



THE UNITED REPUBLIC OF TANZANIA NATIONAL AUDIT OFFICE

FAIR COMPETITION TRIBUNAL (FCT)

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL AND COMPLIANCE AUDIT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

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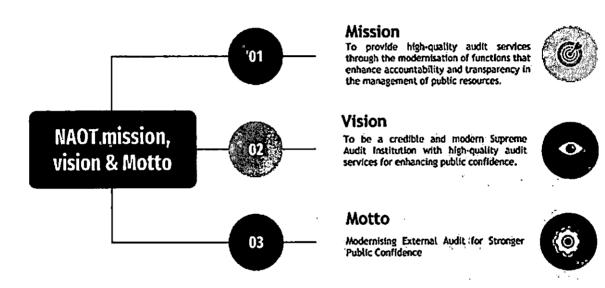
March 2024

AR/PA/FCT/2022/23



Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10 (1) of the Public Audit Act, Cap 418 [R.E 2021].



Independence and objectivity

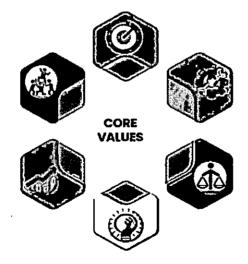
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We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.



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Abbreviations

CAG Controller and Auditor General

IPSAS International Public Sector Accounting Standards

ISSAls International Standard of Supreme Audit Institutions

FCT Fair Competition Tribunal

EWURA Energy Water Utilities Regulatory Authority

LATRA Land Transport Regulatory Authority
TCAA Tanzania Civil Aviation Authority

TCRA Tanzania Communications Regulatory Authority

PURA Petroleum Upstream Regulatory Authority

FCC Fair Competition Commission

MTEF Medium Term Expenditure Framework

NBAA National Board of Accountants and Auditors

PSSSF Public Service Social Security Fund
NHIF National Health Insurance Fund

IPSAS International Public Sector Accounting Standard

PMU Procurement Management Unit MUSE Mfumo wa Ulipaji Serikalini

TANePS Tanzania National e-Procurement System

TZS Tanzania Shillings



Registrar, Fair Competition Tribunal (FCT), 1st Floor, Roads Fund Building, Ndejengwa Area, P.O. Box 1699, DODOMA.

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Fair Competition Tribunal, which comprise the statement of financial position as at 30 June 2023, 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 Fair Competition Tribunal as at 30 June 2023, 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 Fair Competition Tribunal in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

Other Information

Management is responsible for the other information. The other information comprises the Report of those charged with Governance and 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 on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing

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

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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



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

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

1.1 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.1.1 Compliance with the Public Procurement laws

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

I performed a compliance audit on the procurement of works, goods, and services in the Fair Competition Tribunal for the financial year 2022/23 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that procurement of goods, works and services of Fair Competition Tribunal is generally in compliance with the requirements of the Public Procurement laws in Tanzania.

1.1.2 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 Fair Competition Tribunal for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that Budget formulation and execution of Fair Competition Tribunal 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, 2024.



2.0 REPORT OF THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023

2.1 INTRODUCTION

The Registrar is pleased to present the report on the financial performance of the Tribunal for the year ended 30 June 2023. The report highlights on the mandate, power and main activities and challenges that the Tribunal was facing.

2.2 ESTABLISHMENT

The Fair Competition Tribunal (FCT) was established under Section 83 (1) of the Fair Competition Act, 2003. FCT is a specialized and independent appellate body that combines expertise in economics and business with expertise in law whose core function is to hear and determine appeal cases involving competition and regulatory issues arising from orders and decisions of the Fair Competition Commission (FCC) and regulatory authorities namely Energy and Water Utilities Regulatory Authority (EWURA), Tanzania Communications Regulatory Authority (TCRA), Tanzania Civil Aviation Authority (TCAA), Land Transport Regulatory Authority (LATRA) and Petroleum Upstream Regulatory Authority (PURA).

2.3 OBJECTIVES FOR THE ESTABLISHMENT OF THE FAIR COMPETITION TRIBUNAL

In exercising its mandate, the Tribunal facilitates achievement of the objectives of the Fair Competition Act, 2003 which are to enhance welfare of the people of Tanzania as a whole by promoting and protecting effective competition in markets and preventing unfair and misleading market conduct throughout Tanzania mainland in order to;

- (a) Increase efficiency in the production; distribution and supply of goods and services;
- (b) Promote innovation;
- (c) Maximize the efficient allocation of resources; and
- (d) Protect consumers.

When discharging its mandate, the Tribunal also facilitates acceleration of the achievement of economic goals and objectives of the National Development Vision 2025, Ruling Part Manifesto 2020-2025, Five Year Development Plan III (FYDPIII) and Sustainable Development Goals (SDGs) 2030.

2.4 IMPLEMENTATION OF STRATEGIC PLAN

2.4.1 Vision, Mission and Core Values

a) Vision Statement

"Timely Justice in Competition and Regulatory Appeals".

b) Mission Statement

"To deliver timely and quality justice to service providers and consumers on competition and regulatory matters through adjudication of appeals for enhanced market efficiency and consumer welfare".

c) Core values:

The Tribunal's core values (impartiality, professionalism, are still relevant. However, timely justice is Tribunal role and not a Core Value and effectiveness and responsiveness are covered in other values.

2.4.2 Office location

The Tribunal Head office is allocated at Roads Funds Building, Njedengwa Area, in Dodoma and Zone office located at second floor, Ministry of Science, Technology, and ICT, Jamhuri Street, Dar es salaam.

2.4.3 Oversight

The overall oversight of the Tribunal is vested to the Permanent Secretary Ministry of Industry and Trade, who mandates the day-to-day operations to the Registrar for execution. The Tribunal organization structure does not explicitly provide for Tribunal oversight, however impliedly the Tribunal oversight is performed by Permanent Secretary Ministry of Industry and Trade. As to address this shortfall the Tribunal has reviewed its Organization Structure and the same has been submitted to the Permanent Secretary, President Office Public service for review and approval. The new structure once is approved will help to address the challenge facing the Tribunal on oversight. The new structure is yet to be approved by the Government.

2.4.4 The Tribunal Members

Members of the Tribunal hear and determine appeals and application cases and works on part time basis, the same are not involved in administrative matters. The Chairman and six (6) Members are appointed by the President. The Chairman is appointed from among the judges of the High Court of Tanzania after consultation with the Chief Justice. The President also appoints six (6) Members after consultation with the Attorney General by virtual of their knowledge and experience in industry, commerce, economics, law and public administration.

For the year 2022/23, the Tribunal comprises the Chairman and six Members to whom their names, status and nationality are as shown below;



labi	e 1: Imbunal	Wellinei 2			T	5	TENURE
S/N	Name	Position	Age	Qualifications/	Nationality		
				Disciplines		appointment	18.02.2025
1	Hon. Salma	Chairman	49	LLM	Tanzanian	19.02.2022	18.02.2025
	Maghimbi	ļ					
2	Hon. Dr	Member	48	PhD in Fair Competition	Tanzanian	16.06.2021	15.06.2024
	Onesmo M.			Law in relation to Price			
	Kyauke			Fixing in Tanzania	_		
3	Hon, Dr	Member	42	PhD in Law	Tanzanian	16.06.2021	15.06.2024
_	Hanifa T.			}		i	
	Massawe				}		
4	Hon. Eng.	Member	54	Master of science in	Tanzanian	16.06.2021	15.06.2024
~	Boniface G.	Member	1	Finance			
				MBA			
	Nyamo-Hanga			Master of Engineering			· ·
		ĺ				1	
		<u> </u>	1	Management	Tanzanian	16.06.2021	15.06.2024
5	Hon. Dr	Member	60	PhD in Business	lanzaman	16.00.2021	15.00.202
	Godwill G.			Administration		.	
	Wanga				 	1.4.54.555	45.04.2024
6	Hon. Dr	Member	39	PhD in Law	Tanzanian	16.06.2021	15.06.2024
	Neema B.						
	Mwita					<u> </u>	

2.5 2.5 MANAGEMENT

Management of the Tribunal is under the leadership of the Registrar and is organized in three departments as follows;

- Department of Legal Affairs;
- Department of Economic Affairs; and
- Department of Finance and Administration.

