



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS AND COMPLIANCE AUDIT FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2022**

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

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AR/PA/COSTECH/2021/22

About the National Audit Office

Mandate

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

Vision

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

Mission

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

Motto: “Modernizing External Audit for Stronger Public Confidence”

Core values

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

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

We do this by:

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

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

ABLE OF CONTENTS

LIST OF TABLES.....	iii
ABBREVIATIONS.....	iv
1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL	1
2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE.....	5
3.0 STATEMENT OF COMMISSIONERS RESPONSIBILITIES	28
4.0 DECLARATION OF THE HEAD OF FINANCE.....	29
5.0 FINANCIAL STATEMENTS.....	30
NOTES TO THE FINANCIAL STATEMENTS.....	35

LIST OF TABLES

Table 1:Annual approved budget Vs. Actual performance.....	7
Table 2: Members of Commission	8
Table 3:Number of Commission meetings held	9
Table 4: Members of Executive Committee.....	10
Table 5: Members of Finance, Planning and Administrative Committee	10
Table 6: Members of Audit and Risk Management Committee	11
Table 7: Members of National Fund for Advancement of Science and Technology Technical Committee	12
Table 8: Members of the National Research Registration Technical Committee (NRRC).....	13
Table 9: Members of Research and Development (R&D) Advisory Committees	13
Table 10: Key Performance Indicators for the Year 2021/22.....	16

ABBREVIATIONS

HRM	Human Resource Management
ISSAIs	International Standard of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
PAR	Public Audit Regulation
PAC	Public Accounts Committee
LAAC	Local Authorities Accounts Committee
PFA	Public Finance Regulations
PPA	Public Procurement Act
PPR	Public Procurement Regulations
PSSSF	Public Sector Social Security Fund
R&D	Research and Development
UDSM	University of Dar es Salaam
URT	United Republic of Tanzania
ZNZ	Zanzibar

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

**Chairman,
Board of Commissioners,
Tanzania Commission Of 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 Of Science And Technology (COSTECH) , which comprise the statement of financial position as at 30 June 2022, 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 Of Science And Technology (COSTECH) as at 30 June 2022, 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 Of 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.

Other Information

Management is responsible for the other information. The other information comprises the Board of Commissioners Report and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor’s report.

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

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. As described below, I have concluded that such a material misstatement of the other information exists.

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

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

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

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

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

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

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

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

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

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

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

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

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

Further, Section 48(3) of the Public Procurement Act, 2011 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 2021/22 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that 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 in Tanzania.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in the Tanzania Commission for Science and Technology (COSTECH) for the financial year 2021/22 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. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March, 2023

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2.1 INTRODUCTION

The Board of Commissioners of the Tanzania Commission for Science and Technology (“COSTECH”) have the pleasure to present its report together with the draft financial statements for the year ended 30 June 2022 which disclose the state of affairs of the Commission as at that date.

2.2 ESTABLISHMENT

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 VISION

A nation driven by Science, Technology and Innovation.

2.4 MISSION

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

2.5 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

2.6 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.

2.7 STRATEGIC OBJECTIVES

The Commission Strategic Plan is the leading instrument for planning, priority setting and decision making. The Plan facilitates discharging of the role and functions of the Commission for the period of five (5) years, from the financial year 2021/22 to 2025/2026. Specifically, the Plan places emphasis on strategies to be executed to achieve the strategic objectives.

The strategic objectives in the strategic plan are:

- (i) HIV/AIDS Infections and Non-Communicable Diseases Reduced and Supportive Services Improved;
- (ii) Implementation of National Anti-Corruption Strategy enhanced and sustained;
- (iii) National Science, Technology and Innovation Governance Enhanced
- (iv) Utilization of Science, Technology and Innovation Products and Services Enhanced; and
- (v) Capacity to deliver Science, Technology and Innovation Services Improved.

2.8 RESULTS OF THE YEAR

During the year ended 30 June 2022 the Commission recorded total revenue of TZS 14.10 Billion gross and expenses TZS 13.33 Billion resulting in a surplus of TZS 0.769 Billion as compared to a deficit of 0.668 Billion recorded in the year 2020/21. The surplus, however, constitutes of committed funds for implementation of ongoing research activities and projects.

2.9 FINANCIAL PERFORMANCE AND POSITION

a) Statement of Financial Performance

During the year ended 30 June 2022, the Commission earned total revenue of TZS 14.10 billion (2020/21: TZS 11.02 Billion), which is an increase of earned revenue by TZS 3.08 billion, equivalent to an increase of 22% compared to previous year. At the same time the Commission incurred total expenditure amounting to TZS 13.33 billion (2020/21: TZS 11.69 billion) which is an increase of expenditure by TZS 1.62 billion, equivalent to an increase of 12% compared to previous year.

b) Statement of Financial Position

The Commission's Financial Position as at 30 June 2022 shows total assets of TZS 16.83 billion (2020/21: TZS 14.91 billion), which includes TZS 9.63 Billion non -current assets (Building ,Land, furniture and fittings, equipment's, Computers and intangible and TZS 7.19 Billion Current assets (Inventory, receivable and Cash and bank balances) the total assets increase was due to disbursement of HEET project funds. At the year end the Commission recorded total liabilities of TZS 5.87 billion out of which TZS1.10 billion is commitments for research and infrastructure and TZS 3.70 billion deferred revenue grants.

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 1:1 (30 June 2021: 1:2). This indicates that the Commission can cover its current liabilities 1.1 times as at 30 June 2022 compared to 1.2 times on 30 June 2021.

The performance of the Commission in comparison to budgets is outlined in **Table 1:**

Table 1:Annual approved budget Vs. Actual performance

Description	Approved Budget 2021/22	Actual	Variance amount	Variance
	TZS '000'	TZS '000'	TZS '000'	%
A: Actual Income received				
Personal Emoluments - (PE)	3,061,391	3,746,082	684,691	22
Government Subvention - OC	185,706	171,778	(13,928)	(8)
Own source	731,489	480,584	(250,905)	(34)
NFAST Revenue	4,417,000	4,413,200	(3,800)	0
Operating Income	700,000	730,420	30,420	4
Grants	7,869,587	5,962,499	(1,907,088)	(24)
Total revenues	16,965,173	15,504,563	(1,460,610)	(9)
B: Actual Expenditure incurred:				
Staff salaries - (PE)	3,061,391	3,772,571	(711,180)	(23)
General Administration Expenses	917,195	836,848	80,347	9
NFAST Research Expenditure	4,417,000	4,675,144	(258,144)	(6)
Other charges expenses	700,000	359,680	340,320	49
Grants	7,869,587	4,681,298	3,188,289	41
Total Operating Expenses	16,965,173	14,325,541	2,639,632	16

Source: Statement of Comparison of Budget and Actual Amounts

Generally, budget performance during the reporting period was fairly satisfactory. However, the Commission will continue to closely monitor its current sources of revenue, explore other sources of revenue to enable it to sustain its operations and services to the public, monitor expenditure operations and control expenses within the approved budget.

2.10 FUTURE PROSPECTS/DEVELOPMENTS

Long term objectives of the Commission have continued to focus on improving its services delivery through the introduction of innovative services, and value-addition in order to increase customer satisfaction. The Commission will continue to focus on improving customer satisfaction.

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

2.11 COMPOSITION OF THE BOARD OF COMMISSIONERS

The Board of Commissioners is the governing body of the Commission. The Board of Commissioners consists of nine (9) members, eight of them are non -executive directors and one executive director who is the director general. The Board members who served the Commission during the year ended 30 June 2022 are listed in Table 2.

Table 2: Members of Commission

S/N	Name	Position	Age	Qualification	Date of appointment	End Board tenure
1	Prof. Makenya A. H. Maboko	Chairman	64	PhD in Metamorphic and Isotope Geology	Reappointed on 19 April 2021	18 April 2024
2	Ms. Jane D. Gonsalves	Deputy Chair person	54	Masters of Public Administration and HRM	26 May 2020	25 May 2023
3	Dr. Lugano Wilson	Member	58	PhD in Energy Engineering	Reappointed 15 July 2021	14 July 2024
4	Dr. Abdulla R. Abdulla	Member	50	PhD in Industrial Economics	26 May 2020	25 May 2023
5.	Prof. Maulilio J. Kipanyula	Member	48	PhD in Neurobiology	21 August 2018	20 August 2021
6.	Dr. Angelo Mwilawa	Member	57	PhD in Agriculture	26 May 2020	25 May 2023
7.	Dr. Yuda Benjamin	Member	46	PhD in Chemical Engineering	26 May 2020	25 May 2023
8.	Dr. Amos M. Nungu	Secretary	47	PhD in Communication in Systems	April 2018	

Source: Register of Concillors

2.12 CORPORATE GOVERNANCE

The overall responsibilities of the board of Commissioners 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 board 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 board is required to meet quarterly for ordinary meetings, and may call for extraordinary meetings when deemed necessary. The board delegates the day today to 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.

2.13 COMMISSION MEETINGS

The Board is required to meet at least four times a year. During the year ended 30 June 2022 four (4) ordinary meetings were held. Participation of each of the members are summarized in Table 3:

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

Table 3: Number of Commission Meetings Held

S/N	Names of Commissioners	Number of Meetings			
		Total	Board of Commissioners	Finance Committee	Audit Committee
1.	Prof. Makenya A. H. Maboko	4	4		
2.	Prof. Maulilio J. Kipanyula	3	3		
3.	Dr. Angelo Mwilawa	4	4		
4.	Ms. Jane David Gonsalves	8	4	4	
5.	Dr. Abdulla R. Abdulla	11	3	4	4
6.	Dr. Yuda L. Benjamin	4	4		
7.	Dr. Lugano Wilson	8	4		4
8.	Dr. Amos M. Nungu	12	4	4	4

Source: Register of Concillors

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

- (i) Discuss and approve proposed annual budget and action plan 2022/23;
- (ii) Discuss quarterly and annual performance report of the Commission on implementation of the strategic plan, achievements and challenges;
- (iii) Assess implementation of various deliberations directed from previous meeting;
- (iv) Discuss 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);
- (v) Discuss and approve various policies and regulations;
- (vi) Receive and discuss various recommendations from Committees of the Commission.

