



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

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

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March 2025

AR/PA/COSTECH/2023/24



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ABOUT THE NATIONAL AUDIT OFFICE

Mandate

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



Independence and objectivity

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

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

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



Professional competence

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

Integrity

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

Creativity and Innovation

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

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ABBREVIATIONS

CAG	Controller and Auditor General
FPAC	Finance, Planning and Administration Committee
HRM	Human Resource Management
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
PSSSF	Public Sector Social Security Fund
R&D	Research and Development
UDSM	University of Dar es Salaam
URT	United Republic of Tanzania
COSTECH	Tanzania Commission of Science and Technology
MAKISATU	Mashindano ya Kitaifa Ya Sayansi Teknolojia na Ubunifu
NFAST	National Fund for Advancement of Science and Technology
MUHAS	Muhimbili University of Health and Allied Sciences
R & D	Research and Development
HEET	Higher Education for Economic Transformation
SIDA	Swedish International Development Cooperation Agency
M&E	Monitoring and Evaluation
IDRC	International Development Research Centre
SAIS	Southern Africa Innovation Support Programme
TNCR	Tanzania National Competitiveness Report
UNESCO	United Nations Educational, Scientific and Cultural Organization
EDCTP	European and Developing Countries Clinical Trials Partnership
OFAB	Open Forum on Agricultural Biotechnology
HERIN	Higher Education and Research Institution Network
UNDP	United Nations Development Programme
HDIF	Human Development Innovation Fund
NHIF	National Health Insurance Fund
OC	Other Charges
PSSSF	Public Service Social Security Fund
DANIDA	Danish International Development Agency
EPZA	Export Processing Zone Authority
FOREX	Foreign Exchange
TRA	Tanzania Revenue Authority
ACPA	Associate Certified Public Accountants
NBAA	National Board of Accountants and Auditors
URT	United Republic of Tanzania
OSHA	Health and Safety Regulatory Agency
TAIC	Tanzania Annual ICT Conference
MoFP	Ministry of Finance and Planning

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Commission,
Tanzania Commission for Science and Technology,
P.O. Box 4302,
DAR ES SALAAM.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Tanzania Commission for Science and Technology (COSTECH), which comprise the statement of financial position as at 30 June 2024, 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 Commission for Science and Technology (COSTECH) as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348.

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Tanzania Commission for Science and Technology (COSTECH) 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I performed a compliance audit on procurement of works, goods and services in the Tanzania Commission for Science and Technology (COSTECH) for the financial year 2023/24 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that, except for the matters described below, procurement of goods, works and services of Tanzania Commission for Science and Technology (COSTECH) is generally in compliance with the requirements of the Public Procurement Laws.

Anomalies in implementation of the annual procurement plan

My review of the implementation of annual procurement plan noted the following anomalies:-

- **Annual Procurement Plan not fully implemented:** My review of the implementation of the Annual Procurement Plan revealed that COSTECH failed to implement four procurements out of twenty three, amounting to TZS 358,150,000 from the total annual procurement plan of TZS 1,639,047,881 for the procurement of goods, non-consultancy and consultancy services.
- **Delays in completion of the procurement process:** My review of the implementation of annual procurement plan for 2023/24 noted significant delays in the execution of three out of twenty three procurement activities, with three procurements not completed by the end of the year under review.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in the Tanzania Commission for Science and Technology (COSTECH) for the financial year 2023/24 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that Budget formulation and execution of Tanzania Commission for Science and Technology (COSTECH) is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.


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



TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

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

2.1 INTRODUCTION

In compliance with Tanzania Financial Reporting Standard (TFRS 1) on the Report by those charged with Governance issued by the National Board of Accountants and Auditors (NBAA) which became effective on 1 January 2021. The Board of Commissioners submits their report and the financial statements of Tanzania Commission for Science and Technology ("COSTECH") for the year ended 30 June 2024.

2.2 NATURE OF THE OPERATIONS

The Tanzania Commission for Science and Technology (COSTECH, the Commission) was established by the Act of Parliament No. 7 of 1986 as a successor to the Tanzania National Scientific Research Council (UTAFITI) that repealed and replaced the Act of Parliament No. 51 of 1968. COSTECH became operational in 1988. The Act provides for a structural framework of the Commission, which brings together the top leadership of the scientific and technological institutions in the country under one forum. Thus, the Commission maintains a system of collaboration, consultation and cooperation with parties within Tanzania whose functions relate to the application of science, technology and innovation to the nation's development. Based on the mandate spelt out in this Act, all major national research and development institutions are affiliated with COSTECH.

2.3 PRINCIPAL ACTIVITIES

Principal activities of the Commission include but are not limited to:

- (i) To advise the government on all matters relating to science and technology including but not limited to the formulation of science and technology policy, priority setting for Research and Development (R&D), allocation and utilization of resources;
- (ii) To supervise, promote, coordinate, monitor and evaluate Research activities;
- (iii) To enable the development and transfer of technology activities in the country;
- (iv) To mobilize, solicit, and disburse research funds in order to facilitate national, regional and international cooperation in scientific research; and
- (v) To acquire, store, and disseminate scientific and technological information and popularize science and technology.

2.4 VISION

A nation driven by Science, Technology and Innovation.

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2.5 MISSION

Ensure utilization of knowledge-based products through coordination and promotion of science, technology and innovation for rapid social economic development.

2.6 CORE VALUES

In pursuit of provision of quality services to its stakeholders, COSTECH shall be guided by the following six core values: -

Integrity	We are committed to demonstrate ethics, responsibilities and honesty in performing our duties at all times;
Excellence	We strive for the best-in-class delivery of service;
Customer focus	We put our customer's need first;
Professionalism:	We are committed to consistently comply with the laws, to promote best practices and diligently use knowledge and skills as a prerequisite in performing our work;
Accountability:	We promote openness and transparency to ensure that we are accountable for timely delivery of our products and services; and
Team work	We recognize and value the contribution of individuals and teams in realizing our vision.

2.7 OBJECTIVES AND STRATEGIES OF THE COMMISSION

During the reporting year, the COSTECH focused on implementation of its objectives which are guided by its Strategic Plan. The Plan facilitates discharging of its roles and functions for the period of five (5) years, i.e. from the financial year 2021/22 to 2025/26. Specifically, the Plan places emphasis on strategies to be executed to achieve the strategic objectives as indicated in Table No. 1.

Table 1: Objectives and Strategies of the Commission

Objectives	Strategies	Target Description	Achievements
A: HIV/AIDS infections and non-communicable diseases reduced	Create awareness on HIV/AIDS and NCD among staff	Four (4) Capacity building sessions on HIV/AIDS and NCDs conducted annually	Four (4) capacity building on HIV/AIDS and NCD training conducted on HIV/AIDS and Tuberculosis, types of cancer diseases, causes, treatment and preventive measures.

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Objectives	Strategies	Target Description	Achievements
and supportive services improved			Employees attended staff physical exercise at TTCL ground play. The objective is to enhance active lifestyle to staff. The number of employees attending the exercise is gradually increasing.
B: implementation of National Anti-Corruption Strategy enhanced and sustained	Promote ethical conduct among staff	To conduct four COSTECH Ethics Committee Meeting by June 2024	Conducted two disciplinary hearing Committees Meeting where various staff ethics and integrity issues were discussed in order to advice Management accordingly. In Overall, the committee noted that staff ethics, integrity and core values matters are positively and timely taken care as per institutional core values and government regulations.
			Additionally, four (4) trainings were conducted to remind staffs on importance of adhering to COSTECH core values, ethics in public service, nationalism, acts and behaviors that may lead to corruption and insisted on adhering to National core values.
C: National Science Technology and Innovation governance enhanced	Strengthen STI advisory functionality	Fourteen (14) R&D advisory committee Forums for agriculture and livestock, environment, Natural Resources, Biotechnology, public health, basic sciences, social sciences facilitated annually	Conducted one joint R&D meeting was conducted for agriculture and livestock, environment, Natural Resources, Biotechnology, public health, basic sciences, social which held on 25 - 26 January 2024 to deliberate on three frameworks developed under HEET program; namely "The National Framework for Linkages Between Higher Learning Institutions, R&D and Industries"; and "The National Framework for Data Sharing"; and National Framework for Scientific Competence".
		Three (3) policy briefs on research prepared and disseminated annually	Two (2) drafts of policy briefs were prepared in area of Livestock Feeds titled "Strengthening Multisectoral Collaboration Strategies for Sustainable Livestock Feeds Development" and "Promoting Quality Forage for Commercialization".

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Objectives	Strategies	Target Description	Achievements
		To conduct two semi-annual Industry and Energy meetings by June 2024	Conducted a stakeholders meeting to discuss the industrial linkage framework which will strengthen the collaboration between researchers, innovators (including R&D and HLI) and industries.
		To facilitate two ICT Steering Committee meeting by June, 2024	Managed to establish the Committee and conducted one Meeting which went through its responsibilities, and discussed the reviewed institutional ICT policy and use acceptance policy
	Promote evidence based decision making	Seven (7) categories of knowledge products (books, booklets, brochures, banners, fliers, newsletters, bulletin) from research and innovation	a) 639 knowledge products (banners, brochures, books, monthly magazine, and research and innovation magazine etc.) publicized through different media channels including Television and COSTECH social media channels such as Instagram, Facebook, and Twitter, exhibitions and meetings. b) Coordinated and facilitated capacity building meeting between COSTECH and CABI/SciDev. The meeting was on communication in the areas of synthesizing knowledge products, enhancing science communication and refining branding strategies.
		Five (5) advocacy events for use of research results and innovations	Participated in three Conferences and Exhibitions. These are International Conference in Science, Technology and Innovation from 18-20 June, 2024 in Dodoma; 60th Commemoration United Republic of Tanzania 14th to 20th April, 2024 in Zanzibar; MAKISATU exhibitions from 26th to 31st May 2024 in Tanga.
D: Utilization of Science Technology and Innovation products and services enhanced	Strengthen registration and transfer of technologies	Ten 10 hubs and 5 clusters and TTOs facilitated Technology and innovation support services annually	Established one hub in Zanzibar called "iBUA hub" at COSTECH Zanzibar office. Seven (7) facilitated, seven (20) Cluster in technology and strengthening of three clusters in Geita, Mafia and Kasulu. b) Continued to build capacity of six (6) TISCs (SUA, Arusha Technical College, TARI Kibaha, SUZA, AMCET and MNMA) in technological interventions.
		Technology transfer agreement registration desk established and operationalized at COSTECH by June 2026	(a) Prepared ToR for procuring consultant for development of one (1) National Framework for Technology Management and Transfer (b) The process for procuring consultant for further stages is going on.

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Objectives	Strategies	Target Description	Achievements
	Enhance inventory for research capacity	Six (6) Research Clearance and Registration Meetings by June 2022	Conducted 6 Research Clearance and Registration Meetings
		Six hundred (600) local and foreign researchers registered and permitted for research annually	1,030 research permits were granted to local and foreign researchers.
	Strengthen linkage between R&D, HLI and Industry	Ten (10) research management frameworks established and adopted by R&Ds and HLIs by June 2026	a) The COSTECH grant manual was reviewed to capture customer's recommendations. b) Also, managed to develop the credit policy which allows COSTECH to increase a window of financing STI activities.
	Strengthen mechanism for research results and technology uptake	To support innovation projects (MAKISATU/Walk-inn) by June 2024	(a) Managed to issue innovation on 9th April 2024 and closed on 9th May 2024. (b)Conducted the Innovation Week Tanzania (IWTz2024) at Zanzibar, Dar es salaam, Mwanza, Morogoro, Arusha and Iringa from May 1st to may 24th 2024 c) 561 applications received; 300 completed the process; 159 shortlisted for review; 35 were shortlisted for pitching: 20 selected and participated in the National week of education skills and innovation for exhibitions of their innovations conducted from 27th to 31st may 2024. Moreover, 91 innovators were supported financially to continue with their innovation higher level, others were linked to other institution for technical advice and mentorship.
		Thirty (30) competitive research projects funded by 2026	A total of seventy four 84 (20 research, 64 innovation) projects including seven (7) new research projects on emerging technologies and artificial intelligence. Four (4) proposals on upscaling research results in food security under ACTS have been funded.
		Five (5) research chairs established and operationalized by June 2024	Continued to support the implementation of two research Chairs

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

Objectives	Strategies	Target Description	Achievements
E: Capacity to deliver Science, Technology and Innovation services improved	Strengthen working environment and human resource management to COSTECH staff	Administrative Facilities(Statutory Payments utilities, National Events, Auditing, Repair and Maintenance of Office equipment, Fair well) Facilitated Annually	<p>COSTECH opened a new Workers Council which got training and their responsibilities and its importance. The workers council Meeting which official was conducted on third quarter of the FY 2023/24. The meeting discussed staff matters, the progress report, the new strategy for the growth of COSTECH hence approve the COSTECH budget for the FY 2024/25.</p> <p>Two COSTECH Staff facilitated to undertake Maternity Leave and One staff facilitated to undergo retirement leave and availed with retirement Leave entitlements. Other, COSTECH staff facilitated to undertake Annual Leave</p> <p>One staff facilitated for his smooth retirement and support him for the transportation entitlements, and his belonging to a place of domicile. Additionally, staff matters were accommodated accordingly including burial of one COSTECH staff in Moshi.</p> <p>Statutory entitlements for twenty (20) COSTECH Managements, prepared, approved and paid to respective staff from July,2023 to June, 2024.</p> <p>Utilities water, electricity and contractual obligations (Cleaning and Security) facilitated for COSTECH HQ and Zanzibar Office for the FY 2023/24</p> <p>Office conducted minor maintained of building including washrooms, doors, replacement of lights, Printers, Photocopy Machines and Air conditioners.</p> <p>Eight COSTECH Vehicles attended with repair and normal periodic preventive Maintenance including replacement of tryers, battery and purchase of fuel.</p> <p>COSTECH Officials facilitated to attend various Official Meeting in the country and outside the country.</p>
		Eight (8) HR tools (Succession plan, Staff rules, human resource plan, scheme of service , guideline for R and D Scheme of service, training and development plan, training policy, incentive scheme) reviewed and operationalized by 2024	<p>a) Three (3) new staff recruited through Public Service Recruitment Secretariat (PSRS). The respective staff already reported and their academic certificates are in verification process with respective Authorities before proceeding with their employment process.</p> <p>b) COSTECH management staff (20) were trained on new Public Procurement System (NEST) which has been rolled out for operationalization. Additionally, staffs were facilitated to attend different short courses.</p> <p>C) Acquired Office equipment, furniture and Stationaries by June 2024</p>

