



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS AND COMPLIANCE AUDIT OF TANZANIA
TOURIST BOARD FOR THE FINANCIAL YEAR ENDED

30 JUNE 2021

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AR/ PA/TTB/2020/21

Mandate

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

Vision

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

Mission

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

Motto: "Modernizing External Audit for Stronger Public Confidence"

Core values

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

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



We do this by:

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

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

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ABBREVIATIONS

CAG	Controller and Auditor General
FY	Financial Year
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
OC	Other Charges
TTB	Tanzania Tourist Board
TZS	Tanzania Shillings
THB	Tanzania Housing Bank



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1.0. DIRECTORS' REPORT ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1.1 INTRODUCTION

I have the pleasure to submit my report along with the financial statements of the Tanzania Tourist Board (TTB) for the year ended 30 June 2021, in compliance with the TFRS 1 (Directors' Report).

1.2 INCORPORATION

TTB is a government parastatal organization which was legally established by Tanzania Tourist Board Act, CAP 364 R.E. 2002 as amended by Act No. 18 of 1992. TTB was formed after the disbandment of the Tanzania Tourist Corporation (TTC). The Board is mandated with promotion and development of "all the aspects of tourism" industry in Tanzania. The Board is under the supervision and control of the Board of Director.

1.3 MISSION, VISION AND CORE VALUES

(i) Vision statement

Tourism becomes number one contributing sector to the GDP by year 2025.

(ii) Mission statement

To promote sustainable tourism domestically and internationally through innovative and dynamic awareness creation in order to contribute significantly to the socio-economic development of Tanzania.

(iii)Core values

The Board's core values include: -

- **Transparency:** TTB staff shall exercise openness, impartiality, accuracy and promptness in sharing the information with all the stakeholders;
- **Accountability and Responsibility:** TTB employees shall be accountable and responsible for their actions, exercise diligence to duty and optimum use of resources.
- **Competence, Discipline and Team Spirit:** TTB employees shall demonstrate high level of commitment, by working together, collaborating and coordinating in discharging their duties, while striving to achieve the highest standard of work efficiently and actively seek for opportunities to improve those standards through competence and skills training;
- **Innovativeness:** Whenever possible TTB employees are expected to be innovative and embrace modern technology so as to be able to adapt to the fast changing environment in undertaking their duties.

- **Quality Customer Service:** TTB staff shall demonstrate high level of respect, impartiality, courtesy, timeliness in the course of discharging their duties so that customers will leave TTB with better experience than expected at all time.
- **Productive partnerships, socio responsibilities and recognition of employees:** All TTB staffs are expected to seek for better partnerships with both public and private sector while preferring social responsible ones at the same time embrace the notion of recognizing hard working employees.

1.4 PRINCIPAL ACTIVITIES OF TANZANIA TOURIST BOARD

The Board's principal activities are:

- To promote and develop all aspects of tourist industry in Tanzania through effective marketing and promotion of tourism domestically and internationally; and
- To adopt all such measures as it may consider necessary to advertise and publicize Tanzania as a popular tourist destination;
- To encourage by such measures as it may deem fit for the development of such amenities in Tanzania as it may enhance the attractiveness of Tanzania to tourists;
- To undertake research, experiments and operations as may appear to be necessary to improve the basis of the tourist industry;
- To foster an understanding within Tanzania of the importance and economic benefits of the tourist industry;
- To make all such inquiries and collect all such information as it may deem necessary for the purpose of carrying out its functions.
- To improve co-ordination within the tourism industry and improve tourist products and services.

1.5 BOARD OF DIRECTORS

The Board of Directors of the Tanzania Tourist Board is made up of seven Directors including the Chairperson. The Directors, who served the Board up to 30 June 2021 were as follows:

Table 1: List of TTB Board of Directors

S/ n	Name	Position	Date appointed	Age	Qualification/Discipline	Nationality
1	Hon. Judge Thomas. B. Mihayo (retired)	Chairperson	24.04.2016	75	LLB (Hons)	Tanzanian
2	Mr. Ibrahim Mussa	Member	24.04.2016	64	MSc in International tourism Management	Tanzanian
3	Mr. Mark Eli Leveri	Member	24.04.2016	72	BA in Public Administration, MBA in Marketing & Finance, Candidate for	Tanzanian

TANZANIA TOURIST BOARD

S/n	Name	Position	Date appointed	Age	Qualification/Discipline	Nationality
					PhD	
4	Mr. Richard Rugimbana	Member	24.04.2016	70	B.A (Hons) Management and Administration	Tanzanian
5	Ms. Zabein M. Muhita	Member	24.04.2016	71	B.A (Hons) Education.	Tanzanian
6	Mr. Edward Masanja	Member	24.04.2019	50	CPA (T), ACCA, MSC. Financial Mgt & Info Sys, B.Com Hon, ADA	Tanzanian
7	Mr. Ally Hussein Laay	Member	01.02.2017	66	MBA in Finance and Marketing, FCPA (T), PGD in Accountancy, Adv Diploma in Accountancy	Tanzanian
8	Ms. Betrita James Lyimo	Secretary	10.04.2021	57	MSC. Environment & Development Sustsinsble Tourism B.A (Hons) in International Relations, Public Administration, MA in Tourism	Tanzanian

During the year, the Board conducted Four Ordinary Board meetings to receive reports from its committees: -

Table 2: Register of attendance of Board Members in the TTB Board meetings for the year 2020/21

S/N	Member's Name	Attendance of Members in meetings				Total Number of Meetings attended
		7/8/2020	18/11/2020	5/3/2021	2/7/2021	
1	Hon. Judge Thomas. B. Mihayo (retired)	P	P	P	P	4
2	Mr. Ibrahim Mussa	P	AP	AP	P	2
3	Mr. Mark Eli Leveri	P	P	P	P	4
4	Mr. Richard Rugimbana	AP	P	AP	P	2
5	Ms. Zabein M. Muhita	P	P	AP	P	3
6	Mr. Edward Masanja	P	AP	P	P	3
7	Mr. Ally Hussein Laay	P	AP	P	AP	2
8	Ms. Betrita James Lyimo	P	P	P	P	4

P = Present

AP = Apology

AP-R = Absence with apology-Represented

N/A* = The post/position was vacant

All the Directors are Non-Executive Directors and non of them has an interest to the TTB. Details about related party transactions have been disclosed in Note 32 to the Financial Statements.

