

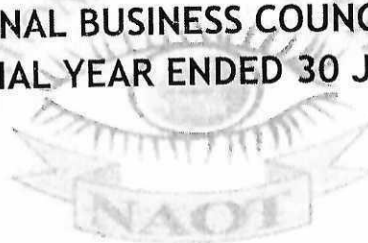


THE UNITED REPUBLIC OF TANZANIA  
NATIONAL AUDIT OFFICE



REPORT OF THE CONTROLLER AND AUDITOR GENERAL

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

- 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 -
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. Mipembe	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. Wanga	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 E. Longopa	Member	Public Sector	Deputy Attorney General, Attorney General Office
4	Paul Koyi	Member	Private Sector	Board Director, Tanzania Private Sector Foundation
5	Ngwisa W. Mpembe	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:

## 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

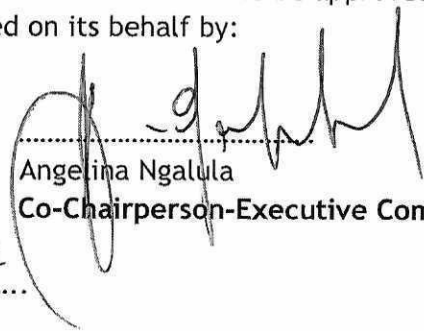
The Controller and Auditor-General (CAG) is the statutory auditor of the TNBC pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977, and as amplified in section 10 of the Public Audit Act, Cap. 418. However, in accordance with section 33 of the same 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.

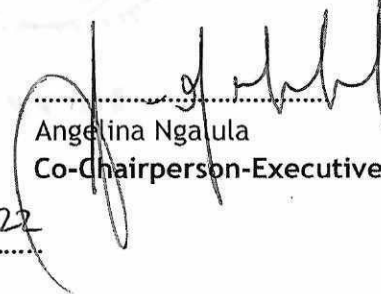
The Executive Committee also is responsible for the safeguarding of the assets of the Council and taking reasonable steps in the prevention and detection of fraud, error, and other irregularities. Therefore, the Executive Committee hereby confirms that suitable policies have been used and applied consistently 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 Nga'ula  
Co-Chairperson-Executive Committee

11<sup>TH</sup> March 2022

.....  
Date

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. Kichehe,  
Controller and Auditor General,  
Dodoma, United Republic of Tanzania,

March 2022





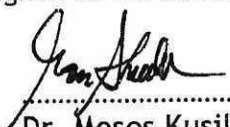
**TANZANIA NATIONAL BUSINESS COUNCIL (TNBC)**

**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>			
<b>Current Assets</b>			
Cash and cash equivalent	4	<u>18,179</u>	<u>13,647</u>
		<u>18,179</u>	<u>13,647</u>
<b>Non-Current Assets</b>			
Property plant and equipment	5	<u>6,441,071</u>	<u>6,453,772</u>
		<u>6,441,071</u>	<u>6,453,772</u>
<b>Total assets</b>		<u><u>6,459,250</u></u>	<u><u>6,467,419</u></u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payables	6	88,472	81,982
Provisions for employee expenses	7	<u>948,640</u>	<u>1,003,606</u>
		<u>1,037,112</u>	<u>1,085,588</u>
<b>Non-current liabilities</b>			
Deferred capital grant	8	<u>34,634</u>	<u>51,773</u>
<b>Total liabilities</b>		<u>1,071,746</u>	<u>1,137,361</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>5,387,504</u>	<u>5,330,058</u>
<b>Total equity and liabilities</b>		<u><u>6,459,250</u></u>	<u><u>6,467,419</u></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

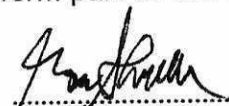
11<sup>th</sup> March 2022  
 .....  
 Date


**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	141,978	17,150
<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	1,193	1,410
<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

**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	Final	Actual	Variances		Reason
	budget	budget	amount	TZS 000	%	
	TZS 000	TZS 000	TZS 000	TZS 000	%	
<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>	1	
<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