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Objectives	Strategies	Target Description	Achievements
	Strengthen financial management	Auditing internal controls systems efficiently and effectively managed by June 2024	a) COSTECH managed to cover audit fees for financial statements b) Facilitated its staffs to maintain their CPA membership c) Continued to provide training to its staffs in charge of financial management d) prepared and submitted statutory annual financial reports
		Financial management and controls improved by June 2026	prepared and submitted the annual financial report for the FY 2022/23 to CAG
			Bank charges have been paid for FY 2023/24
			The Remittance to Consolidated Fund was paid to Treasury Registrar Office
			Conducted follow-up exercise to collect funds from HERIN debtors
			The quarter financial reports were prepared and submitted to respective authorities.
	Strengthen performance management systems and standards	Internal Audit Services Provided annually	a)Conducted audit to 27 on Procurement services, funded projects, IT systems, ISO management systems, financial management activities, b)Conducted follow-up of implementation of CAG recommendations and consulting services c)Facilitated professional Membership and Certificate Maintenance Fees (IIA, ISACA, ACFE, NBAA)
		Legal services provided annually	signed 84 contracts, MoU and Agreements with researchers, innovators, donors(FUNGUO, WFP, NORAD, GIZ, UNI-HUBS, UNICEF) and internet service providers and others for providers of cleaning services, security and office equipment (stationery) etc.
			COSTECH legal officers were facilitated to maintain their professional membership and attend their professional meetings
		Procurement and supplies facilitated by June 2023	a) Annual procurement plan was prepared and approved by the respective authorities. b)Procurement staffs participated in profession trainings c)Conducted 9 Tender Board meeting by June 2024
			conducted fifteen (15) Tender Evaluation on goods, non-consultancy and consultancy services
			To develop annual procurement plan will be developed in third quarter

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Objectives	Strategies	Target Description	Achievements
			Paid Annually fees for Tender advertisement to PPRA
	Strengthen ICT systems	HERIN facilitated	<p>a) Signed a five-year Service Level Agreement (SLA) and MoU with TTCL for the supply of 374 Mbps internet bandwidth to HERIs and the provision of Operational and Maintenance of the HERIN physical and logical network infrastructure.</p> <p>b) Increased new HERIN Members by connecting fifteen (15) Teachers Training Colleges (TTTCs) into HERIN internet connectivity.</p> <p>c) Connect four (2) institutions (DUCE, TPHPA, RUCU and MUCE) to GovNet.</p> <p>d) facilitated connectivity of two points of presence (PoPs) in Tanga, and Mtwara to make a total of ten (10) Pops across the country</p>
	Strengthen financial management	Financial resource mobilization strategy prepared and operationalized by June 2023	<p>(a) Prepared a baseline draft report which provides data on the available resources before implementation of the strategy.</p> <p>(b) The report establishes a relevant measure of data for comparison to the outcomes obtained during implementation of the strategy.</p> <p>c) Secured funds from NORAD project amount to Norwegian Kroner 78,680,000 equivalent to TZS. 8,960,000,000.00 to support climate change research for 5 years. Additionally, COSTECH managed to acquire funds to support innovation activities from UNDP, WFP, UNICEF, GIZ (from Germany) and UNI-HUBS (from Europe)</p>
	Strengthen performance management systems and standards	Risk management framework for COSTECH reviewed and operationalized by June 2023	<p>(a) Training on risk management was conducted to COSTECH Management and staff.</p> <p>(b) COSTECH updated its risk framework, risk register and mitigation plan and Whistle blow policy. Also, Fraud Risk Management Framework and Business Continuity was prepared</p>
		Quality management system (ISO:9001/2015 certification) reviewed and acquired by June 2024	<p>(a) Awareness training to all COSTECH staff</p> <p>(b) Implementation of audit stage 1 and 2 recommendation</p> <p>(c) ISO 9001:2015 system established and COSTECH was granted ISO certification with effect from 06th March, 2024.</p>

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Objectives	Strategies	Target Description	Achievements
	Strengthen performance management systems and standards	Monitoring and evaluation systems (M & E framework and reporting tools) operationalized by June 2023	(a) COSTECH evaluated 31 projects that were funded directly through NFAST which have been completed within four (4) years. (b) Evaluation study found that all funded projects are relevant to the needs of stakeholders and coherent to government development plans and other interventions in the national STI ecosystem
		Institutional plans prepared and implemented annually	(a) COSTECH plans and budget estimates was prepared and submitted to the Workers Council, Commission, Treasury Registrar Office and Ministry for approval. (b) Budget scrutiny based on Government ceiling was conducted and submitted to respective authorities. (c) four (4) quarter performance reports were prepared and submitted to the Commission, Ministry of Education, Science and Technology, Vice president office and Treasury Registrar Office (TR). (c) two budget committee meetings were conducted
	Strengthen financial management	To facilitate Audit Profession for Financial Statements by June 2024	a) COSTECH managed to cover audit fees for financial statements b) Facilitated its staffs to maintain they CPA membership c) Continued to provide training to its staffs in charge of financial management Prepared and submitted statutory annual financial reports
	Strengthen performance management systems and standards	To facilitate COSTECH Statutory Meeting according Meeting Schedule by June 2024	16 statutory meetings (4 NFAST, 4 Audit and Risk, 4 Finance, Planning and Administration Committees and commission) were conducted. In nutshell, the meetings achievements including: a) budget approval b) approval of frameworks for research and innovation, manuals(procurement and grant)and guidelines c) Risk register, audit plan for FY 2024/25 d) progress reports
	Enhance public awareness on STI	Communication strategy operationalized by June 2026	a) Developed a draft of Guidelines for the recognition and promotion of Scientific journals in Tanzania. b) Developed a Knowledge Management Strategy will help to capture and utilize the knowledge from Staff, stakeholders and collaborators.

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Objectives	Strategies	Target Description	Achievements
	Strengthen performance management systems and standards	To facilitate Management and administration of research and innovation projects by June 2024	<p>c) Conducted another due diligence and inception training to 4 projects on upscaling of research results on food security in which Pls or CO-Pls must be a woman.</p> <p>d) Supervised 72 projects (21 research, 51 innovation).</p> <p>e) 37 projects were successfully implemented, 23 had delayed implementation, 8 ongoing with satisfactory progress, 1 with unsatisfactory progress recommended for field visit and 3 completed.</p>

2.8 REVIEW OF BUSINESS PERFORMANCE

The Commission's Key Performance Indicators (KPIs) are reported based on the implementation of annual plan and budget derived from the Corporate Strategic Plan (2021/22-2025/26).

2.9 SIGNIFICANT ASPECT OF THE STATEMENT OF THE FINANCIAL PERFORMANCE AND POSITION

a) Statement of Financial Performance

During the year ended on 30 June 2024, the Commission earned total revenue of TZS. 12.49 billion (2022/23: TZS. 13.73 billion), which is a decrease by TZS. 1.23 billion, equivalent to 9% compared to previous year. The decrease is attributed by decrease in research and development funds, internally generated revenue and other operating income. At the same time the Commission incurred total expenditure amounting to TZS. 12.97 billion (2022/23: TZS. 14.465 billion) which is an decrease of expenditure by TZS. 1.49 billion, equivalent to an increase of 10% compared to previous year.

b) Statement of Financial Position

The Commission's Financial Position as at 30 June 2024 shows total assets of TZS. 17.63 billion (2022/23: TZS. 16.44 billion), which includes TZS. 9.37 billion of Non-Current Assets (Building, Land, Furniture and Fittings, Equipment, Computers) and Intangible Assets and TZS. 8.26 billion Current Assets (Inventory, receivable and Cash and bank balances). During the same period the Commission has recorded liabilities with a total of TZS. 8.00 billion out of which TZS. 7.17 billion is deferred revenue grants for research and infrastructure and TZS. 0.50 billion is trade and other payables.

Thus, the Commission's ability to meet its short-term obligations as they fall due (liquidity ratio) or the working capital (current) ratio stands at 1:4 (30 June 2023: 1:1). This indicates that the Commission can cover its current liabilities 1.4 times as at 30 June 2024.

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c). Integrated Financial Management Information System

During the year under review, the Commission's management continued to process its financial data using the Government Accounting System known as "ERMS and PlanRep. ERMS is an accounting system that enhances the Commission's ability to process and reconcile transactions and prepare financial reports, while PlanRep System enhances the Commission's ability to process budgets. (include challenges associated with the systems).

2.10 COMMISSION OPERATING MODEL

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

Inputs

a) Human Capital

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

b) Financial Capital

Financial capital of the Commission consist of:-

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

c) Social and Relationship Capital

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

d) Natural Capital

The Commission has no natural capital.

e) Operating Activities

During the reporting period, the Commission implemented a number of activities in converting inputs into quality service delivery. The operating activities are mainly grouped into two: Science,

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Technology and Innovation (STI), and administrative. Outputs and outcomes are indicated in Table No. 1 above.

2.11 CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Management is not certain about any significant event that will impact future performance of the Commission.

2.12 ANALYSIS OF MAIN TRENDS AND FACTORS LIKELY TO IMPACT FUTURE PROSPECTS

Political, Economic, Social, Technological, Environmental and Legal (PESTEL) analysis for COSTECH was carried out and is summarized in Table No. 2.

Table 2: PESTEL analysis

Political aspect	<p>The country has a stable government characterized by peace and security that contribute to favourable business operations that attract economic development hence promotes research businesses within and outside the country. Also, the government has taken extensive measures against corruption and has insisted on improving transparency in private and public sectors including COSTECH. Furthermore, Science, Technology and Innovation segment has been introduced as a priority in the Ruling Party Election Manifesto of 2020 - 2025 and in the National Development Vision 2025. Currently the government is preparing the National Development Vision 2050. It is anticipated that STI will be among country priorities in the Vision.</p> <p>Moreover, the government continued to maintain its political stability and extended support to STI activities despite of the fact that the world's geopolitical environment caused by Russia and Ukraine wars.</p>
Economic aspect	<p>Change in the funding landscape for research and innovation, driven by the dynamic trends in STI (e.g., disruptive ICT technologies and applications) causing a responding change in Global strategies like the SDGs, evolvement of other key funders from private, philanthropists, and business consortia's that may incline towards supporting innovation more than research, and more for social innovation specifically enabling technologies based on ICT.</p>

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Social aspect	Tanzania like many other African countries is experiencing a fast-growing young population that is available for the exploitation of opportunities in science and technology. Since, the current national guidelines to identify and support STI initiatives are mainly focusing on technological and organizational components of innovation, there is a need to include the aspect of talents. The introduction and promotion of concept of innovation spaces (hub) within universities and LGAs led to change not only training curriculum but also timetable and routing activities. For example, students are supposed to remain at school beyond normal working hours as well as academic duration. This, has created worry to some of the parents and guardians.
Technological aspect	<p>The world is experiencing a fast-changing technology advancement particularly ICT that not only helps achieve the business goals but also optimizes the work processes. The development of information Technology has led to development and emerging of new technologies aiming at increasing performance of different operations in private and government sector. However, mainstreaming of these new innovations within government systems has raised compliance issues regarding regulatory and procurement frameworks.</p> <p>In addition, the fast-changing technology advancement globally has led to a wide disparity in STI capacity between Tanzania and the industrialized nations. This is envisioned as a technological factor that is likely to inhibit the adoption and transfer of technologies particularly for SMEs and grass-root innovators.</p>
Environmental aspect	Increase in population and advance in technology have come with its negative impact on environment such as forest degradation and mining. In addition, impact of climate change on reliability of water for agricultural activities which is the main stake for majority of Tanzanian community has led to opportunity for developing new technologies that will adapt drought environment.
Legal aspect	The act that established COSTECH (Act No 7 of 1986) is outdated and has no regulations. Overlapping of institutional mandates particularly on technology transfer through FDI and issuing research permits. Tax estimation process for start-ups and early-stage businesses at Tanzania Revenue Authority is another issue, where TRA needs to learn on how start-ups operate. Provision of Physical Address is among of the requirement which hinder registration of new businesses since most of the start-ups works in co-working spaces and hubs hence, they face challenges fulfilling such conditions.

