF	Public Services Social Security Fund
RBC	Regional Business Council
SDG 2030	Sustainable Development Goals
SMEs	Small and Medium Enterprises
TANePS	Tanzania National e-Procurement System
TCCIA	Tanzania Chamber of Commerce, Industry and Agriculture
TDV	Tanzania Development Vision
TDV 2025	Tanzania Development Vision 2025



## **TANZANIA NATIONAL BUSINESS COUNCIL (TNBC)**

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<b>TMEA</b>	Trade Mark East Africa
<b>TNBC</b>	Tanzania National Business Council
<b>TPSF</b>	Tanzania Private Sector Foundation
<b>TWGs</b>	Technical Working groups
<b>UNDP</b>	United Nations Development Programme
<b>URT</b>	United Republic of Tanzania
<b>WCF</b>	Workers' Compensation Fund

**1.0 REPORT OF THE EXECUTIVE COMMITTEE FOR THE YEAR ENDED 30 JUNE 2021**

**1.1. BACKGROUND**

In accordance with Public Corporation Act, 1992 and Tanzania Financial Reporting Standard No. 1 Directors Report; the Executive Committee submit their report and financial statements of Tanzania National Business Council for the year ended 30 June 2021

**1.2. CORPORATE OUTLOOK**

**1.2.1 Incorporation**

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<sup>th</sup> September 2001.

**1.2.2 Vision**

"Spearheading Tanzania's economic development through consensus building and networking".

**1.2.3 Mission**

To promote healthy and robust economy where the guiding hand of government, enlightened legislation and transparent governance enhances the development of private initiative, encourages local and foreign investments and generally provides an enabling environment for economic growth.

**1.3. PRINCIPAL ACTIVITIES**

- The principal activity of the Council is to provide a forum for holding regular dialogue between the public and private sector and other stakeholders on issues pertaining to the socio-economic development of Tanzania;
- Cause to be conducted, such research or survey or study into any aspect of social and economic development policy as it may deem fit;
- 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;
- Set action target as well as performance benchmarks for implementing decisions or agreements reached, including assignment of responsibilities for performance; and

- Monitor and evaluate the implementation of policies and measures agreed upon, as to their effectiveness and/or unintended impact.

#### **1.4. STRUCTURE OF THE COUNCIL**

The President of the United Republic of Tanzania chairs and appoints members of the Council (TNBC). The Council is made up of 50 members, drawn from both Public and Private Sector with equal representation, 25 being Public members and 25 selected private sector representatives. The Government representatives 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.

#### **1.5. EXECUTIVE COMMITTEE**

Executive Committee oversees the day-to-day activities of the TNBC. It is composed of 16 members, 8 from the public sector and 8 private sector representatives, chaired by the Chief Secretary and Co-chaired by the Chairperson of the Tanzania Private Sector Foundation (TPSF).

##### **1.5.1. Members of the Executive Committee**

The appointment of members of the Executive Committee is based on virtue of their positions in the Government, representatives of the Private Sector and TNBC Executive Secretary. According to the Presidential Circular No. 1 of 2001, the Chairperson is the Chief Secretary (President's Office) and Co-Chairperson is the Chairperson of TPSF. During the year under review, changes in the Executive Committee members occurred following the demise of Chief Secretary and elections in the private sector constituencies. Consequently, new members were appointed in June 2021. Table 1 below shows members of the Executive Committee at the end of the year.



**TANZANIA NATIONAL BUSINESS COUNCIL (TNBC)**

**Table 1: Members of the Executive Committee as at 30 June, 2021**

S/N	Name	Position	Age	Date of appointment	Institution	Nationality	Title
1	Hussein A. Kattanga	Chairman	52	2021	Public Sector	Tanzanian	Chief Secretary
2	Angelina Ngalula	Co-Chairperson	45	2016	Private Sector	Tanzanian	Chairperson, Tanzania Private Sector Foundation
3	Tixon Nzunda	Member	54	2021	Public Sector	Tanzanian	Permanent Secretary, Prime Minister's Office (Policy, Parliamentary affairs, Employment, Youth, and the persons with disability)
4	Doto M. James	Member	45	2016	Public Sector	Tanzanian	Permanent Secretary, Ministry of Industry and Trade
5	Godius Kahyarara	Member	55	2021	Public Sector	Tanzanian	Permanent Secretary, Prime Minister's Office - Trade
6	Riziki S. Shemdoe	Member	46	2016	Public Sector	Tanzanian	Permanent Secretary, President's Office PO-RALG
7	Evaristo Emmanuel	Member	41	2020	Public Sector	Tanzanian	Deputy Attorney General, Attorney General Office
8	Emmanuel M. Tutuba	Member	47	2021	Public Sector	Tanzanian	Permanent Secretary, Ministry of Finance and
9	Moses M. Kusiluka	Member	47	2021	Public Sector	Tanzanian	Permanent Secretary, President's Office - State
10	Paul Makanza	Member	53	2021	Public Sector	Tanzanian	Vice chairman, Tanzania Private Sector Foundation
11	Susan Mashibe	Member	48	2019	Private Sector	Tanzanian	Board Director, Tanzania Private Sector Foundation
12	Abdulmajid Nsekela	Member	49	2021	Private Sector	Tanzanian	Board Director, Tanzania Private Sector Foundation
13	Paul Koyi	Member	59	2019	Private Sector	Tanzanian	Board Director, Tanzania Private Sector Foundation
14	Suzy Laiser	Member	62	2021	Private Sector	Tanzanian	Board Director, Tanzania Private Sector Foundation
15	Ngwisa W. Mpembe	Member	49	2021	Private Sector	Tanzanian	Board Director, Tanzania Private Sector Foundation
16	Jacqueline Mkindi	Member	45	2021	Private Sector	Tanzanian	Board Director, Tanzania Private Sector Foundation
17	Godwill G. Wangwa	Secretary	57	2020	Secretariat	Tanzanian	Executive Secretary, TNBC

The Executive Committee is fulfilling its oversight role through Operations and Finance & Administration Sub-committees. The Chairpersons of the sub-committee report to the Executive Committee with updates of the deliberations of their respective sub-committees, including all matters requiring the Executive committee's attention, consideration, or approval. Following the changes in the Executive Committee members, has led the formation of Sub-committees and its members as follows;



### 1.5.2. Operations Sub Committee

The Sub-committee assists Executive Committee in addressing issues relating to business environment, investment climate and monitoring implementation of consensus resolutions pursued in Public Private Dialogues. The subcommittee is expected among others to assist the Executive Committee with the following:

- i. Review and approve Strategic and Annual Work Plans.
- ii. Review reports and recommendations regarding Policies and Legislations on Business Environment and Investment Climate.
- iii. Review reports from Working Committees.