Also, the Tribunal organization structure provides for two functional units under the office of Registrar which are Internal Audit Unit and Procurement Management Unit (PMU). The Tribunal has managed to establish the PMU and the process of recruitment of Internal Auditor for a newly Internal Audit Office to be established is ongoing.

2.6 Management Committees

The Management also recognizes the importance of integrity, transparency, and accountability. During the year 2022/23 the Management of Fair Competition Tribunal had the following Management committees to ensure a high standard of corporate governance throughout the Tribunal.



The Members of Management Committee include the Registrar who is a Chief Executive and the Chairman, Head of Finance and Administration Department, Head of Legal Department, Head of Economic Department and Head of Procurement Management Unit. The Secretary of the Committee is Head of Human Resources Unit.

During the year 2022/23, the committee comprised of the following members who held 12 meetings (once in every month).

Table 2: Management Committee Members

15. A. C. C.	「大きなない」(元本語)を記していますが、いっており	Position _□	Qualifications//	Nationality
(1)	**************************************		Disciplines	
1	Renatus I.	Registrar	Master of Laws (LLM)	Tanzanian
	Rutatinisibwa			
2	Kunda A. J.	Head of Legal	Master of Laws (LLM)	Tanzanian
	Mkenda	Department		
3	Fanuel S K	Head of Finance &	ACPA(T), MBA (Finance)	Tanzanian
	Tiibuza	Administration		
4	Kulwa Msogoti	Head of Economic	Master of Economics	Tanzanian
		Department		
4	Sifael Mnzava	Principal Human	Master in Human Resource	Tanzanian
		Resources Officer	Management	
5	Innocent G.	Head of Procurement	CPSP (T), MBA - Corporate	Tanzanian
	Kijumbe	Management Unit	Management	

2.6.2 Technical Budget Committee

This committee is responsible with the preliminary preparation of the annual plans and budget estimates. During the year 2022/23, the committee comprised of the following Members:

Table 3: Technical Budget Committee Members.

S/N	「大学などの「海洋ない」では、大学には、	15275 - 17652 C.	Qualifications/ Disciplines	Nationality
1	Kulwa Msogoti	Head of Economic	Master of Economics	Tanzanian
		Department		
2	Caroline William	Senior Accountant	PGD (Financial Management)	Tanzania
3	Sifael Mnzava	Senior Human Resources	Master in Human Resource	Tanzanian
		Officer	Management	

The Technical Budget committee reports to the Registrar of the Tribunal. The Chairman of the committee is the Head of Economic Affairs and the secretary is the Senior Human Resources Officer.

2.6.3 Budget Committee

When the Tribunal Management Committee convenes a meeting to discuss the annual plans and budget estimates it is acting as the Budget Committee of the Tribunal. The Registrar is the Chairperson of the Budget Committee.

During the year ended 2022/23, the budget committee approved the following Tribunal documents;

- a. The Budget for the year 2023/24;
- b. The Tribunal Medium Term Expenditure Framework (MTEF) and;
- c. The Annual Action Plan for the year 2023/24,
- d. Mid-year review.

All these documents were included in overall Ministerial budget through the Treasury Registrar. During the year 2022/23, the committee comprised of the following Members:

Table 4: Budget Committee Members

	The state of the s					
112 (2) 24127	Name	Position #	Qualifications/	Nationality		
E.E.20.7			Disciplines			
1	Renatus I Rutatinisibwa	Registrar	Master of Laws (LLM)	Tanzanian		
		Head of Legal Dept.	Master of Laws (LLM)	Tanzanian		
3	Totimus R. Modest	Head of Finance &	ACPA (T), MBA	Tanzanian		
		Administration Dept.	(Finance)			
4	Kulwa Msogoti	Head of Economics	Master of Economics	Tanzanian		
		Dept.				
4	Sifael Mnzava	Principal Human	Master in human	Tanzanian		
		Resources Officer	resource management			
5	Innocent G. Kijumbe	Head of Procurement	CPSP (T), MBA-	Tanzanian		
		Management Unit	Corporate			
	_ <u></u>		Management			

2.7 Competence

Staff competences are maintained through a process of a formal staff recruitment performance appraisal system which identifies training needs. Also, necessary training both in house and externally, helps to consolidate existing staff skills and competences.

2.8 Internal Audit

The organization structure of the Tribunal provides for establishment of the Internal Audit unit. The process of establishing the Internal Audit Unit is ongoing and it has reached the advanced stage. In recognition of the importance of the Internal Audit functions, the Tribunal has engaged the Internal Audit unit of our Parent Ministry to execute these functions. During the year

performed only one audit out four audits which were supposed to be done. However, the effort is done to ensure the Internal Audit Unit is established as soon as practicable.

2.9 Planning and Coordination

Detailed Tribunal annual budget is prepared by the management in consultation with Regulatory Authorities who in great extent funds the Tribunal budget. Thereafter the budget is shared with Tribunal staff during the workers council meeting for acceptance and finally the budget is submitted to the Minister responsible for the Tribunal for approval. For the year 2022/23 the approved total budget is TZS 4,392,524,743 while for the year 2021/22 was TZS 2,636,954,147.

2.10 Financing Structure of the Tribunal

The Fair Competition (Commission and Tribunal) Funding Regulations, 2010 requires the Regulatory Authorities to fund the Tribunal budget by contributing 65%, Government 30% and own source 5%.

Based on the formula under first schedule of Fair Competition (Commission and Tribunal) Funding Regulations, 2010 which is 65% of the whole Tribunal budget the budget allocated to Regulatory Authorities on prorata basis is as shown here under:

Institution	2022/23	2021/22
	TZS	TZS
EWURA	793,387,520	523,256,902
LATRA	579,783,188	382,380,044
TCRA	1,068,021,662	704,384,292
TCAA	<u>610,298,093</u>	<u>402,505,309</u>
Total	<u>3,051,490,463</u>	<u>2,012,526,547</u>

The budget expected from Government and own sources which total to 30% and 5% respectively is as shown here under;

Institution	•	2022/23	2021/22
		· TZS	TZS
GOVERNMENT (30%)		663,934,280	613,927,600
GOVERNMENTGRANTS		663,600,000	-
OWNSOURCE (5%)		13,500,000	<u>13,500,000</u>
Total	•	<u>1,341,034,280</u>	627,427,600

2.11 Budget implementation for financial year 2022/2023

The approved Tribunal budget for financial year ended 30 June 2023 was TZS 4,392,524,743 and actual amount realised to the Tribunal amounted to TZS 2,559,937,582 where TZS 1,832,587,161 were not realized. The details of funds from Tribunal funding sources are as shown here under;

(i) Funds Received from Regulatory Authorities:

Institution	2022/23 TZS	2021/22 TZS
EWURA	445,240,606	435,791,604
	180,000,000	180,000,000
LATRA	650,000,000	650,000,000
TCRA	50,000,000	40,000,000
TCAA	1,325,240,606	1,305,791,604
Total	1,525,240,000	1,000,000

Following the effort taken by Tribunal in resources mobilization through various Institutional consultations, more funds were realised from Government whereby a total of TZS 587,577,345, was released to develop a Case Management System and purchasing two (2) Motor vehicles.