2.13 BUDGET INFORMATION AND OVERVIEW

This is the annual budget review for the period of 1st July 2023 to 30 June 2024. This report reviews the income received /collected and the amount spent (expenditure) during the period under review to implement various planned activities. The annual approved budget for the Financial Year 2023/24 was TZS. 15.12 billion. The actual income realized was TZS. 14.08 billion from different sources of income. The amount realized is equivalent to 93 % of annual target. Actual expenditure during the reporting period was TZS.11.97 billion equivalent to 81% of annual target spent to implement various planned activities.

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2.14 RESOURCES

a) Human Resources

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

b) Financial Resources

Financial resources of the Commission consist of:-

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

c) Social and Relationship Resources

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

d) Intellectual Resources

The Commission conducted training and seminar on National Information Management System (NIMS) to ensure effective and efficient services delivery.

e) Natural Resources

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

2.15 PRINCIPLE RISKS, UNCERTAINTIES AND OPPORTUNITIES

2.15.1 PRINCIPAL RISKS AND UNCERTAINTIES

The Commission's principal risks and uncertainties with their impacts and mitigation are summarized under Table 4.

Table 3: The Commission Risks, Impacts and Mitigation

S/N	Risk and Impacts		Mitigation
1.	Compliance risk	<ul style="list-style-type: none">Commission being a public entity is prone to compliance risks when fails to observe certain legal requirements as such;	<ul style="list-style-type: none">Commission provided expenditure budget to legislation compliance by

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		<p>compliance with legislation governing laws, Treasury Registrar (Powers and Functions) Act Cap 370 and tax legislation are critical to how we continued to implement our responsibilities. Therefore, If the Commission are unable to foresee, advocate for, plan for, and adapt to legislation change, this could negatively impact the Commission compliance with legislations.</p>	<p>ensuring staff are equipped with relevant knowledge through training, risk prevention initiatives and engage with policy makers and communities to advocate for appropriate legislation reforms.</p> <ul style="list-style-type: none"> During sensitive (confidential) information handling, Commission takes the appropriate measures to protect that data and prevent privacy breaches Commission maintains good relationships with the Government, Parliamentary sectorial committees and the Parliamentary sectorial committees and the Parliament in general where we opportunity to share our comments on legislation changes
2.	Reputational risk	<p>Reputational risk is a hidden threat or danger to the good name or standing of Commission and can occur through a variety of ways such as the result of the action of the Commission and due to the actions of an employee or employ</p> <p>Reputation is key and is directly related to how we carry out , function, how we communicate with the Government and A negative change in any of our stakeholder's observation may significantly weaken our ability to promote for positive outcomes that align to Commission vision, mission and core values, and our ability to push long- term performance, This may also affect the cost and availability of financial resources necessary for the implementation of the Commission annual plans and budget</p>	<ul style="list-style-type: none"> Commission mitigates reputational risk by understanding what stakeholder expectations are, it's much easier to meet them Learn what customers, shareholders, and employees expect from the organization and management, and strive to satisfy these conditions Improve internal work flow to minimize delays in responding to customer requirements Presence of suggestion box and complaints handling committee Sharing of information through of social network, website and forums for educating clients, stakeholders and staff The Commission and top management recognize the importance of

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			<p>reputational risk management, and Commission through management lead by example to promote positive messages to key stakeholders</p> <p>Commission training, policies, and procedures ensure that all employees know how to behave and respond appropriately in any situation When reputation is at risk, employees act quickly and responsibly by doing anything within their power to positively influence , ideas</p> <ul style="list-style-type: none"> • Commission embedded Customer service, transparency and good governance, as the most important messages to convey • Commission have embedded culture which communicates what we expect of staff in applying vision, mission and core values as a guide for the Commission's , management and decision-making
3.	Financial Management	<p>The Commission's activities are potentially exposed to a variety financial management risk including financial risk, credit risk and liquidity risk as briefly explained below:</p> <p>a) Financial risk The financial risks is the possibility that the Commission's cash flow will not be adequate to discharge the Commission's obligations,</p> <p>b) Credit Risks Credit risk is the risk that one party to a financial instrument will fail discharge an obligation and cause the other party to incur a financial loss, The Commission is exposed to credit risk on its HERIN receivables and Staff</p>	<p>Preparation of our annual plan and budget in line with the Government guidelines on the preparation of Medium-Term Expenditure Framework (MTEF) to address financial risk management,</p> <p>The Commission mitigates the credit risk by denying services to HERIN customers and non-issuance of multiple imprest directly from the employee's salary.</p>

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		<p>Loan Revolving Funds in the event of non-performance by counterparties to financial instruments,</p> <p>c) Liquidity Risk</p> <p>Liquidity risk is the risk of incurring losses resulting from the inability to meet payment obligations in timely manner when they become due or from being unable to do so at a sustainable cost. Therefore, is the risk that the Commission will not have sufficient cash to meet its financial commitments in a timely manner? The Commission's approach to managing liquidity risk is to ensure that sufficient resources is available to meet its obligations when due, without incurring unacceptable losses or causing damage to the Commission's reputation,</p>	<p>Commission manages liquidity risk through conscious financial planning and analysis and by forecasting cash flow regularly, monitoring and optimizing net working capital and managing existing credit facilities. This is achieved through maintain sufficient cash and cash equivalents. In addition, the Commission strives to ensure that no unplanned/unbudgeted expenditures are honored,</p>
4.	Operational risk	<p>Operational risk is the risk resulting from ineffective or failed internal processes, people, systems, or external events that can disrupt the flow of business operations. The Commission's activities are potentially exposed to a variety operational risk as briefly shown below:</p> <p>Limited cooperation from stakeholders inappropriate technology for automation, Non or Insufficient submission of documents, Delay in rendering advice, Failure to improve and enhance e-Science ,Technology and Innovation (STI) systems, Failure to manage HR Strategy</p>	<p>Availability of Regulations, Directives, and Guidelines that governs Human Resources Practices information sharing whenever there is a delay and the reasons of such delays,</p> <p>To provide capacity building to Management and entire staff on the importance of M&E,</p> <p>Establishment of Baseline Data,</p>

2.16 OPPORTUNITIES

The Commission's risk assessment process identified opportunities that would expectedly enhance the strategic plan execution as summarized in **Table No. 5**.

Table 4: Opportunities

S/N	CRITERIA	OPPORTUNITIES
1.	Leadership and Management	i) Good relationship with key stakeholders
2.	Human Resource	i) Existence of Performance Management Systems (OPRAS, Contract Performance ii) Availability of sponsorship for training iii) Availability of legal framework for , service iv) Existence of National Human Resources System
3.	Financial Management	i) Existence of MUSE, PlanRep, ERMS and GAMIS; ii) Adoption of IPSAS in financial reporting; iii) Existence of Budget Guideline

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		iv) Availability of Development Partners to support PFM reforms v) Existence of Risk Management and Audit Manuals vi) Existence of International Auditing Standards,
4.	Security and Risk Management	i) Existence of Guideline for Institutionalizing Risk Management Framework and Fraud Risk Management in , Sector ii) International Security

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the COSTECH system is designed to provide the Commission with reasonable assurance that the procedures in place are operating effectively. The Commission assessed the internal control systems throughout the financial year ended 30 June 2024 and is of the opinion that they met the accepted criteria. The Commission carries out risk and internal control assessments through the Audit and Risk Management Committee.

2.17 RISK MANAGEMENT POLICY AND FRAMEWORK

The Commission developed draft Risk Management Policy and Framework in accordance with the Circular No.12 of 2012/13 dated 31 May 2013 issued by the Permanent Secretary Ministry of Finance and the Guidance on Preparation of Risk Management issued by the Internal Auditor General in the year 2012. The Commission's Risk Management Policy and Framework was approved for implementation by the Commission during the year under review. Training and awareness programmed for employees were undertaken, the Risk Management Coordinator was appointed, and preparation of Risk Register and risk mitigation plan was done.

2.18 STAKEHOLDERS' RELATIONSHIP

The Commission has internal and external stakeholders and it has established an harmonious relationship with its stakeholders. During the year 2023/24, both internal and external stakeholders extended required cooperation and support to the Commission's activities. Specifically, the Commission received continuous cooperation and support from the Government, R&D and Higher Learning Institutions, Innovators, Private sector, Development partners, MDAs, NGOs, Media, Commission staff and the general public. Detailed information is illustrated in **Table No.6**.

Table 5: Internal and external stakeholders

STAKEHOLDER	SERVICES OFFERED	STAKEHOLDER EXPECTATIONS
R&D and Higher Learning Institutions	Research and innovation Funds	Timely disbursement of requested research and innovation funds
	Capacity building	Relevant skills on technology transfer and development
	To organize forums for researchers to present their products	Recognition of research and innovation product/output

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STAKEHOLDER	SERVICES OFFERED	STAKEHOLDER EXPECTATIONS
	Support to dissemination of STI funds	Adequate funding
	Research and innovation guidelines	Availability and accessibility of guidelines
	Information pertaining to the development of science, technology and innovation	access to updated and accurate Information pertaining to the development of science, technology and innovation
	Technical advice on STI issues	Relevant and up to date advice on STI issues
	Research registration	a) Timely registration of researches b) Guidelines on research registration
	Research permits	Timely acquisition of permits
	Registration of imported technologies	Timely registration of imported technologies
	Support establishment of TTOs.	Funds and guidance to establish TTOs
	Registration of technology transfer contracts	Timely registration of technology transfer contracts.
Innovators	Innovation space facilities	Availability and accessibility of innovation space facilities
	Innovation funds	Timely disbursement of innovation funds
	Information pertaining to the development of science, technology and innovation	Access to updated and accurate Information pertaining to the development of science, technology and innovation
	Technical advice on STI issues	Relevant and up to date advice on STI issues
	Capacity building to institutions and innovators on technology transfer and development	Relevant skills on technology transfer and development
	Registration of technology transfer contracts	Timely registration of technology transfer contracts.
	Awarding the best innovators	Provide awards as per schedule
	Registration of imported technologies	timely registration of imported technologies
MDAs	Reports of imported technologies	Database of imported technologies
	Technical advice	Proactively and reactively provision STI
	Identified sectorial priorities for research and development	Research and development priorities

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STAKEHOLDER	SERVICES OFFERED	STAKEHOLDER EXPECTATIONS
	Information pertaining to the development of science, technology and innovation	Access to updated and accurate Information pertaining to the development of science, technology and innovation
General public	Information on approved technologies	a) Access to approved technologies b) Technical advice c) Affordable technologies
	Information pertaining to the development of science, technology and innovation	Access to updated and accurate Information pertaining to the development of science, technology and innovation
	Platform and Linkage between researchers, innovators and users of intended technology	Platform and linkage with other institutions supported by COSTECH
Private sector and industry	Information on approved technologies	a) Access to approved technologies b) Technical advice c) Affordable technologies
	Research and innovation Funds	Timely disbursement of requested research and innovation funds
	Research Permits	Acquisition of permit on time
	Information pertaining to the development of science, technology and innovation	Access to updated and accurate Information pertaining to the development of science, technology and innovation
NGOs	Platform and Linkage between researchers, innovators and users of intended technology	Platform and linkage with other institutions supported by COSTECH
	Information pertaining to the development of science, technology and innovation	Access to updated and accurate Information pertaining to the development of science, technology and innovation
	Information on approved technologies	a) Access to approved technologies b) Technical advice c) Affordable technologies
	Research and innovation Funds	Timely disbursement of requested research and innovation funds
	Research Permits	Acquisition of permit on time
Development partners (unpack)	Information pertaining to the development of science, technology and innovation	Access to updated and accurate Information pertaining to the development of science, technology and innovation

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STAKEHOLDER	SERVICES OFFERED	STAKEHOLDER EXPECTATIONS
Media	Information pertaining to the development of science, technology and innovation	Access to updated and accurate Information pertaining to the development of science, technology and innovation
	Capacity building to journalists, researchers and innovators on how to present scientific information	Relevant skills on how to present/deliver scientific information
COSTECH Staff	Information pertaining to the development of science, technology and innovation	Access to updated and accurate Information pertaining to COSTECH services
	Capacity building in the field of competence	Training in Relevant field of competence
	Working facilities and conducive working environment	a) Availability of Working facilities and equipment b) Sound scheme of service
	Human resource management services (promotion, recategorization, database, benefits etc.)	a) Timely promotion and recategorization b) Updated and correct personnel information c) Sound incentive scheme d) Timely Feedback on human resources management issues e) Timely payment of statutory payments

2.19 CAPITAL STRUCTURE AND TREASURY POLICIES

The Tanzania Commission for Science and Technology was established by an Act of Parliament No. 7 of 1986 as a successor of National Scientific Research Council that was established in 1972. The Commission capital structure comprise of the assets contributed by Government to together with the development funds received by the Commission for rehabilitation of the office building amounting to TZS 4,188,444,000.

2.20 LIQUIDITY

The Commission's state of affairs as at 30 June 2024 is reflected in these financial statements. The Commission's Liquidity difference which is the excess of current assets over current liabilities for the financial year ended 30 June 2024 was TZS 2.61 billion compared to TZS 0.87 Million, compared with previous year, This shows that the Commission was able to meet its current obligations when due, The Commission considers the Commission to be solvents.

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2.21 CORPORATE GOVERNANCE MATTERS

The overall responsibilities of the Commission among others things, include general oversight of the Commission operations, identifying key risk areas, monitoring and reviewing the performance of Commission work plan and budget. The Commission is also responsible for ensuring that comprehensive systems of internal policies and procedures are operative and are in compliance with sound corporate governance principles.

The Commission is required to meet quarterly for ordinary meetings, and may call for extraordinary meetings when deemed necessary. The Commission delegates the day-to-day management of the Commission to the Director General assisted by management team. The Commission is committed to the principles of effective corporate governance which are integrity, transparency and accountability.