**Table 2: Members of Operations Sub Committee**

S/N	Name	Position	Institution	Title
1	Riziki S. Shemdoo	Chairperson	Public Sector	Permanent Secretary, President's Office PO-RALG
2	Tixon Nzunda	Member	Public Sector	Permanent Secretary, Prime Minister's Office (Policy, Parliamentary affairs, Employment, Youth and the persons with disability)
3	Evaristo Longopa E.	Member	Public Sector	Deputy Attorney General, Attorney General Office
4	Paul Koyi	Member	Private Sector	Board Director, Tanzania Private Sector Foundation
5	Ngwisa Mpembe W.	Member	Private Sector	Board Director, Tanzania Private Sector Foundation
6	Susan Mashibe	Member	Private Sector	Board Director, Tanzania Private Sector Foundation

### 1.5.3. Finance and Administration Sub Committee

The Subcommittee assists Executive Committee in dealing with issues relating to financial reporting, audit, human capital, administration and governance. Specifically, this Sub-committee is focusing on the following:

- i. Review of Strategic Plans;
- ii. Review and approve annual work plans and budget;
- iii. Scrutinizing and adoption of audited accounts;
- iv. Attending staff and administration matters; and
- v. Review of organization governance issues including internal audit reports;

**Table 3: Members of Finance and Administration Sub Committee**

S/N	Name	Position	Institution	Title
1	Godius Kahyarara	Chairperson	Public Sector	Permanent Secretary, Prime Minister's Office - Investments
2	Moses M. Kusiluka	Member	Public Sector	Permanent Secretary, President's Office - State House
3	Doto M. James	Member	Public Sector	Permanent Secretary, Ministry of Industry and Trade
4	Paul Makanza	Member	Private Sector	Vice chairman, Tanzania Private Sector Foundation
5	Abdulmajid Nsekela	Member	Private Sector	Board Director, Tanzania Private Sector Foundation
6	Susan Laiser	Member	Private Sector	Board Director, Tanzania Private Sector Foundation

#### **1.5.4. Working Committees**

The Executive Committee establishes standing, adhoc or any other kind of committees to deliberate on such matters referred to it and makes their recommendations to the Council through Executive Committee. So far, TNBC has established the following committees: TNBC Stakeholders Meeting, Ministerial Public Private Dialogues (MPPDs), Regional Business Councils (RBCs), District Business Councils (DBC), Technical Working Groups (TWGs) and Investors' Round Table (IRT).

#### **1.6. SOLVENCY**

The Executive Committee 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 operational existence for the foreseeable future, and nothing has come to the attention of the Executive Committee to indicate that TNBC will not remain a going concern for at least twelve months from the date of the statement.

#### **1.7. ADMINISTRATIVE MATTERS**

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

#### **1.8. OVERVIEW OF THE ACTIVITIES IMPLEMENTED DURING THE YEAR**

During the year 2020/21, TNBC continued in pursuing its mandate by effectively conducting closer and regular consultation/dialogues between Government and private sector on issues concerning business environment and economic development of the country. Specifically, the public private dialogues focused on realising consensus resolutions toward promoting better environment for businesses, investments and economic growth. In the year under review, TNBC implemented the following activities:



### **1.8.1 TNBC Meeting**

During the year under review, the 12<sup>th</sup> TNBC meeting was successfully coordinated, facilitated and conducted. The meeting was chaired by H.E. Samia Suluhu Hassan, The President of The United Republic of Tanzania. The meeting was attended by Vice President, Prime Minister and members including Ministers, Attorney General, Chairperson and other representatives of the private sector, and invitees such as Permanent Secretaries, Diplomats, Development Partners, Investors and NGO representatives. Main highlights of the 12<sup>th</sup> TNBC meeting include the resolve to effectively coordinate private sector participation in the execution of the Five Year Development Plan (FYDP III) and develop Engineered Wood Products (EWP) industry through implementation of recommendations presented in the National Engineered Wood Sector Development Framework 2021-2030. It was also resolved that TNBC Forestry Working Group should embark on preparation of National implementation plan for the EWP Framework. Furthermore, there was a general consensus on the need for predictable policies, Laws, Regulations and procedures to improve tax administration, business environment, local content, economic justice, and attraction of direct foreign investments; fast tracking implementation of BLUEPRINT; integration of ICT systems; broadening of tax base and improvement of efficiency in public finance; and re-branding Tanzania.

### **1.8.2 TNBC Stakeholders Meeting**

During the year under review, TNBC in collaboration with key stakeholders from public and private sector organised and conducted a Stakeholders' dialogic meeting on 27<sup>th</sup> June 2021. The stakeholder's meeting received feedback and provided inputs on the resolutions emanated from the 12<sup>th</sup> TNBC Meeting for onward implementation. The meeting also commemorated 100-days of the leadership of H.E. Samia Suluhu Hassan, President of The United Republic of Tanzania. The meeting was chaired by Hon. Kassim Majaliwa Majaliwa, Prime Minister of the United Republic of Tanzania.

### **1.8.3 Executive Committee**

During the year 2020/2021, one (1) TNBC Executive Committee meeting was held on 17<sup>th</sup> June 2021. However, the frequency of holding Executive Committee meetings were largely affected by restrictions of gathering due to COVID-19 pandemic, review of PPD framework, 2020 General Elections, the demise of the 5<sup>th</sup> phase President of the URT, and Chairperson of the TNBC Executive Committee.

### **1.8.4 Ministerial Public Private Dialogues (MPPDs)**

During the year 2020/21, TNBC finalised and operationalized a new PPD framework in Tanzania, which among other features, introduced MPPDs in TNBC dialogic platforms, chaired by respective Ministers. As a new platform, three (3) MPPD meetings were facilitated and conducted during the year, two (2) under the Ministry of Information and Communication Technology and one (1) under the Ministry responsible for Investments in the Prime Minister's Office. Despite of few MPPDs held during the year, they have set momentum and experience for more MPPDs for the year 2021/22. Such



MPPDs identified sectoral issues impeding their respective business environment, reviewed the National Investment Policy and its Act, start-up regime and 4<sup>th</sup> industrial revolution/ digitalization. The main emphasis included the need for building conducive business environment for promoting ICT innovations and start-ups development.