- Safeguarding of Board's properties;
- Review of the TTB Act;

- Implementing the Prime Minister's directives on how to drive the tourism agenda;
- Review of staff matters, MIS and financial performance of the Board;
- Adopting audited financial reports for the year 2020/21;
- Adopted the Procurement Plan for 2020/21;
- Review of tourism activities for the year; and
- Approve of the TTB Budget for the financial year 2020/21

1.6 THE BOARD COMMITTEES

The Board of Directors has formed four committees namely the Audit, Risk and Compliance Committee; Good Governance and Human Resources committee; Marketing, Investment and Communication Committee and Budget Committee.

1.7 The Audit Risk and Compliance Committee (ARCC)

The Committee is responsible for monitoring and reviewing the effectiveness of internal control and the financial control of the Board. The Committee comprise of four Non-Executive Directors. Also, the committee reviews the external auditors' proposed audit scope, approach and audit deliverables; and review draft accounts before submission to the External Auditors for audit. In addition, it makes follow-up for the implementation of the auditors' findings and recommendations approve the Internal Audit work plan and performance.

During the year 2020/21, the committee conducted four Ordinary meetings among other issues, to discuss and approve Internal Auditor's report as well as external auditor's report and argued management to implement all recommendations. It moreover deliberated on various compliance issues as guided by the Act as well as implementing directives from the Government.

The Members of the ARCC who served the Board during the year and up to the date of this report were as follows:

Table 3: Members of the ARCC

No	Name	Position	Nationality	Qualification	Age
1	Mr. Ally Hussein Laay	Chairperson	Tanzanian	MBA in Finance and Marketing, FCPA (T), PGD in Accountancy, Adv Diploma in Accountancy	66
2	Mr. Edward D. Masanja	Member	Tanzanian	CPA (T), ACCA, MSC. Financial Mgt & Info Sys, B.Com Hon, ADA	50
3	Mr. Ibrahim A. Mussa	Member	Tanzanian	MSc in International tourism Management	64
4	Mr. Richard O. Rugimbana	Member	Tanzanian	B.A (Hons) Management and Administration	70

TANZANIA TOURIST BOARD

5	Ms. Zabein M. Muhita	Member	Tanzanian	B.A (Hons) Education.	71
6	Ms. Betrita James Lyimo	Secretary	Tanzanian	B.A (Hons) in International Relations, Public Administration, MA in Tourism	57

1.8 The Human Resources and Good Governance Committee

This committee is responsible for overseeing Boards' conduct of affairs and management of resources as well as appointment and disciplining of employees whose responsibilities fall under the authority of the Board. The employees appointed by this committee include directors, managers and principal officers.

During the year 2020/21, the committee conducted three Ordinary meetings to discuss about Boards' resource availability and their status for effective discharge of operations. Moreover, it checked staff matters, reviewing the manning levels against the required number of the Board's staff. The committee assessed manpower utilization in relation to Board's performance and commented on the ways to fill vacant positions. The committee members were as follows: -

Table 4: The Human Resources and Good Governance Committee

No	Name	Position	Nationality	Qualification	Age
1	Mr. Mark Leveri	Chairperson	Tanzanian	PhD in Management, BA in Public Administration, MBA in Marketing & Finance, Candidate for PhD	72
2	Ms. Zabein Muhita	Member	Tanzanian	B.A (Hons) Education.	71
3	Mr. Edward Masanja	Member	Tanzanian	CPA (T), ACCA, MSC. Financial Mgt & Info Sys, B.Com Hon, ADA	50
4	Ms. Betrita James Lyimo	Secretary	Tanzanian	B.A (Hons) in International Relations, Public Administration, MA in Tourism	57

1.9 Marketing, Investment and Communication Committee

The Committee is responsible for all Investment activities of the Board. It is also in charge of reviewing marketing and promotional plans of the Board and check actual implementation of the planned activities to see whether the activities have brought a satisfactory outcome to the tourism industry. During the year, the committee conducted three Ordinary meetings and discussed the following matters: -

- Reviewed the budget for the year the 2020/21, in line with the five years' Strategic Plan, for approval by the main Board;
- Agreed on ways to increase awareness on tourism matters, including promotion of domestic tourism;
- Reviewed participation of Tourism Exhibitions in which the Board attended;
- Discussed on possible corroborations in the international market; and

- Developing country-specific marketing strategies and Board's participation in tourism events.

The committee members were as follows: -

Table 5: Marketing, Investment and Communication Committee

No	Name	Position	Nationality	Qualification	Age
1	Mr. Richard O. Rugimbana	Chairperson	Tanzanian	B.A (Hons) Management and Administration	70
2	Mr. Mark Leveri	Member	Tanzanian	BA in Public Administration, MBA in Marketing & Finance, Candidate for PhD	72
3	Mr. Ibrahim Mussa	Member	Tanzanian	MSc in International tourism Management	64
4	Mr. Ally Hussein Laay	Member	Tanzanian	MBA in Finance and Marketing, FCPA (T), PGD in Accountancy, Adv Diploma in Accountancy	66
5	Ms. Betrita James Lyimo	Secretary	Tanzanian	B.A (Hons) in International Relations, Public Administration, MA in Tourism	57

1.10 The Budget and Finance Committee

This committee is responsible for review of the proposed budget for the ensuing fiscal year to ascertain that they are fiscally sound and supportive of the approved strategic plan and priorities of the Board. The Committee is also responsible for recommending budget changes, modifications in accordance with the board's objectives. It receive and analyses performance reports regarding the implementation of budgets before forwarding same to the Board of Directors for approval.

During the year 2020/21, the committee conducted one ordinary meeting with only two agenda. Which are;

- Discuss the Quarterly Budget and Finance implementation report (January - March 2021) and;
- To discuss project implementation progress report.