2.14 COMMISSION COMMITTEES

The Commission is committed to the principles of effective corporate governance. The Board 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 Committee; 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.

2.14.1 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 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 chairperson and Secretary who are also Members the Board (Table 4).

The Executive Committee meets once quarterly. During financial year ended 30 June 2022, the Committee did not hold any meeting.

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

Table 4: Members of Executive Committee

S/N	Name	Position	Date of appointment	End Board tenure
1.	Prof. Makenya A. H. Maboko	Chairperson	Reappointed on 19 April 2021	18 April 2024
2.	Ms. Jane David Gonsalves	Member	26 May 2020	25 May 2023
3.	Dr. Amos M. Nungu	Secretary	March 2018	

Source: Register of Councillors

2.14.2 Finance, Planning and Administrative Committee

FPAC is delegated 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 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 2022, the Committee held four (4) ordinary meetings. The FPAC meetings, during the financial year under review, discussed and deliberated on the following main issues: -

- (i) Attend matters related to Human Resources Management;
- (ii) Discussed staff regulations and recommended approval by the Commission;
- (iii) Scrutinize staff performance appraisal and promotion; and
- (iv) Scrutinized the Commission annual budget and plan 2021/22
- (v) Discussed quarterly performance reports

The Members of FPAC who served during the financial year ended 30 June 2022 are shown in Table 5:

Table 5: Members of Finance, Planning and Administrative Committee

S/N	Name	Position	Date of appointment	End Board tenure
1.	Dr. Abdulla R. Abdulla	Chairperson	26 May 2020	25 May 2023
2.	Ms. Beatrice K. Patrick	Member	25 January 2021	24 January 2023
3.	Ms. Jane David Gonsalves	Member	26 May 2020	25 May 2023
4.	Dr. Amos M. Nungu	Secretary	March 2018	

2.14.3 Audit and Risk Management Committee

The Committee is composed of five (5) members. The responsibilities of the ARC are to assist the Board 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 2022, the Committee held five (5) meetings, of which four (4) were ordinary and one (1) were extra-ordinary. The ARC meetings, during the financial year under review, discussed and deliberated on the following main issues: -

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

- i) Risk Based Internal Audit Plan for the financial year 2020/21;
- ii) Internal Audit Quarterly Performance Reports;
- iii) Draft Risk Management Policy and Framework;
- iv) Action Plan for Implementation of CAG Recommendations for the Year 200/21;
- v) Risk Based Annual Internal Audit Plan, 2020/21;
- vi) The External Auditors' Plan and Audit Fees for undertaking audit of the year 2020/21;
- vii) Exit Meeting with External Auditors for the year 2020/21.

The Members of ARC who served during the financial year ended 30th June, 2020 are shown in **Table 6:**

Table 6: Members of Audit and Risk Management Committee

S/N	Name	Position	Date of Appointment	End Board tenure
1.	Dr. Lugano Wilson	Chairperson	Reappointed on 15 July 2021	14 July 2024
2.	Dr. Abdulla Rashid Abdulla	Member	26 May 2020	25 May 2023
3.	Adv. Siah Emmanuel Mlay	Secretary	26 November 2021	14 July 2024
Co-opted Members:				
4.	CPA. Leonard Chacha Kitoka	Member	November 2020	N/A
5.	CPA. Edmund Lweyendera Luasha	Member	November 2020	N/A

2.14.4 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).

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;

- (i) Allocation of funds to support research and innovation projects.
- (ii) Infrastructure support facilities to three institutions i.e MUHAS, SUZA and TVLA
- (iii) Support to upgrading of research results at SUA, TARI Mikocheni and UDSM
- (iv) Innovation fund support to MAKISATU and walk in innovators
- (v) Support to up scaling of technology from innovation projects
- (vi) Withdrawal of funding approval to TIRDO infrastructure project on recycling of leather solid wasted
- (vii) Endorsement of research, technology and NFAST regulations.
- (viii) Consideration of research guiding frameworks i.e research chair framework and National research priorities.

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

The Members of NFAST who served during the financial year ended 30 June 2022 are shown in Table 7 below:

Table 7: Members of National Fund for Advancement of Science and Technology Technical Committee

S/N	Name	Position	Institution	Date of appointment
1.	Dr. Angelo Mwilawa	Chairperson	Ministry of Livestock and Fishery	27 Nov 2020
2.	Dr. James Kilabuko	Member	State House	27 Nov 2020
3.	Ms. Jane David Gonsalves	Member	Tanzania Private Sector Foundation	27 Nov 2020
4.	Mr. Saleh Saad Mohamed	Member	Zanzibar Planning Commission	27 Nov 2020
5.	Mr. Atupele Mwambene	Member	Ministry of Education, Science and Technology	27 Nov 2020

2.14.5 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.

- (i) Clearance of research projects and issuance of research permits to local and foreign researchers.
- (ii) Monitoring and Evaluation of the registered research projects that are implemented in the country.
- (iii) Ensure that research conduct in Tanzania is of the required standards which observe national rules and regulations;
- (iv) Secure results of research undertaken in Tanzania and promote its utilization in policy and practice;
- (v) Collection and storage of research projects information.
- (vi) Endorsement the revised version of NRCC Guidelines (2022 version).

The Members of NRRC who served during the financial year ended 30 June 2022 are shown in Table 8:

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

Table 8: Members of the National Research Registration Technical Committee (NRRC)

S/N	Name	Position	Institution	Date of Appointment
1.	Prof. Maulilio J. Kipanyula	Chairperson	Ministry of Education, Science and Technology	27 Nov 2020
2.	Mr. Octavian Kayombo	Member	President's Office	27 Nov 2020
3.	Mr. Justice F. Kusiluka	Member	Immigration department	27 Nov 2020
4.	Mr. Ameir Makame	Member	2 nd Vice President Office	27 Nov 2020
5.	Dr. Julius Keyu	Member	Tanzania Wildlife Research Institution (TAWIRI)	27 Nov 2020
6.	DCP.Ali Kihuri Lugendo	Member	Office Inspector General of Police	27 Nov 2020
7.	Mr. Ally Rashid	Member	TAMISEMI	27 Nov 2020
8.	Dr. Amos Nungu	Secretary	COSTECH	

2.15 MANAGEMENT OF THE COMMISSION

The overall management of the Commission is conferred to the Board of Commissioners 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 Board 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.

2.16 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 2021/22 FY the Committee conducted one meeting and discussed on the research priorities and research chair framework as important research guiding tools. 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 9:

Table 9: Members of Research and Development (R&D) Advisory Committees

S/ N	Name	Position	Institution	Tenure
A:	AGRICULTURE AND LIVESTOCK ADVISORY COMMITTEES			

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

S/ N	Name	Position	Institution	Tenure
1	Dr. Angelo Mwilawa	Chairperson	Tanzania livestock Research Institute	2020-2023
2	Dr. Everina Lukonge	Member	Tanzania Agricultural Research Institute	2020-2023
3	Dr. Daniel Komwihangilo	Member	Tanzania Livestock Research Institute	2020-2023
4	Dr. Suleman Sheikh	Member	Ministry of Agriculture	2020-2023
5	Dr. Eliningaya Kweka	Member	Tropical Pesticides Research Institute	2020-2023
6	Dr. Nyambilila Amuri	Member	SUA	2020-2023
7	Dr. Stella Bitanyi	Member	Tanzania Vaccine	2020-2023
8	Prof. Chacha. J. Mwita	Member	UDSM	2020-2023
9	Dr. Donald Mmari	Member	REPOA Limited	2020-2023
B: NATURAL RESOURCES ADVISORY COMMITTEE				
1	Eng. Alley Mwakibolwa	Chairperson	Commission Member	2020-2023
2	Dr. Elisante Mshiu	Member	UDSM	2020-2023
3	Eng. Kapuulya Musomba	Member	Tanzania Petroleum Development Corporation	2020-2023
4	Dr. Simon Mduma	Member	Tanzania Wildlife Research Institute	2020-2023
5	Dr. Revocatus Petro Mushumbushi	Member	Tanzania Forestry Research Institute	2020-2023
6	Dr. Ismael Aaron Kimirei	Member	Tanzania Fisheries Research Institute	2020-2023
7	Prof. Amos Majulle	Member	UDSM	2020-2023
8	Prof. Hamisi M. Malebo	Member	UNESCO National Commission of the United Republic of Tanzania.	2020-2023
C: ENVIRONMENT AND CLIMATE CHANGE ADVISORY COMMITTEE				
1	Dr. Abdulla R. Abdulla	Member	Commission Member	2020-2023
2	Prof. Esnat Chaggu	Chairperson	NEMC	2020-2023
3	Mr. Faraja Ngerageza	Member	Division of Environment Vice Presidents s Office	2020-2023
4	Mr. Sheha Mjaja	Member	Environmental Management Authority, Tanzania Zanzibar	2020-2023
5	Prof. Lazaro Busagala	Member	Tanzania Atomic Energy Commission	2020-2023
6	Dr. Ladislaus Chang'a	Member	Tanzania Meteorological Authority	2020-2023
7	Dr. Stephen Justice Nindi	Member	National Land Use Planning Commission	2020-2023
8	Prof. Mengiseny Kaseva	Member	UDSM	2020-2023
9	Dr. Magreth Kyawalyanga	Member	UDSM	2020-2023
D: PUBLIC HEALTH AND MEDICAL SCIENCES ADVISORY COMMITTEE				
1.	Dr. Angelo Mwilawa	Chairperson	Commission Member	2020-2023
2.	Dr. Leonard Subi	Member	Department of Preventive services Representative of the Ministry of Health	2020-2023