#### **1.8.5 Technical Working Groups (TWGs)**

During the year under review, TNBC continued with the facilitation and coordination of five (5) TWGs in areas of Agriculture, Industrialization, Tourism, Business Environment, and Forestry. In addition, TNBC Executive Committee approved to form a new TWG know as Finance for Development. The main achievements of TWGs include:

- i. Proposals to improve tax administration system, enhance public finance productivity and broadening of tax base in Tanzania. The proposals presented among others were taxation of data and unregistered non-resident, e-commerce companies such as Google, Facebook, tweeter, YouTube and Amazon.
- ii. Appraisal of proposals and recommendations for the National Engineered Wood Sector Development Framework 2021-2030. The framework was presented and discussed during the 12<sup>th</sup> TNBC meeting held on 26 June 2021.
- iii. Regulatory Impact Assessments on businesses in Tanzania, particularly in Communication, Finance, Transport and Tourism sectors. The assessments sought among others to identify the most restrictive barriers in promoting trade in services and analyses level of effectiveness and efficiencies in Regulatory Authorities.

#### **1.8.6 Regional and District Business Councils (RBCS & DBCS).**

In the effort to ensure that the Public Private Dialogues are conducted at all levels, TNBC has established and facilitated Regional and Districts Business Councils. The aim is to enable Local government to address business and investment issues in LGAs where regular interactions between public officials and business community take place. TNBC is responsible for facilitation and capacity building of RBCs and DBCs and scaling up issues that require national attention through TWGs, MPPDs and TNBC meetings.

During the year 2020/2021, TNBC facilitated and participated in Fifteen (15) RBCs and Twenty-six (26) DBCs meetings, in Dar es Salaam, Kigoma, Kagera, Morogoro, Pwani, Katavi, Ruvuma, Tanga, Mbeya, Singida, Mtwara, Simiyu, Songwe, Mwanza and Njombe. In addition, TNBC escalated policy, legal and regulatory issues which were emanated from RBC and DBC meetings that required national attention into the TWGs, MPPDs and TNBC meeting. Such issues include multiplicity of taxes, levies and duties, bureaucratic procedures and delays in service delivery by the public institutions.



#### **1.8.7 Staff Welfare and Management**

In sustaining welfare, relationship and good governance, open communication between management and staff were maintained throughout the year. In addition, TNBC has maintained its stance as an equal opportunity employer with consideration to gender and people with disability. TNBC has 12 employees, out of which 4 are females and 8 are males. TNBC effected all statutory contributions for its employees including Health Insurance (National Health Insurance Fund - NHIF), Pensions, (Workers Compensation Funds - WCF) and employee contractual gratuity.

#### **1.8.8 Staff Training**

TNBC maintained execution of the policy catering for staff training, career development and equal opportunity for promotion to its entire staff as stipulated in TNBC manuals and Government circulars. During the year under review, TNBC facilitated training to staff through workshops and seminars on PLANREP, new HCMIS, GAMIS and GARI-ITS.

#### **1.8.9 Organizational Development Initiatives**

TNBC is also mandated to implement and participate in various activities geared towards development of the organisation and strengthens her relationship with key stakeholders. The implemented activities include:

##### **i. Institutional Framework**

During the year under review, TNBC reviewed the Public Private Dialogue (PPD) Institutional Framework to integrate and provide coordinated and inclusive PPD framework and platforms (structures) towards promoting competitive business environment and sustainable economic transformation. The review examined PPD framework in Tanzania, identified gaps and issued a new PPD framework pending for approval by TNBC Executive Committee and endorsement by the Council.

##### **ii. Strategic Plan**

During the year under review, TNBC prepared a Strategic Plan to guide implementation of organization activities and monitor performance for the period of 2021/22 to 2025/26. TNBC engaged internal and external stakeholders to provide views on organisation vision, mission, core values and long terms goals. In addition, the Strategic Plan (2021/22 - 25/26) takes into consideration Sustainable Development Goals (2030), Tanzania Development Vision 2025, Ruling Party Manifesto of 2020, and the Five-Year Development Plan III (FYDP III).

##### **iii. Visits to Border Regions**

During the year under review, TNBC conducted special visits to the border regions to identify cross-border and trade issues impacting on trade across the border. The activity also involved visiting to

Mutukula, Kabanga & Rusumo Borders in Kagera, Namanga Border in Arusha, Horohoro border in Tanga, Sirari border in Mara and Tunduma Border in Songwe region.

**iv. Membership to Tax Task Force and Think Tank**

During the year under review, TNBC, as a member of Tax Task Force and Think Tank, participated in the tax reforms meeting to advice the Government on fiscal and monetary issues which informed the 2021/2022 plans and budget.

**v. Collaboration with Private Sector Associations**

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

**a) Role to coordinate Private Sector Participation in FYDP III**

During the year under review, TNBC was mandated by the Government to coordinate private sector participation in the implementation of FYDP III. As a result, TNBC drafted chapter on private sector development in the FYDP III document whose implementation will be effective from the financial year 2021/22.

**b) Meetings with Private Sector Associations (PSAs)**

During the year under review, TNBC conducted strategic meeting with different PSAs to strengthen her relationship with the private sector to agree and align key priorities areas for intervention. Specifically, TNBC conducted meetings with TPSF, TCCIA, CTI, JWT, TSA, MACHINGAS, NORDIC, Pakistan, AMCHAM and EUBG.

**c) Preparation of Meeting Documents with PSAs for High level PPDs**

During the year under review, TNBC played an important role in coordination of private sector prior to engagement with the public sector. For instance, TNBC collaborated with TPSF to organise special private sector meeting held on October, 2020 to analyse efforts done by the Fifth Phase Government in its first term of leadership. In addition, TNBC supported TPSF in preparation of private sector position paper that was presented in the dialogue meeting with the Prime Minister of The United Republic of Tanzania held on 27 January 2021, preparation of key note agenda submitted by private sector to the meeting with the President of The United Republic of Tanzania held on 31<sup>st</sup> May 2021.