The committee members were as follows: -

Table 6: The Budget and Finance Committee

No	Name	Position	Nationality	Qualification	Age
1	Mr. Edward D. Masanja	Chairperson	Tanzanian	CPA (T), ACCA, MSC. Financial Mgt & Info Sys, B.Com Hon, ADA	50
3	Mr. Mark E. Leveri	Member	Tanzanian	BA in Public Administration, MBA in Marketing & Finance, Candidate for PhD	72

TANZANIA TOURIST BOARD

No	Name	Position	Nationality	Qualification	Age
4	Mr. Richard O. Rugimbana	Member	Tanzanian	B.A (Hons) Management and Administration	70
5	Mr. Ally Hussein Laay	Member	Tanzanian	MBA in Finance and Marketing, FCPA (T), PGD in Accountancy, Adv Diploma in Accountancy	66
6	Ms. Betrita James Lyimo	Secretary	Tanzanian	B.A (Hons) in International Relations, Public Administration, MA in Tourism	57

1.11 MANAGEMENT OF TANZANIA TOURIST BOARD

The overall management of the Board is vested in the Board of Directors, while day to day operations are executed by the management team headed by the Director General.

1.12 OVERALL PERFORMANCE DURING THE YEAR ENDED 30 JUNE 2021

For the Board to perform its functions it has to prepare its plan and budget on annual basis as any other government institution does. In the financial year ended 30 June 2021, Tanzania Tourist Board received total of TZS 4,508,009,725 which is equivalent to 40% of total approved budget of TZS 11,047,716,419. TZS 3,908,293,718 equivalent to 86.7% was received from Central Government through exchequer system. As at 30 June 2021 total of TZS 4,046,702,276 equivalent to 86.7% of funds received was utilized of which TZS 49,213,538.24 equivalent to 1.22% of the total funds utilized was transferred to TTB branches and TZS 3,997,488,737.76 equivalent to 98.8% was spent at TTB HQ. General budget performance report is shown in the Table 1.

Table 7: General Budgetary Performance Report for the financial year 2020/21

	RECURRENT		DEV	TOTAL
	PE	OC		
APPROVED BUDGETS				
	TZS	TZS	TZS	TZS
Tanzania Tourist Board	1,978,980,000	1,397,848,294	7,371,722,613	10,748,550,907
Total Approved Budget	1,978,980,000	1,397,848,294	7,371,722,613	10,748,550,907
RECEIPTS				
Exchequer Issues Received	1,050,904,000	2,857,389,718	170,352,559	4,078,646,277
Other Receipts (other contributors))	-	-	429,363,448	429,363,448
Total Receipts	1,050,904,000	2,857,389,718	599,716,007	4,508,009,725
Receipts Vs Budget	53.1%	204.41%	8.14%	41.94%

TANZANIA TOURIST BOARD

	RECURRENT		DEV	TOTAL
	PE	OC		
ALLOCATIONS				
Tanzania Tourist Board-HQ	1,050,904,000	2,808,176,179.76	599,716,007	4,458,796,186.76
Transferred to Branch	-	49,213,538.24	0	49,213,538.24
Total Allocations	1,050,904,000	2,857,389,718	599,716,007	4,508,009,725
EXPENDITURE				
Tanzania Tourist Board-HQ	1,050,904,000	2,346,868,730.76	599,716,007	3,997,488,737.76
Transferred to Branch	-	49,213,538.24	0	49,213,538.24
Total Expenditure	1,050,904,000	2,396,082,269	599,716,007	4,046,702,276
FUNDS BALANCES				
Tanzania Tourist Board-HQ	-	461,307,450	0	461,307,450
Transferred to Branch	-	0	0	0
Fund Balance	-	461,307,450	0	461,307,450

Source : Tanzania Tourist Board - Budget performance Report 2020/21

1.13 CHALLENGES / CONSTRAINTS

- i. Shortage of staff at the Tanzania Tourist Board;
- ii. Insufficient fund allocations and under release of budgeted funds to finance planned activities;
- iii. Shortage of working tools, especially motor vehicles for supportive supervision to the TTB; and
- iv. Foreign currencies fluctuations which affect International tourism promotion.
- v. Outbreak of pandemic diseases like COVID 19

1.14 FUTURE OUTLOOK/ WAY FORWARD

With consideration in budget ceiling, Tanzania Tourist Board plans to do the following:-

- i. Create conducive working environment to attract staff, recruit more skilled staff and provide training to existing human resource;
- ii. Identification and prioritizing markets depending on financial capability identify new sources of revenue and involvement of various stakeholders in Implementation of planned activities through Public Private Partnership (PPP); and
- iii. TTB has allocated budget to facilitate the promotion of new tourism product for Meetings, Incentives, Conference and Events (MICE), to enhance engagement of tourism stakeholders, improvement and development of tourism marketing by participating in local and International tourism exhibitions and training of Tourism stakeholders. To meet the requirement of the Law, TTB Office has prepared a draft of annual report that reflects the actual situation regarding financial position and performance of the TTB for the year ended 30 June 2021.

1.15 OVERVIEW OF FINANCIAL STATEMENTS

The Financial statements present, financial position, financial performance, changes in net asset/equity, cash flows statements, Statement of comparison of Budget and actual amounts and Notes to the financial statements of the TTB (Vote TR44) as at 30 June 2021.

1.15.1 FINANCIAL POSITION

Financial Position comprises; Cash and cash equivalent, receivables, inventories, Property Plant and Equipment, payables, Recurrent deferred Income, deposits and Net asset/Equity.

i. Cash and Cash Equivalent

Cash and cash equivalent as at 30 June 2021 represents total unutilized funds received through stakeholders' contribution for acquisition of software for digital command center. As at closure of the financial year 2020/21, TTB (Vote TR44) remained with cash and cash equivalent amounting to TZS 638.9 million while in 2019/20 cash and cash equivalents stood at TZS 177.6 million an increase of 259.7%.

ii. Property Plant and Equipment (PPE).

The total Carrying Amount for PPE as at 30 June 2021 is TZS 14.58 billion as compared to TZS 14.70 billion reported in the financial year ended 30 June 2020. The decrease has been caused by accumulated depreciation. Detailed movement is shown in the PPE Movement schedule on page 29 of this report.

iii. Payables

In the financial year ended 30 June 2021 Tanzania Tourist Board had payables relating to supplies of goods and services received from various suppliers, utilities and staff claims amounting to TZS 1.85 billion making an increase of 4.2% as compared to TZS 1.78 billion reported in the financial year 2019/20. This increase has been caused by unsettled claims against employees and suppliers due to insufficient fund.

iv. Liquidity

The Board had current liability of TZS 2.13 billion compared to TZS 2.0 billion in the previous year, which is an increase of TZS 0.12 billion in current liabilities equivalent to 6.2%. On the other hand current assets increased from TZS 0.30 billion in 2019/20 to TZS 0.83 billion this year mainly due to increase in cash and cash equivalents at the year end which is equivalent to 170.9%.