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

S/ N	Name	Position	Institution	Tenure
3.	Dr. Germana H. Leyna	Member	Tanzania Food and Nutrition Centre	2020-2023
4.	Dr. Fadhil Mohamed Abdallah	Member	Ministry of Health, Tanzania Zanzibar Medicine	2020-2023
5.	Prof. Charles Mgone	Member	Hubert Kairuki Memorial University.	2020-2023
6.	Prof. Eston Karimulibo	Member	Sokoine University of Agriculture	2020-2023
7.	Prof. Ahmed Jusabani	Member	Aga Khan University Medical College, Dar es salaam	2020-2023
8.	Dr. Honorat Masanja	Member	Executive Director Ifakara Health Institution	2020-2023
E:	SOCIAL SCIENCES ADVISORY COMMITTEE			
1.	Ms. Jane Gonsalves	Chairperson	Commission Member	2020-2023
2.	Ms. Flora Protas Bilaui	Member	Prime Minister's Office	2020-2023
3.	Mr. Shamoun Hashim Ali	Member	Ministry of Youth, Culture, art and Sports-Tanzania ZNZ	2020-2023
4.	Dr. Flora Madete	Member	Ministry of Finance and Planning	2020-2023
5.	Dr. Rehema Godfrey Kilonzo	Member	University of Dodoma	2020-2023
6.	Dr. Gastro Frumence	Member	Muhimbili University of Health and Allied Sciences	2020-2023
7.	Dr. Joyce Nyoni	Member	Institute of Social Work	2020-2023
8.	Prof. Taus Mbagi Kida	Member	Economic and Social Research Foundation,	2020-2023
F:	BASIC SCIENCES ADVISORY COMMITTEE			
1.	Dr. Yuda L. Benjamin	Chairperson	Commission Member	2020-2023
2.	Miss. Bahati Geuze	Member	Tanzania Education Authority	2020-2023
3.	Dr. E.J Kafanabo	Member	School of Education, university of Dar es-salaam	2020-2023
4.	Prof. Sylvia Kaaya	Member	Muhimbili University of Health and Allied Sciences	2020-2023
5.	Prof. Said A. H.Vuai	Member	College of Natural and Mathematical Sciences, University of Dodoma	2020-2023
6.	Prof. Verdiana-Grace Masanja	Member	Nelson Mandela Institute of Science and Technology	2020-2023
7.	Dr. Talam E. Kibona	Member	Faculty of Science, Mkwawa University	2020-2023
8.	Dr Gwakisa Andindilile Kamatula	Member	National Museum of Tanzania	2020-2023
G:	BIOTECHNOLOGY ADVISORY COMMITTEE			
1.	Dr. Angelo Mwilawa	Chairperson	Commission Member	2020-2023
2.	Prof. Joshua J. Malago	Member	Sokoine University of Agriculture	2020-2023
3.	Eng. Onesphory Kamukuru	Member	Division of Environment,	2020-2023

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

S/ N	Name	Position	Institution	Tenure
			Vice president office	
4.	Prof. Julie Makani	Member	Muhimbili University of Health and Allied Sciences	2020-2023
5.	Dr. Danstan Hipolite Shewiyo	Member	Tanzania Medicine and Medical Devices Authority	2020-2023
6.	Prof. Thomas Lyimo	Member	University of Dar es Salaam	2020-2023
7.	Dr. Deusdedit Mbazibwa	Member	Tanzania Research Institute (TARI-Mikocheni)	2020-2023
8.	Mr. Shamina Sameer Somji (Bpham)	Member	Shelys Pharmaceuticals	2020-2023
9.	Mr. Idd Hatibu Mvungi	Member	Bakhresa & Co.Ltd.	2020-2023

2.17 CAPITAL STRUCTURE

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.

2.18 STAKEHOLDERS RELATIONSHIP

The Commission has internal and external stakeholders and it has established a harmonious relationship with its stakeholders. During the year 2021/22, stakeholders, both internal and external, 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.

2.19 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). The KPIs for the year ended 30th June, 2022 are given under Table 10 below:

Table 10: Key Performance Indicators for the Year 2021/22

Objectives	Target	Implementation Status
A: HIV/AIDS infections and Non-communicable diseases reduced and supportive services improved	HIV/AIDS infections and Non-communicable diseases reduced and supportive services improved	Organized three awareness trainings on HIV/AIDS and NCDs. The training covered on how life style can lead to NCD and strategies to prevent NCD and was also accompanied with HIV/AIDS voluntary screening, Blood Pressure test, Body Mass Index (BMI) check and Random Glucose Test (RBG). All COSTECH staff participated in the session except those who were out the Office for various reasons. Finally, all employees identified with health problems were linked or referred to health facilities for further management. Organized awareness trainings on 30 June 2022 and covered cancer diseases of high prevalence in the

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

Objectives	Target	Implementation Status
		country and worldwide, namely prostate, cervical and breast cancer. This session was attended by 61 COSTECH staff and facilitated by Dr Amina M. Said from the Ocean Road Cancer Institute.
B: Implementation of National Anti-Corruption Strategy enhanced and sustained	Implementation of National Anti-Corruption Strategy Enhanced and Sustained by June 2022	Conducted an awareness training to staffs on 30 September and 1 October 2021. These sessions covered corruption and related offences. Another training session on Ethics and Records management was conducted on 27 December 2021 to forty-one (41) Staff and was facilitated by Officers from Tanzania Public Service College. The session emphasised on important principles relating to records management in public service, managing e-records and confidential information.
		Moreover, four members were appointed to form Ethics and Integrity Committee. Those members were also equipped with skills regarding roles and functions of the Committee in the Institution.
C: National Science, Technology and Innovation governance enhanced	Five (5) research chairs established and operationalized by June 2026	Supported five R&D and HLI in Zanzibar to develop their institutional Research Chair guidelines based on the National Framework. These institutions are ZU, ZARI, ZAHRI, SUZA and SUMAIT Universities and this was done in a workshop that was held in Zanzibar on June 2022. The newly developed respectively draft guidelines are ready for approval before launching.
	Two (2) research centres of excellence supported by June 2026.	Convened a high-level stakeholder meeting on 24 May 2022 to consider and discuss a draft National Framework for (RCoE). The Framework provides criteria and procedures for creating, governing and managing RCoEs. More than twenty representatives of the heads of institutions from HLI and R&D Institutions attended this meeting.
		COSTECH and MoEST conducted a dialogue 23 to 24 May 2022 to discuss and create common understanding in planning and execution of STI activities in the country. From this meeting, the respectively annual action plan were harmonized and it was also agreed to revive TASTA committee which can play the evaluations role and awards for MAKISATU winners every year
	Fourteen (14) R&D advisory committee forums for agriculture and livestock, environment, Natural Resources, Biotechnology, public health, basic sciences, social sciences facilitated annually	Conducted Joint advisory committee meeting on 14 June 2022, that involved members of advisory committees responsible for Environment, Social sciences, Natural Resources, Agriculture and Livestock, Public Health and Medicine, Basic Science and Biotechnology. The meeting discussed the “National Research Chair Framework” and “National Research Priorities 2021 -2026” and It was directed that secretariat to set criteria for selecting areas for funding for the FY 2022/2023, and use them to identify specific areas for funding and submit for validation
		In addition, it was agreed to facilitate academia and R&D institutions to develop an Institution-linkage framework to foster technology transfer and commercialization. Developed 3 rd volume of Research and Innovation Bulletin and at total of 1000 copies were printed.

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

Objectives	Target	Implementation Status
	Seven categories of knowledge products from research and innovation prepared and disseminated annually.	Produced newspaper articles (64), social media posts (152), TV - STI news reports (47), Radio news (48), news blogs (19), website content (100, live streaming on COSTECH Online (19), short documentaries (23), TV (6) and radio (3) programs and these were disseminated to public through different media including TV, Radio and blogs Produced leaflets (2), banner (1), booklet (1) brochures (4), factsheet (1), bulletin (1) and flyers (4), which are in English and Swahili languages. A total of 47 short video clips and 11 TV News programmes for the SAIS Project were aired by Clouds, Channel Ten and Star TV. Produced <i>e-newsletter</i> with 15 new stories which covered July - September 2021 and it was uploaded on the COSTECH website
	One (1) advocacy events for use of research results and innovations to policy and decision makers conducted annually.	To strengthen collaboration between US and Tanzania research institutions signing MoU
	Two research governance forums established and operationalized by June 2026	Facilitated establishment of farmers nodes in 8 regions as a platform for awareness creation on agricultural biotechnology.
		Conducted training in Dodoma from 19 to 24 December 2021 to nodes focal person to raise understanding and appreciation of the technology and plans and budget were prepared for year 2022.
		Conducted a familiarization forum on Biotechnology to students from the University of Dar es Salaam, Sokoine and Mzumbe Universities. The training involved researchers in biotechnology, innovators in agriculture technology and students and was aimed to enhance students' interest and engagement in biotechnology through formal experiments during the course of their university training and explore market opportunities using research evidence-based approaches. Nodes for OFAB Tanzania were set up in 5 region. Conducted field visit to 5 region and had discussion with regional authorities regarding hosting OFAB nodes. Prepared MoU with RAS office aimed at forging strategic alliances and partnerships for optimization of OFAB resources
	Three (3) policy briefs on research prepared and disseminated annually	Two staffs attended a training workshop on " <i>The Art of Influencing Policy Change</i> ," that was organized by the SGCI and facilitated by the Scinnovent Centre, as from 25 th to 27 April 2022 in Kenya.
D: Utilization of Science, Technology and innovation products and services enhanced	Fifteen (15) innovators supported annually	As a result training, a concept note of policy brief was developed and submitted to Scinnovent Centre for final editing. Also a proposal has been sent to Scinnovent Centre to seek more capacity building on how to write policy briefs
		Conducted training to 68 out of 70 innovators, as from 8 to 11 September 2021 at COSTECH. These are 2021 MAKISATU winners on innovation concepts, Intellectual Property and copyright issues