**vi. Participation in State Visits**

During the year under review, TNBC was part of the delegation that joined H.E. Samia Suluhu Hassan President of The United Republic of Tanzania in state visits to Kenya and Burundi. TNBC also



participated in drafting of the joint communique which were endorsed by the Presidents for implementation in their respective countries.

**vii. Meetings with Development Partners**

During the year under review, TNBC conducted strategic meetings with development partners to expand her visibility and strengthen cooperation towards implementation of TNBC functions. Strategic meetings were conducted with JICA, World Bank (IFC), EU, UNDP, Nordic Investors, EUBG, AMCHAM, FDT, TMEA and Pakistan.

**1.8.10 Monitoring of Implementation of TNBC resolutions**

During the year under review TNBC in collaboration with the Prime Minister's Office monitored the implementation of the resolutions emanated from TNBC meetings, Executive Committee and TWG meetings. This involved following up with the implementing agents, analysing and compiling implementation reports and communicating results to the Executive Committee, TWGs and 12<sup>th</sup> TNBC meeting.

**1.8.11 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 and Non-Communicable diseases and Anti-corruption. Seminars on HIV/AIDS and non-communicable diseases and Anti-corruption were delivered to TNBC staff for awareness creation and enhancement of work ethics and integrity. TNBC provided all the necessary services including protective gears to Staff.

**1.9. FUTURE OUTLOOK**

Tanzania National Business Council (TNBC) is a leading PPDs Institution in Tanzania. TNBC is committed to innovatively sustain reforms, building on success achieved and experience gained over years. During the financial year 2021/22, TNBC will focus on areas with high impact on improving business environment and economic development through performing its core function of providing fora for regular and closer PPDs between public and private sector with view of reaching consensus on social economic development of Tanzania. In the due course, TNBC is guided by Tanzania Development Vision 2025, TNBC Strategic Plan (2021/22 - 2025/26), Election Manifesto, FYDP III and SDG 2030.

The focus of the Council is to continue pursuing its core functions and implementation of related activities key to the realization of TNBC objectives in line with FYDP III, election manifesto, TDV 2025 and SDG 2030. It is envisaged that this will be achieved through the following:

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

- ii. Linking Ministerial 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. Strengthen PPDs on business environment technical working group mainly focusing on implementation of Blueprint initiative addressing legal and regulatory challenges in all sectors of the economy.
- iv. Strengthen PPDs in tourism sector through Tourism Working Group mainly focusing on implementation of Blueprint initiative.
- v. Strengthen PPDs in industrialization sector through Industrialization Working Group mainly focusing on Industrialization Policy Formulation Framework, Blueprint initiative and related issues.
- vi. Strengthen PPDs in forestry sector through Forestry Working Group mainly focusing on development of engineered wood products (EWP) within the forestry value chain.
- vii. Strengthen PPDs in agriculture sector through Agriculture Working Group mainly focusing on development of value chains in strategic crops such as coffee, edible oil, horticulture, fisheries and Livestock.
- viii. Enhance participation in the trade facilitation, tax reform's task force, and other effective committees, which impact on business environment.
- ix. Strengthening 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.
- x. Encouraging the private sector actors to fully comply with taxation and others laws of the country and participate in public initiatives such as corporate social responsibilities, mitigation and responses to disaster such as post-COVID19 initiatives, and supporting of business or entrepreneurial start-ups.
- xi. Initiate and execute working groups to promote PPDs in development finance, transport and logistics and natural resources (Oil and Gas) sectors.
- xii. Enhancing competitive business and investment environment for sustaining economic growth PPDs.
- xiii. Finalize formulation of the Strategic Plan 2021/22-2025/26 and Client Service Charter. The strategic plan will provide analysis of critical issues, which impair business environment and objective, strategies, targets, and 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 PPDs including those reached in the 12th TNBC meetings.
- xv. TNBC will continue to organize regular and closer consultations between public and private sector in all levels with the purpose of improving business environment and lowering cost of doing business in Tanzania. The TNBC agenda and engagement ought to be streamlined into a consultative platform for consensus resolutions to address challenges and not a platform for issues generation.
- xvi. TNBC will strengthen communication of the achievements and successes to enhance visibility and public confidence and motivates more positive actions towards realizing the objectives of FYDP, Election Manifesto, TDV 2025 and SDG 2030.

#### **1.10. EMPLOYEE WELFARE**

##### **i. Management and Employees' Relationship**

TNBC maintained open communication with employees through regular meetings between management and staff in order to promote good governance. 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.

##### **ii. Medical Assistance**

TNBC engaged National Health Insurance Fund (NHIF) to deal with staff medical requirements. During the year, Employer contributed towards the Fund Total TZS 24,210,000 (TZS 18,529,200 in 2019/20).

##### **iii. Financial Assistance to Staff**

TNBC made available loans to all confirmed employees in the form of salary advance and staff loans.

##### **iv. Employees Benefit Plans**

TNBC pays gratuity to employees on contract at the end of the contract term at the rate agreed in the contract of each employee. It also pays contribution to the Pension Funds as per mandatory pension plans for Permanent employees. During the year under review, TNBC contributed TZS 48,797,000 (TZS 48,240,000 in 2019/20) to PSSSF as employer contribution only. The Remaining part was contributed by employees to the respective Pension Funds.

##### **v. Persons Living with Disabilities**

## TANZANIA NATIONAL BUSINESS COUNCIL (TNBC)

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 forever, effort is made to ensure that their employment with TNBC continues and appropriate training is arranged. It is the policy of the TNBC that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### 1.11. GENDER PARITY

TNBC had 12 (12 in 2019/20) employees out of which 4 are females and 8 are males.

### 1.12. 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 National Environment Management Council (NEMC) requirements.

### 1.13. STATUTORY AUDITOR

The Controller and Auditor-General (CAG) is the statutory auditor of the TNBC pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977, 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 were authorized by the Controller and Auditor General to carry out the statutory audit of Tanzania National Business Council for the year ended 30 June, 2021 on his behalf.