1.15.2 FINANCIAL PERFORMANCE

Final budget for the year under review was TZS 10.8 billion compared to TZS 10.2 billion approved in the financial year ended 30 June 2020 resulting to an increase of TZS 0.6 billion which is equivalent to 7%.

The final budget comprises of TZS 2.0 billion for personnel emoluments, TZS 1.4 billion for other charges, TZS 7.4 billion for tourism development, Participations and Rentals. Total expenditure for the year under review was TZS 3.4 billion which is equal to 31.8% of the final budget. Total income (cash) received during the year ended 30 Jun 2020 amounted to TZS 4.3 billion equal to 40.2% of the approved budget.

i. Revenue

Total revenue received for the FY 2020/21 was TZS 4.31 billion compared to TZS 5.2 billion during the FY 2019/20. There is a decrease of TZS 0.89 billion which is equivalent to 17.1%. This is due to decrease in fees and penalties received and removal of Tourism Development Funds. Revenue composition;

- **Government subvention and grant:** The Board received funds from the central government to cover for staff salaries and related benefits as well as financing day to day activities (Other Charges). During this FY TTB received TZS 1.05 billion for PE and TZS 1.7 billion for Other Charges unlike the previous FY where TTB received TZS 982.81 million for PE and TZS1.1 billion for other charges. There is a decrease of TZS 1.8 billion in other charges and in PE there was an increase of 0.1.
- **Rent:** The Board owns several buildings in Dar es Salaam and Arusha from which it collects rent from its tenants (Government and Private Entities). During the year revenues from rental facilities increased from TZS 157.1 million in 2019/20 to TZS 170.35 million this year. This is due to payment made from some tenants.

Other revenues: These includes sale of tender documents, sponsorship and contribution from other corporations etc. A total of TZS 234.2 million was received as other incomes this financial year compared to TZS 326.8 million received in year 2019/20. The noted decrease was the fact that some activities contributing to other incomes have been automated for example tender documents.

ii. Expenses

Total expenditure for the period under review was TZS 2.89 billion compared with TZS 5.55 billion in 2019/20 a decrease of TZS 2.7 billion equivalent to 48.0%.

Nature and performance of Board's expenses was as follows: -

- **Supplies and Consumables:** - These comprise of all marketing related expenses and Administrations. During the year, there was a decrease in supplies and consumable expenses from TZS 3.53 billion year 2019/20 to TZS 1.56 billion this financial year. A decrease of TZS 1.97 billion was mainly due to outbreak of this pandemic disease COVID 19 which led to cancellation of all International exhibitions.
- **Repairs and maintenance:** - This summarizes all expenses relating to repairs/maintenance of office equipment. The noted increase during the year from TZS 51.05 million to TZS 188.73 million was a result of maintenance activities taken place during the year.
- **Depreciation and amortization expense**

During the year ended 30 June 2021 total of TZS 155.71 million was charged to the financial performance being depreciation for furniture and fittings, motor vehicle and building during the year. In 2019/20 TZS 143.34 million was charged during the year. The increase is due to addition of asset as narrated in note 19.

iii. Surplus

During this financial year the TTB recorded a surplus of TZS 269.86 million compared to a deficit of TZS 347.73 million in previous year.

1.16 RESPONSIBLE BEHAVIOUR TOWARDS STAKEHOLDERS

The Board believes that the stakeholders are what make the Board's existence. Several measures have been taken to institute a responsible behavior towards a wide range of stakeholders. Actions being taken in implementing responsible behavior toward stakeholders include but not limited to inviting stakeholders to participate in various tourism shows and facilitating stakeholders' meetings and conferences.

1.17 RISK MANAGEMENT AND INTERNAL CONTROL

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

- The effectiveness and efficiency of operations;
- The safeguarding of the Board's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and

- Responsible behaviors towards all stakeholders.

Risk and Internal Control Assessment

The Board has an Internal Audit Function which reports administratively to the Director General and functionally to the Board Audit Committee.

Safeguarding of Board's Assets

The Directors are responsible for safeguarding the assets of the Board and keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Board. No incidences of fraud or loss of assets of the Board were encountered during the year under review.

Compliance with Laws and Regulations

The principal functions and operations of the Board are governed by the Tanzania Tourist Board (Amendment) Act No.18 of 1992. The Directors confirm that the activities and operations of the Board were conducted in accordance with the Act, and the Directors are not aware of non-compliance to other applicable laws and regulations that would have material impact to the Board.

Reliability of Accounting Records

The Board has employed sufficient and competent staff in the Finance Department to ensure reasonable accountability and professionalism. The Board of Directors is confident that proper books of accounts have been maintained and the financial statements are compliant with International Public Sector Accounting Standards (IPSASs).

1.18 GENDER PARITY

The Board is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion and disability which does not impair ability to discharge duties. As at 30 June 2021 the Board had a total of 57 employees out of which 31 were females and 26 were males

1.19 POLITICAL DONATIONS

The Board did not make any political donations during the year ended 30 June 2021.

1.20 CORPORATE SOCIAL RESPONSIBILITY

The Board actively participates in various social activities in the society; except for this year under review that the Board didn't manage to contribute to the society due to the financial constraint the entity is facing.

1.21 EMPLOYEES' WELFARE

Management and Employees Relation

During the year under review, there was good co-operation between management and employees who were represented by Tanzania Union of Industrial and Commercial Workers (TUICO). Working relationship between TUICO and the Board is good. In addition, employees are free to provide their views, suggestions, comments or report grievances to the management through their heads of departments, sectional heads or TUICO representatives.

Training Programme

During the period under review, the Board sponsored several employees to attend profession courses with objective of enhancing employees' skills and knowledge and, thereby increasing their efficiency in discharging their duties and responsibilities. The Board spent a total of TZS 28.3 million in training during the year under review 2020/21.

Medical Facilities

All members of staff, their spouses, children to the age of 18 years and school going children were availed medical insurance. Currently these services are provided by National Health Insurance Fund.