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

Objectives	Target	Implementation Status
		Conducted Initial part of the financial support process which include internal screening exercise that was conducted at COSTECH for three days as from 20 - 22 September 2021. As such 25 applications were considered for the next round which will be done in October 2022 by external reviewers and qualified innovators will be recommended for support.
		Organized MAKISATU 2022 Competition. A total of 164 applications were received from HLI and R&D institutions, of which 135 were found to be eligible and shortlisted for external review after initial screening. The reviewers recommended 90 proposals to be subjected for pitching which eventually ended up with 20 proposals (10 innovations obtained from universities and 10 from R&D) that were recommended to participate in the climax of MAKISATU 2022 competition. The 1 st , 2 nd and 3 rd winners on each category were awarded TZS 5, 3 and 2 Million respectively. Meanwhile, all 81 MAKISATU participants were awarded participation certificates. MoEST processed innovations application from Primary schools, Secondary schools, Informal sector, Focal development colleges and Technical colleges. A total of 81 innovators from seven categories participated at the climax of MAKISATU 2022. The first, second and third winners on each category were awarded TZS 5, 3 and 2 Million respectively. All MAKISATU participants (81) were awarded participation certificates.
		Conducted training to Community Development Officers of eight districts of Kigoma region, focusing on how to implement the <i>National Guideline to Identify, Promote Inventions, Innovations and Traditional Knowledge Practices</i> that was developed in 2018. The training was conducted on 23 to 25 November 2021 at Kasulu TC and participated by the CDOs from eight districts of Kigoma regional CDOs and RCDO.
	Ten (10) innovation intermediaries established by 2026	The workshop revealed development of emerging technologies in academia, research centers and industries and availed the opportunity to leverage on national initiatives with 4th industrial revolution.
		Conducted a consultative workshop meeting on 21 June 2022 at Kibaha, which constituted a team of experts who prepared the TAs tools. Six (6) TAs tools were developed to commensurate the country's TAs eco-system. This was followed with Technology mapping activity that was conducted a pilot to scope and map technologies on selected institutions from Arusha, Dar es Salaam, Kilimanjaro and Pwani on 23 May 2022.
		Conducted training to Hub Managers in Arusha, Dodoma and Mara that aimed to equip participants with basic innovation hub operationalization. The participants were from Don Bosco college, Madini College and Chief Ihunyo Secondary School respectively. As a result, three innovation space has been established, at Don Bosco college, Madini College and Ihunyo secondary school. In addition, the Commission facilitated the establishment Chisalu Focal Development College that located in Dodoma, whereby eight tutors were trained. This training was conducted on February 2022 and was meant to build capacity to participants in innovation space management

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

Objectives	Target	Implementation Status
	10 hubs, 15 clusters and TTOs facilitated with technology and innovation support services annually	Conducted 3 days training on innovation to Community development officer on 23-25/11/2022, in Kigoma
		Conducted survey to 54 (FDCs) and 10 Hubs in 10 Districts were selected for capacity building
		Conducted a training to five clusters to facilitate common understanding of the five guidelines. The training was conducted in Morogoro on 1 to 3 June 2022.
		It was observed such as Morogoro Food processors, Kishapu Sisal, Babati Bee Keeping, Mwanga leather and Morogoro engineering clusters indicated a number of achievement compared to the baseline data.
		Conducted 3 days training to 15 Innovative Clusters representatives that are supported under Sida program. The training was conducted on 20 th to 22 April 2022 and it focused on website updating and maintaining, creating social media presence and how to engage online audiences.
	Six hundred (600) local and foreign researchers Registered and issued research permits annually	A total of 289 Permits were issued, of which; 179 new, 99 extensions, 11 amendments
	Nine (9) certificates of excellence in STI journalism awarded annually	Journalists' grants application was opened to all journalists in 10 OFAB countries and Five (5) journalists from Tanzania submitted their proposals to AATF for consideration, out of these three (3) won on three categories; Radio won by Ms. Hellen Isdory Kwavava, Television won by Mr. Mshana and Calvin Gwabala and Print media - won by Ms. Fatma Abdul. The winners were awarded during "OFAB day" event on 28 th September, 2021 at COSTECH.
	Eight (8) sectors (Agriculture, Manufacturing, Mining, Health, Education, Energy, Transport and Environment) technological need for utilization mapped by June 2026	Conducted a pilot exercise to scope and map technologies on 13 institutions from Arusha, Dar es Salaam, Kilimanjaro and Pwani. The aim was to assess the current status of technologies in the health sector so as to establish a baseline, and identify technology needs and gaps. This activity started on 23, May 2022 and the assessment concentrated on health technologies used in Tanzania.
	Five (5) research chairs established and operationalized by June 2026	Conducted a meeting on 29 th /11 to 03 rd /12/2021 with 5 R&D Institutions (TARI, TALIRI, Open University, UDOM and NM-AIST) to assist them develop customized Institutional Research Chair Guidelines. Each institution managed to develop its Draft Institutional Research Chair guideline which awaits respective intuitional management approval .This was followed with the high-level stakeholders meeting on 25 th March, 2022 which launched the National Research Priorities (2021/22 - 2025/26); National Framework for Research Chairs and Standard Operating Procedures for Research Ethics Committees (on Agriculture, Forestry, Fisheries and Livestock sectors).
E: Capacity to deliver Science, Technology and Innovation services improved	Fifteen (15) R&D institutions facilitated to establish gender policy on research by June 2026	Conducted a broader consultative meeting which was held in April 2022 to receive more strategic reflections and technical inputs from MDAs responsible for gender in the public service. These includes PO PSM, Ministry of health and other CBO, DP and R&D. The comments

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

Objectives	Target	Implementation Status
		received were in cooperated and now the draft document awaits stakeholder's validation
	Human resource capacity in Ten (10) strategic areas in R&Ds/HLIs and industries identified and developed by 2026	Conducted tailor course on innovation ecosystem and enhance ownership to directors, managers, and research coordination staff(<i>"Process and Workspace Innovation to Optimise Institutional Product and Service Delivery for Impact"</i>) all trainees were provided with comprehensive learning manuals so that they could continue learning from beyond the training room"
	Five (5) research chairs established and operationalized by June 2026	Supported five R&D and HLI in Zanzibar to develop their institutional Research Chair guidelines based on the National Framework. These institutions are ZU, ZARI, ZAHRI, SUZA and SUMAIT Universities and this was done in a workshop that was held in Zanzibar on June 2022. The newly developed respectively draft guidelines are ready for approval before launching.
	Ten (10) local researchers enhanced and motivated to publish in reputable journals annually	Trained 18 young and early career professionals, 18 draft manuscripts prepared and to be submitted for publication in different international journals
		Trained 43 journalist and Researchers on research communication
		Conducted field visit to research projects at TARI - Ukiriguru, TALIRI - Mabuki, DIT-Mwanza Centre, NIMRI-Mwanza Centre, SIDO Mwanza Centre and Sengerema Telecentre.
		Produced and disseminated Newspapers articles (27), Radio (34), Television (7), Blogs (30), Online TV (19) and Website (4)
		A restructured COSTECH website is in place, now stakeholders (internal) comments are being received
	Management and administration of research and innovation projects facilitated Quarterly	Conducted due diligence to one innovation project (up scaling project) namely <i>"Prepaid water Meter"</i> that engaged the RUWASA and DTBi. This project was approved for funding by the 95 Commissioners meeting that was held on 29 April 2022.
		Conducted evaluation exercise for all MAKISATU 2022 innovations on 21 to 27 May 2022. The purpose of the exercise was to identify the best innovations and recommend for specific support. The evaluation involved 83 applications of which 41 qualified for funding support.
	Improve working Environment	Updated employee's information into a new Human Capital Management System (HCMIS)
		Repair and Maintenance of Vehicle
		Fuel availability maintained at GPSA
		Monitoring of security and cleaning service provider conducted
		A total of nine (9) staffs were promoted to the respective higher positions following attaining the appropriate qualifications

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

Objectives	Target	Implementation Status
		Routine Preventive Maintenance for the building Air Conditioners conducted
		Repair and maintenance for COSTECH vehicle conducted as per maintenance schedule.
		Availability of fuel in COSTECH Fuel Account GPSA ensured
		Prepared requirements for engaging Service Providers for Security and Cleaning Service for COSTECH Office Building as current contracts are nearly at the end.
		prepared the Annual work plan and cash flow which identifies activities planned and funds allocated for each quarter for the financial year 2022/23
		Prepared and submitted the quarterly; annual performance reports for the financial year 2020/2021 to Board of Commissioners; MoEST TRO and DP
		Facilitate signing of Performance Contract for the financial year 2021/22 and submitted to TRO.
	Risk management framework for COSTECH reviewed and operationalized by June 2022	Organized two trainings on Risk Management awareness to all staff, management and risk champions.
		It was emphasized that, Risk management practices need to be embedded /made part of organization's decision making and requires better understanding and collaboration within and across the entity.
		Trained Risk Champions were urged to link risk management process with the planning process; appreciate the need for allocating sufficient resources for risk management; conduct the risk assessment (establishing context; identification, analysis and evaluation of risks);
		Risk management framework was updated, risk data sheet, reporting format was developed
		Prepared annual risk report which provides the implementation status of each control measure mentioned in the mitigation plan for the year ended 30 June 2022.
		The risks report was prepared as per new format which was approved by the Board during the 3 rd quarter. In particular, the report presents the risks ranked from higher risk rating to the lowest (12 medium - 6 low rating) where by seven (7) risks are medium and six (6) risks are low
	Monitoring and evaluation systems (M & E framework and reporting tools) operationalized by June 2022	Field monitoring was conducted to 15 clusters.
		Required a strategy that will ensure the ongoing activities (88%) are finalized because the project has less than 6 month to go.
		Updated the MEL plan by integrating learning component and aligning with the National Guideline for Development program plan Monitoring and Evaluation (<i>Mwongozo wa Kitaifa wa Ufuatiliaji na Tathmini ya Miradi na Programu za Maendeleo</i>), that was developed by Ministry of Finance and Planning in 2022.