2.22 COMPOSITION OF THE COMMISSION

The Commission consists of nine (9) members, eight of them are non-executive directors and one executive director who is the Director General. The Commissioners who served the Commission during the year ended 30th June 2024 are listed in **Table No. 7**.

Table 6: Members of Commission

Source: Register of Councilors

S/N	Name	Position	Age	Gender	Qualification	Date of appointment	End Board tenure
1.	Prof. Makenya A. H. Maboko	Chairman	64	Male	PhD in Metamorphic and Isotope Geology	Reappointed on 19 April 2022	18 April 2025
2.	Dr. Lugano M. Wilson	Member	60	Male	PhD in Energy Engineering	Reappointed 15 July 2022	14 July 2024
3.	Dr. Abdulla R. Abdulla	Member	52	Male	PhD in Industrial Economics	Reappointed on 6 September 2023	5 September 2026
4.	Prof. Charles D. Kihampa	Member	54	Male	PhD in Organic Chemistry	6 September 2023	5 September 2026
5.	Prof. Mohamed A. Sheikh	Member	51	Male	PhD in Environmental and Marine Science	6 September 2023	5 September 2026
6.	Dr. Mashaka E. Mdangi	Member	47	Male	PhD in Crop Science	6 September 2023	5 September 2026
7.	Eng. Thabitha G. Etutu	Member	46	Female	Bsc. Environmental Engineering	6 September 2023	5 September 2026

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8.	Bw.Adam Y. Mshangama	Member	46	Male	Master Degree in information Technology	6 September 2023	5 September 2026
9.	Dr. Amos M. Nungu	Secretary	48	Male	PhD in Communication in Systems	April 2018	To -date

2.23 COMMISSION MEETINGS

The Commission is required to meet at least four times a year. During the year ended 30 June 2024 a total of three (3) ordinary meetings meeting (i.e. 102nd, 104th and 106th) and two extra ordinary meetings (i.e. 103rd & 105th) were held. Participation of each of the members are summarized in Table No. 8:

Table 7: Number of Commission Meetings Held

S/N	Names of Commissioners	Commission	Finance Committee	Audit Committee
1.	Prof. Makenya A. H. Maboko	5	0	0
2.	Dr. Lugano Wilson	3	1	5
3.	Dr. Abdulla R. Abdulla	4	5	5
4.	Prof.Charles D. Kihampa	5	0	0
5.	Prof. Mohamed A.Sheikh	2	0	0
6.	Dr. Mashaka E. Mdagi	4	0	0
7.	Eng.Thabitha G. Etutu	3	0	0
8.	Bw. Adam Mshangama	5	5	5
9.	Dr. Amos M. Nungu	5	4	5

Source: Register of Councilors

The Commission meetings during the financial year under review, discussed and deliberated on the following main issues: -

- (i) Discussed and approved proposed annual budget and action plan for FY2024/25;
- (ii) Discussed and approved proposed annual procurement plan for FY 2024/25;
- (iii) Discussed quarterly and annual performance report of the Commission on implementation of the strategic plan, achievements and challenges;
- (iv) Assessed implementation of various deliberations directed from previous meeting;
- (v) Discussed the status of implementation of various projects including those supported by the National Fund for Advancement of Science and Technology (NFAST) and Swedish International Development Agency (SIDA), HEET, NORAD, IDRC, etc;

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- (vi) Discussed and approved various policies and regulations; and
- (vii) Received and discussed various recommendations from Committees of the Commission.

2.24 COMMISSION COMMITTEES

The Commission is committed to the principles of effective corporate governance. The Commission also recognizes the importance of integrity, transparency and accountability. To ensure a high standard of corporate governance throughout the Commission, the Commission has five (5) committees, namely, Executive Committee; Audit and Risk Management Committee (ARMC); Finance, Planning and Administration Committee (FPAC); National Fund for Advancement of Science and Technology (NFAST) Committee and National Research Registration Committee (NRRC). Further, there are ten Research and Development (R&D) Advisory Committees.

2.24.1 Executive Committee

The Executive Committee is established under Sect. 14(1) of the Tanzania Commission for Science and Technology Act, No. 7 of 1986. Under this provision of the law the Commission may delegate to the Committee the exercise of any of the functions conferred upon the Commission. The Executive Committee is delegated with the functions of staff matters, including appointments and disciplinary action for senior staff; preview of annual budget and audited accounts; preview of quarterly activity reports; and any matter of urgency on behalf of the Commission, to be ratified by the Commission meeting. The Committee is composed of three (3) members, Chairman, Deputy chairman and Secretary who are also Members the Commission as shown in Table No. 9.

The Executive Committee may meet once quarterly. During financial year ended on 30 June 2024, the Committee did not hold any meeting.

Table 8: Members of Executive Committee

S/N	Name	Position	Date of appointment	End Commissioner Tenure
1.	Prof. Makenya A. H. Maboko	Chairperson	Reappointed on 19 April 2022	18 April 2025
2.	Prof. Charles D. Kihampa	Member	6 September 2023	5 September 2026
3.	Dr. Amos M. Nungu	Secretary	March 2018	To - date

Source: Register of Councilors

2.24.2 Finance, Planning and Administrative Committee

The Finance, Planning and Administration Committee (FPAC) is charged with functions that include providing institutional analysis and decision support to the Commission on all matters related to Human Resources Management; review of scheme of service, incentive schemes; and staff regulations and recommend their approval and adoption by the Commission; scrutinize staff

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performance appraisal and promotion; and to scrutinize the Commission's strategic plan and the related budget and recommend for approval to the Commission. The FPAC meets once quarterly with additional meetings convened as and when necessary. During the financial year ended 30 June 2024, the Committee conducted four (4) ordinary meetings and two extra ordinary were held. The FPAC meetings, during the financial year under review, discussed and deliberated on the following main issues: -

- (i) Attended to matters related to Human Resources Management;
- (ii) Discussed staff regulations and recommended approval by the Commission;
- (iii) Scrutinized staff performance appraisal and promotion;
- (iv) Scrutinized the Commission annual budget and plan 2023/24 and
- (v) Discussed quarterly performance reports.

The Members of FPAC who served during the financial year ended 30 June 2024 are shown in Table 10.

Table 9: Members of Finance, Planning and Administrative Committee

S/N	Name	Position	Date of appointment	End Commissioner tenure
1.	Dr. Abdulla R. Abdulla	Chairman	6-Sep-23	5 September 2026
2.	Ms. Vumilia Nyanoja	Member	6-Sep-23	5 September 2026
3.	Mr. Adam Mshangama	Member	6-Sep-23	5 September 2026
4.	Dr. Amos M. Nungu	Secretary	Apr-18	To - date

2.24.3 Audit and Risk Management Committee

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

The Committee is composed of five (5) members. The responsibilities of the ARMC are to assist the Commission in its oversight responsibility with respect to internal audit functions, internal control systems, internal and external audit reports, financial statements, risk management policy and implementation of the auditors' and Parliamentary Accounts Committee (PAC) recommendations.

The ARC meets once quarterly with additional meetings convened as and when necessary. During the financial year ended 30 June 2024, the Committee held five (5) meetings, of which four (4) were

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ordinary and one (1) were extra-ordinary. The ARC meetings, during the financial year under review, discussed and deliberated on the following main issues: -

- (i) Risk Based Internal Audit Plan for the financial year 2023/24;
- (ii) Internal Audit Quarterly Performance Reports;
- (iii) Draft Risk Management Policy and Framework;
- (iv) Action Plan for Implementation of CAG Recommendations for the Year 2023/24;
- (v) The External Auditors' Plan and Audit Fees for undertaking audit of the year 2023/24;
- (vi) Exit Meeting with External Auditors for the year 2023/24.

The Members of ARMC who served during the financial year ended 30th June 2024 are shown in **Table No. 11**.

Table 10: Members of Audit and Risk Management Committee

S/N	Name	Position	Date of appointment	End Board tenure
1.	Dr. Lugano Wilson	Chairman	Reappointed on 15 July 2022	14-Jul-24
2.	Dr. Abdulla R. Abdulla	Member	6 September 2023	5 September 2026
3.	Adv. Siah Emmanuel Mlay	Secretary	26 November 2022	14-Jul-24
	Co-opted Members:			
4.	CPA. Leonard Chacha Kitoka	Member	November 2020	N/A
5.	CPA. Edmund Lweyendera Luasha	Member	November 2020	N/A

2.24.4 National for Advancement of Science and Technology Technical Committee

NFAST Committee is a technical committee established under Sect. 14(2) of the Tanzania Commission for Science and Technology Act. It assists the Commission to administer the National Fund for the Advancement of Science and Technology, which is established under Sect. 23 of the Act for the purposes of financing researches or studies in matters relating to the development of science and technology. It advises the Commission on fund mobilization for the support of scientific research and technological development. The NFAST meets once quarterly with additional meetings convened as and when necessary. During the year under review NFAST Committee held 5 meetings (4 ordinary and 1 extra ordinary).

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The NFAST meetings, during the financial year under review, discussed and deliberated on the quarterly NFAST reports. Moreover, the Committee deliberated on the following main issues related to research and innovation financing across R&D, HLLs and Innovation intermediaries:

The Members of NFAST who served during the financial year ended on 30 June 2024 are shown in Table No. 12.

Table 11: Members of National Fund for Advancement of Science and Technology Technical Committee

S/N	Name	Position	Date of appointment	End of tenure
1	Prof.Charles D. Kihampa	Member	6-Sept-23	5 September 2026
2	Eng.Thabitha G. Etutu	Member	6-Sept-23	5 September 2026
3	Dr. Rahmah Mahfoudh	Member	7-Sept-23	6 September 2026
4	Mr.Raymond Kwihohera	Member	8-Sept-23	7 September 2026
5	Dr. Amos M. Nungu	Secretary	8-Sept-23	To - date

2.24.5 The National Research Registration Technical Committee (NRRC)

The National Research Clearance Committee (NRCC) is one of the arms of the Commission that is responsible for the registration and clearance of research projects that are implemented in Tanzania mainland. The Committee is guided by the National Research Registration and Clearance Guidelines that is normally reviewed as demand arise. The Guidelines provide guidance on the processes for registration and clearance of all research activities conducted within Tanzania mainland. The guidelines are applicable to all individuals and institutions/organizations conducting research, as mandated in the Tanzania Commission for Science and Technology Act No. 7 of 1986 (revised) described in part II section 5 sub-section 2 (b) and (c). These include all higher learning institutions, research institutions which are under government ministries, departments, agencies, private companies/enterprises, on-governmental and intergovernmental organizations, international agencies, and community-based organizations.

The National Research Clearance Committee (NRCC) is supposed to convene six meetings per year. During the reporting period, the Committee held five (5) meetings.

During the period under review, NRCC meetings discussed and deliberated research projects that were submitted for research permit applications from local and foreign researchers. Moreover, the Committee deliberated on the following main issues related to research registration and clearance from local and foreign research and development (R&D) institutions: Clearance of research projects and issuance of research permits to local and foreign researchers;

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

- (i) Monitoring and Evaluation of the registered research projects that are implemented in the country;
- (ii) Ensure that research conduct in Tanzania is of the required standards which observe national rules and regulations;
- (iii) Secure results of research undertaken in Tanzania and promote its utilization in policy and practice;
- (iv) Collection and storage of research projects information; and
- (v) Endorsement the revised version of NRCC Guidelines.

The Members of NRRC who served during the financial year ended 30 June 2024 are shown in Table No. 13.

Table 12: Members of the National Research Registration Technical Committee (NRRC)

S/N	Name	Position in the Committee	Current Employer
1.	Prof. Mohamed Sheikh	Chairperson	Ministry of livestock and fisheries
2.	Dr. Julius Dotto Keyyu	Member	TAWIRI
3.	Alli Rashidi	Member	PO-RALG
4.	Virgil Mtui	Member	President Office
5.	Siajabu Pandu	Member	2nd Vice President's Office Zanzibar
6.	Dr. Mary Mayige	Member	NIMR - Dar es Salaam
7.	Dr. Mashaka Mdangi	Member	Ministry of Agriculture
8.	SACP Ralph Meela	Member	Tanzania Police Force
9.	Themistocles Kweyamba Kagaruki	Member	Immigration Department

2.24.6 MANAGEMENT OF THE COMMISSION

The overall management of the Commission is conferred to the Commission which is required to ensure adherence to the governing laws and procedures. The Director General, who is also the Chief Executive Officer of the Commission, is responsible to the Commission for the proper administration and management of the functions and affairs of the Commission. The Commission's Management team, which is under the supervision of the Director General demonstrated capability to handle all operational and administrative matters efficiently.

2.24 RESEARCH AND DEVELOPMENT (R&D) ADVISORY COMMITTEES

Research and Development Committees has been established as per Part III of COSTECH Act No.7 of 1986. These Committees are principal organ of the Commission responsible for coordination of all scientific and technological research carried out in the country in its field. During 2023/24 FY the

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

Committee conducted two meetings and discussed on the National Framework for Scientific Competency; National Framework for Data Sharing, and National Framework for Linkages between Industrial, Research and Development, and Higher Learning institutions. COSTECH has ten (10) R&D Advisory Committees. The Committees are responsible for advising the Commission matters related to: -

- (i) Research policy and priorities;
- (ii) Allocation and distribution of research funds;
- (iii) Coordination of research and extension services;
- (iv) Manpower development and
- (v) National and international cooperation.