During the year 2023/24 Tribunal expect to receive funds from Government TZS 600,000,000 for the followings:

- To install automated record equipment system, .
- To facilitate three (3) staff in various Tribunal related courses (capacity building) on Tribunal operations for efficient functioning of the Tribunal,
- To conduct public awareness baseline survey on Tribunal mandate,
- To conduct at least one (1) economic study on competition and regulated sectors.

(ii) Funds received from Government, Regulatory Authorities and Own sources

Source of Revenue		2022/2023 TZS	2021/2022 TZS
Transfer from the Government Funds Received from Regulatory		640,701,463 1,325,240,606	639,076,585 1,305,791,604
Authorities Fees Paid to the Tribunal Government grants		6,618,168 587,577,345	12,727,799
Total	•	2,559,937,582	1,957,595,988

The Tribunal income in year 2022/23 increased by 31% as compared to income realised in year 2021/22. This is caused by released funds from Government grants amounting TZS 587,577,345.

2.12 Financial Performance analysis

Table 5: Tribunal Key Performance Indicator for the year ended 30 June 2023

Kev Performance Ratio	;(Bases / Land	2022/23	2021/22
Revenue Growth Rate	Percentage increase/(decrease) on Revenue earned during the year	31%	(3%)
Total Debts to Total Assets	Proportional of Total Debts to total Assets during a year	39%	81%

	Remittance to the Government/Total		
Financial Pay-outs (own sources)	Revenue from own sources.	1:2.41	1:0.76
Retained Collection (own sources)	Proportional of the Revenue Retained to total Revenue	0.3%	0.6%
Liquidity/Solvency ratio	Current Asset (Cash and Cash Equivalent) to Total Liabilities	15%	26%
Cost Recovery ratio	Proportional of Operating Expenses to Operating Revenue	88%	111%_
Staff welfare efficiency	Proportional of Salary and other staff benefit to total Expenses	44%	45%

2.13 Intellectual Resources (ICT Systems)

Tribunal uses Intellectual Resources (ICT Systems) to implement its mandate, and these includes own acquired and Government developed system. Effective from 01 July the Tribunal started to use Government Accounting System known as MUSE (Mfumo wa Uhasibu Serikalini) Other systems operated by the Tribunal include;

- E-Office -system for electronic file movement;
- PLANREP -system for budget in management;
- HR-MIS -Human Recourses Management information system;
- GACCS -system for asset management;
- GAMIS -Government Asset Management information system,
- GMS -system for Government mailing, and
- TANEPS -system for Government procurement.

For financial year 2022/23 the Tribunal has managed to develop the Case Management System which is known as Appeals Management System. Currently status, the system was submitted to Electronic Government Authority (e-GA) for the security assessment and the said task is still on progress. After passing the security and get approval from the Authority the system will be hosted ready be used.

2.14 Gender Parity

The Tribunal is equal opportunity employer; it gives equal access to employment opportunity and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion, and disability which does not impair ability to discharge duties. As at 30 June 2023, the Tribunal had the following distribution of employees by gender.



Table 6: Gender Parity

Gender	2022/23	Percentage ///	2021/22	Percentage
Male	11	65	11	65
Female	6	35	6	35
Total	17	100	17	100

2.15 Environmental Control Program

The Tribunal monitors the impact of its environment, which is mainly through the use of power, water and generation of waste adequate maintenance of its Motor Vehicles and office equipment. The Tribunal minimizes its impact through timely maintenance of its Motor Vehicles and better use of premises and inbuilt facilities to ensure no environmental destruction is caused.

2.16 Contribution to Government coffer Donations

During the Financial year ended 30 June, 2023, Tribunal managed to contribute TZS 5,000,000 toward the consolidated fund account as part of the requirement of the law. Due to financial constrain the Tribunal did not provide any donations to the community.

2.17 Accounting Polices

The Tribunal is abiding to its key policies and the same have been summarized under Note 2 to the Financial Statements.

Employees Welfare

2.18 Management and Employees' Relationship

The relationship between the Management and employees was good. There were no unresolved complaints received by management from employees during the year.

2.19 Staff Development

During the year three (3) employees attended local short-term trainings and one (1) long term trainings. Six (6) professional staff was sponsored to attend professional continuing education in their respective areas of specialization. Prior Year, seven (7) employees attended local short-term trainings and one (1) long term training, and eight (8) professional staff were sponsored to attend professional continuing education in their respective areas of specialization.

2.20 Medical Assistance

All Tribunal staff contributes Health Scheme Fund - NHIF and staffs with their approved dependants have been receiving the medical services from the scheme. In some circumstance where some services are not provided by the scheme; upon the request and availability of fund the Tribunal pays for such medical services.

2.21 Financial Assistance to Staff

The Tribunal staff regulations allow staff to be provided with salary advance and short-term loans. These advances are in special circumstance where it is proved that the financial assistance will help an officer to address the problem which cannot be resolved by other source of financing. In most cases staffs are encouraged to take the loans from the bank and Tribunal guarantee for information and security.

2.22 Major achievements For the Year 2022/23

2.22.1 Adjudication of Appeal Cases from Regulatory Authorities and Fair Competition Commission (FCC)

The core function of FCT is to hear and determine appeals that arise from orders and decisions of the Fair Competition Commission (FCC) and Regulatory Authorities.

During the year under review 2022/23, Tribunal registered 13 cases and the 48 cases were carried forward from previous year that made the total number case for this financial year to be 61. These cases emanated from the decision made by Fair Competition Commission (FCC) and Regulatory Authorities in communications, energy and utilities. The Tribunal managed to hear and determine 37 cases while 8 cases were pending for hearing, 2 at preliminary stage and 4 Adjourned sine die, 8 notice of Appeal and 1 Application for Taxation and 1 application for execution.

2.22.2 Public Awareness campaign

It is the duty of the Tribunal in carrying out its function to strive to enhance the welfare of the people of Tanzania by, among other things, enhance public knowledge, awareness and understanding of the mandate of the Tribunal. In the period under review, the Tribunal conducted awareness campaign through participation in Dar es Salaam International Trade Fair-46th DITF (Saba Saba), World Competition Day at Arusha and Law Week exhibition event held in Dodoma whereby promotion materials including flyers and booklets were distributed to Tribunal stakeholders, knowledge on Tribunal matters was provided, questions were asked, opinion and comments were received from stakeholders. The awareness focused on:

- (i) The mandate, functions, duties and activities of the Tribunal;
- (ii) Procedures for filing appeals before the Tribunal;
- (iii) The rules governing the proceedings of the Tribunal; and
- (iv) Other matters of general interest to the public in the dispensing of justice in the regulated sectors.



The Tribunal has managed to prepare its HIV/AIDS policy since 2016/2017 and the same is under implementation. During the year 2022/2023 Tribunal has not conducted the HIV/AIDS awareness and Non-Communicable Diseases seminar due to budget constraints. Following the next financial year 2023/2024 Tribunal has planned to conduct seminar to its staff.