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

Objectives	Target	Implementation Status
	Four (4) STI exhibitions organized/participated annually	Participated in the 45 Dar es salaam International Trade Fair 2021 held between 28 th June -13 th July, 2021 at Saba saba grounds. A total of 30 exhibitors (10 Researchers, 15 Innovators and 5 Innovation Spaces) were facilitated to showcase their research and innovation products during exhibition. COSTECH emerged 2 nd in the overall category and 1st winner in the category of Innovations and ICT equipment.
		Participated commemoration of the 58 years of Union between Tanganyika and Zanzibar at Maisala grounds, Unguja in Zanzibar. This exhibition was launched by Prime Minister, Hon Kassim Majaliwa on 24 th April 2022 and was used by the government agencies, departments under the Union to showcase the achievements of the Union from their respective institutions.
		Participated at 3 rd Annual National Exhibitions event at Kigoma which was organised by SIDO with collaboration of Kigoma Regional Administration Office. The exhibitions was held from 21st to 30th September 2021 at Kasulu Umoja Grounds, Kigoma. Government Institutions, Research Institutions, Regulatory Authorities and Non-Government Organizations were participated. The exhibition was officiated by the Vice President Dr. Philip Isdory Mpango on 22/09/2021 and closed on 30/09/2021 by Kigoma Regional Commissioner.
		Participated in the 31 st NIMR annual joint scientific conference that was held at the Julius Nyerere International Convention Center on 17 th May 2022. This platform was used to raise awareness about the newly developed National Research Priorities of 2021/22-2025/26 and the National Research Integrity framework of Tanzania.
		Participated in the 1 st International Conference on digital transformation that organised by Tanzania Education and Research Network (TERNET) which was held on 13th to 17th September 2021. In this conference, the Commission engaged in a panel discussion on the open science and there was presentation that which highlight how COSTECH contribute on open science and collaboration among stakeholders was given to more than 50 conference participants.
	Quality Management Systems (ISO) reviewed and acquired by June 2022	Conducted awareness training on Quality Management system on 20 th and 21 st June 2022. The training was facilitated by experts from TBS and focused on importance of quality management system as a useful tool to add COSTECH credibility, by demonstrating that product or service meets the customers' expectations.
	Financial resource mobilization strategy prepared and operationalized by June 2023	Prepared a full proposal for Sida funding for a six-year (2023 - 2028) to support program on Research and Innovation for sustainable socio-economic development in Tanzania, and submitted to the Swedish Embassy in Tanzania

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

Objectives	Target	Implementation Status
	Information Management systems (accounting, HR, Procurement, internet, repositories, Audit and EDMS) installed and integrated annually	Conducted a stakeholders' workshop with HERIN beneficiaries with the aim of introducing the new business operational model. A total of 30 beneficiaries from HLIs and R&Ds participated in the workshop. Since the new HERIN operational model was signed for implementation, COSTECH developed Service Level Agreements (SLAs) for smooth service delivery between COSTECH and HERIs, and between COSTECH and TTCL.
		Continued to support HERIN members during this quarter. Specifically, the Institute of Accountancy Arusha was supported with the availability of the online learning platform. Furthermore, a visit was conducted to all HERIN members for debts reconciliation and encouraged them to pay their debts; this includes writing of commitment letter showing how they are going to repay their debts
		Integrated with NIDA system for user's verification process, and now management system users can be verified by using NIDA number.
		Integrated with payment process with GePG and now system user can pay direct through control number provided by research management system.
		Provided support services by fixing some issues raised by users including to allow users to attach some documents which were not included before and to allow user to edit some information based on comments provided by program officer.
		Conducted audit covering evaluation of the effectiveness of the financial accounting systems and internal controls over the various operational and financial activities of the Commission.
		Translation of COSTECH Act from English to Kiswahili Language. Translation of COSTECH Act from English Language to Kiswahili was conducted as required by the Government. The draft of the translated Act was sent to the MoEST.
		submitted the final draft of COSTECH Amendment Act to the MoEST after in-cooperation of the opinion from the Chief Parliamentary Draftsman

RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Commissioners accepts final responsibility for the risk management and internal control systems of the Commission. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an on-going basis in order to provide reasonable assurance regarding:

- (i) The effectiveness and efficiency of operations;
- (ii) The safeguarding of the Commission's assets;
- (iii) Compliance with applicable laws and regulations;
- (iv) The reliability of accounting records;
- (v) Business sustainability under normal as well as adverse conditions; and
- (vi) Responsible behaviours towards all stakeholders.

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 Commission system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively. The Board assessed the internal control systems throughout the financial year ended 30 June 2022 and is of the opinion that they met the accepted criteria. The Board carries out risk and internal control assessments through the Audit and Risk Committee.

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 31/05/2013 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 2021/22. 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.

2.20 TECHNOLOGY AND INNOVATION

The commission has a robust ICT infrastructure that comprises of the E-office system, on line research registration system, accounting system and the Human Resources Management System coupled with comprehensive software, hardware and disaster recovery resources. Innovation is one of the top priorities of Commission.

2.21 ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Commission remain conscious of Environmental, Social and Governance issues, promoting gender equality and women empowerment in the society. In the year 2021/22, COSTECH, in efforts to empower women and promote sustainable development in the society, facilitated women to participate in various events conducted during the year under review.

2.22 CORPORATE SOCIAL RESPONSIBILITY

The Commission is conscious of encouraging good corporate citizenship. In the year 2021/22, the Commission supported students from Schools, Universities and other learning institutions to access innovation programs and virtual training platforms for practical learning. Buni hub also allocated its resources in financial capacity building and financial literacy to students and young innovators.

2.23 RELATED PARTY TRANSACTIONS

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).

2.24 RESOURCE

The Commission has adequate financial resources and human resources with appropriate skills and experience in running the Commission, these resources facilitate the enhancement of shareholders value by ensuring the Commission is achieving its sets objectives both short term and long run.

2.25 STAFF MATTERS

Management and Employees' Relationship

A healthy relationship existed between Management and employees during the year. There was a harmonious relationship between Management and employees; and there were no unresolved complaints received by the Board from the employees during the year.

Working Environment

Management believes that its employees should find working for the Commission an inspiring and personally elevating experience, and consequently accepts co-responsibility for the development of each employee to his/her full potential. Career progress is based on the individual initiative towards the fulfilment of their responsibilities complemented by the Commission. This encompasses individual commitment towards innovative thinking and professional expertise resulting to reward.

Opportunities and Fairness

Management is convinced that equal opportunities for all employees, irrespective of ethnicity, race, gender, disability or religion, should be pursued. Management accepts that only through total commitment, loyalty and dedication of its employees will be able to achieve its performance targets.

Medical services

The Commission provides medical insurance to all staff and their families through National Health Insurance Fund (NHIF). During the year 2021/22, services received from the service providers were generally satisfactory. Pensions Contributions, Commission employee and employer contribute to PSSSF. The Commission does not contribute to any other Pension Fund. As of 30 June 2022, COSTECH had 110 employees (Male 60 Female 50) which include 108 permanent and 2 contractual employees compared to 92 employees on 30 June 2021 (permanent employees 88 and 4 contractual). Further, out of the 92 employees at year end, 41 were female and 51 were male. The number of staff increased during the year due to staff transfers.

Disabled Persons

The Commission is an equal opportunity employer and does not discriminate against person -with disabilities during the recruitment processes.

Industrial Safety

It is the policy of the Commission that in conducting its activities it will strive to create a working environment whereby industrial incidences relating to accidents are reduced to a minimum and in which employees, customers, contractors and the general public will not be exposed to unnecessary safety and health risks. It is the duty of employees to ensure that the Commission's policy on health and safety is complied with. The Management endeavors to satisfy the standards set by the

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

Commission, stakeholders, international as well as National organizations. The Commission is registered with the Health and Safety Regulatory Agency (OSHA).

2.26 LIQUIDITY

The Commission's state of affairs as at 30 June 2022 is reflected in the accompanying financial statements. The Board of Commissioners considers the Commission to be solvent as disclosed by the Statement of Financial Statement on Page 36.

2.27 AUDITORS

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 Globe Accountancy Services 2013 were authorized to carry out audit of the Commission jointly with the Controller and Auditor General for the financial statements of the year ended 30 June 2022.

The details address for the auditors are as set below:

Globe Accountancy Services 2013.

Mikocheni A,

P.O. Box 7794,

DAR ES SALAAM.

2.28 RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The members charged with governance accept responsibility for preparing these financial statements which show a true and fair view of the Commission to the date of approval of the audited financial statements, in accordance with International Public Sector Accounting Standards, rules, regulations and legal provisions. The members also confirm compliance with the provisions of the requirements of TFRS 1 and all other statutory legislations relevant to the Commission.

BY ORDER OF THE BOARD OF COMMISSIONERS

.....

Dr. Amos Nungu

DIRECTOR GENERAL

Date.....2023

.....

Prof. Makenya A. H. Maboko

CHAIRMAN OF THE BOARD OF COMMISSIONERS

Date.....2023

3.0 STATEMENT OF COMMISSIONERS RESPONSIBILITIES

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, Statement of Cash flow, 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 2022. 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 Board 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.

.....
Dr. Amos Nungu
DIRECTOR GENERAL

Date.....2023

.....
Prof. Makenya A. H. Maboko
**CHAIRMAN OF THE BOARD OF
COMMISSIONERS**

Date.....2023

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 2022 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..... 2023

5.0 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	NOTE	30 June 2022 TZS '000	30 June 2021 TZS '000
ASSETS			
Current Assets			
Cash and Bank balances	2	6,904,096	4,453,835
Trade and Other Receivables	3	282,018	321,537
Inventories	4	<u>7,051</u>	<u>9,747</u>
Total Current Assets		7,193,165	4,785,119
Non-Current Assets			
Property, Plant and Equipment	5	7,135,022	7,508,279
Advance for Technology Park formation	6	2,459,007	2,459,007
Intangible assets	7	<u>38,739</u>	<u>58,159</u>
Total Non-Current Assets		<u>9,632,768</u>	<u>10,025,445</u>
TOTAL ASSETS		16,825,933	14,912,929
LIABILITIES			
Current Liabilities			
Deferred Capital Grant	8	5,310	-
Deferred Revenue Grants	9	4,832,206	3,321,105
Trade and other payables	10	<u>1,035,977</u>	<u>1,257,103</u>
Total Current Liabilities		<u>5,873,493</u>	<u>4,578,208</u>
NET ASSETS		<u>10,952,440</u>	<u>10,232,356</u>
EQUITY			
Capital Contributed by Government	11(a)	4,188,444	4,188,444
Accumulated Surplus		<u>6,763,996</u>	<u>6,043,912</u>
TOTAL EQUITY		<u>10,952,440</u>	<u>10,232,356</u>

The accompanying notes are integral part of the financial statements, which were authorized for issue by the Board of Commissioners and were signed on its behalf by:

.....