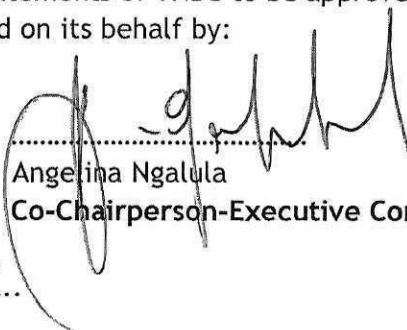
### 1.14. APPROVAL OF FINANCIAL STATEMENTS

The Undersigned have endorsed these financial statements of TNBC to be approved by the Executive Committee and authorized for issue and are signed on its behalf by:



Dr. Moses Kusiluka

Member of Executive Committee



Angelina Ngalula

Co-Chairperson-Executive Committee

11<sup>TH</sup> March 2022

Date



## 2.0 STATEMENT OF EXECUTIVE COMMITTEE RESPONSIBILITY

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

The Executive Committee also is responsible for the safeguarding of the assets of the Council 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 Council's Financial Statements for the year ended 30 June 2021.

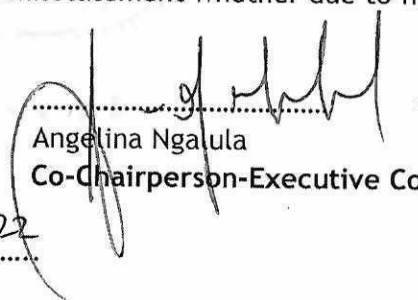
The Executive Committee further confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going-concern basis. The Executive Committee has a reasonable expectation that Tanzania National Business Council has adequate resources to continue in operation 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.



Dr. Moses Kusiluka

Member of Executive Committee



Angelina Ngauula

Co-Chairperson-Executive Committee

11<sup>TH</sup> March 2022  
Date

### 3.0 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 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 2021 have been prepared in compliance with International Public-Sector Accounting Standards (IPSAS) 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.

Signed by: **Oliva Vegulla** 

Position: **Director of Finance and Administration**

NBAA Membership No.: **GA 1005**

Date: **11<sup>th</sup> March 2022**



#### **4.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL**

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

#### **4.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS**

##### **Opinion**

I have audited the financial statements of Tanzania National Business Council, which comprise the statement of financial position as at 30 June 2021, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Tanzania National Business Council as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual Basis

##### **Basis for Opinion**

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAI). 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 Statement". 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 Chairperson's statement, Director's Report, Statement of Director's responsibilities and the

Declaration by the Head of Finance but does not include the financial statements and my audit report thereon.

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

If, based on the work I have performed on the other information that 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.
- 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 benefits 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, 2011 (as amended in 2016) 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.

#### **4.2 REPORT ON COMPLIANCE WITH LEGISLATIONS**


##### **Compliance with the Public Procurement Laws**

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

I performed a compliance audit on procurement of works, goods and services in the Tanzania National Business Council for the financial year 2020/21 as per the Public Procurement Laws in Tanzania.

##### **Conclusion**

Based on the audit work performed, I state that procurement of works, goods and services of Tanzania National Business Council is generally in compliance with the requirements of the Public Procurement Laws in Tanzania.

  
Charles E. Kichei,  
Controller and Auditor General,  
Dodoma, United Republic of Tanzania,

March 2022



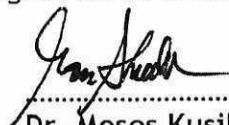


## 5.0 FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	2020/21 TZS'000	2019/20 TZS'000
<b>Assets</b>			
Current Assets			
Cash and cash equivalent	4	18,179	13,647
		<u>18,179</u>	<u>13,647</u>
Non-Current Assets			
Property plant and equipment	5	6,441,071	6,453,772
		<u>6,441,071</u>	<u>6,453,772</u>
<b>Total assets</b>		<u><b>6,459,250</b></u>	<u><b>6,467,419</b></u>
<b>Liabilities</b>			
Current liabilities			
Accounts payables	6	88,472	81,982
Provisions for employee expenses	7	948,640	1,003,606
		<u>1,037,112</u>	<u>1,085,588</u>
Non-current liabilities			
Deferred capital grant	8	34,634	51,773
<b>Total liabilities</b>		<u><b>1,071,746</b></u>	<u><b>1,137,361</b></u>
<b>Net Assets</b>			
Capital fund	9	6,402,000	6,402,000
Accumulated deficit		<u>(1,014,496)</u>	<u>(1,071,942)</u>
		<u><b>5,387,504</b></u>	<u><b>5,330,058</b></u>
<b>Total equity and liabilities</b>		<u><b>6,459,250</b></u>	<u><b>6,467,419</b></u>

Notes form part of the financial statements which were approved by the Executive Committee and signed on its behalf by;

  
 .....  
 Dr. Moses Kusiluka  
 Member of Executive Committee

  
 .....  
 Dr. Godwill Wanga  
 Executive Secretary

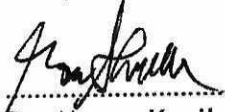
11<sup>th</sup> March 2022  
 .....  
 Date


# TANZANIA NATIONAL BUSINESS COUNCIL (TNBC)

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020/21 TZS'000	2019/20 TZS'000
<b>Revenue from non-exchange transactions</b>			
Government revenue grant	10	1,254,321	1,029,656
Grants received from donors	11	-	160,600
		<u>1,254,321</u>	<u>1,190,256</u>
Other income	12	<u>141,978</u>	<u>17,150</u>
<b>Total income</b>		<u><b>1,396,299</b></u>	<u><b>1,207,406</b></u>
<b>Expenses</b>			
Operating expenses	13	56,525	237,644
Administrative expenses	14	143,274	96,157
Staff salaries and benefits	15	1,103,255	1,134,856
Executive committee	16	1,480	-
Audit fee		14,000	14,000
Depreciation	5	19,125	17,150
Financial costs	17	<u>1,193</u>	<u>1,410</u>
<b>Total expenses</b>		<u><b>1,338,852</b></u>	<u><b>1,501,217</b></u>
<b>Surplus/(deficit)</b>		<u><b>57,447</b></u>	<u><b>(293,811)</b></u>

Notes form part of the financial statements.