2.22.4 Employees Medical Assistance

All staff in the Tribunal is Members of the National Health Insurance Fund (NHIF) from which all employees receive medical services. Also, in special circumstances or under emergency where NHIF medical facilities are not available the Registrar, can approve such medical facilities to be offered to individual staff and approved dependents as the resources allow. During the year ended 2022/23 FCT incurred a total of TZS 2,538,800 as under Note 20 and (in 2021/2022: TZS 1,386,500) as medical assistance to employees.

2.22.5 Employees Health and Safety

The Tribunal takes all reasonable and practical measures to safeguard health safety and welfare of its staff. A safe working environment is ensured to all staff by providing a protective gears, training and supervision where necessary. Also, Government contributes 0.5% to Workers Compensation Funds to take care employee safety at workplace.

2.22.6 Employees Benefit Plan

The Tribunal employees are members of Public Service Pension Funds from which the Government contributes 15% and employee contributes 5% of basic salary.

2.22.7 Staffing

Manning level of the Tribunal is twenty-one (21) employees, currently employees are seventeen (17) where position of Personal Secretary II, Internal Auditor, ICT Officer, and Senior Driver are vacant and the process of filling the vacant position is ongoing. The table below indicates the staff distribution per department and gender:

Table 7: FCT Staffing Level

Gender	Registrar Office	Legal Depart.	Economic Depart.	Finance & Admin Depart.	Total
Male	2	3	2	4	11
Female		1	•	5	6

2.23 Challenges

During the period 2022/23, the FCT encountered several challenges as follows;

(i) Insufficient allocation of budget by Regulatory Authorities;

- (ii) Low level of awareness by the Stakeholders about existence of the Tribunal and its functions;
- (iii) Inadequacy Law and Tribunal Rules of Fair Competition Act 2003; and
- (iv) Inadequate of Tribunal Organization structure.

2.24 Results for the Year

During the year ended 30 June 2023, the Tribunal had surplus of TZS 425,387,176 as compared to deficit of TZS 234,567,805 for the year ended 30 June, 2022. Total income increased by 31% from TZS 1,957,595,988 in the year 2021/22 to TZS. 2,559,937,582. Total expenditures decreased by 3% from TZS. 2,192,163,793 in the year 2021/22 to TZS. 2,134,550,406 in the current year 2022/23. The decrease was mainly in other expenses and wages, salaries, and employees' benefits items. The reason was that we received less recurrent funds compared to previous years.

Risk Management and Internal Control

The Fair Competition Tribunal's financial statements for the financial year ended 30 June 2023 reflect a high degree of diligence in both risk management and internal control practices. The Tribunal's meticulous approach to identifying, assessing, and mitigating risks, coupled with the implementation of effective internal controls, has resulted in accurate financial reporting and sustained financial stability.

2.25 Relationship with stakeholders

The Fair Competition Tribunal's financial statements for the financial year ended 30 June 2023 not only showcase financial health but also reflect strong, positive relationships with clients, employees, suppliers, and regulatory bodies. These relationships are foundational to the Tribunal's success, fostering trust, collaboration, and mutual understanding.

2.26 Statement of compliance

The Financial statements have been prepared in conformity with the International Public Sector Accounting Standards (IPSAS), using significant accounting policies, which are consistent with those of the preceding year, and appropriate estimates and judgments have been made to present fairly the Tribunal's financial position and results of operations. The Tribunal's management is responsible for the preparation and fair presentation of these financial statements in accordance with IPSAS on accrual basis.

The Tribunal's management believes that the financial statements provide a true and fair view of the Tribunal's financial position, financial performance, and cash flows.

2.27 Solvency

Management confirms that International Public Sector Accounting Standards have been followed and that the Financial Statements have been prepared on a going concern basis. The

17

Management has reasonable expectation that there are adequate resources to continue in operational existence for the foreseeable future.

2.28 Appropriation of Reserve/Surplus

Tribunal is a public institution that is not for profit and for that reason there is no declaration of dividends. According to Tribunal policy, the surplus generated, if any shall be used for financing future Tribunal activities.

2.29 Auditors

The Controller and Auditor General is the statutory auditor of FCT by virtue of Article 143 of the Constitution of the United Republic of Tanzania as amplified under Section 10 (1) of the Public Audit Act, Cap 418 However, in accordance with Section 33 (1) of the same Act, M/s. Demus Associates was authorized to carry out the audit of FCT for the year ended 30 June 2023 on behalf of the Controller and Auditor General.

Renatus I. Rutatinisibwa

Registrar

Date

19/03/2024

3.0 STATEMENT OF MANAGEMENT'S RESPONSIBILITY ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The Tribunal is required to prepare Financial Statements for each financial year that gives a true and fair view of the Tribunal at the end of the financial year. In complying with this requirement, Management wishes to state that these Financial Statements comply with Generally Accepted Accounting Principles (GAAP) and reflect amounts that are based on the best estimates and informed judgment of the Management with an appropriate consideration to materiality. The Financial Statements, in this regard, are presented in a manner consistent with the International Public-Sector Accounting Standards (IPSAS).

The Management of the Tribunal is responsible for establishing and maintaining a system of effective internal control designed to provide reasonable assurance that transactions recorded in the accounts are within the statutory of the Tribunal and that they contain the receipt and use of all public financial resources by the Tribunal. Although there are inherent limitations to the effectiveness of any system of accounting controls, Management believes that the FCT's system provides reasonable, but not absolute, assurance that assets are safeguarded from unauthorized use or disposition and that the accounting and the underlying records are sufficiently reliable to permit the preparation of the Financial Statements that conform in all material respect with IPSAS.

To the best of the Management knowledge, the system of internal control has operated adequately throughout the reporting period. Thus, Management accepts the responsibility for the integrity of the Financial Statements for the year ended 30 June 2023, the information they contain, and their compliance with the required reporting framework.

Nothing has come to the attention of the Management to indicate that the Government of the United Republic of Tanzania shall wind up the operations of the Tribunal, thus, not to remain a going concern for at least twelve months from the date of this Statement.

19/03/2024

Renátus I. Rutatinisibwa

Registrar

Fanuel S K Tiibuza



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 and Administration responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors and Management to discharge the responsibility and CPA Holder hereby of preparing financial statements of the Authority showing a true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of the financial statements' rests with the Tribunal Management as under Management Responsibility statement.

I CPA Fanuel S K Tiibuza being the Head responsible for Finance and Administration of Fair Competition Tribunal acknowledge my responsibility of ensuring that financial statements for the year ended 30 June, 2023 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Fair Competition Tribunal as on that date and that they have been prepared based on properly maintained financial records.

Signed by:

Position: Head of Finance and Administration

NBAA Membership No: GA 1084

Dato

19/03/2024

William II

5.0 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	NOTE	2022/23	2021/22
		TZS	TZS
ASSETS			
CURRENT ASSETS			47 057 734
Cash and Cash Equivalents	7	23,876,883	17,857,734
Inventories	8	861,550	3,161,250
Receivables	9	<u>3,890,000</u>	3,890,000
TOTAL CURRENT ASSETS		<u>28,628,433</u>	<u>24,908,984</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	10	474,285,129	60,147,451
Intangible Asset (Working in progress)	10	133,520,000	-
TOTAL NON-CURRENT ASSETS		607,805,129	<u>60,147,451</u>
TOTAL ASSETS		636,433,562	<u>85,056,435</u>
LIABILITIES CURRENT LIABILITIES Payables and Accruals Deferred Income TOTAL CURRENT LIABILITIES	11 12	177,678,583 17,516,255 195,194,838	69,202,883 - <u>69,202,883</u>
TOTAL CURRENT EIABILITIES		195,194,838	<u>69,202,883</u>
·		441,238,724	<u> 15,853,552</u>
NET ASSETS NET ASSETS/EQUITY Capital Contributed by: Accumulated Surpluses / Deficits TOTAL NET ASSETS/EQUITY		441,238,728 441,238,728	<u>15,853,552</u> <u>15,853,552</u>