Dr. Amos Nungu

DIRECTOR GENERAL

Date..... 2023

.....

Prof. Makenya A. H. Maboko

**CHAIRMAN OF THE BOARD OF
COMMISSIONERS**

Date... .. 2023

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	30 June 2022 TZS '000	30 June 2021 TZS '000
REVENUE			
Revenue from Non-exchange transactions:			
Government Subvention	12	3,917,860	3,791,024
Amortization of Capital Grant	13	-	20,335
Revenue for research and development	14	4,413,200	1,360,813
Revenue Grants	15	<u>4,742,499</u>	<u>4,400,209</u>
Sub Total		13,073,559	9,572,381
Revenue from Exchange transactions:			
Internally Generated Revenue	16	409,001	289,046
Other Operating Income	17	638,371	658,812
Gain (Loss) in Exchange	18	<u>(16,284)</u>	<u>(9,198)</u>
Sub Total		<u>1,031,088</u>	<u>938,660</u>
TOTAL REVENUE		14,104,647	10,511,041
OPERATING EXPENSES			
General Administrative Expenses	19	6,199,462	6,114,364
Research Coordination and Promotion	20	4,346,516	2,890,610
Technology Development and Transfer	21	2,044,129	2,230,663
Information and Documentation	22	396,296	100,854
Depreciation	5	<u>348,160</u>	<u>352,500</u>
Total Operating expenses		<u>13,334,563</u>	<u>11,688,991</u>
Surplus/(Deficit) for the Year		<u><u>770,084</u></u>	<u><u>(1,177,950)</u></u>

The accompanying notes are integral part of the financial statements.

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

	Capital Fund TZS'000'	Accumulated Surplus TZS'000'	Total TZS'000'
Balance as at 1 st July, 2021:			
As previously stated	4,188,444	6,553,711	10,742,155
Prior year adjustment (Note 23(a))	<u>-</u>	<u>(509,799)</u>	<u>(509,799)</u>
As restated	4,188,444	6,043,912	10,232,356
Surplus for the year	-	770,084	770,084
Reduction (Note 11(b))	<u>-</u>	<u>(50,000)</u>	<u>(50,000)</u>
Balance at 30th June, 2022	<u>4,188,444</u>	<u>6,763,996</u>	<u>10,952,440</u>
Balance as at 1 st July, 2020			
As previously stated	4,188,444	5,098,255	9,286,699
Prior year adjustment (Note 23(b))	<u>-</u>	<u>2,173,607</u>	<u>2,173,607</u>
As restated	4,188,444	7,271,862	11,460,306
Equity Reduction (Note 11 (b))	-	(50,000)	(50,000)
Deficit for the year	<u>-</u>	<u>(1,177,950)</u>	<u>(1,177,950)</u>
Balance as at 30 June 2021	<u>4,188,444</u>	<u>6,643,912</u>	<u>10,232,356</u>

The accompanying notes are integral part of the financial statements.

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

STATEMENT OF CASHFLOW FOR THE YEAR ENDED 30 JUNE 2022

		30 June 2022	30 June 2021
	NOTE	TZS'000'	TZS'000'
CASH FLOW FROM OPERATING ACTIVITIES			
Government subvention - Other charges	12(a)	171,777	185,706
Personal Emoluments paid at source	12(b)	3,695,263	3,231,454
Pension, NHIF deductions and other deductions	12(b)	50,819	373,864
Revenue for research and development (NFAST)	14	4,413,200	1,630,813
Grants received	15 (a)	5,962,499	6,563,564
HERIN Fund - Internet	15(b)	730,420	704,466
Internally generated Income	16	409,002	289,046
Sundry Income (other operating income)	17	<u>71,583</u>	<u>-</u>
Total cash receipt		15,504,563	12,978,913
Cash paid to suppliers and employees	24	<u>(12,997,430)</u>	<u>(10,585,661)</u>
NET CASH FLOW FROM OPERATIONS	23	2,507,133	2,393,252
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of Property, Plant & Equipment's	5	(6,872)	(34,215)
NET CASH FLOW USED IN INVESTING ACTIVITIES		(6,872)	(34,215)
CASH FLOW FROM FINANCING ACTIVITIES			
Refund to Consolidated Fund	11(b)	(50,000)	(50,000)
Grant	8	<u>-</u>	<u>20,335</u>
		(50,000)	(29,665)
NET CASH FLOW USED IN FINANCING ACTIVITIES			
Net decrease in cash and cash equivalent		2,450,261	2,329,372
Cash and cash equivalent at beginning of period		<u>4,453,835</u>	<u>2,124,463</u>
Cash and cash equivalent at end of period		<u>6,904,096</u>	<u>4,453,835</u>

The accompanying notes are integral part of the financial statements.

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED
30 JUNE 2022**

Description	Approved Budget 2021/22 TZS '000'	Actual 2021/22 TZS '000'	Variance amount TZS '000'	Variance %	Explanation of variances NOTE
A: REVENUES					
Personal Emoluments - (PE)	3,061,391	3,746,082	684,691	22	26 (a)
Government Subvention - OC	185,706	171,778	(13,928)	(8)	26 (b)
Own source	731,489	480,584	(250,905)	(34)	26 (c)
NFAST Revenue	4,417,000	4,413,200	(3,800)	0	26 (d)
Operating Income	700,000	730,420	30,420	4	26 (e)
Grants	7,869,587	5,962,499	(1,907,088)	(24)	26 (f)
Total revenues	16,965,173	15,504,563	(1,460,610)	(9)	
B: OPERATING EXPENSES					
Staff salaries - (PE)	3,061,391	3,772,571	(711,180)	(23)	26 (g)
General Administration Expenses	917,195	836,848	80,347	9	
NFAST Research Expenditure	4,417,000	3,296,655	(1,120,345)	(25)	26 (h)
Other charges expenses	700,000	359,680	340,320	49	26 (i)
Grants	7,869,587	4,681,298	3,188,289	41	26 (j)
Total Expenses	16,965,173	12,947,052	4,018,121	24	
SURPLUS FOR THE YEAR	-	2,557,511			

The accompanying notes are integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

NOTE 1: GENERAL INFORMATION

1.1 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.

1.2 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 22nd June, 2020.

1.3 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.

1.4 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.

1.5 REPORTING PERIOD

The reporting period for these financial statements is the financial year of the Commission which runs from 1 July 2021 to 30 June 2022.

1.6 NEW STANDARDS ON ISSUE NOT YET ADOPTED BY THE COMMISSION

There are two (2) new Standards issued by the International Public Sector Accounting Standards Board (IPSASB) , which were not yet effective up to the date of issuance of the Commission's financial statements. The new Standards are:

- a) IPSAS 41 - Financial Instruments, which is effective on or after 1st January, 2023 due to COVID 19. This Standard replaces IPSAS 29 and it sets out requirements for recognition and measurement of financial instruments, including impairment, de-recognition and general hedge

accounting; and

- b) IPSAS 42 - Social Benefits, which is effective on or after 1st January, 2023. This Standard will help users of the financial statements to assess the nature of social benefits provided by the Commission, the features of the operation of social benefit schemes and the impact of social benefits on the Commission's financial performance, financial position and cash flows.

1.7 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), 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.

1.8 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	20
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 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

1.9 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%).

1.10 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.

1.11 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.

1.12 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.

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.

1.13 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.

1.14 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.

1.15 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.

1.16 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.

1.17 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.

1.18 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.

1.19 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.

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.

1.20 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.

1.21 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 to 30 June) 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 2022.

1.22 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.

1.23 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 30 June 2022 the amount outstanding was TZS 68,161,000 million.

1.24 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.

1.25 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 2020/21 are presented along with this year's figures.

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

NOTE 2: CASH AND CASH EQUIVALENT

Cash and cash equivalents comprise cash on hand and bank balances during the year under review which are subject to insignificant risk of changes in value.

	30 June 2022	30 June 2021
	TZS'000'	TZS'000'
Cash at Bank - NMB TZS Account	419,575	164,962
Cash at Bank - NBC FOREX Account	1,088,259	908,758
Cash at Bank - NBC TZS Account	-	2,700
Cash at Bank - CRDB TZS Account	55,237	27,558
Cash at Bank - CRDB FOREX Account	46,892	2,023,479
Bank of Tanzania	5,294,127	1,325,762
Cash in Hand (Petty cash I)	<u>6</u>	<u>616</u>
Total	<u>6,904,096</u>	<u>4,453,835</u>

NOTE 3: TRADE AND OTHER RECEIVABLES

	30 June 2022	30 June 2021
	TZS'000'	TZS'000'
Trade Receivables	3,497,147	3,434,752
Project Debtors (Note 3)	179,738	328,054
Staff Loan	68,161	62,268
Staff Imprest	294,850	254,342
SUB-TOTAL	4,039,897	4,181,781
Less: Provision for Impairment of Receivables	<u>(3,757,879)</u>	<u>(3,757,879)</u>
TOTAL	<u>282,018</u>	<u>321,537</u>

NOTE: 3(a) PROJECT DEBTORS

IST Africa	71,790	71,790
WEMA Project	67,030	67,030
Open Forum-Ag Bio-Tech-OFAB	-	66,560
TANZ BIOETHICS INIT. (TABIN)	36,805	36,805
Tanzania ICT Innovation project	1,416	1,416
HDIF PROJECT	-	83,868
Oliver Tambo Project	2,112	-
ins col res & tech dev activity	<u>585</u>	<u>585</u>
TOTAL	<u>179,738</u>	<u>328,054</u>