  
 .....  
 Dr. Moses Kusiluka  
 Member of Executive Committee

  
 .....  
 Dr. Godwill Wanga  
 Executive Secretary

11<sup>th</sup> March 2022  
 .....  
 Date



**TANZANIA NATIONAL BUSINESS COUNCIL (TNBC)**

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2021**

	Capital Fund TZS 000	Accumulated deficit TZS 000	Total TZS 000
Balance at 1 July 2019	-	(778,132)	(778,132)
Government grant of land and building	6,402,000	-	6,402,000
Deficit for the year	-	(293,811)	(293,811)
<b>Balance at 30 June 2020</b>	<b><u>6,402,000</u></b>	<b><u>(1,071,943)</u></b>	<b><u>5,330,057</u></b>
 Balance at 1 July 2020	 6,402,000	 (1,071,943)	 5,330,057
Surplus for the year	-	57,447	57,447
<b>Balance at 30 June 2021</b>	<b><u>6,402,000</u></b>	<b><u>(1,014,496)</u></b>	<b><u>5,387,504</u></b>

Notes form part of the financial statements.

  
 .....  
 Dr. Moses Kusiluka  
 Member of Executive Committee

  
 .....  
 Dr. Godwill Wanga  
 Executive Secretary

11<sup>th</sup> March 2022  
 .....  
 Date

**TANZANIA NATIONAL BUSINESS COUNCIL (TNBC)**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	2020/21 TZS 000	2019/20 TZS 000
<b>CASH FLOWS OPERATING ACTIVITIES</b>			
Receipts			
Grants	18.1	1,254,321	1,190,256
Payments			
Employees costs	18.2	(1,033,383)	(913,845)
Other costs	18.3	(209,982)	(323,056)
<b>Net cash flows from operating activities</b>		<b>10,956</b>	<b>(46,645)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchases of property, plant and equipment	5	(6,424)	(10,379)
<b>Net cash flows used in investing activities</b>		<b>(6,424)</b>	<b>(10,379)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Grant for acquisition of assets		-	10,379
<b>Net cash flows from financing activities</b>		<b>-</b>	<b>10,379</b>
Net increase/(decrease) in cash and cash equivalent		4,532	(46,645)
Cash and cash equivalent at the beginning of the year		13,647	60,292
<b>Cash and cash equivalent at the end of the year</b>	<b>4</b>	<b>18,179</b>	<b>13,647</b>

Notes form part of the financial statements.

  
 .....  
**Dr. Moses Kusiluka**  
 Member of Executive Committee

  
 .....  
**Dr. Godwill Wanga**  
 Executive Secretary

11<sup>th</sup> March 2022  
 .....  
 Date



**TANZANIA NATIONAL BUSINESS COUNCIL (TNBC)**

**STATEMENTS OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021**

	Approved budget TZS 000	Final budget TZS 000	Actual amount TZS 000	Variances TZS 000	%	Reasons
<b>Revenue</b>						
Government transfers	3,965,851	1,266,534	1,254,321	(12,213)	1	
	<u>3,965,851</u>	<u>1,266,534</u>	<u>1,254,321</u>	<u>(12,213)</u>		
<b>Payments</b>						
Operating expenses	1,776,602	71,500	56,525	14,975	21	(1)
Administrative expenses	597,613	157,799	143,278	14,521	9	(1)
Staff salaries	960,308	769,506	700,620	68,886	9	(2)
Staff benefit	486,428	250,981	332,763	(81,782)	33	(1)
Executive Committee	130,900	1,500	1,480	20	1	
Audit expenses	14,000	15,248	15,123	125	1	
	<u>3,965,851</u>	<u>1,266,534</u>	<u>1,249,789</u>	<u>16,745</u>	<u>1</u>	
<b>Surplus</b>	<u>-</u>	<u>-</u>	<u>4,532</u>	<u>4,532</u>		

- (1) The approved budget was lower than the actual budget required, hence the budget for the expenditure items were re-allocated according to the current priorities. However due to the reallocation of funds from other expenditure items the total actual expenditure did not exceed the total approved budget.
- (2) TNBC planned to fill two vacant positions in year 2020/21. However, the process for filling the positions could not be finalized as TNBC is waiting for approvals from the Executive Committee and President Office Public Service Management for filling the positions. It is expected that the positions will be filled in year 2021/22.

Notes form part of the financial statements.



Dr. Moses Kusiluka  
Member of Executive Committee



Dr. Godwill Wanga  
Executive Secretary

11<sup>TH</sup> March 2022  
Date

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE, 2021**

**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<sup>th</sup> September, 2001.

The Council discharges its functions under the Prime Ministry Office.

The principal activity of the Council is to provide a forum for holding regular dialogue between the public and private sector and other stakeholders on issues pertaining to the socio-economic development of Tanzania.

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

14 JAMHURI STREET

P.O.BOX 3478

DAR-ES-SALAAM

Phone: +255 22 2122984-6

Email: tnbc@tnbc.go.tz, es@tnbc.go.tz

**2. PRINCIPAL ACCOUNTING POLICIES**

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

**2.1 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 the Council'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.

**2.2 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 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 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.

### **2.3 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.

### **2.4 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.

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:**

S/N	Class of assets	Useful life(Years)
1.	Motor vehicles	5
2.	Computer equipment	4
3.	Other office equipment	8
4.	Furniture and fittings	8

## TANZANIA NATIONAL BUSINESS COUNCIL (TNBC)

S/N	Class of assets	Useful life(Years)
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.

### 2.5 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.

### 2.6 Financial Instruments

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

### 2.7 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.

### 2.8 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 recognised initially at cost and subsequently measured at amortized cost.

### 2.9 Employee Benefits

#### 2.9.1 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.

#### 2.9.2 Post-Employment Benefits



## **TANZANIA NATIONAL BUSINESS COUNCIL (TNBC)**

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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.

### **2.9.3 Termination Benefits**

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

- The Council's decision to terminate an employee's employment before the normal retirement date; or
- 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 Labour 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.

### **2.9.4 Gratuity**

An employee appointed by the Council on contract of fixed duration is entitled to be paid a gratuity equivalent to 25% of his 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.

### **2.10 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**

The Council registered a net surplus of TZS 59 million during the year ended 30 June 2021 (2019/20 suffered a deficit of TZS 294 million); the accumulated deficit as at 30 June 2021 is TZS 1.01 billion; and as of that date the Council's current liabilities exceeded its current assets by TZS 1.019 billion (1.072 billion for 2019/20). These conditions indicate that a material uncertainty exists that may cast significant doubt on the Council's ability to continue as a going concern. This condition is mainly caused by the provisions of employees' statutory claims and benefits of which the Council has obligation to settle. These claims and benefits are expected to be settled by the

## TANZANIA NATIONAL BUSINESS COUNCIL (TNBC)

Central Government through the Ministry of Finance and Planning, as the Council's operations are fully funded by the Government. In view of that the Executive Committee is of the opinion that the Council is a going concern; accordingly, the financial statements have been prepared on a going concern basis.