Notes form part of the financial statements which were approved and signed on behalf of the

Tribunal by;

Renatús I. Rutatinisibwa

Registrar

Date

Fanuel S K Tiibuza

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 TZS	2021/22 TZS
REVENUE			
Subvention from the Government	13	640,701,463	639,076,585
Other Revenue	14	6,418,168	12,727,799
Revenue from Exchange Transactions	15	1,325,240,606	1,305,791,604
Revenue Grants	16	<u> 587,577,345</u>	<u> </u>
		<u>2,559,937,582</u>	<u>1,957,595,988</u>
EXPENSES AND TRANSFERS			
Expenses			
Depreciation of Property, Plant and Equipment	17	38,434,902	36,147,050
Maintenance Expenses	18	48,410,781	39,293,393
Other Expenses	19	393,414,155	437,348,052
Social Benefits	20	2,538,800	1,386,500
Use of Goods and Service	21	699,664,445	689,869,934
Wages, Salaries and Employee Benefits	22	<u>937,087,323</u>	<u>973,118,864</u>
Total Expenses		<u>2,119,550,406</u>	<u>2,177,163,793</u>
Transfer			
Contribution to Consolidated Fund Account	23	<u> 15,000,000</u>	<u> 15,000,000</u>
Total Transfer		<u>15,000,000</u>	<u>15,000,000</u>
TOTAL EXPENSES AND TRANSFERS		<u>2,134,550,406</u>	<u>2,192,163,793</u>
Surplus / Deficit		<u>425,387,176</u>	(234,567,805)

Renatus I. Rutatinisibwa

Registrar

Date

Fanuel S K Tiibuza

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

•	NOTES	2022/23 TZS	2021/22 TZS
CASH FLOW FROM OPERATING ACTIVITIES			
RECEIPTS	24.1	640,701,463	639,076,580
Subvention from Government	27.1	605,093,600	0
Revenue Grants		1,325,240,606	1,305,791,604
Revenue from Exchange Transactions		6,418,168	12,727,799
Other Revenue	24.1	2,577,453,837	1,957,595,983
Total Receipts	AT. I	<u> </u>	
PAYMENTS Parafits	24.2	841,582,183	973,118,864
Wages, Salaries and Employee Benefits	24.2	684,396,272	644,269,360
Use of Goods and Service	24.3 24.4	2,538,800	1,386,500
Social Benefits	24.4 24.7	15,000,000	15,000,000
Grants, Subsidies, and Other Transfers	24.7 24.5	393,414,160	437,348,052
Other Expenses	24.5 24.6	48,410,781	39,293,393
Maintenance Expenses	24.0	1,985,342,196	2,110,416,169
Total Payments		1,703,342,170	2,110,-110,100
NET CASH FLOW FROM OPERATING ACTIVITIES		592,111,641	(152,820,186)
CASH FLOW FROM INVESTING ACTIVITIES		i	
Investing Activities			
Acquisition of Property, Plant and Equipment	10	(452,572,580)	(39,772,500)
Acquisition of Intangibles		<u>(133,520,000)</u>	0
Total Investing Activities		<u>586,092,580</u>	(39,772,500)
NET CASH FLOW FROM INVESTING		<u>(586,092,580)</u>	(39,772,500)
ACTIVITIES Net Increase/ (Decrease)		6,019, <u>061</u>	(192,592,68 <u>6)</u>
,		<u></u>	
Cash Surrendered to Holding Account `		•	_
Cash and cash equivalent at beginning of	•	<u>17,857,822</u>	<u>210,450,508</u>
period	7	<u>23,876,883</u>	<u> 17,857,822</u>
Cash and cash equivalent at end of period	,	<u> </u>	

Renatus I. Rutatinisibwa

Registrar

 $n_{\text{obs}} = 19/23$

Fanuel S K Tiibuza

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

	ACCUMULATED SURPLUS/(DEFICIT)	TOTAL
	TZS	TZS
Opening Balance as at 01 Jul 2022	15,853,552	15.853,552
surplus for the Year	425,385,176	425,385,176
Closing Balance as at 30 June 2023	441,238,728	441,238,728
Opening Balance as at 01 Jul 2021	250,421,357	250,421,357
Deficit for the Year	(234,567,805)	(234,567,805)
Closing Balance as at 30 June 2022	15,853,552	15,853,552

Renatus I. Rutatinisibwa

Registrar

Date

Fanuel S K Tiibuza

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE PERIOD ENDED 30 JUNE 2023

RECEIPTS	ORIGINAL BUDGET	REALLOCATION	FINAL BUDGET	ACTUAL AMOUNT ON COMPARISON	VARIANCE	REF NOTE
Subvention from Other Government Entities	1,327,534,280	•	663,934,280	640,701,463	23,232,817	-
Revenue Grants	•	•	663,600,000	605,093,600	58,506,400	-
Revenue from Exchange Transactions	13,500,000	-	13,500,000	6,418,168	7,081,832	5.4.1
Other Revenue	3,051,490,463		3,051,490,463	1,325,240,606	1,726,249,857	5.4.2
Total Receipts	4,392,524,743	-	4,392,524,743	2,577,453,837	1,815,070,906	
PAYMENTS						
Wages, Salaries and Employee Benefits	1,147,510,280	73,900,000	1,073,610,280	937,087,323	136,522,957	5.4.3
Use of Goods and Service	1,739,210,000	21,600,000	1,717,610,000	699,664,445	1,017,945,555	5.4.4
Social Benefits	12,000,000	4,000,000	8,000,000	2,538,800	5,461,200	
Other Transfers	15,000,000		15,000,000	15,000,000		
Other Expenses	673,200,000	(42,500,000)	715,700,000	393,414,160	322,285,840	5.4.5
Maintenance Expenses	91,334,463	(42,000,000)	133,334,463	48,410,781	84,923,682	5.4.6
Grants and Transfers	30,000,000	(15,000,000)	45,000,000	<u> </u>	45,000,000	5.4.7
Acquisition of Property, Plant and Equipment	550,750,000	-	550,750,000	452,572,580	98,177,420	5.4.8
Acquisition of Intangibles	133,520,000	-	133,520,000	133,520,000		<u> </u>
Total Payment	4,392,524,743	-	4,392,524,743	2,682,208,089	1,710,316,654	
Net Receipts/Payments				(104,754,252)	104,754,252	

Renatus I. Rutatinisibwa

Registrar

Fanuel S K Tiibuza

Explanation of Major Variances between Budget and Actual

5.4.1 Revenue from Exchange Transactions

For the financial year 2022/23 revenue from exchange transaction was TZS 13,500,000 but actual income was TZS 6,418,168, being lower by TZS 7,081,832 or 53%. The under collection was due to low number of new cases filed at the Tribunal in 2022/23.

5.4.2 Other Revenue

Other revenue which comprises Revenue from Regulatory Authority was budgeted at TZS 3,051,490,463; however, actual collections were TZS 1,325,240,606, being lower by TZS 1,726,249,857. The main cause was under budget collection was failure by regulatory authorities to fulfil their commitments to the Tribunal.

5.4.3 Wages, Salaries, and Employee Benefits

During the year 2022/2023 Wages, Salaries and Employee Benefits was budget TZS 1,073,610,280 as at 30 June 2023 TZS 937,087,323 has been expensed. The variance was due to insufficient funds received for Wages, Salaries and Employee Benefits.