Persons with disabilities

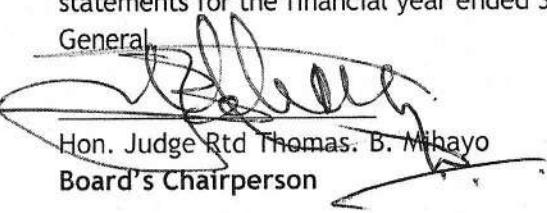
The Board gives equal opportunities to disabled persons for the vacancies they are able to fill. The Board compensates employees who become disabled while in service with the Board as per the Workmen's Compensation Act.

HIV/AIDS Policy

The Board has a policy on HIV/AIDS. Amongst its provisions is non-discrimination on people living with HIV/AIDS. People living with HIV/AIDS can be recruited to fill vacancies that may fall due provided they are qualified. Staff participated in seminars on HIV/AIDS in order to increase awareness.

1.22 AUDITORS

The Controller and Auditor General is the statutory auditor of the Tanzania Tourist Board (TTB) by the virtue of article 143 of the Constitution of the United Republic of Tanzania as amplified under sections 30 of the Public Audit Act, Cap 418 (R.E 2021). Therefore TTB financial statements for the financial year ended 30 June 2021 has audited by the Controller and Auditor General.


Hon. Judge Rtd Thomas. B. Mihayo
Board's Chairperson

Date: 19/03/2022


Mr. Felix John Michael
Ag. Director General

Date: 19/03/2022

2.0. STATEMENT OF DIRECTORS' RESPONSIBILITIES

It is the Board's responsibility to cause and keep proper books of account and at the end of each financial year to produce financial statements which reflect a true and fair view of the state of affairs and the results of operations of the Board.

The Board confirms that suitable policies have been used and applied consistently and reasonably, and prudent judgments and estimates have been made in the preparation of the Board's financial statements for the year ended 30 June 2021.

The Board further confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going-concern basis. The Board has reasonable expectations that the Tanzania Tourist Board has adequate resources to continue in operation for the foreseeable future.

BY THE ORDER OF THE BOARD

Hon. Judge Rtd Thomas. B. Mihayo
Board's Chairperson

Date: 19/02/2022

Mr. Felix John Michael
Ag. Director General

Date: 19/3/2022

3.0. DECLARATION OF THE HEAD OF FINANCE OF TANZANIA TOURIST BOARD

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 Director of finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing a 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 of the preparation of financial statements rests with the Board of Directors as declared under the Directors' Responsibility statements on page 15.

I **Shabani Ramadhani Nyegongo** being the Acting Head of Finance and Accounting of Tanzania Tourist Board hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2021 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 Tanzania Tourist Board as on that date and that they have been prepared based on properly maintained financial records.

Signed by: 

Position: Acting Finance Manager

NBAA Membership No: GA. 6367

Date: 19/03/2022

4.0. INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board
Tanzania Tourist Board,
P.O. Box 2483,
Dar es Salaam.

4.1. REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

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

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

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 below section entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Tanzania Tourists Board 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 Director's Report and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon.

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

If, based on the work I have performed on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

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

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

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

Further, Section 48(3) of the Public Procurement Act, 2011(as amended in 2016) requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

4.2. REPORT ON COMPLIANCE WITH LEGISLATIONS

Compliance with the Public Procurement Laws

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

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

Conclusion

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



Charles E. Kichere

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

March 2022



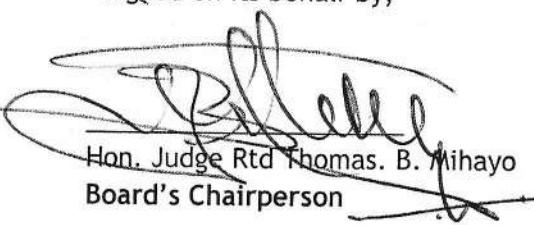
TANZANIA TOURIST BOARD (TTB)

5.0. FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

ASSETS	Notes	2020/21		2019/20 Tzs
		Tzs	Tzs	
Current Asset				Restated
Cash and Cash Equivalents	4	638,929,682		177,622,382
Inventories	6	18,110,000		0
Prepayments	7	14,566,681		0
Receivables	8	153,818,335		127,081,000
Total Current Asset		825,424,698		304,703,382
Non-Current Asset				
Property, Plant and Equipment	9	14,576,927,501		14,704,274,000
Total Non-Current Asset		14,576,927,501		14,704,274,000
TOTAL ASSETS		15,402,352,199		15,008,977,382
 LIABILITIES				
Current Liabilities				
Deferred Income (Revenue)	10	226,910,348		180,987,000
Employee Benefits	12	34,272,602		30,517,000
Payables and Accruals	11	1,849,373,391		1,775,540,000
Provisions	12	20,111,000		20,111,000
Total Current Liabilities		2,130,667,341		2,007,155,000
 TOTAL LIABILITIES		2,130,667,341		2,007,155,000
Net Assets		13,271,684,858		13,001,822,382
 NET ASSETS/EQUITY				
Capital Contributed by:				
Capital Fund	13	323,880,000		323,880,000
Accumulated Surpluses/(Deficits)		12,947,804,858		12,677,942,382
TOTAL NET ASSETS		13,271,684,858		13,001,822,382

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


Hon. Judge Rtd Thomas. B. Mihayo
Board's Chairperson

Date: 19/03/2022


Mr. Felix John Michael
Ag. Director General

Date: 19/03/2022

TANZANIA TOURIST BOARD (TTB)

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2020/21 TZS	2019/20 TZS
REVENUE			
Amortization of Revenue Grants with Exchequer Revenue	15	3,908,293,718	4,042,114,382
Fees, fines, penalties and Forfeits	14	0	832,217,000
Other Revenue	17	234,245,880	326,834,000
Revenue from Exchange Transactions	16	170,352,559	0
Total Revenue		4,312,892,157	5,201,165,382
TOTAL REVENUE		4,312,892,157	5,201,165,382
EXPENSES AND TRANSFERS			
Expenses			
Depreciation of Property, Plant and Equipment	18	155,711,821	143,337,929
Maintenance Expenses	19	188,726,069	51,049,000
Supplies and Consumables Used	20	1,564,768,633	3,525,336,000
Wages, Salaries and Employee Benefits	21	978,962,720	1,829,175,000
Total Expenses		2,888,169,243	5,548,897,929
Transfer			
Grants, Subsidies and other Transfer Payments	22	1,154,859,509	0
Total Transfer		1,154,859,509	0
TOTAL EXPENSES AND TRANSFERS		4,043,028,752	5,548,897,929
Surplus/Deficit		269,863,405	(347,732,547)

Notes form part of the financial statements.