NOTE 4: INVENTORIES

Stationeries	<u>7,051</u>	<u>9,747</u>
Total	<u>7,051</u>	<u>9,747</u>

NOTE 5 (a): PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2022

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

	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 2021	3,040,740	4,573,065	971,571	245,418	526,808	1,037,689	10,395,291
Additions	-	-		1,562	5,310	-	6,872
Disposal of a Motor vehicle	-	-	137,680	-	-	-	137,680
At 30 June 2022	3,040,740	4,573,065	833,891	246,980	532,118	1,037,688	10,264,482
DEPRECIATION:							
At 1st July 2021	-	880,105	746,385	180,189	367,129	713,203	2,887,011
Charge for the year	-	87,928	74,340	26,544	72,574	86,774	348,160
Adjustments	-	-	105,70	-	-	-	105,710
At 30th June 2022	-	968,033	715,015	206,733	439,703	799,977	3,129,461
NET BOOK VALUE:							
At 30 June 2022	3,040,740	3,605,033	118,876	40,247	92,415	237,711	7,135,022
At 30 June 2021	3,040,740	3,692,960	225,186.0	65,229	159,679	324,485	7,508,279

NOTE 5(b): PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2021

	Land	Building	Motor Vehicle	Furniture & Fitting	Computers	Equipment	Total
COST	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'	TZS'000'
At 1 July, 2020	3,040,740	4,573,065	971,571	233,544	517,223	1,024,932	10,361,075
Additions	-	-		11,874	9,585	12,756	34,215
At 30 June 2021	3,040,740	4,573,065	971,571	245,418	526,808	1,037,688	10,395,290
DEPRECIATION							
Balance at 01 July 2020		<u>792,177</u>	<u>661,389</u>	<u>156,065</u>	<u>295,631</u>	<u>629,249</u>	<u>2,534,511</u>
Charge for year	-	<u>87,928</u>	<u>84,996</u>	<u>24,124</u>	<u>71,498</u>	<u>83,954</u>	<u>352,500</u>
Balance at 30 June 2021		<u>880,105</u>	<u>746,385</u>	<u>180,189</u>	<u>367,129</u>	<u>713,203</u>	<u>2,887,011</u>
Net Book Value							
At 30 June 2021	<u>3,040,740</u>	<u>3,692,960</u>	<u>225,186</u>	<u>65,229</u>	<u>159,679</u>	<u>324,485</u>	<u>7,508,279</u>
At 30 June 2020	<u>3,040,740</u>	<u>3,780,888</u>	<u>310,182</u>	<u>77,479</u>	<u>221,592</u>	<u>395,683</u>	<u>7,806,564</u>

NOTE 6: ADVANCE FOR TECHNOLOGY PARK FORMATION

	30 June 2022 TZS '000'	30 June 2021 TZS '000'
Balance as of 1 July 2021	2,459,007	2,459,007
Additions	-	-
Balance as of 30 June 2022	<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

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

paid directly by COSTECH on other related costs including development of land master plan and geo topographical survey.

NOTE 7: INTANGIBLE ASSETS	30 June 2022	30 June 2021
	TZS'000'	TZS'000'
Balance as of 1 July 2021	155,362	155,362
Additions	-	-
Balance as at 30 June, 2022	155,362	155,362
Amortization:		
Balance as of 1 July 2021	97,203	80,578
Charge during the year (Note 24)	<u>19,420</u>	<u>16,625</u>
Balance as of 30 June 2022	<u>116,623</u>	<u>97,203</u>
Net carrying amount	<u>38,739</u>	<u>58,159</u>
 NOTE 8: DEFFERED CAPITAL GRANT		
Balance as of 30 June 2022	-	-
Grant received during the year	<u>5,310</u>	<u>20,335</u>
	5,310	20,335
Amortization during the year (Note 13)	<u>-</u>	<u>(20,335)</u>
balance as 30 June 2022	<u>5,310</u>	<u>-</u>
 NOTE 9: DEFERRED REVENUE GRANTS		
Buni Project	251,631	482,539
Programme for Biosafety System	12,570	12,570
BIPCEA Bio innovate activities	3,455	3,455
Science Granting Council	15,242	15,242
Open Forum for Agriculture Biotechnology	147,093	-
SIDA Capacity Building Project	84,855	1,805,808
Danida Fellowship Project	24,279	24,279
Tanzania Biodiversity	75,634	79,394
International Network for Av. Of Scientific Publication	7,806	10,241
Bio fertilizer Project	8,427	13,414
NFAST Commitments	1,128,653	443,439
EDCTP	259,858	295,055
IDRC	92,633	135,669
HEET Project	2,696,055	-
UNDP Funguo Project/HDIF	<u>24,015</u>	<u>-</u>
TOTAL	<u>4,832,206</u>	<u>3,321,105</u>

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

NOTE 10: TRADE AND OTHER PAYABLE - EXCHANGE TRANSACTIONS	30 June 2022 TZS'000'	30 June 2021 TZS'000'
Trade Creditors	619,429	488,104
Income Tax PAYE	1,395	-
Income Tax PAYE[PROJECTS]	2,849	-
NHIF Contributions [PROJECTS]	1,092	147
Costech Staff Social Service Fund	15,124	9,802
PSSSF claims	38,114	8,346
Withholding Tax on Goods Service	10,886	960
Provision for Audit Fees & Expense	116,490	80,000
Accrued Charges	<u>230,597</u>	<u>669,744</u>
TOTAL	<u>1,035,976</u>	<u>1,257,103</u>

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	<u>178,047</u>
Total	<u>4,188,444</u>

NOTE (b): EQUITY REDUCTION

	30 June 2022 TZS'000'	30 June 2022 TZS'000'
Funds recalled by the Government accounted for through equity	<u>50,000</u>	<u>50,000</u>
	<u>50,000</u>	<u>50,000</u>

NOTE 12: GOVERNMENT SUBVENTION - OPERATIONS

Personal Emoluments	3,746,083	3,605,318
Other Charges	171,777	185,706
TOTAL	3,917,860	3,791,024
(a) For the purpose of the cash flows:		
Other Charges (OC)	171,777	185,706
(b) Personal Emoluments paid directly by the Government		
Personal Emoluments	3,746,082	3,605,318
Less: Pension and NHIF deductions received	(50,819)	(373,864)
TOTAL	3,695,263	3,231,454

NOTE 13: AMORTISATION OF CAPITAL GRANT

Amortization during the year (Note 8)	-	20,335
Total	-	20,335

NOTE 14: REVENUE FOR RESEARCH AND DEVELOPMENT (NFAST)

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

	30 June 2022 TZS'000'	30 June 2021 TZS'000'
Innovation /Research Grant	<u>4,413,200</u>	<u>1,360,813</u>
For the purpose of Cash flow:		
Innovation /Research Grant	4,413,200	1,360,813
Research Fund refunded from MUHAS	-	250,000
Research Fund refunded from TANZANIA AUTOMATIVE	<u>-</u>	<u>20,000</u>
TOTAL	<u>4,413,200</u>	<u>1,630,813</u>

NOTE 15: REVENUE GRANTS

BUNI PROJECT	230,908	12,310
TANZ BIOETHICS INIT. (TABIN)	-	15,200
Open Forum-Ag Bio-Tech-OFAB	230,373	70,237
SIDA Capacity Building	3,478,970	3,286,275
Human Capital Development Fund (HDIF)	76,884	691,969
IDRC	225,550	285,743
EDCTP Project expenditure account	35,198	38,475
Tanzania Biodiversity	3,760	-
Int. Network for Av. of Scientific Public	2,435	-
Funguo Project	420,985	-
SAIS Program	<u>37,437</u>	<u>-</u>
TOTAL	<u>4,742,499</u>	<u>4,400,209</u>

NOTE 15 (a) Project Grants Received

HDIF Project Revenue	160,752	749,200
Sida - Capacity Building Project	1,758,017	4,538,394
Buni Project	-	485,777
Tanzania Biodiversity information Management	-	48,110
Bio fertilizer project	29,247	-
Open Forum-Ag Bio-Tech-OFAB	444,026	115,650
IDRC	182,514	292,901
EDCTP Project revenue	-	333,532
Oliver Tambo Project	209,451	-
SAIS Project	37,437	-
UNDP Funguo Project	445,000	-
HEET Project	<u>2,696,055</u>	<u>-</u>
TOTAL	<u>5,962,499</u>	<u>6,563,564</u>

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

15 (b) HERIN FUNDS	30 June 2022	30 June 2021
	TZS '000'	TZS '000'
HERIN (Research Institutions) funds Received	<u>730,420</u>	<u>704,466</u>
NOTE 16: INTERNALLY GENERATED REVENUE		
Research Permit Fees	355,708	257,578
Application Fees	<u>53,294</u>	<u>31,468</u>
TOTAL	<u>409,002</u>	<u>289,046</u>
For the purpose of the cash flows internally generated revenue include:		
Internally generated revenue (Note16)	<u>409,001</u>	<u>289,046</u>
TOTAL	<u>409,001</u>	<u>289,046</u>
NOTE 17: OTHER OPERATING REVENUE		
Office Rent	-	6,862
Sundry Income	71,583	12,005
Proceed from sale of assets	7,831	-
Internet Service Provision	<u>558,957</u>	<u>639,945</u>
TOTAL	<u>638,371</u>	<u>658,812</u>
For the purpose of the cash flows statement internally generated revenue include:		
Sundry Income (Note 17)	<u>71,583</u>	=
NOTE 18: GAIN / (LOSS) IN EXCHANGE RATE		
Exchange gain for the year	1,668,491	2,123,593
Exchange loss for the year	<u>(1,684,774)</u>	<u>(2,132,791)</u>
TOTAL	<u>(16,284)</u>	<u>(9,198)</u>
NOTE 19: GENERAL ADMINISTRATIO EXPENSES		
	30 June 2022	30 June 2021
	TZS '000'	TZS '000'
Staff Salaries	3,198,750	2,982,916
Pension Employers Contribution	478,354	447,311
National Health Insurance	95,466	89,170
Acting Allowance	730	908
CSSF Expenditure	-	-
Wages	400	10,848
Maintenance & Repair Office Furniture	26,244	36,376
Stationery (Office Consumables)	33,357	22,161
Telex Telephone & Telegrams	27,475	28,960
Postage & Courier Services	500	3,798
Burial Expenses	4,653	6,038
Electricity	19,713	21,522