The existing R&D Advisory committees, together with their respective members are listed in Table 14.

Table 13: Members of Research and Development (R&D) Advisory Committees

S/N	Name	Position	Institution	Tenure
A:	AGRICULTURE AND LIVESTOCK ADVISORY COMMITTEES			
1.	Dr. Angelo Mwilawa	Chairperson	Tanzania livestock Research Institute	2023-2026
2.	Dr. Everina Lukonge	Member	Tanzania Agricultural Research Institute	2023-2026
3.	Dr. Daniel Komwihangilo	Member	Tanzania Livestock Research Institute	2023-2026
4.	Dr. Suleman Sheikh	Member	Ministry of Agriculture	2023-2026
5.	Dr. Eliningaya Kweka	Member	Tropical Pesticides Research Institute	2023-2026
6.	Dr. Nyambilila Amuri	Member	SUA	2023-2026
7.	Dr. Stella Bitanyi	Member	Tanzania Vaccine	2023-2026
8.	Prof. Chacha. J. Mwita	Member	UDSM	2023-2026
9.	Dr. Donald Mmari	Member	REPOA Limited	2023-2026
B:	NATURAL RESOURCES ADVISORY COMMITTEE			
1.	Dr. Yuda Benjamin	Chair Person	Ministry of Industry and Trade	2023-2026
2.	Eng. Alley Mwakibolwa	Member	Retired Public Servant.	2023-2026
3.	Dr. Elisante Mshiu	Member	UDSM	2023-2026
4.	Eng. Kapuulya Musomba	Member	Tanzania Petroleum Development Corporation	2023-2026
5.	Dr. Simon Mduma	Member	Tanzania Wildlife Research Institute	2023-2026
6.	Dr. Revocatus Petro Mushumbushi	Member	Tanzania Forestry Research Institute	2023-2026

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S/N	Name	Position	Institution	Tenure
7.	Dr. Ismael Aaron Kimirei	Member	Tanzania Fisheries Research Institute	2023-2026
8.	Prof. Amos Majulle	Member	UDSM	2023-2026
9.	Prof. Hamisi M. Malebo	Member	UNESCO National Commission of the United Republic of Tanzania.	2023-2026
C:	ENVIRONMENT AND CLIMATE CHANGE ADVISORY COMMITTEE			
1.	Prof. Esnat Chaggu	Chairperson	NEMC	2023-2026
2.	Dr. Abdulla R. Abdulla	Member	Commission Member	2023-2026
3.	Mr. Faraja Ngerageza	Member	Division of Environment Vice Presidents Office	2023-2026
4.	Mr. Sheha Mjaja	Member	Environmental Management Authority, Tanzania Zanzibar	2023-2026
5.	Prof. Lazaro Busagala	Member	Tanzania Atomic Energy Commission	2023-2026
6.	Dr. Ladislaus Chang'a	Member	Tanzania Meteorological Authority	2023-2026
7.	Dr. Stephen Justice Nindi	Member	National Land Use Planning Commission	2023-2026
8.	Prof. Mengiseny Kaseva	Member	UDSM	2023-2026
9.	Dr. Magreth Kyawalyanga	Member	UDSM	2023-2026
D:	PUBLIC HEALTH AND MEDICAL SCIENCES ADVISORY COMMITTEE			
1.	Dr. Angelo Mwilawa	Chairperson	Ministry of Livestock and Fisheries	2023-2026
2.	Dr. Leonard Subi	Member	Department of Preventive services Representative of the Ministry of Health	2023-2026
3.	Dr. Germana H. Leyna	Member	Tanzania Food and Nutrition Centre	2023-2026
4.	Dr. Fadhil Mohamed Abdallah	Member	Ministry of Health, Tanzania Zanzibar Medicine	2023-2026
5.	Prof. Charles Mgone	Member	Hubert Kairuki Memorial University.	2023-2026
6.	Prof. Eston Karimulibo	Member	Sokoine University of Agriculture	2023-2026
7.	Prof. Ahmed Jusabani	Member	Aga Khan University Medical College, Dar es salaam	2023-2026
8.	Dr. Honorat Masanja	Member	Executive Director Ifakara Health Institution	2023-2026
E:	SOCIAL SCIENCES ADVISORY COMMITTEE			
1.	Ms. Jane Gonsalves	Chairperson	TPSF	2023-2026

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

S/N	Name	Position	Institution	Tenure
2.	Ms. Flora Protas Bilauri	Member	Prime Minister's Office	2023-2026
3.	Mr. Shamoun Hashim Ali	Member	Ministry of Youth, Culture, art and Sports-Tanzania Zanzibar	2023-2026
4.	Dr. Flora Madete	Member	Ministry of Finance and Planning	2023-2026
5.	Dr. Rehema Godfrey Kilonzo	Member	University of Dodoma	2023-2026
6.	Dr. Gastro Frumence	Member	Muhimbili University of Health and Allied Sciences	2023-2026
7.	Dr. Joyce Nyoni	Member	Institute of Social Work	2023-2026
8.	Prof. Taus Mbaga Kida	Member	Economic and Social Research Foundation,	2023-2026
F: BASIC SCIENCES ADVISORY COMMITTEE				
1.	Dr. Yuda L. Benjamin	Chairperson	Ministry of Trade and Industry	2023-2026
2.	Miss. Bahati Geuze	Member	Tanzania Education Authority	2023-2026
3.	Dr. E.J Kafanabo	Member	School of Education, university of Dar es-salaam	2023-2026
4.	Prof. Sylvia Kaaya	Member	Muhimbili University of Health and Allied Sciences	2023-2026
5.	Prof. Said A. H.Vuai	Member	College of Natural and Mathematical Sciences, University of Dodoma	2023-2026
6.	Prof. Verdiana-Grace Masanja	Member	Nelson Mandela Institute of Science and Technology	2023-2026
7.	Dr. Talam E. Kibona	Member	Faculty of Science, Mkwawa University	2023-2026
8.	Dr Gwakisa Andindilile Kamatula	Member	National Museum of Tanzania	2023-2026
G: BIOTECHNOLOGY ADVISORY COMMITTEE				
1.	Dr. Angelo Mwilawa	Chairperson	Ministry of Livestock and Fisheries	2023-2026
2.	Prof. Joshua J. Malago	Member	Sokoine University of Agriculture	2023-2026
3.	Eng. Onesphory Kamukuru	Member	Division of Environment, Vice president office	2023-2026
4.	Prof. Julie Makani	Member	Muhimbili University of Health and Allied Sciences	2023-2026
5.	Dr. Danstan Hipolite Shewiyo	Member	Tanzania Medicine and Medical Devices Authority	2023-2026
6.	Prof. Thomas Lyimo	Member	University of Dar es	2023-2026

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

S/N	Name	Position	Institution	Tenure
			Salaam	
7.	Dr. Deusdedit Mbazibwa	Member	Tanzania Research Institute (TARI- Tengeru)	2023-2026
8.	Mr. Shamina Sameer Somji (Bpham)	Member	Shelys Pharmaceuticals	2023-2026
9.	Mr. Idd Hatibu Mvungi	Member	Bakhresa & Co.Ltd.	2023-2026

2.25 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.

2.26 POLITICAL AND CHARITABLE DONATIONS

During the reporting period there was no political or charitable donations.

2.27 EMPLOYEES' WELFARE

Commission continued to strengthen its capacity to deliver good quality services by implementing strategies that are stipulated in the Operational Plan for FY 2023/24, In order for the Commission to exercise its mandate and deliver quality services, the following ere done as detailed in subsequent subsections.

2.28 STAFF COMPLEMENT, GENDER BALANCE AND DISABLED PERSONS

a) Staff Complement

As of 30 June 2024, COSTECH had 121 employees which include 119 permanent and contractual 2 employees compared to 112 employees on 30 June 2023 (permanent employees 110 and 2 contractual). Further, out of the 121 employees at year end, 72 were female and 49 were male. The number of staff increased during the year due to staff transfers.

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

b) Gender balance and disabled persons

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

The Commission strives to retain and develop professionals through succession planning and staff development implemented annually. Staff affairs are of high priority such that equitable staff incentive policy, improved working environment and facilitation of periodic staff meetings and Workers Council Meetings pave way to teamwork and organizational common goal realization. This makes the Commission to be one of the most attracting government employers recently through equal investment in workforce.

c) Training Support

The Commission enhanced educational levels skills of its employees in managerial and technical areas. During the year under reviews 60 employees attended seminars and workshops organized by professional bodies and short-term training; and 10 staff attended long term training.

d) Medical Assistance

All staff in the Commission are members of the National Health Insurance Fund (NHIF) and when a staff requires medical facility which is not under NHIF cover, the Commission refunds the staff costs incurred where appropriate. The Commission pays mandatory contribution each month to NHIF. For the year under audit the Commission incurred TZS 121.78 million as medical expenses under NHIF.

e) Health & Safety

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

f) Employees Benefit Plan

The Government through Treasury pays mandatory contributions to all staff administered under pension scheme (PSSF) which qualifies to be a defined contribution plan. The amount incurred for the Financial Year 2023/24 was TZS 553.70 million (2022/23 was TZS 553.12million).

2.29 PREJUDICIAL ISSUES

The Commission had no any prejudicial issues at the end of the Financial Year 2023/24.

2.30 STATEMENT OF COMPLIANCE

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

2.31 AUDITORS OF THE COMMISSION

The Controller and Auditor General is the Statutory Auditor of the Tanzania Commission for Science and Technology by virtue of Article 143 of the Constitution of the United Republic of Tanzania (URT) and as amplified in Section 32 (4) of the Public Audit Act, Cap.418. However, in accordance with Section 33 (1) of the same Act, M/s EVK Certified Public Accountants were authorized to carry out the audit of the Commission on behalf of the Controller and Auditor General for the financial statements of the year ended 30 June 2024. The details address for the auditors are as follows: -

EVK Certified Public Accountants,
PSSSF Commercial Complex, 10th Floor,
Sam- Nujoma Road
P.O. Box 53789,
Dar es Salaam - Tanzania.

APPROVAL

This Report was approved and authorized for issues by the Commission and signed on its behalf by:



Prof. Makenya A.H. Maboko
Chairman of the commission



Dr. Amos M. Nungu
Director General

Date: 21.03.2025

3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE


Tanzania Commission for Science and Technology Act, No. 7 of 1986 (Revised) require the Commission to prepare proper books of accounts at the end of each financial year, which show a true and fair view of the state of affairs and the results of the operations of COSTECH. In addition, Section 25(4) of the Public Finance Act No. 6 of 2001 (revised, 2004) requires management to prepare Financial Statements of each reporting period which gives a true and fair view of Statement of Financial Performance, Statement of Financial position, Cash flow statement, Statement of Changes in equity, Statement of Comparison of Budget against Actual of the reporting entity as at the end of the financial year.

The Commission confirms that suitable policies that are in conformity with International Public-Sector Accounting Standards (IPSAS) have been used and applied consistently transitional provision and reasonable and prudent judgments and estimates have been made in the preparation of COSTECH's financial statements for the year ended 30 June 2024. The Board is also responsible for safeguarding the assets of COSTECH and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Commission further accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement. To enable the Board to meet these responsibilities they set standards for internal controls aimed at reducing the risk of errors or loss in a cost-effective manner.

The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of Risk. Procurement of goods, works, consultancy, and non- consultancy services that are reflected in these financial statements have been done in accordance with the Public Procurement Act No. of 2011 (as amended in 2016) and its Regulations of 2013 (as amended in 2016).

Further, the Commission is of the opinion that the financial statements give a true and fair view of the state of financial affairs of COSTECH. Nothing has come to the attention of the Board to indicate that COSTECH will not remain on going concern for at least the next twelve months from the date of this statement.


Prof. Makenya A.H. Maboko
Chairman of the Commission


Dr. Amos M. Nungu
Director General

Date: 21.03.2025

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

4.0 DECLARATION OF THE HEAD OF FINANCE

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 professional Accountant to assist the Board of Commissioners / Governing Body / Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity's position and performance in accordance with applicable International Accounting standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the board of commission / Governing Body as under Directors' Responsibility statement.

I, **Daudi Mabula**, being the Finance and Account Manager of Tanzania Commission for Science and Technology (COSTECH), hereby acknowledge my responsibility of ensuring that Financial Statements for the year ended 30 June 2024 have been prepared in compliance with International Public Sector Accounting Standards and Statutory Requirements.