TANZANIA TOURIST BOARD

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

	Capital Fund	Accum. Surplus/(Deficit)	Total
	TZS	TZS	TZS
Opening Balance as at 01 Jul 2020	323,880,000	12,677,941,453	13,001,821,453
Surplus/ Deficit for the Year	0	269,863,405	269,863,405
Closing Balance as at 30 Jun 2021	323,880,000	12,947,804,858	13,271,684,858

Opening Balance as at 01 Jul 2019	323,880,000	13,025,674,000	13,349,554,000
Surplus/ Deficit for the Year	0	(347,732,547)	(347,732,547)
Closing Balance as at 30 Jun 2020	323,880,000	12,677,941,453	13,001,821,453

Notes form part of the financial statements.

TANZANIA TOURIST BOARD

CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

		2020/21	2019/20
		TZS	TZS
RECEIPTS			
Revenue Grants	28	3,908,293,718	4,042,113,485
Revenue from Exchange Transactions	29	170,352,559	832,216,845
Other Revenue	30	234,245,880	326,066,235
Funds Received	28	195,117,568	0
Total Receipts		4,508,009,725	5,200,396,565
PAYMENTS			
Wages, Salaries and Employee Benefits	31	982,815,220	1,829,174,835
Supplies and Consumables Used	34	1,503,028,560	3,492,420,257
Other Expenses	33	168,340,915	0
Maintenance Expenses	32	203,292,750	51,047,665
Grants, Subsidies and other Transfer Payments		1,154,859,509	0
Total Payments		4,012,336,954	5,372,642,757
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		495,672,771	(172,246,192)
CASH FLOW FROM INVESTING ACTIVITIES			
Investing Activities			
Acquisition of Property, Plant and Equipment		(34,365,321)	(36,707,000)
Total Investing Activities		(34,365,321)	(36,707,000)
NET CASH FLOW USED IN INVESTING ACTIVITIES		(34,365,321)	(36,707,000)
NET CASH FLOW FROM FINANCING ACTIVITIES		0	0
Net Change in Cashflow		461,307,450	(208,953,192)
Cash and cash equivalent at beginning of period		177,622,232	386,575,424
Cash and cash equivalent at end of period		638,929,682	177,622,232

Notes form part of the financial statements

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30 JUNE 2021

	Original Budget	Reallocations/ Adjustments	Final Budget (B)	Actual Amount on Comparison Basis (A)	Difference Final Budget & Actual (B-A)
RECEIPTS					
Funds Received	10,376,828,294	116,487,000	10,493,315,294	195,117,568	10,298,197,726
Other Revenue	212,750,000	182,678,512	395,428,512	234,245,880	161,182,631
Revenue from Exchange Transactions	158,972,613	0	158,972,613	170,352,559	-11,379,946
Revenue Grants	0	0	0	3,908,793,718	-3,908,293,718
Total Receipts	10,748,550,907	299,165,512	11,047,716,419	4,508,009,725	6,539,706,693
PAYMENTS					
Grants, Subsidies and other Transfer Payments	0	0	0	1,154,859,509	-1,154,859,509
Maintenance Expenses	1,011,099,991	21,922,500	1,033,022,491	203,292,750	829,729,741
Other Expenses	1,425,792,021	-249,195,771	1,176,596,250	168,340,915	1,008,255,335
Supplies and Consumables Used	4,790,976,820	188,014,536	4,978,991,356	1,503,028,560	3,475,962,796
Wages, Salaries and Employee Benefits	2,866,182,075	308,872,247	3,175,054,322	982,815,220	2,192,239,102
Acquisition of Intangibles	0	0	0	0	0
Acquisition of Property, Plant and Equipment	654,500,000	29,552,000	684,052,000	34,365,321	649,686,679
Grants refunded/ transferred	0	0	0	0	0
Total Payment	10,748,550,907	299,165,512	11,047,716,419	4,046,702,275	7,001,014,144
Net Receipts/Payments	0	0	0	461,307,450	-461,307,451

6.0. NOTES FORM PART OF THESE FINANCIAL STATEMENTS

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

1. GENERAL INFORMATION

Tanzania Tourist Board was established by the Tanzania Tourist Board (Amendment) Act No.18 of 1992 and came into operation as a legal entity on 1 June 1993; vide Government Notice No.138 of 1993.

Prior to the commencement of the Board, Tanzania Tourist Corporation was in existence and was dissolved by the Public Corporations (Cessation of Tanzania Tourist Corporation and transfer of its Assets and Liabilities Order) 1993 vide Government Notice No.137 published in the Government Gazette on 28 May 1993. The assets and liabilities of the defunct Tanzania Tourist Corporation were transferred to Tanzania Tourist Board (TTB) vide Government Notice No.138 of 1993 Section 5(a), published in the Government Gazette on 28 May 1993.

Tanzania Tourist Board Head Office is located in Dar es Salaam, and operates Zonal offices in Arusha and Mwanza.

The address of its registered office is:

Utalii House,
Laibon Street No.36 Oysterbay,
P.O. Box 2485,
Dar es Salaam.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied effectively during the annual period beginning 1 July 2015 (IPSAS 33).

a) Basis of preparation

The financial statements of Tanzania Tourist Board have been prepared in accordance with International Public Sector Accounting Standards (IPSAS). The financial statements have been prepared under the historical cost convention except where otherwise stated in the accounting policies below. The financial statements are presented in Tanzania Shillings (TZS), in their full figures except for PPE schedule (Note No. 9) rounded to the nearest thousands.

The preparation of financial statements in conformity with IPSAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Organization's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Budget is prepared on Cash basis.