5.4.4 Use of Goods and Services

Due to insufficient funds from Tribunal source of funds that include funds from Regulatory Authorities and Government some of activities could not be implemented.

5.4.5 Other Expenses

Due to insufficient funds from Tribunal source of funds that include funds from Regulatory Authorities and Government some of activities could not be implemented

5.4.6 Maintenance Expenses

The variance was due to insufficient funds received for maintenance expenses. Due to insufficient funds from Tribunal source of funds that include funds from Regulatory Authorities and Government some of activities could not be implemented.

5.4.7 Grants and Transfer

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Due to insufficient funds from Tribunal source of funds that include funds from Regulatory Authorities and Government some of activities could not be implemented.

5.4.8 Acquisition of Property, Plant, and Equipment

During the financial year ended 30 June 2023, the Fair Competition Tribunal made strategic investments in intangible assets to enhance its operational capabilities and support long-term growth. Intangible assets, such as software, play a vital role in the organization's activities, contributing to its competitive advantage, research and development initiatives, and overall value proposition. Tribunal's acquisition of intangible assets during the financial year ended 30



June 2023 reflects a strategic investment in enhancing its capabilities and delivering greater value to stakeholders.

6 NOTES TO THE FINANCIAL STATEMENTS

6.4 APPLICABLE ACCOUNTING POLICIES AND STANDARDS

6.4.4 General Information

The Fair Competition Tribunal is a quasi - judicial organ established by the Fair Competition Act No. 8 of 2003. The Tribunal was established for the purpose of hearing and determining appeals that arises from decisions and orders of Fair Competition Commission and Regulatory Authorities. The Tribunal composed of a chairman and six members. The Chairman is appointed by the President from among the Judges of the High Court of Tanzania and six Members are appointed by the President in consultation with Attorney General.

The day-to-day activities of the Tribunal are under the Registrar who is the Chief Executive and Accounting Officer. The Registrar leads the members of Staff in the Department of Legal, Economic, Finance and Administration.

6.4.5 Principal Accounting Policies

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

6.4.6 Basis of Preparation

These financial statements have been prepared in accordance with international Public-Sector Accounting Standards (IPSAS) accrual basis. The complete set of the financial statements comprises a statement of financial position, a statement of financial performance, a statement of changes in net assets, a cash flow statement, a statement of comparison of budget and actual amounts, and notes to the financial statements. The statement of budget and actual amounts is in cash basis.

The measurement basis applied in the preparation of these financial statements is the historical cost basis adjusted for impairment of assets, except where otherwise stated. The financial statements are presented in Tanzania Shillings (TZS), no depreciation is charged if the residual value of an item is equal to or greater than its carrying value and no adjustments have been made for inflationary factors affecting the accounts.

The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

6.4.7 Property, Plant and Equipment

All items of property and equipment are initially recorded at cost and thereafter stated at historical cost less depreciation, less any accumulative asset impairment. Historical cost comprises all expenditure directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent

costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Financial Performance during the financial period in which they are incurred.

Depreciation on assets is calculated on a straight-line method to write off the cost of each asset, over their estimated useful lives.

Applicable depreciation rates are as follows:

Asset Category 14	Depreciation Rate in Percentage (%)
Motor Vehicles	20
Computers and Accessories	25
Furniture and Fittings	20
Equipment	20

6.4.8 Intangible Assets

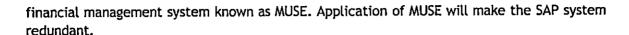
Intangible Asset comprises computer software licenses which are capitalized on the basis of the costs incurred to acquire and bring them to usable condition. Costs of acquiring software that is regarded as an integral part of some identifiable hardware are recognized as part of the cost of the hardware. Costs of acquiring other software are recognized as intangible assets and are amortized over their estimated useful lives.

The Tribunal is in the final stages to acquire a new Case Management System which will enable the Tribunal to automate case processes. On the hand, the Tribunal uses the Government Payment System which was established by the Government to manage and oversee all payments related to government activities. The system involves digital systems such as the Integrated Financial Management Information System (IFMIS). The IFMIS is a comprehensive system designed to streamline and automate various financial processes including budgeting, accounting, procurement, and reporting within government agencies. It helps to improve transparency, accountability, and efficiency in financial data and facilitating standardized financial reporting practices, and providing financial reports.

6.4.9 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 recognizing for the amount by which the assets' 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.

The Tribunal has carried out Impairment test that has revealed that the current accounting system used to maintain the Tribunal financial information known as SAP is likely to be impaired following the decision of Government that require all Government institutions to use the



6.4.10 Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on a weighted average cost method 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 obsolete items is provide for in full in the year they are detected.

6.4.11 Revenue

Revenue is recognized on accrual basis of accounting. It is recognized only when it is probable that the economic benefits associated with the transaction will flow to the Tribunal and the revenue can be reliably measured. The revenue is measured at fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Interest Revenue from financial asset is recognized when it is probable that the economic benefits will flow to the Tribunal and amount of revenue can be measured reliably.

6.4.12 Recognition of Non-Monetary Grants

An inflow of resources from a non-exchange transaction received as Non-Monetary Grants in the form of asset shall be recognized as revenue except to the extent that a liability is also recognized in respect of the same inflow. When the liability is recognized, such liability shall be amortized over the life span of such asset.

6.4.13 Government Subvention

Government subventions are accounted for on cash basis and recognized as income in the year received.

6.4.14 Contribution from Regulatory Authorities

Contributions from Regulatory Authorities are accounted for on accrual basis and are reported as operating grant otherwise is stated. The revenue is recognized when due for payment and demand note is issued and accepted.

6.4.15 Income from Tribunal Services

Fees paid to the Tribunal are accounted on cash basis and recognized when received and acknowledgement receipt issued.

6.4.16 Transfer Revenue

Assets and Revenue recognized as a consequence of a transfer are measured at the fair value of the assets recognized as at the date of recognition. Non-monetary assets are measured at their fair value, which is determined by reference to observable market values or by independent appraisal by member of the valuation profession. Receivables are recognized when a binding transfer arrangement is in place, but cash or other assets have not been received.

Assets and Revenue arising from transfer transactions are recognized in the period in which the transferred arrangement becomes binding, except for some services in-kind. The Tribunal recognized only those services in-kind that are received as part of an organized program and for which it can determine a fair value by reference to market rates. Other services in-kind are not recognized.

Where a transfer is subject to condition that, if unfulfilled, requires the return of the transferred resources, the tribunal recognizes a liability until the condition is fulfilled.

6.4.17 Foreign Currency Transaction

The financial statements are presented in Tanzania Shillings (TZS), which is the Tribunal functional and presentation currency.

6.4.18 Transaction and Balances

Transactions in foreign currencies during the year are converted into Tanzania Shillings at rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are restated in Tanzanian shillings using the BoT rate ruling at the balance sheet date. Exchange gains and losses resulting from the settlement of such transactions are recognized using the yearend exchange rate. Monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Financial Performance in the year in which they arise.

6.4.19 Financial Assets and Liabilities

Financial assets and liabilities are initially measured at fair value. Transactions costs that are directly attributed to the acquisition or issue of financial assets and financial liabilities (other than financial asset and liabilities at fair value through Surplus or Deficit) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Surplus or Deficit are recognized immediately in the Statement of Financial Performance.

Financial assets comprise of staff Advances and receivables.

6.4.20 Cash and Cash Equivalent

For the purpose of the Statement of Cash Flows, the cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdraft and investments in money markets instruments which are less than 91 days to maturity from the date of acquisition.