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

Signed by:

Name: DAUDI MABULA

Signature: 

Position: FINANCE AND ACCOUNT MANAGER

NBAA Membership No: ACPA 2233

Date: 21.03.2025

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

5.0 FINANCIAL STATEMENTS

5.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	NOTE	2023/24 TZS'000'	2022/23 TZS'000'
ASSETS			
Current Assets			
Cash and Bank balances	2	8,092,655	6,672,456
Trade and Other Receivables	3	130,179	429,689
Inventories	4	16,778	23,576
Total Current Assets		8,239,612	7,125,721
Non-Current Assets			
Property, Plant and Equipment	5	6,915,137	6,817,030
Advance for Technology Park formation	6	2,459,007	2,459,007
Intangible assets	7	-	19,319
Total Non-Current Assets		9,374,144	9,295,356
TOTAL ASSETS		17,613,756	16,421,077
LIABILITIES			
Current Liabilities			
Deferred Capital Grant	8	320,278	93,721
Deferred Revenue Grants	9	7,179,017	4,834,789
Trade and other payables	10	481,914	1,323,204
Total Current Liabilities		7,881,209	6,251,714
NET ASSETS		9,632,547	10,169,363
EQUITY			
Capital Contributed by Government	11(a)	4,188,444	4,188,444
Accumulated Surplus		5,026,320	5,624,127
TOTAL EQUITY		9,632,547	10,169,363

Prof. Makenya A.H. Maboko
Chairman of the Commission

Dr. Amos M. Nungu
Director General

Date: 21.03.2025

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

5.2 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

		2023/24	2022/23
REVENUE	NOTE	TZS'000'	TZS'000'
Revenue from Non-exchange transactions:			
Government Subvention	12	5,138,017	4,480,694
Amortization of Capital Grant	13	31,780	31,780
Revenue for research and development	14	2,524,384	4,918,250
Revenue Grants	15(a)	3,242,996	2,891,963
Sub Total		10,937,177	12,322,687
Revenue from Exchange transactions:			
Internally Generated Revenue	16	497,670	564,422
Other Operating Income	17	753,474	814,335
Gain (Loss) in Exchange	18	309,780	30,619
Sub Total		1,560,924	1,409,376
TOTAL REVENUE		12,498,101	13,732,063
 OPERATING EXPENSES			
General Administrative Expenses	19	6,924,006	5,689,495
Research Coordination and Promotion	20	4,996,598	6,655,420
Technology Development and Transfer	21	519,422	1,100,309
Information and Documentation	22	410,631	776,203
Depreciation	5	185,251	600,505
Total Operating expenses		12,974,918	14,465,140
Surplus/(Deficit) for the Year		(537,807)	(1,089,869)

Prof. Makenya A.H. Maboko
Chairman of the Commission

Dr. Amos M. Nungu
Director General

Date: 21.03.2025

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

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

	Capital Fund TZS'000'	Accumulated Surplus TZS'000'	Total TZS'000'
Balance as at 1 July 2023	4,188,444	5,624,127	9,812,571
Deficit for the year	-	(537,807)	(537,807)
Reduction (Note 11(b))	-	(60,000)	(60,000)
Balance at 30 June 2024	<u>4,188,444</u>	<u>5,026,320</u>	<u>9,214,764</u>
Balance as at 1 July 2022	4,188,444	6,763,996	10,952,440
Deficit for the year	0	(733,077)	(733,077)
Reduction (Note 11(b))	0	(50,000)	(50,000)
Prior year adjustment (Expected Cash loss)		(18,781)	(18,781)
Prior year adjustment for (Expected Credit loss - Receivable)		(338,011)	(338,011)
Balance at 30 June 2023	<u>4,188,444</u>	<u>5,624,127</u>	<u>9,812,571</u>


 Prof. Makenya A.H. Maboko
 Chairman of the Commission


 Dr. Amos M. Nungu
 Director General

Date: 21.03.2025

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

5.4 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2023/24 TZS'000'	2022/23 TZS'000'
CASH FLOW FROM OPERATING ACTIVITIES			
Government subvention - Other charges	12(a)	342,903	137,732
Pension, NHIF deductions and other deductions	12(b)	14,935	22,060
Personal Emoluments arrears received	12(b)	-	134,837
Revenue for research and development (NFAST)	14	2,524,384	4,915,000
Grants received	15 (a)	5,968,612	3,341,181
HERIN Fund - Internet	15(b)	676,180	1,098,214
Internally generated Income	16	497,670	564,422
Sundry Income (other operating income)	17	171,413	186,748
		10,024,684	10,400,194
Cash paid to suppliers and employees	24	(8,261,127)	(10,299,320)
NET CASH FLOW FROM OPERATIONS		1,762,682	121,655
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Property, Plant & Equipment's	5	(283,358)	(282,514)
NET CASH FLOW USED IN INVESTING ACTIVITIES		(283,358)	(282,514)
CASH FLOW FROM FINANCING ACTIVITIES			
Refund to Consolidated Fund	11(b)	(60,000)	(50,000)
NET CASH FLOW USED IN FINANCING ACTIVITIES		(60,000)	(50,000)
Net decrease in cash and cash equivalents		1,420,199	(210,859)
Cash and cash equivalents at beginning of period		6,672,456	6,904,096
Cash and cash equivalents at end of period		8,092,655	6,672,456

The accompanying notes are integral part of the financial statements.

Prof. Makenya A.H. Maboko
Chairman of the Commission

Dr. Amos M. Nungu
Director General

Date: 20.03.2025

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

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

Description	Original Budget 2023/24	Final budget 2023/24	Actual amounts on comparable basis	Variance amount	Variance in Percentage	Explanation of variances
	TZS '000'	TZS '000'	TZS '000'	TZS '000'	%	NOTE
A: RECEIPTS						
Personal Emoluments - (PE)	4,015,211	4,015,211	4,072,427	57,216	1	26(a)
Government Subvention - OC	600,706	600,706	342,903	(257,803)	-43	26(b)
Own source	1,289,983	1,289,983	497,670	(792,313)	-61	26(c)
NFAST Revenue	3,800,000	3,800,000	2,524,384	(1,275,616)	-34	26(d)
Operating Income		0	676,180	676,180	0	26 e)
Grants	<u>5,415,517</u>	<u>5,415,517</u>	<u>5,968,612</u>	<u>553,095</u>	10	26(f)
Total receipts	<u>15,121,417</u>	<u>15,121,417</u>	<u>14,082,176</u>	<u>(1,039,240)</u>	-7	26(a)
Staff salaries - (PE)	4,015,211	4,015,211	4,072,427	(57,216)	-1	26(g)
General Administration Expenses	1,890,689	1,890,689	1,516,753	373,936	20	
NFAST Research Expenditure	3,800,000	3,800,000	3,141,445	658,555	17	26(h)
Grants	<u>5,415,517</u>	<u>5,415,517</u>	<u>3,242,994</u>	<u>2,172,523</u>	40	26(j)
Total payments	<u>15,121,417</u>	<u>15,121,417</u>	<u>11,973,619</u>	<u>3,147,797</u>	21	

Prof. Makenya A.H. Maboko
Chairman of the Commission

Dr. Amos M. Nungu
Director General

Date: 21.03.2025

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

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

NOTE 1: GENERAL INFORMATION

6.1 STATUTE

The Tanzania Commission for Science and Technology was established by an Act of Parliament No. 7 of 1986 as a successor of National Scientific Research Council that was established in 1972. The Act stipulates in detail the objectives, functions and powers of the Commission. The Commission offices are located along Ali Hassan Mwinyi Road Kijitonyama/Science, Dar Es Salaam.

The overall management of COSTECH is vested in the Board of Commissioners, the Governing body under the supervision of the Ministry of Education, Science and Technology. The Director General carries out the day-to-day operations of the Commission.

6.2 STATEMENT OF COMPLIANCE

The Commission's financial statements have been prepared in accordance with and comply with the International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board (IPSASB). The Report by Those Charged With Governance has been prepared in line with the requirements of the new National Standard; TFRS No. 1 - The Report by Those Charged with Governance, issued by the NBAA Governing Board during its 182nd meeting held on 22 June 2020.

6.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Commission financial statements are prepared and presented in compliance with accrual basis IPSASs. The significant accounting policies outlined below have been consistently applied throughout the year.

6.4 BASIS OF PREPARATION

The financial statements have been prepared on historical cost basis; the cash flows statement is prepared using the direct method; and the financial statements are prepared on an accrual basis.

6.5 REPORTING PERIOD

The reporting period for these financial statements is the financial year of the Commission which runs from 1 July 2023 to 30 June 2024.

6.6 NEW STANDARDS ON ISSUE NOT YET ADOPTED BY THE COMMISSION

There is one new Standard issued by the International Public Sector Accounting Standards Board (IPSASB), which was not yet effective up to the date of issuance of the Commission's financial statements. The new Standard is:

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- IPSAS 43 - Leases - Effective date from 1 January 2025, with early adoption encouraged.

6.7 FOREIGN CURRENCY TRANSACTIONS

Functional and Presentation Currency Items included in the financial statements of the Commission are measured using the currency of the primary economic environment in which the Commission operates ("the functional currency").

The financial statements are presented in Tanzanian Shillings (TZ'000'), which is the Commission's functional and presentation currency.

Transactions and Balances in Foreign currency are translated into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are reported in the statement of financial performance.

6.8 PROPERTY, PLANT AND EQUIPMENT

As per IPSAS 17, the Commission uses Cost Model as the method to costs its assets. Property, Plant and Equipment are stated at cost less subsequently shown accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to Commission and the cost of the item can be reliably measured. Where an asset is acquired at no cost, or for a nominal cost through a non-Commission transaction, its cost is be measured at its fair value as at the date of acquisition.

Depreciation is calculated on a straight-line method so as to allocate the cost amount to its residual value over estimated useful life as follows:

Description	Rate (%) Per Annum
Motor vehicles	10
Computers	25
Furniture and Fittings	20
Buildings	2
Office equipment	20

Depreciation is charged on assets from the date when they are ready for use and stop on the date when the asset is derecognized by the Commission. All other repairs and maintenance expenditure is charged to the Statement of Financial Performance during the financial period in which it is incurred. The asset's residual values and useful lives are reviewed and adjusted if appropriate at

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

each statement of financial position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

6.9 INTANGIBLE ASSETS

Generally, costs associated with maintaining computer software programmes are recognized as an expense as incurred. However, costs those are clearly associated with an identifiable and unique product, which will be controlled by the Commission and has a probable benefit accruing to the Commission beyond one year, are recognized as intangible assets.

Expenditure which enhances and extends the computer software programmes beyond their original specifications and lives is recognized as a capital improvement and added to the original cost of the software. Computer software development costs recognized as assets are amortized using the straight-line method over their useful lives, estimated at eight years (12.50%).

6.10 IMPAIRMENT OF ASSETS

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

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

6.11 INVENTORIES

Inventories are valued at the lower of cost and current replacement cost. Cost is determined on a First-in-First-Out (FIFO) basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the open market less applicable selling expenses. Store and consumables are stated at cost less any provision for obsolescence. Any obsolete items are provided for in full in the year they are detected.

6.12 REVENUE RECOGNITION

The operating revenue consists of Government's contribution which is recognized as revenue when received. Other operating revenue arises from exchange transactions for sale of services in ordinary cause of activities.

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Other operating revenue arises from gains/losses on disposal of property, plant and equipment. Any gain or loss on disposal is recognized at the date of the asset is passed to the buyer and is determined after deduction from the proceeds less the carrying value of assets at that time.

6.13 RECEIVABLES FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS

Receivables from exchange transactions are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Receivables from non- exchange transactions comprise: Grants from various donors, National Fund for Science and Technology receivables that do not arise out of a contract.

6.14 DEPOSITS, PREPAYMENTS AND RECEIVABLES

Deposits, prepayments and receivables are recognized initially at fair value and subsequently measured at amortized cost net of provision for impairment. Provision for impairment is made when there is objective evidence that the Commission will not be able to collect all amounts due according to the original terms of the specific receivables. The loss is recognized through the statement of financial performance.

6.15 GRANTS

Government grants and Donor grants are assistance by government or foreign partners in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity.

Recognition of Grants as income depends on whether there are conditions embodied to an asset or restrictions on its use. Grants are deferred for future or recognized immediately as revenue if there are restrictions embodied into it or not, respectively. Deferred grants would be recognized as revenue in future based on its use.

6.16 CAPITAL FUND

Capital Fund is made up of value of assets contributed by Government to the Commission. The value of properties overtime such as Land and Building are not amortized.

6.17 CASH AND CASH EQUIVALENTS

Cash and cash equivalent include cash in hand, deposit held at call with banks, other short -term highly liquid investments with original maturities of three months or less, and bank overdraft.

6.18 PROVISIONS

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

6.19 FOREIGN CURRENCY RISKS

As and when the need arises, the Commission enters into transactions denominated in foreign currencies (primarily United States Dollars (US\$)). In addition, the Commission has assets and liabilities denominated in United States Dollars (US\$). As a result, The Commission is subjected to transaction and translation exposure from fluctuations in foreign currency exchange rates. The effect of foreign currency risk however is not significant and therefore the management does not hedge against foreign currency risks.

6.20 FINANCIAL RISK MANAGEMENT

The overall risk management focuses on the unpredictable financial markets and is aimed at minimizing potential adverse effects on the Commission's financial performance. The Commission maintained sufficient cash as a way of managing liquidity risks. The foreign currency risk is managed through timely settlement of outstanding liabilities.

6.21 PAYABLES AND ACCRUED CHARGES

Payables are recognized at fair value. Other payables are recognized when incurred through either enjoyment of services on credit and/or receiving of goods supplied on credit.

6.22 NOTES TO THE STATEMENT OF COMPARISON OF BUDGETS AND ACTUAL AMOUNTS

The Commission's budget is prepared on a cash basis using a classification based on the nature of expense and covers the same period (1 July 2023 to 30 June 2024) as the financial statements. The Commission budget is prepared on a different basis to the actual income and expenditure disclosed in the financial statements. The financial statements are prepared on accrual basis using a classification based on the nature of expense in the statement of financial performance, whereas the budget is prepared on a commitment basis. The amounts in the financial statements were recast from the accrual basis to the commitment basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on comparable basis to the approved budget, is presented in the statement of comparison of budget and actual amounts.

Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. There are no timing differences for the Commission. Entity differences occur when the budget omits program/activity or an entity that is part of the entity for which the financial statements are prepared. There are no entity differences. Reconciliation between the actual amounts on a comparable basis is presented in the statement of comparison of budget and actual amounts for the year ended 30 June 2024.