Changes in accounting policy and disclosures

As first time adopter, the Board has taken advantages of the exemptions stated in paragraph 36 to 62 of IPSAS 33 which allows first time adopter not making an explicit and unreserved statement of compliance with other IPSASs because it adopted one or more of the transitional exemptions in this IPSAS (Transition IPSAS financial statements).

b) Property, Plant and Equipment

Land and buildings are shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

All other property, plant and equipment is stated at historical cost less depreciation. 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 future economic benefits associated with the item will flow to the Organization and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of financial performance during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are adjusted to the opening balance of accumulated surpluses or deficit for the period.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Description	Useful life
Buildings	50 years
Motor vehicles	5 years
Office furniture, fittings and equipment	5 years
Residential furniture, fittings and equipment	5 years
Computers, Printers and Photocopiers	4 years

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.

c) Intangible assets

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. 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.

Other costs associated with developing or maintaining computer software programs are recognized as an expense as incurred. Computer software development costs recognized as assets are amortized over their estimated useful life of 6- 20 years.

d) Impairment of assets

TTB assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, TTB makes an estimate of the asset's recoverable amount. 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.

e) Revenue recognition

Government subvention and grants

Government subventions are accounted for on cash basis. Grants received by the Board from the Government or other donors for meeting operating costs are credited to the statement of financial performance over the period necessary to match the grant on systematic basis to the costs that it is intended to pay off.

Capital grant

Capital Grants received from the Government or other donors in form of property, plant and equipment or funds, whose primary condition is that the Board should purchase, construct or otherwise acquire long term assets, are deferred to capital grants account and the grant is deducted in arriving at the carrying amount of the asset. The grant is recognized as income over the life of a depreciable asset by way of fixed rate method.

Other sources

Income from other sources is recognized on accrual basis of accounting only when it is probable that the economic benefits associated with the transaction will flow to the Board. These are:-

Rental income

Rent income is received from letting of the Board's properties located in Dar es Salaam and Arusha.

Other Revenue

Other revenue comprises of miscellaneous incomes received by the Board for a particular financial year. None was received during the year.

Tourism fair participation fees

These are fees charged from tourism companies who participate in tourism fairs in which the Board represented.

f) Foreign currency translation

i) Functional currency

The financial statements are presented in Tanzania Shillings, which is the Tanzania Tourist Board's functional and presentation currency.

ii) Transactions and balances

Foreign currency transactions are translated into Tanzanian Shillings at the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities at the balance sheet date, which are expressed in foreign currencies, are translated into Tanzania Shillings at the rates ruling at reporting date. The resulting differences from translation are recognized in the income statement in the year in which they arise.

g) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments that are readily convertible to a known amount of cash with maturity periods of three months or less from the date of acquisition and are subject to an insignificant risk of changes in value. Cash and cash equivalents are stated in the Statement of Financial Position at face value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand and deposits held with financial institutions. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position.

h) Employees Benefits

i) Retirement benefits

TTB has a defined contribution plan scheme for its employees with National Social Security Fund (NSSF) and Public Service Social Security Fund (PSSSF). A defined contribution plan is a pension plan under which TTB and employee contribute a total of 20% of employees' salaries to the funds on a monthly basis. TTB has no legal or constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

ii) Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or, whenever an employee accepts voluntary redundancy in exchange of these benefits.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

i) Critical accounting estimates and assumptions

Property, plant and equipment

Critical estimates are made by the Directors in determining depreciation rates for property, plant and equipment. The rates used are set out in Note 2 (b) above.

ii) Critical judgments in applying the entity's accounting policies

In the process of applying the entity's accounting policies, management has made judgments in determining whether assets were impaired or not.

4. Cash and Cash Equivalents

	2020/21	2019/20
BoT Ownsource Collection Account	8,799,310	153,322,070
Ownsource Collection Account - CRDB	100,000	273,962
Ownsource Collection Account CRDB - USD	45,023,979	229,651
Ownsource Recurrent Expenditure GF	331,925	9,385,410
Recurrent Expenditure Cash Account	579,874,272	0
Unapplied Cash Account	4,167,300	0
USD BOT Collection Account	632,896	14,411,289
	638,929,682	177,622,382

5. Prior Year Adjustment

During the year adjustment on cash and cash equivalent was made specific on BoT Revenue Account No.9932445531 on which there was an omission of USD 6,000.00. This account had a balance of USD 6,275.3 on which erroneously was recorded as USD 275.3 lead to an omission of USD 6,000.00. The error has been corrected in the current year by using an exchange rate of TZS 2,296.5146/USD.

6. Inventories

	2020/21	2019/20
Consumables	20,470,000	0
Spareparts and tyres	(2,360,000)	0
	18,110,000	0

7. Prepayments

	2020/21	2019/20

TANZANIA TOURIST BOARD

Advance for Work in Progress

14,566,681

0

14,566,681

0

8. Receivables

	2020/21	2019/20
Imprest Receivable	29,993,848	31,940,000
Prepayment - Asset	23,670,540	0
Receivables from exchange transactions	100,153,946	95,141,000
	153,818,335	127,081,000

TANZANIA TOURIST BOARD

9. PLANT PROPERTY AND EQUIPMENT						
Particulars	Land	Buildings	WIP	Motor Vehicle	Office furniture & Fittings	Computers, Printers & Photocopies
YEAR ENDED 30 JUNE 2020	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Cost/ Valuation						
At 1 July 2020	13,002,000	2,119,000	35,511	53,176	283,560	187,499
Additions			26,000		8,365	34,365
Disposals (De recognition)						-
Prior Year Adjustments					(6,000)	(6,000)
	13,002,000	2,119,000	61,511	53,176	285,925	187,499
Accumulated depreciation						
At 1 July 2020		614,510		40,767	193,907	129,825
Prior Year Adjustments						36,403
Depreciation charge for the year		42,380		10,635	57,409	37,500
Disposals						7,788
		656,890	-	51,402	251,316	167,325
Net book value						44,191
At 30 June 2021	13,002,000	1,462,110	61,511	1,774	34,609	20,174
At 30 June 2020	13,002,000	1,504,490	35,511	12,409	89,653	57,674
						2,537
						14,704,274

TANZANIA TOURIST BOARD

Disclosures

i. TTB own a Godown which was transferred from THB around year 1993 in a plot No 45 Block A Unga Limited Arusha, under the Certificate of title No 9023. This godown was verbally handed over to TTB with no formal documents either certificate of title or any letter that transacted the event. Accordingly, the official search carried in the Office of Registrar of Title Arusha regional on 31 day of August 2020 revealed that the godown is still registered in a name of THB ESTATE COMPANY LTD which owned before it was verbally handed over to Tanzania Tourist Board in the said year.