6.4.21 Grants and Development funds

Grants without conditions are accounted for in the statement of financial performance while grants with conditions are recorded as deferred grants on receipt and released to the revenue and expenditure account upon utilization.

6.4.22 Subvention from Treasury

Subvention comprises funds from Treasury to cater for employees' salaries and other operational costs. These are credited to statement of financial performance in the period in which they are received.

6.4.23 Operating Lease

Leases of assets under which a significant portion of the risks and reward are effectively retained by the lesser are classified as operating lease. Tribunal operations are carried out in rented premises and the rent is paid annually.

6.4.24 Employee Benefit Recognition

Employees' benefits and long service awards are recognized when they accrue to employees. Provision is made for the estimated liabilities for such benefit as a result of services rendered by employees up to the date of Statement of Financial Position. For the financial year 2022/23 the Tribunal had no accrued employees' benefits.

6.4.25 Retirement Benefits Obligations

Tribunal and its employees contribute to the Public Service Social Security Fund (PSSSF) a statutory defined social scheme. The Government contributes 15% of monthly basic salary for each employee; equally, each employee contributes 5% of his/her monthly basic salary. The Government contribution is charged to the statement of financial performance in the year which they relate.

6.4.26 Statutory Payroll Remittances

A statutory payroll remittance done by Tribunal includes Pay as You Earn (PAYE) payable by the Tribunal to Tanzania Revenue Authority (TRA) in accordance with the Income Tax Act of 2004 (Revised from time to time).

6.4.27 Workers Compensation Funds

A statutory remittance done by Tribunal also includes Workers Compensation Funds (WCF) in accordance with Workers Compensation Act no. 20 of 2008 in which employer contribute 0.5% of employee's earnings (wage bill).

6.4.28 Contingent Liabilities

There were no contingent liabilities as at 30 June 2023.

6.4.29 Authorization and Date of Issue of this Report

These audited accounts of FCT have been deliberated, adopted, and authorized by the Management for audit on 28^{th} September 2023.

7 CASH AND CASH EQUIVALENTS

	2022/23 TZS	2021/22 TZS
BoT Own Source Collection Account	665,824	7,383,033
Cash in hand	400,000	400,000
Own Source Collection Account - NBC	100,000	100,000
Own Source Recurrent Expenditure GF	5,594,804	10,374,701
Development Expenditure cash Account	<u> 17,516,255</u>	
Total	<u>23,876,883</u>	<u>17,857,734</u>
8 INVENTORIES		
	2022/23	2021/22
	TZS	TZS
Office consumable (Stationeries, etc.)	<u>861,550</u>	3,161,250
Total	<u>861,550</u>	3,161,250
9 ACCOUNTS RECEIVABLES		
	2022/23	2021/22
	TZS	TZS .
Prepayments .	•	
Staff Advances and Imprest	<u>3,890,000</u>	3,890,000
Total	3,890,000 3,890,000	3,890,000
ivial	0,070,000	<u>, 0,00,000</u>

10 PLANT, PROPERTY, AND EQUIPMENT

ITEM DESCRIPTION	. COST				DEPRECIATION		NET CARRYING VALUE
į	Balance as at 01/07/2021	Addition Monetary	Balance as at 30/06/2022	Balance as at 01/07/2021	Charge during the year - Depreciation	Balance as at 30/06/2022	Balance as at 30/06/2022
Beds, Desks, Shelves, Tables, Chairs and Cabinets	72,537,000	20,258,500	92,795,500	41,150,000	16,156,650	57,306,650	35,488,850
Office Furniture	96,666,000	5,369,800	102,035,800	82,312,000	12,648,587	94,960,587	7,075,213
Hardware: servers and equipment (incl. desktops, laptops, UPS etc.)	83,447,000	14,144,200	97,591,200	72,666,000	7,341,812	80,007,812	17,583,388
Motor Vehicles	316,270,332	-	316,270,332	316,270,332	-	316,270,332	-
TOTAL	568,920,332	39,772,500	608,692,832	512,398,332	36,147,049	548,545,381	60,147,451

ITEM DESCRIPTION		COST			DEPRECIATION		
	Balance as at 01/07/2022	Addition Monetary	Balance as at 30/06/2023	Balance as at 01/07/2022	Charge during the year - Depreciation	Balance as at 30/06/2023	Balance as at 30/06/2023
Beds, Desks, Shelves, Tables, Chairs and Cabinets	92,795,500	25,000,000	117,795,500	57,306,650	19,773,560	77,080,210	40,715,290
Office Furniture	102,035,800	18,770,400	120,806,200	94,960,587	13,447,744	108,408,332	12,397,868
Hardware: servers and equipment (incl. desktops, laptops, UPS etc.)	97,591,200	53,708,580	151,299,780	80,007,812	5,213,598	85,221,410	66,078,370
Motor Vehicles	316,270,332	355,093,600	671,363,932	316,270,332	-	316,270,332	355,093,600
TOTAL	608,692,832	452,572,580	1,061,265,412	548,545,381	38,434,902	586,980,283	474,285,129

· · · · · · · · · · · · · · · · · · ·		**	
INTANGIBLE ASSET (Work in Pr	ogress)	2022/23	2021/22
		TZS	17ZS
		123	, 23 -
Cost as 01 July	_	422 520 000	_
Acquisition and installation of a	<u>133,520,000</u>		
(CMS) as at 30 June,2023			
Total	<u>133,520,000</u> 0		
11 ACCOUNTS PAYABLES			
		2024 (2)	2
	2022/23	2021/2	2
	TZS	TZS	
Other Payables	45,631,558		35,141,736
Social Benefits	127,598,862		32,093,222
Withholding tax	<u>4,448,163</u>		<u>1,967,925</u>
Total	<u>177,678,583</u>		<u>69,202,883</u>
local	 _		
12 DEFERRED			
INCOWE	2022/23		2021/22
	TZS		TZS
	<u> 17,516,255</u>		•
Deferred income for the	<u> </u>		
period. The amount was			
earmarked for purchase			
of office furniture,			
however, by the end of			
the year, the items			
were not delivered.			
	<u> 17,516,255</u>		
	•		•
13 SUBVENTION			
FROM THE			
GOVERNMENT			
GOVERNMENT	2022/23		2021/22
	TZS		TZS
O. I	627,944,830		626,910,828
Subvention for Personal	027,744,030		, ,
Emolument	17 754 433		12,165,757
Subvention for Other	<u>12,756,633</u>		
Charges	440 704 443		<u>639,076,585</u>
Total	<u>640,701,463</u>		037,070,000
14 OTHER REVENUE			2024 122
	2022/23		2021/22
	TZS		TZS
Appeal Fees	694,000	•	1,345,500
Miscellaneous Receipts	190,168		-
Miscettaneous neceipes	·		
			35