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6.23 EMPLOYEES' BENEFITS

Pension obligation:

The Commission contributes to publicly administered pension plans, particularly PSSSF on a mandatory basis. The Commission has no further payment obligations once the contributions have been paid. The contributions are recognized as an employee benefits expense when they are due. The liability recognized in the balance sheet in respect of the defined benefits plan is the present value of the defined obligation at the statement of financial position date, together with adjustments for unrecognized actuarial gains or losses and past service costs.

Workman's Compensation Scheme:

In order to ensure employee's welfare is safeguarded, the Commission complies fully with the Workman's Compensation Act No. 20 of 2008 which requires compensation with employees injured in course of their employment.

Termination Benefits:

Termination benefits are payable to employees who are terminated before the normal retirement date or where employee accept voluntary redundancy in Commission of these benefits

Retirement Benefits

The Commission pays retirement benefits to the retiring employee in accordance with entitlements as defined by Central Government.

Other Entitlements

The estimated monetary liability for employees' accrued entitlements at the statement of financial position date is recognized as accrued expenses.

6.24 STAFF LOANS

The Commission has a loan policy which allows advances to be made for a maximum of 36 months with interest of 3%. As on 30th June 2024 the amount outstanding was TZS 36.96 million.

6.25 TAXATION

The Commission is registered as a Taxpayer with the TRA with TIN 101-323-978 and submits PAYE and other taxes as stipulated as per regulation.

6.26 COMPARATIVE FIGURES

Where necessary, the comparative figures will be classified to conform to changes in presentation with the respective year of reporting. Comparative figures for the period 2023/24 are presented

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

along with this year's figures.

NOTE 2: CASH AND CASH EQUIVALENT

Cash and Cash equivalent for the financial year ended 30th June 2024 had a balance TZS 6.09 Billion (30th June 2023 TZS 6.67 Billion). Cash and cash equivalents comprise cash on hand and bank balances which are subject to insignificant risk of changes in value. The summary Cash and Cash equivalent balances is provided below:

Bank Name	2023/24	2022/23
Cash at Banks:	TZS '000'	TZS '000'
NMB TZS Account	362,856	145,432
NBC FOREX Account	2,487,505	1,633,326
NBC TZS Account	-	2,700
CRDB TZS Account	54,341	350,057
CRDB FOREX Account	60,137	87,425
Bank of Tanzania	5,145,722	4,472,297
Cash in Hand (Petty cash I)	2,000	2,000
Total	8,112,560	6,693,237
Less: Expected Cash Loss	19,906	18,781
Carrying Value	8,092,655	6,672,455

Computation of allowance for impairment of Cash and Cash equivalent is provided below:

Expected Credit Loss on Cash and bank as at 30.06.2023

BANK NAME	BANK BALANCE AS AT 30.06.2023	PROBABILITY OF DEFAULT	CREDIT AGENCY	LOSS GIVEN DEFAULT	EXPECTED CREDIT LOSS	CARRYING VALUE
	EAD	PD		LDG	ECL	EAD-ECL
NMB TZ ACCOUNT	145,432,000	2.16%		0.95	2,979,331	142,452,669
NBC FOREX ACCOUNT	1,636,026,000	0.40%		1.00	6,514,104	1,629,511,896
CRDB TZS ACCOUNTS	437,482,000	2.16%		0.98	9,287,611	428,194,389
BANK OF TANZANIA	4,472,297,000					4,472,297,000
Cash in Hand (Petty Cash)	2,000,000					2,000,000
TOTAL	6,693,237,000				18,781,046	6,672,455,954

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Expected Credit Loss on Cash and bank as at 30.06.2024

BANK NAME	BANK BALANCE AS AT 30.06.2024	PROBABILITY OF DEFAULT	CREDIT AGENCY	LOSS GIVEN DEFAULT	EXPECTED CREDIT LOSS	CARRYING VALUE
	EAD	PD		LDG	ECL	EAD-ECL
NMB TZ ACCOUNT	362,856,000	2.16%		0.98	7,675,690	355,180,310
NBC TZS ACCOUNT	2,487,505,000	0.40%		1.00	9,920,020	2,477,584,980
CRDB TZS ACCOUNTS	114,478,000	2.16%		0.93	2,310,725	112,167,275
BANK OF TANZANIA	5,145,722,000					5,145,722,000
Cash in Hand (Petty Cash)	2,000,000					2,000,000
TOTAL	8,112,561,000				19,906,434	8,092,654,566

NOTE 3: TRADE AND OTHER RECEIVABLES

	2023/24	2022/23
	TZS '000'	TZS '000'
Trade Receivables	2,987,516	2,930,377
Staff Loan	44,847	107,496
Staff Imprest	90,868	384,868
SUB-TOTAL	3,123,231	3,422,741
Provision for Expected Credit Loss	<u>-2,993,052</u>	<u>-2,993,052</u>
TOTAL	<u>130,179</u>	<u>429,689</u>

Expected Credit Loss (ECL -TZS 59.86 Million

The expected credit loss (ECL) as at previous priod was TZS 2.65 billion while the additional ECL during the year was TZ59.8 million as at reporting date, as shown in the table beleow:

ECL as at at previous period 01.7.2023

Age group	0-30	31-60	61-90	91-180	181-360	360+
Total Receivable as at assessment date	54,802,600	51,166,600	25,270,200	105,787,400	59,691,000	2,633,659,200
Loss Rate	5%	5%	6%	7%	12%	100%
Provision amount						

Controller and Auditor General

AR/PA/COSTECH/2023/24

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TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

	2,740,130	2,558,330	1,516,212	7,405,118	7,162,920	2,633,659,200
Tota provision amount	2,655,041,910					

ECL as at reporting date 30.06.2024

Age group	0-30	31-60	61-90	91-180	181-360	360+
Total Receivable for the year	54,260,000	50,660,000	25,020,000	104,740,000	59,100,000	2,693,736,000
Loss Rate	5%	5%	6%	7%	12%	100%
Provision amount	2,713,000	2,533,000	1,501,200	7,331,800	7,092,000	2,693,736,000
Tota provision amount	59,865,0090					

NOTE 4: INVENTORIES

	2023/24 TZS '000'	2022/23 TZS '000'
Stationeries	16,778	23,576
Total	<u>16,778</u>	<u>23,576</u>

NOTE 5 (a): PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2024

	Land	Building	Motor Vehicle	Furniture & Fittings	Computers	Equipment	Total
COST:	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'
At 1 July 2023	3,133,520	4,573,065	833,891	246,980	602,629	1,156,911	10,546,996
Additions	=	=	<u>275,518</u>	=	=	<u>7,840</u>	<u>283,358</u>
At 30 June 2024	<u>3,133,520</u>	<u>4,573,065</u>	<u>1,109,409</u>	<u>246,980</u>	<u>602,629</u>	<u>1,164,751</u>	<u>10,830,354</u>
DEPRECIATION:							
At 1 July 2023	-	1,059,494	833,891	246,980	542,323	1,047,278	3,729,966
Charge for the year	-	91,513	43,518	-	36,866	13,354	185,251
Accumulated Depreciation	=	<u>1,151,007</u>	<u>877,409</u>	<u>246,980</u>	<u>579,189</u>	<u>1,060,632</u>	<u>3,915,217</u>
NET BOOK VALUE:							
At 30 June 2024	<u>3,133,520</u>	<u>3,422,058</u>	<u>232,000</u>	=	<u>23,440</u>	<u>104,119</u>	<u>6,915,137</u>
At 30 June 2023	<u>3,133,520</u>	<u>4,573,065</u>	<u>833,891</u>	<u>246,980</u>	<u>602,629</u>	<u>1,156,911</u>	<u>10,546,996</u>

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	Land	Building	Motor Vehicle	Furniture & Fittings	Computers	Equipment	Total
	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'
COST:							
At 1 July 2022	3,040,740	4,573,065	833,891	246,980	532,118	1,037,688	10,264,482
Additions	<u>92,780</u>	=	=	=	<u>70,511</u>	<u>119,223</u>	<u>282,514</u>
At 30 June 2023	<u>3,133,520</u>	<u>4,573,065</u>	<u>833,891</u>	<u>246,980</u>	<u>602,629</u>	<u>1,156,911</u>	<u>10,546,996</u>
DEPRECIATION:							
At 1 July 2022	-	968,033	715,015	206,733	439,703	799,977	3,129,461
Charge for the year	-	91,461	118,876	40,247	102,620	247,301	600,505
Accumulated Depreciation	=	<u>1,059,494</u>	<u>833,891</u>	<u>246,980</u>	<u>542,323</u>	<u>1,047,278</u>	<u>3,729,966</u>
NET BOOK VALUE:							
At 30 June 2023	<u>3,133,520</u>	<u>3,513,571</u>	=	=	<u>60,306</u>	<u>109,633</u>	<u>6,817,030</u>

NOTE 6: ADVANCE FOR TECHNOLOGY PARK FORMATION

	2022/23 TZS '000'	2021/22 TZS '000'
Balance as of 1 July 2022	<u>2,459,007</u>	<u>2,459,007</u>
Balance as of 30 June 2023	<u>2,459,007</u>	<u>2,459,007</u>

As part of preliminary costs for establishing the Technology Park, TZS 1.7 billion was paid to the Export Processing Zone Authority (EPZA) for compensation of land while TZS 759 million was paid directly by COSTECH on other related costs including development of land master plan and geo topographical survey.

NOTE 7: INTANGIBLE ASSETS

	2023/24 TZS'000'	2022/23 TZS'000'
Balance as of 1 July 2023	155,362	155,362
Additions	=	=
Balance as at 30 June, 2024	<u>155,362</u>	<u>155,362</u>
Amortization:		
Balance as of 1 July 2023	136,043	116,623
Charge during the year (Note 24)	19,319	19,420
Balance as of 30 June 2024	<u>155,362</u>	<u>136,043</u>

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

Net carrying amount	=	<u>19,319</u>
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NOTE 8: DEFERRED CAPITAL GRANT

	2023/24	2022/23
Balance as of 30 June 2023	93,721	5,310
Grant received during the year	<u>258,337</u>	<u>120,191</u>
	352,058	125,501
Amortization during the year (Note 13)	<u>(31,780)</u>	<u>(31,780)</u>
balance as 30 June 2024	<u>320,278</u>	<u>93,721</u>

NOTE 9: DEFERRED REVENUE GRANTS

	2023/24	2022/23
	TZS '000'	TZS '000'
Buni Project	-	34,703
Open Forum for Agriculture Biotechnology	98,452	130,119
SIDA Capacity Building Project	91,535	119,921
Tanzania Biodiversity	-	44,895
Bio fertilizer Project	-	8,427
NFAST Commitments	417,310	797,990
EDCTP	165,269	178,889
IDRC	-	398,704
HEET Project	4,231,403	2,064,011
UNDP Funguo Project	385,024	85,024
Oliver Tambo	826,356	972,106
NORAD Project	<u>963,668</u>	-
TOTAL	<u>7,179,017</u>	<u>4,834,789</u>

NOTE 10: TRADE AND OTHER PAYABLE - EXCHANGE TRANSACTIONS

	2023/24	2022/23
	TZS '000'	TZS '000'
Trade Creditors	378,000	564,013
Income Tax PAYE	-	867
Income Tax PAYE [projects]	-	2,850
NHIF Contributions [projects]	-	281
Costech Staff Social Service Fund	14,024	19,439
PSSSF claims	5,724	30,420
Withholding Tax on Goods Service	4,072	12,139
Provision for Audit Fees & Expense	100,000	98,803
Accrued Charges	-	<u>615,173</u>
TOTAL	<u>501,820</u>	<u>1,343,985</u>

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NOTE 11 (a): CAPITAL CONTRIBUTED BY THE GOVERNMENT

These comprise of the values for assets contributed by Government to the Commission together with the development funds received by the Commission for rehabilitation of the office building

	TZS'000'
Value of assets contributed by Government (Land and Building)	549,861
Development funds received in 2007/2008	500,595
Development funds received in 2007/2009	474,000
Development funds received in 2007/2010	200,000
Development funds received in 2014/2015	1,873,853
Development funds received in 2015/2016	219,627
Development funds received in 2016/2017	192,461
Development funds received in 2017/2018	178,047
Total	<u>4,188,444</u>

NOTE 11 (b): EQUITY REDUCTION

	2023/24	2022/23
	TZS '000'	TZS '000'
Funds recalled by the Government accounted for through equity	60,000	50,000
Total	<u>60,000</u>	<u>50,000</u>

NOTE 12: GOVERNMENT SUBVENTION - OPERATIONS

	2023/24	2022/23
	TZS '000'	TZS '000'
Personal Emoluments	4,795,114	4,342,962
Other Charges	342,903	137,732
TOTAL	<u>5,138,017</u>	<u>4,480,694</u>
(a) For the purpose of the cash flows:		
Other Charges (OC)	342,903	137,732
(b) Personal Emoluments paid directly by the Government		
Personal Emoluments	4,795,114	4,342,962
Less: Pension and NHIF deductions received	(14,935)	(22,060)
Salary arrear received	-	(134,837)
TOTAL Salary paid at source	<u>4,780,179</u>	<u>4,186,065</u>

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NOTE 13: AMORTISATION OF CAPITAL GRANT	TZS '000'	TZS '000'
Amortization during the year (Note 8)	<u>31,780</u>	<u>31,780</u>
Total	<u>31,780</u>	<u>31,780</u>