### 4. CASH AND CASH EQUIVALENT

	2020/21	2019/20
	TZS'000	TZS'000
CRDB Azikiwe TZS. Account	17,179	12,647
Cash on hand	1,000	1,000
	<u>18,179</u>	<u>13,647</u>



**TANZANIA NATIONAL BUSINESS COUNCIL (TNBC)**

**5. MOVEMENT OF PROPERTY, PLANT AND EQUIPMENT**

	Land	Office building	Motor vehicles	Computer equipment	Office equipment	Furniture and fittings	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
<b>Cost</b>							
At 1 July 2020	6,316,000	86,000	200,832	83,168	40,889	97,863	6,824,752
Additions	-	-	-	-	6,424	-	6,424
Disposal	-	-	-	-	-	-	-
As at 30 June 2021	6,316,000	86,000	200,832	83,168	47,313	97,863	6,831,176
<b>Depreciation</b>							
At 1 July 2020	-	-	200,832	80,341	28,285	61,522	370,980
Charge for the year	-	1,720	-	392	4,780	12,233	19,125
As at 30 June 2021	-	1,720	200,832	80,733	33,065	73,755	390,105
<b>Net Book Value</b>							
As at 30 June 2021	6,316,000	84,280	-	2,435	14,248	24,108	6,441,071
As at 30 June 2020	6,316,000	86,000	-	2,827	12,604	36,341	6,453,772

**TANZANIA NATIONAL BUSINESS COUNCIL (TNBC)**

	Land	Office building	Motor vehicles	Computer equipment	Other Office equipment	Furniture and fittings	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
<b>Cost</b>							
At 1 July, 2019	-	-	200,832	79,949	33,729	97,863	412,373
Additions	6,316,000	86,000	-	3,219	7,160	-	6,412,379
Disposal	-	-	-	-	-	-	-
<b>As at 30 June, 2020</b>	<b>6,316,000</b>	<b>86,000</b>	<b>200,832</b>	<b>83,168</b>	<b>40,889</b>	<b>97,863</b>	<b>6,824,752</b>
<b>Depreciation</b>							
At 1 July, 2019	-	-	200,832	79,939	23,770	49,289	353,830
Charge for the year	-	-	-	402	4,514	12,233	17,150
<b>As at 30 June, 2020</b>	<b>-</b>	<b>-</b>	<b>200,832</b>	<b>80,341</b>	<b>28,285</b>	<b>61,522</b>	<b>370,980</b>
<b>Net Book Value</b>							
As at 30 June, 2020	6,316,000	86,000	-	2,827	12,604	36,341	6,453,772
<b>As at 30 June, 2019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>9,959</b>	<b>48,574</b>	<b>58,543</b>



**TANZANIA NATIONAL BUSINESS COUNCIL (TNBC)**

**6. ACCOUNTS PAYABLES**

	2020/21	2019/20
	TZS'000	TZS'000
Creditors	52,083	52,269
Accrued expenses	30,508	26,586
Statutory payments due	5,881	3,127
<b>Total</b>	<b>88,472</b>	<b>81,982</b>

**7. PROVISION FOR EMPLOYEES COSTS**

	2020/21	2019/20
	TZS'000	TZS'000
Staff allowances	566,082	515,020
Gratuity	243,630	145,320
Salaries in arrears	-	60,850
Acting allowance	-	33,000
Extra duty allowances	300	-
Leave allowances	138,628	249,416
<b>Total</b>	<b>948,640</b>	<b>1,003,606</b>

**8. DEFERRED CAPITAL GRANT**

	2020/21	2019/20
	TZS'000	TZS'000
Opening net assets on 1st July	51,773	58,544
Additional acquisition of asset during the Year	-	10,379
Total deferred capital grant	51,773	68,923
Release of deferred capital grant during the year	(17,139)	(17,150)
<b>Balance of deferred capital grant on 30 June</b>	<b>34,634</b>	<b>51,773</b>

Deferred capital grant is in respect of the assets acquired to be used solely for the provision of services to facilitate a forum for holding regular dialogue between the public and private sectors on issues pertaining to the social-economic development in Tanzania.

**9. CAPITAL FUND**

	2020/21	2019/20
	TZS'000	TZS'000
Opening balance	6,402,000	-
Government grant of land and building	-	6,402,000
<b>Closing balance</b>	<b>6,402,000</b>	<b>6,402,000</b>

**TANZANIA NATIONAL BUSINESS COUNCIL (TNBC)**

**10. GOVERNMENT REVENUE GRANT**

	2020/21	2019/20
	TZS'000	TZS'000
Transfers for personnel emoluments	861,596	684,409
Transfers for other charges	392,725	345,247
<b>Total Government transfers</b>	<b>1,254,321</b>	<b>1,029,656</b>

**11. GRANTS RECEIVED FROM DONORS**

	2020/21	2019/20
	TZS'000	TZS'000
Local Investment Climate project	-	160,600
<b>Total grants received from Donors</b>	<b>-</b>	<b>160,600</b>

The Local Investment Climate Project ended in February 2020. The project started in 2014; was supporting Regions and Districts Business Councils activities in Dodoma and Kigoma regions, in facilitating the flow of information, experience, best practices, and Public Private Dialogues for a conducive business environment to increase the investment in the public and Private Sectors in the two regions.

**12. OTHER INCOME**

	2020/21	2019/20
	TZS'000	TZS'000
Release from deferred capital grant	17,139	17,150
Decrease in provisions	124,839	-
<b>Total</b>	<b>141,978</b>	<b>17,150</b>

Decrease in provisions is in respect of the decrease in the previously provided staff claims for statutory allowances as a result of special verification exercise to validate payments.