Controller and Auditor General

AR/PA/FCT/2022/23

Professional Fees	_5,534,000	<u> 11,382,299</u>
Total		
lotat	<u>6,418,168</u>	<u>12,727,799</u>
15 REVENUE FROM		
EXCHANGE		
TRANSACTIONS		
	2022/23	2021/22
	TZS	TZS
Regulatory Fees		
= •	1,325,240,606	1,305,791,604
Total	<u>1,325,240,606</u>	<u>1,305,791,604</u>
16 REVENUE		
GRANTS		
	2022/23	2024/22
		2021/22
	TZS	TZS
Government Grant	<u>_587,577,345</u>	
Development	·	
	597 577 2 <i>4</i> 5	
4P	<u>587,577,345</u>	
17 DEPRECIATION OF PR	OPERTY, PLANT, AND EQUIPMENT	
	2022/23	2021/22
	TZS	TZS
Beds, Desks, Shelves,	19,773,560	
	17,773,000	16,156,650
Tables, Chairs and		
Cabinets		
Depreciation Hardware	5,213,598	7,341,812
servers and equipment	-,,	7,5,6.12
_ ·		
(incl. desktops,		
Laptops, UPS, etc)		
Office Furniture	13,447,744	12,648,587
Other Office equipment	-, ,	-
• •	-	•
Printers and Scanners	-	-
Total	<u>38,434,902</u>	<u>36,147,049</u>
18 MAINTENANCE		
EXPENSES		•
D/1 D17253	. 2022/22	2024/22
	2022/23	2021/22
	TZS	TZS
Tyres and Batteries	4,125,280	-
Outsource maintenance	44,285,501	39,293,393
contract services	47,205,501	
Total	<u>48,410,781</u>	<u>39,293,393</u>
19 OTHER		
EXPENSES		
	2022/22	2024/22
	2022/23	2021/22
	TZS	TZS
Audit Fees	33,280,000	55,908,000
Bank Charges and	3,899,429	5,894,728
Commissions	0,077, 127	5,071,120
COMINISSIONS		
		36
		30

AR/PA/FCT/2022/23

Controller and Auditor General

	•	
Burial Expenses	4,000,000	5,000,000
Consultancy fees	g	9,588,000
-	352 <u>,234,726</u>	360,957,324
Management Fee		
Total	<u>393,414,155</u>	<u>437,348,052</u>
20 SOCIAL BENEFITS		
	2022/23	2021/22
	1 7 S	TZS
	•	_1,386,500
Settlement of Medical	2,538,800	1,386,366
Treatment Claims		
Total	<u>2,538,800</u>	<u>1,386,500</u>
21 USE OF GOODS		
	•	
AND SERVICES		2024/22
	2022/23	2021/22
	TZS	TZS
Advertising and	6,423,500	6,460,000
publication	, ,	
•	4.047.000	4,842,000
Air Travel Tickets	. 4,067,000	
Computer Supplies and	•	. 5,949,560
Accessories		
Conference Facilities	11,130,000	31,705,000
Diesel	33,909,869	23,410,731
	33,707,007	3,970,000
Educational Radio and	-	3,970,000
TV broadcasting	•	
programming	•	
Electricity	13,590,630	16,376,065
-	2,000,000	, ,
Entertainment	• •	9 E24 000
Food and Refreshments	38,897,000	8,531,000
Ground Transport (Bus,	2,006,000	4,790,000
Train, Water)		
Ground travel (bus,	99,954,000	89,803,002
• •	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, .
railway taxi, etc)	2 272 504	A 2A2 072
Internet and Email	2,273,584	4,242,972
connections		
Newspapers and	613,000	3,015,000
Magazines		•
_	13,820,700	21,771,050
	13,820,700	21,771,000
(papers, pencils, pens		
and stationeries)		
Outsourcing Costs	15,168,000	13,447,915
(includes cleaning and	•	
-		
security services)	25/ 50/ 7/2	227 844 540
Per Diem - Domestic	356,506,712	327,841,540
Per Diem - Foreign	3,000,000	-
Posts and Telegraphs	240,000	-
Printing and		-
_		
Photocopying Costs		2 450 000
Printing Material	-	3,658,000

Remuneration c	of 400,000	•
Instructors	AL 152 794	43,964,991
Rent - Offic	e 46,152,386	:.
Accommodation	al 3,133,700	1,450,000
Spécial Needs materia	2,.55,.55	,
and supplies Special Uniforms an	d 1,265,500	6,000,000
Clothing	, ,	
Specialised Medica	al -	140,000
Supplies		
Subscription Fees	14,241,630	29,542,070
Telephone Charge	es 10,966,234	8,645,018
(Land Lines)		
Textbooks	500,000	
Training Allowances	6,475,000	3,000,000
Tuition fees	<u> 12,930,000</u>	27,314,026
Total	<u>699,664,445</u>	<u>689,869,939</u>
22 WAGES, SALARI	ES, AND EMPLOYEES' BENEFITS	•
		2024/2022
	2022/23	2021/2022
	TZS	TZS 5,401,146
Acting Allowance	4DT 044 BB0	626,910,828
Civil Servants	627,944,830	020,710,020
Electricity	13,975,000	12,085,000
Electricity Allowance	-	18,120,002
Extra-Duty	16,490,000	27,759,000
Food and Refreshment	t	2,000,000
Honoraria	1,600,000	29,200,000
Housing Allowance	33,800,000	48,423,899
Leave Travel	61,194,793	100,133,013
Professional Allowanc		40,735,000
Sitting Allowance	40,750,000	-10,733,000
Telephone	12,675,000	10,955,000
Telephone Allowance	22.007.700	. 51,395,976
Tribunal Members	33,807,700	<u>973,118,864</u>
	937,087,323	<u>773,110,031</u>
23 CONTRIBUTION	TO CONSOLIDATED FUND ACCOUNT (CF)	2021/22
	2022/23	2021/22 TZS
	TZ\$	15,000,000
Contribution to CF (15		15,000,000 15,000,000
Total	<u>15,000,000</u>	13,000,000

24 RECONCILIATION OF CASH FLOW STATEMENT ITEMS

Description	Actual Amount	Prior	Accrued Amount	Deferred	Actual Amount
	On Accrual	Year	this Year	income	
	Basis	Accru			
		ed			
•		Amou			
	i	nt			
		Paid			
24.1 Revenue Income During the Year	2,559,937,582			17,516,255	2,577,453,837
24.2 Wages, Salaries and	(937,087,823)		95,505,640		(841,582,183)
Employee Benefits					
24.3 Used of Goods and services	(699,664,445)		15,268,173	,	(684,396,272)
24.4 Social Benefits	(2,538,800)				(2,538,800)
24.5 Other Expenses	(393,414,160)			•	(393,414,160)
24.6 Maintenance	(48,410,781)				(48,410,781)
Expense					
24.7 Contribution to CF	(15,000,000)				(15,000,000)
account					
Net Operating Expenses	463,821,573	-	110,775,400	17,516,255	592,111,641

25.0 RECONCILIATION OF CASH FLOWS FROM OPERATION USING INDIRECT METHOD

	2022/2023 TZS	
CASH FLOWS FROM OPERATIONS		
Net Surplus/(Deficit) for the Year	425,387,176	
Adjust Non-Cash Items		
Add: Depreciation	38,434,902	
Adjusted Net Profit/(Loss)	463,822,078	
Add: Changes in Working Capital Items (Increase)/Decrease in Inventories (Increase)/Decrease in Receivables	2,299,700	
Increase/(Decrease) in Differed Income Increase/(Decrease) in Payables and Other	17,516,255	
Payables .	108,475,195	
Net Changes in Working Capital Items	128,291,150	
Net Cash Flows from Operations	592,113,228	

26. RELATED PARTY TRANSACTIONS

Under IPSAS 20, related party transactions are those transactions between FCT and its key management personnel. In this case key management personnel include the members of the

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tribunal, registrar, and other management team. During the year under review, the following were related party transactions.

SN	DESCRIPTION	2022/2023 TZS	2021/2022 TZS
1.	Remuneration to Members of the Tribunal	183,214,954	177,663,912
2.	Salaries of the Registrar and Allowances	110,160,000	110,160,000
3.	Salaries and Allowances to Other Members of Management Team	312,728,160	312,728,160