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

Generator Expenses	(234)	6,455
Water	8,366	17,182
Office Cleaning Expense	38,620	52,376
Sundries & Contingencies	-	-
Insurance other properties	1,575	10,922
Medical Expenses	18,042	1,300
Recruitment Expenses	22,216	22,541
*Food and Refreshments	83,976	34,736
Extra Duty Allowances	20,268	47,845
Housing Allowances	121,134	59,400
Special Allowances	12,255	9,950
Hardship allowance	1,000	-
Security Allowances	21,095	39,692
Commissioners Annual Fee	21,193	14,583
Transport & Travelling Allowances	144,244	57,732
Per diem Domestic	39,514	23,690
Motor Vehicle Running	81,742	60,444
Outfit Allowances	300	2,289
Leave Assistance & Package Fare	2,365	11,931
Membership Fees Nat & Intern	3615	2,976
Bank Charges	5,954	5,089
Audit Fees & Expense	-	7,200
Land Rent	56	-
Amortisation expenses intangibles	19,420	16,625
Local Training	2,608	5,728
Provision for bad and doubtful debts	-	474,460
SIDA operational cost ICT equipment	-	11,877
SIDA operation cost external audit	50,005	37,849
SIDA operational field travel cost	9,290	1,110
SIDA operational communication costs	53,923	82,528
SIDA annual review meeting and reporting	28,230	54,392
SIDA Bank charges	6,576	4,202
SIDA operation cost stationery	410	18,067
SIDA internal audit expenses	89,352	5,720
SIDA Consultative workshops travel	1,322	-
Sida performance management system	11,930	-
SIDA Procurement Training	5,230	2,710
SIDA Resource Mobilization	127,853	12,795
SIDA Publication framework costs	15,540	-
SIDA Training of researchers and media personnel	284,564	67,223
SIDA Broadcasting and print materials	23,250	153,714
SIDA Establishing STI forum(s)	20,421	14,758
SIDA Staff training on grant management	50,000	13,680
SIDA Six staff training in financial management	7,680	27,270
SIDA Staff training in administration and performance	102,729	95,530
SIDA Inhouse staff training	25,240	42,580
SIDA Training on the use of the national research M&E	75,360	71,643
SIDA Trainings in research ethics principle & integrity	266,405	239,881
SIDA writing winning research proposals	(8,817)	560
SIDA Institutional Policy	27,575	188,193
SIDA Risk Training	4,611	6,250
Support Costs - Overhead	621	-
TABIN Conference and Seminars	-	15,200
HDIF Project overhead expenses	-	56,598
Tanzania Biodiversity info Mgt	3,760	-
OFAB Monthly allowances	127,756	33,984

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

OFAB Scientific meetings and Conferences (Outreach Programmes)	102,617	35,660
OFAB Travel costs	-	592
IDRC Call design expenses	-	1,270
IDRC Call screening and review expenses	-	15,461
IDRC Due diligence	-	7,296
IDRC Staff monthly remuneration	16,215	27,281
Int. Network for Av. of Scientific Public	2,435	-
EDCTP Support clinical trials of Tuberculosis -Field expenses	35,198	38,475
Automation of HRMIS	10,789	-
National M& E framework	17,923	-
Monitoring and Evaluation	1,070	-
Restructuring of website	6,800	-
UNESCO/STI Related activities	(2,000)	-
Sida Operational cost internal	6,312	-
SIDA Project self assessment	12,091	-
SIDA Project TNCR	4,308	-
Training on the portal for COSTECH Staff	5,988	-
SIDA commitment	13,934	-
TOTAL	<u>6,199,462</u>	<u>6,114,364</u>

	30 June 2022	30 June 2021
NOTE 20: REASEARCH COORDINATION AND PROMOTION	TZS '000'	TZS '000'
Commission Grants Research	122,730	716,030
Fellowship / Human Capital Development	3,420	-
Support to R&D Inst / Infrastructure	1,033,774	315,525
support to R&D Institution - RF	580,970	-
Meetings, Seminars, etc	150,276	6,390
Technology Transfer & Innovation	1,101,451	19,350
Administration Costs Including M&E	565,830	186,268
Auditing of Fund	176,291	47,162
Subscription Memberships Fees	-	11,273
Transfer of Tech / Dissemination	194,767	52,367
Improve research registration and Clearance eco	5,751	34,140
International collaboration SAIS	68,639	40,279
IDRC Research grants	209,335	234,435
Sida consolidation of research finding for production	1,741	34,617
Support 16 competitive and 4 commission research	81,258	659,448
Seminar on use of evidence based for decision making	20,791	96,688
M&E for supported projects	33,381	32,325
Support six (6) Postdoctoral fellowships	(3,890)	162,627
Sida up calling	-	225,870
Sida support production policy brief	-	10,355
Sida upgrading management system	-	5,461
TOTAL	<u>4,346,516</u>	<u>2,890,610</u>

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

NOTE 21: TECHNOLOGY DEVELOPMENT AND TRANSFER

	30 June 2022	30 June 2021
	TZS '000'	TZS '000'
R & D Advisory committee	307,791	166,830
Up calling	52,161	-
To support national innovation week-Funguo	420,985	-
BUNI support establishment of innovation space and hubs	230,908	12,310
Update of costech library management system	96,940	79,813
Increased access to innovation funds	76,262	737,736
Innovation Cluster MANAGEMENT	193,278	307,493
Innovation funds	665,804	926,481
TOTAL	<u>2,044,129</u>	<u>2,230,663</u>

NOTE 22: INFORMATION AND DOCUMENTATION

Maintenance HERIN	<u>396,296</u>	<u>100,854</u>
TOTAL	<u>396,296</u>	<u>100,854</u>

NOTE 23: PRIOR YEAR ADJUSTMENTS

Note 23(a) Prior year adjustments as at 1 July 2021	
Understatement of deferred grant - SIDA Project (Note 9)	407,434
Overstatement of project debtors (Note 3)	<u>102,365</u>
TOTAL	<u>509,799</u>

The effect of the prior year adjustments for 2021/22 is the increase in deferred revenue grant as at 30 June 2021 and the decrease in grant revenue for the year 2020/21 by TZS 509,799,000.

Note 23(b): Prior year adjustment as at 1 July 2020:

	TZS '000'
Amount receivable from MUHAS Project - unspent funds	250,000
Overstatement of depreciation (Note 5(b))	997,770
Reversal of NFAST Infrastructure Project commitments/liabilities (Note 9)	279,495
Reversal of NFAST Research projects commitments/liabilities (Note 9)	646,342
TOTAL	<u>2,173,607</u>

TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY

NOTE 24: RECONCILIATION OF THE SURPLUS FROM ORDINARY ACTIVITIES WITH NET CASHFLOW FROM OPERATING ACTIVITIES

	30 June 2022	30 June 2021
	TZS '000'	TZS '000'
Surplus/(Deficit) for the Year	770,084	(1,177,950)
Adjustment for non-cash items:		
Depreciation (Note 5(a))	348,160	352,500
Amortization of Intangible Assets (Note 7)	19,420	16,625
Gain or loss in exchange (Note 18)	(16,284)	-
Amortization of Capital Grant (Note 13)	-	(20,335)
Non Cash adjustments on administration expenses	(50,000)	-
Cash flow after adjustment for Non-Cash items	1,071,380	(829,160)
WORKING CAPITAL MOVEMENTS:		
Decrease in inventories	2,696	359
Decrease in Trade and Other Receivables	141,884	619,340
Increase in Deferred Revenue	1,512,299	2,510,763
Decrease in Accounts Payable, Exchange	(221,126)	91,950
Net Cash Flow From Working Capital	<u>1,435,753</u>	<u>3,222,412</u>
NET CASH FLOW FROM OPERATIONS	<u>2,507,133</u>	<u>2,393,252</u>

NOTE 25 CASH PAID TO SUPPLIERS AND EMPLOYEES

Staff Salaries	3,772,571	3,519,393
General Administration Expenses	836,848	1,107,072
Research, Coordination and Promotion	2,881,631	1,035,346
Technology, Development and Transfer	465,402	166,830
Information and Documentation	359,680	100,854
Grant Expense	<u>4,681,298</u>	<u>4,656,166</u>
TOTAL	<u>12,997,430</u>	<u>10,585,661</u>

NOTE 26: 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 released as planned.
- (c) There was decrease of researchers applying research applications and permits due to COVID-19.
- (d) Government release all research funds as per approved budget 2021/22. In addition the Commission received TANSIS funds for supporting MAKISATU 2022 winners.
- (e) 4% Increase due to collection of HERIN debts.
- (f) 24% decrease was due late disbursement of donor fund.
- (g) Staff were transferred to TO FILL VACANT POSITIONS COSTECH from other institution, hence higher Personal Emoluments charges.
- (h) More commitments on research expenditures were recorded 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 27: 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 305.75 million 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. Furthermore, 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.

In view of the above, the Board of Commissioners approved a full provision of the cost of land of TZS 305.75 above in the past. The provision will be reversed immediately after execution of the Settlement Deed to be approved by the Chief Secretary.

NOTE 28: 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	30 June 2022	30 June 2021
	TZS'000'	TZS'000'
(i) Commissioner's remuneration Fees	<u>43,690</u>	<u>44,160</u>
(ii) Senior Staff remuneration Salaries	<u>992,600</u>	<u>998,800</u>

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

NOTE 29: CURRENCY

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

NOTE 30: 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, 30 June 2022, that warrant disclosure or adjustments to the amounts included in the financial statements as at that date, as required by IPSAS 14.

NOTE 31: COMPARATIVES

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