**13. OPERATING EXPENSES**

	2020/21	2019/20
	TZS'000	TZS'000
Capacity building	17,468	4,280
TNBC meeting	960	1,865
RBC(s)	23,431	201,209
Working groups	11,806	30,290
Ministerial PPD	2,860	-
<b>Total</b>	<b>56,525</b>	<b>237,644</b>



# TANZANIA NATIONAL BUSINESS COUNCIL (TNBC)

## 14. ADMINISTRATIVE EXPENSES

	2020/21	2019/20
	TZS'000	TZS'000
Air tickets	4,209	1,233
Internet, telephone, fax	3,162	6,014
Motor vehicle repair and maintenance expenses	6,521	9,772
Motor vehicle fuel	18,891	18,362
Office consumables	5,457	9,254
Food and refreshment	5,247	2,418
Ground transport	2,408	600
Electricity charges	7,627	9,613
Office repair and maintenance	1,527	7,082
Books, references and periodicals	1,484	2,879
Sitting allowances	6,600	-
Cleaning supplies	7,668	6,308
Perdiem	43,063	20,860
Sundry expenses	1,550	1,762
Posts and telegraphy	860	-
Burial expenses	16,520	-
Printing and photocopying	2,579	-
Subscriptions to professional boards	1,500	-
Extra duty allowances	930	-
Security services	5,471	-
<b>Total</b>	<b>143,274</b>	<b>96,157</b>

## 15. STAFF SALARIES AND BENEFITS

	2020/21	2019/20
	TZS'000	TZS'000
Staff salaries	700,620	678,490
Housing allowance	141,006	133,665
Fuel allowance	56,112	64,252
Pension expenses	48,797	48,240
Acting allowances	-	33,000
Temporary staff wages	-	9,600
Leave travel	10,800	48,770
Telephone allowances	23,400	20,900
Gratuity	98,310	79,410
NHIF Expenses	24,210	18,529
<b>Total</b>	<b>1,103,255</b>	<b>1,134,856</b>

**TANZANIA NATIONAL BUSINESS COUNCIL (TNBC)**

**16. EXECUTIVE COMMITTEE EXPENSES**

	2020/21	2019/20
	TZS'000	TZS'000
Food and refreshment	480	-
Sitting allowances	1,000	-
<b>Total</b>	<b>1,480</b>	<b>-</b>

**17. FINANCIAL COSTS**

	2020/21	2019/20
	TZS'000	TZS'000
Bank charges	1,193	1,410
<b>Total</b>	<b>1,193</b>	<b>1,410</b>

**18. CASH FLOWS WORKINGS**

**18.1 GRANTS**

	2020/21	2019/20
	TZS 000	TZS 000
Government revenue grant	1,254,321	1,029,656
Grants received from donors	-	160,600
<b>Cash received from grants</b>	<b>1,254,321</b>	<b>1,190,256</b>

**18.2 EMPLOYEES COSTS**

	2020/21	2019/20
	TZS 000	TZS 000
Opening balance - provisions for employees costs	1,003,606	782,595
Staff salaries and benefits	1,103,255	1,134,856
	2,106,861	1,917,451
Less: Closing balance - provisions for employees' costs	948,640	1,003,606
	1,158,221	913,845
Decrease in provisions	(124,838)	-
<b>Cash paid to employees</b>	<b>1,033,383</b>	<b>913,845</b>

**18.3 OTHER COSTS**

	2020/21	2019/20
	TZS 000	TZS 000
Opening balances - accounts payables	81,982	55,829
Operating expenses	56,525	237,644
Administrative expenses	143,274	96,156
Executive committee	1,480	-
Audit fee	14,000	14,000
Financial costs	1,193	1,410
	298,454	405,039
Closing balances - accounts payables	88,472	81,983
<b>Cash paid for other costs</b>	<b>209,982</b>	<b>323,056</b>

# TANZANIA NATIONAL BUSINESS COUNCIL (TNBC)

## 18.4 RECONCILIATION STATEMENT ON NET CASH FLOW FROM OPERATING ACTIVITIES

	2020/21	2019/20
	TZS 000	TZS 000
Surplus/(deficit)	57,447	(293,811)
Adjustments for non-cash items		
Depreciation	19,125	17,150
Release from deferred capital grant	(17,139)	(17,150)
Changes in working capital		
Increase in accounts payables	6,489	26,155
(Decrease) / increase in provisions for employee expenses	(54,966)	221,011
Net cash flows from / (used to) operating activities	<u>10,956</u>	<u>(46,645)</u>

## 19. RECONCILIATION OF BUDGET AND STATEMENT OF PERFORMANCE DEFICIT

	2020/21	2019/20
	TZS 000	TZS 000
Surplus (deficit) as per statement of financial performance	57,447	(293,811)
Additional deferred capital grant	-	10,379
Amortization of capital grant	(17,139)	(17,150)
Depreciation charge for the year	19,125	17,150
Purchases of property, plant, and equipment	(6,424)	(10,379)
Changes in accounts payable	6,489	26,155
Changes in provisions for employee expenses	(54,966)	221,011
Surplus (deficit) as per budget and actual statement	<u>4,532</u>	<u>(46,645)</u>

## 20. RELATED PARTY TRANSACTIONS

During the year under review, the Council made transactions with the following related parties:

### (1) Prime Ministry Office

Government subvention received from the Prime Ministry Office:

	2020/21	2019/20
	TZS'000	TZS'000
Transfers for personnel emoluments	861,596	684,409
Transfers for other charges	392,725	345,247
Grant for acquisition of asset	-	10,379
Total Government transfers	<u>1,254,321</u>	<u>1,040,035</u>



## TANZANIA NATIONAL BUSINESS COUNCIL (TNBC)

### (2) Key Management Employees - 3 members

	2020/21	2019/20
	TZS'000	TZS'000
Short term benefits	297,600	222,000
Post-employment benefits		
Gratuity	74,400	55,500
Statutory allowances	86,232	102,072
	<u>458,232</u>	<u>379,572</u>

### 21. COMPARATIVE FIGURES

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

### 22. CONTINGENT LIABILITY

TNBC had no contingent liability as at 30 June, 2021.

### 23. CAPITAL COMMITMENTS

TNBC had no capital commitment as at 30 June 2021.

### 24. POST REPORTING EVENTS

There were no events after the reporting date which requires adjustments or disclosure in the financial statements.

## TANZANIA NATIONAL BUSINESS COUNCIL (TNBC)

### (2) Key Management Employees - 3 members

	2020/21	2019/20
	TZS'000	TZS'000
Short term benefits	297,600	222,000
Post-employment benefits		
Gratuity	74,400	55,500
Statutory allowances	86,232	102,072
	<u>458,232</u>	<u>379,572</u>

### 21. COMPARATIVE FIGURES

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

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