NOTE 14: REVENUE RESEARCH & DEVELOPMENT (NFAST)	2023/24 TZS '000'	2022/23 TZS '000'
Innovation /Research Grant	<u>2,524,384</u>	<u>4,918,250</u>
For the purpose of Cash flow:		
Innovation /Research Grant	<u>2,524,384</u>	<u>4,915,000</u>
TOTAL	<u>2,524,384</u>	<u>4,915,000</u>

NOTE 15 (a): REVENUE GRANTS	2023/24 TZS '000'	2022/23 TZS '000'
BUNI PROJECT	115,614	146,044
Programme- Biosafety Systems	-	12,570
Open Forum-Ag Bio-Tech-OFAB	272,504	191,928
SIDA Capacity Building	28,386	909,774
ACTS-UK-FPDO Project Revenue	44,850	-
IDRC	539,290	231,572
EDCTP Project expenditure account	104,828	96,515
Tanzania Biodiversity	-	30,739
Int. Network for Av. of Scientific Public	-	7,806
Funguo Project	125,000	216,207
HEET World Bank Expenditure	870,987	632,043
Research Chair - Plover Tambo	954,252	416,765
NORAD Project Revenue	146,900	-
UNCDF Project Revenue	40,385	-
Total	<u>3,242,996</u>	<u>2,891,963</u>

NOTE 15 (b) Project Grants Received	2023/24 TZS '000'	2022/23 TZS '000'
Sida - Capacity Building Project	-	944,839
Open Forum-Ag Bio-Tech-OFAB	240,837	174,954
IDRC	121,253	537,645
EDCTP Project revenue	91,208	15,546
Oliver Tambo Project	808,502	1,390,982
BUNI PROJECT	55,110	-
UNDP Funguo Project	425,000	277,215

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HEET Project	3,038,379	-
NORAD Project Revenue	1,110,568	-
ACTS-UK-FPDO Project Revenue	77,755	-
Total	<u>5,968,612</u>	<u>3,341,181</u>

15 HERIN FUNDS	2023/24	2022/23
	TZS '000'	TZS '000'
HERIN (Research Institutions) funds Received	<u>676,180</u>	<u>1,098,214</u>

NOTE 16: INTERNALLY GENERATED REVENUE	TZS '000'	TZS '000'
Research Permit Fees	436,422	486,419
Application Fees	61,248	78,003
TOTAL	<u>497,670</u>	<u>564,422</u>

NOTE 17: OTHER OPERATING REVENUE	TZS '000'	TZS '000'
Sundry Income	142,170	186,748
Proceed from sale of assets	16,765	-
Internet Service Provision	582,061	627,587
Conference room hire	12,478	-
TOTAL	<u>753,474</u>	<u>814,335</u>
For the purpose of the cash flows statement internally generated revenue include:	753,474	0
Sundry Income (Note 17)	171,413	186,748

NOTE 18: GAIN / (LOSS) IN EXCHANGE RATE	2023/24	2022/23
	TZS '000'	TZS '000'
Exchange gain for the year	561,608	217,351
Exchange loss for the year	(251,828)	(186,732)
TOTAL	<u>309,780</u>	<u>30,619</u>

NOTE 19: GENERAL ADMINISTRATIO EXPENSES	2023/24	2022/23
	TZS '000'	TZS '000'
Staff Salaries	4,072,427	3,684,531
National Health Insurance	121,778	111,021
Pension Employers Contribution	609,167	553,718
Leave Assistance & Package Fare	21,824	21,293
Housing Allowances	190,486	222,638

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Electricity	140,426	120,498
Acting Allowance	-	1,750
Amortisation expenses intangibles	19,319	19,420
Audit Fees & Expense	37,629	6,237
Bank Charges	17,959	6,309
Burial Expenses	7,700	5,275
Commissioners Annual Fee	39,348	26,875
EDCTP Support clinical trials of Tuberculosis -Field expenses	104,828	96,515
Extra Duty Allowances	169,139	56,728
Generator Expenses	1,770	150
Hardship allowance	-	-
IDRC Staff monthly remuneration	-	16,215
Insurance other properties	21,114	11,098
Int. Network for Av. of Scientific Public	-	7,806
Land Rent	-	14,096
Food and Refreshments	36,911	42,727
Local Training	7,304	500
Maintenance & Repair Office Furniture	12,155	21,581
Medical Expenses	12,950	15,330
Membership Fees Nat & Intern	1,500	12,048
Motor Vehicle Running	225,276	114,772
OFAB Monthly allowances	-	127,756
OFAB Scientific meetings and Conferences (Outreach Programmes)	280,376	64,173
Office Cleaning Expense	33,335	27,917
Outfit Allowances	6,780	5,054
Per diem Domestic	59,567	68,136
Postage & Courier Services	-	1,131
Provision for bad and doubtful debts	-	(764,827)
Recruitment Expenses	13,946	5,472
Restructuring of website	-	-
Security Allowances	30,609	30,609
SIDA annual review meeting and reporting	-	4,260
SIDA Bank charges	-	5,964
SIDA Establishing STI forum(s)	-	23,083
SIDA Inhouse staff training	-	3,340
SIDA Institutional Policy	-	8,315
SIDA operation cost external audit	-	23,380
SIDA operation cost stationery	-	5,650
SIDA operational communication costs	-	30,720
SIDA operational cost ICT equipment	-	19,720
SIDA operational field travel cost	-	12,681
Sida performance management system	-	200
SIDA Procurement Training	-	1,500

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SIDA Publication framework costs	-	1,288
Sida Quality Assurance [ISOCert]	-	2,125
SIDA Resource Mobilization	-	38,028
SIDA Staff training in administration and performance	-	6,540
SIDA Training of researchers and media personnel	-	92,591
SIDA Training on the use of the national research M&E	-	37,649
Sida Upd&Imp CSTComm Strategy	-	8,872
SIDA writing winning research proposals	-	21,910
Special Allowances	22,035	29,360
Stationery (Office Consumables)	58,300	22,496
Support Costs - Overhead	-	356
Tanzania Biodiversity info Mgt	-	30,739
Telex Telephone & Telegrams	56,471	31,990
Transport & Travelling Allowances	156,376	84,501
Wages	-	12,900
Water	18,943	17,994
Advertising and Publication	2,771	-
Candidates learning material/Student Guide	477	-
Computer Supplies and Accessories	4,625	-
Conference Facilities	606	-
Contribution to consolidated Fund	60,000	-
Court Attire Allowance	2,000	-
Diesel	32,890	-
Entertainment	4,704	-
Exhibition, Festivals and Celebrations	13,100	-
Furniture and equipment (Maintenance)	1,770	-
Facilitation allowance	1,130	-
Final accounts expenses	46,260	-
Health Insurance	48	-
Honoraria	105	-
Honorariums (expert opinion)	11,920	-
Legal fees	600	-
Professional Allowances	179	-
Routine Maintenance and repair	2,996	-
Software License Fees	37,497	-
Staff Uniforms	2,140	-
Subscription Fees	3,030	-
Technical materials	2,372	-
Tender Valuation Honoraria	2,160	-
CSSF Expenditures	21,888	-
TOTAL	<u>6,863,016</u>	<u>5,332,703</u>

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NOTE 20: REASEARCH COORDINATION AND PROMOTION	2023/24 TZS '000'	2022/23 TZS '000'
Commission Grants Research	527,836	316,828
Fellowship / Human Capital Development	26,540	9,110
Support to R&D Inst / Infrastructure	-	71,272
Support to R&D Institution - RF	466,972	450,064
Meetings, Seminars, etc	232,337	739,416
Technology Transfer & Innovation	108,083	2,052,486
Produce (20) project briefs	-	1,528
Produce (4) policy briefs	26,180	5,250
Upgrade research management	-	1,250
Administration Costs Including M&E	428,147	1,353,437
Auditing of Fund	222,610	176,262
Subscription Memberships Fees	5,719	420
Transfer of Tech / Dissemination	-	33,798
Improve research registration and Clearance eco	32,065	54,175
International collaboration SAIS	104,962	59,157
IDRC Research grants	539,290	215,357
Sida consolidation of research finding for production	-	22,428
Support 16 competitive and 4 commission research	-	13,985
M&E for supported projects	24,981	-
Support six (6) Postdoctoral fellowships	-	7,415
Conference and exhibitions	15,207	22,974
HEET expenditure	870,987	632,043
Research Chair - Oliver Tambo	954,252	416,765
Electricity charges	14,848	-
Establish and maint country research profile	34,900	-
Maintanance of vehicles	4,487	-
Fuel	9,400	-
Stationaries	2,180	-
Refreshments	72,112	-
Conference facilities	5,558	-
Travel Expenses (Local)	42,467	-
Air tickets	18,952	-
Travel Expenses (local transport, fuel)	1,595	-
Administrative Costs-RF	-	-
Information-Research Fund	530	-
Sida proposal prep	8,548	-
Sida Upd&Imp CSTComm Strategy	3,103	-
Norad Climate change research project	146,900	-
ACTS-UK -FPDO Project Expenditure	44,850	-

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4,996,598

6,655,420

NOTE 21: TECHNOLOGY DEVELOPMENT AND TRANSFER

	2022/23	2021/22
	2023/24	2022/23
	TZS '000'	TZS '000'
R & D Advisory committee	-	138,570
Up calling	-	-
To support national innovation week-Funguo	125,000	175,963
BUNI support establishment of innovation space and hubs	115,614	146,043
Update of costech library management system	-	1,340
Institutional repositories	-	24,110
Increased access to innovation funds	4,562.98	215,850
Innovation Cluster Management	-	82,745
Innovation funds	21,520.00	286,288
equipment for knowledge labor	-	29,400
To support innovation programm	32,385	-
To support incubators	16,590	-
To support grassroot innovators	72,925	-
To support national innovation week	67,743	-
1 SME based on grassroots innovations established	63,082	-
TOTAL	<u>519,422</u>	<u>1,100,309</u>

NOTE 22: INFORMATION AND DOCUMENTATION

	TZS '000'	TZS '000'
Maintenance of Higher Education and Research Institutions Network	381,013	776,203
Hard ware upgrade	29,618	-
TOTAL	<u>410,631</u>	<u>776,203</u>

NOTE 24: CASH PAID TO SUPPLIERS AND EMPLOYEES

	TZS '000'	TZS '000'
General Administration Expenses	1,214,518	203,460
Research, Coordination and Promotion	3,996,598	4,710,551
Technology, Development and Transfer	519,421	1,060,824
Information and Documentation	410,631	773,622
Grant Expense	2,120,834	3,530,082
TOTAL	<u>8,262,002</u>	<u>10,278,539</u>

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NOTE 25: EXPLANATIONS FOR VARIANCES BETWEEN BUDGET AND ACTUAL PERFORMANCE

- (a) More staff were transferred to COSTECH by UTUMISHI to fill vacant positions, hence more Personal Emoluments charges.
- (b) Other Charges (OC) fund was not releases as planned.
- (c) There was decrease of researchers applying research applications and permits
- (e) % Increase due collection of HERIN debts
- (f) % decrease was due late disbursement of donor fund
- (g) Staff were transferred to COSTECH from other institution, hence higher Personal Emoluments charges.
- (h) More research expenditures were incurred during the year
- (i) Expenses were limited to the fund collected/received for operating expenditure.
- (j) Donor funded project expenditure was done as per donor plan.

NOTE 26: PROVISION FOR IMPAIRMENT OF 50 BOKO PLOTS

Tanzania Commission for Science and Technology's ownership of land 50 plots at Boko in Dar es Salaam with a total value of TZS 305,745,000 is in dispute between the Commission and four trespassers who have built houses in some of the plots. The High Court (Land Division) ruling of 1 October 2009 was in favor of the trespassers. The Commission appealed against the High Court ruling on 1 October 2009. The Appeal was ruled in favor of COSTECH in 2016. In April and May 2019, the trespassers lodged references with the Court of Appeal seeking a review by three Justices of Appeal of the rulings that refused their applications to appeal out of time against the decisions of the High Court Land Division in 2016. A settlement out of court process for the Boko plots is currently considered by an advisory team constituted by COSTECH at the request of the Treasury Registrar.

However, COSTECH has written a letter to TR requesting the permission of Chief Secretary to allow the cases to be settled out of court and to execute the deed of settlement.

NOTE 27: RELATED PARTY TRANSACTIONS AND BALANCES

The Key Management Personal (as defined by IPSAS 20, "Related Party Disclosure") are the members of the Board of Directors and Management, who together constitute the governing body of Tanzania Commission of Science and Technology (COSTECH). The aggregate remuneration and number of members of the board of Directors and Management are:

Details	2023/24 TZS'000'	2022/23 TZS'000'
(i) Commissioner's remuneration Fees	<u>43,690</u>	<u>43,690</u>
(ii) Senior Staff remuneration Salaries	<u>992,600</u>	<u>992,600</u>

The Senior consists of the Director General, Heads of Divisions, Heads of Directorates and Heads of Sections.

NOTE 28: CURRENCY

These financial statements are presented in Tanzania shillings (TZS).

NOTE 29: EVENTS AFTER THE REPORTING DATE

As at the date of signing the audit report, there were no events that occurred subsequent to the reporting date, i.e. 30 June 2024, that warrant disclosure or adjustments to the amounts included in the financial statements as at that date, as required by IPSAS 14.

NOTE 30: COMPARATIVES

Where necessary, comparative figures have been adjusted or reclassified to conform to changes made in the current year.