Currently, TTB is working on the process to obtain the value of the godown through the office of Treasury Registrar for supportive documentations and necessary assistance. Therefore while the exercise of sorting out the valuation process is underway, this asset is worth only disclosure to the notes since there is no value to recognize in the books of accounts. In this case, when the proper valuation is done the asset will be recorded and presented in the face of Financial Statements.

ii. TTB also received a Generator with TTB code number TTB/HQ/ADM/GRT/1 From US Embassy whereby its value was not readily available and therefore worth for disclosure rather than recording in the Financial statement. However the correct value will be obtained when proper valuation is done by the Government Valuer.

10. Deferred Income

This account represents Unearned Income/Revenue generated by TTB from rent but services have not been delivered or completed. In accrual accounting, revenue is only recognized when it is earned. If a customer pays for goods/services in advance, the company does not record any revenue on its income statement and instead records a liability on its balance sheet. In this line, TTB receives rent from various customers on which they pay full year as per contract beyond financial year. In this case, the amount paid beyond 30 June is termed as deferred income. During financial year 2020/21, the movement on deferred income account was as follows:

	2020/21	2019/20
At start of the year	180,987,000	365,091,000
Additions during the year	167,164,634	27,665,000
Spent during the year	(121,241,286)	(211,769,000)
	226,910,348	180,987,000

11. Payables and Accruals

	2020/21	2019/20
Other accounts payables	8,799,310	13,587,000
Staff Claims	243,729,846	231,126,000
Supplies of goods and services	1,591,993,573	1,530,827,000
Unapplied Deposit Account	4,167,300	0
Withholding tax	683,363	0
	1,849,373,391	1,775,540,000

12. Provisions

	2020/21	2019/20

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Untaken Leave	20,111,000	20,111,000
Employees Benefits	34,272,602	30,517,000
	54,383,602	50,628,000

13. Capital Fund

Capital fund of TZS 323,880,000 (2018: TZS 323,880,000) represents the valued assets and cash balances transferred from the defunct Tanzania Tourist Corporation by the Public Corporation (Cessation of Tanzania Tourist Corporation and Transfer of its Assets and Liabilities) Order, 1993 Section 5(a) made vide Government Notice No.137 published in the Government Gazette on 28 May 1993. The assets were revalued in April 1993 by M/s Ardhi Institute, professional valuers. The basis of valuation was open market value for buildings and depreciated value for residential furniture and equipment.

14 Fees, fines, penalties and Forfeits

	2020/21	2019/20
Receipt from Annual Fees	0	157,077,000
Registration Fees	0	675,140,000
	0	832,217,000

15 Amortization of Revenue Grants with Exchequer Revenue

Expenditure Revenues	2020/21	2019/20
Development Grants	1,143,054,718	0
Government Grant Other Charges	1,714,335,000	0
Government Grant Personal Emolument	1,050,904,000	0
Subvention current	0	4,042,114,382
	3,908,293,718	4,042,114,382

16 Revenue from Exchange Transactions

	2020/21	2019/20
Rent - Other Parastatal houses	170,352,559	0
	170,352,559	0

17 Other Revenue

	2020/21	2019/20
Contributions from corporations	232,621,880	0
Miscellaneous Receipts	0	326,834,000
Miscellaneous Income	1,624,000	0
	234,245,880	326,834,000

18 Depreciation and Amortization

	2020/21	2019/20
Depreciation of Building	42,380,000	42,380,000
Depreciation of Motor vehicle	10,634,929	10,634,929

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Depreciation of Furniture and Equipment	65,197,092	43,952,000
Depreciation in computer and photocopier	37,499,800	46,371,000
	155,711,820	143,337,929

19 Maintenance Expenses

	2020/21	2019/20
Air conditioners	0	3,866,000
Cement, Bricks and Building Materials	114,335,290	0
Computers, printers, scanners, and other computer related equipment	0	6,398,000
Direct labour (contracted or casual hire)	10,502,100	0
Electrical and Other Cabling Materials	1,700,000	12,554,000
Outsource maintenance contract services	57,473,279	19,079,000
Small Car Mechanics Tools	0	1,785,000
Telephones and Office PABX systems	0	7,367,000
TV sets and Radios	320,000	0
Tyres and Batteries	4,395,400	0
	188,726,069	51,049,000

20 Supplies and Consumables Used

	2020/21	2019/20
Advertising and publication	11,164,786	131,788,000
Air Travel Tickets	87,226,264	284,108,000
Audit fees	37,022,570	12,253,000
Bank Charges and Commissions	0	13,993,000
Books, Reference and Periodicals	0	180,000
Burial Expenses	4,600,000	3,160,000
Cleaning Supplies	0	2,851,000
Computer Supplies and Accessories	15,281,410	1,100,000
Conference Facilities	18,786,980	202,252,000
consultancy fees	13,000,000	30,623,000
Diesel	45,057,815	18,814,000
Directors fee	60,733,350	0
Educational Radio and TV broadcasting programming	0	4,449,000
Electricity	44,462,286	45,847,000
Entertainment	12,450,000	0
Exhibition,Festivals and Celebrations	18,291,000	338,373,000
Food and Refreshments	65,926,167	0
Freight Forwarding and Clearing Charges	1,097,200	0
Furniture and Appliances	0	9,738,000
Gifts and Prizes	4,230,000	13,745,000
Ground Transport (Bus, Train, Water)	0	102,245,000
Ground travel (bus, railway taxi, etc)	255,687,417	0
Health Insurance	0	9,576,000
Internet and Email connections	90,874,228	81,610,000
Lodging/Accommodation	1,584,742	18,510,000

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Mobile Charges	4,879,000	3,965,000
News Services Fees	0	9,843,000
Newspapers and Magazines	7,803,500	0
Office Consumables (papers,pencils, pens and stationaries)	54,474,261	382,715,000
Outsourcing Costs (includes cleaning and security services)	87,341,181	91,473,000
Per Diem - Domestic	462,382,250	193,071,000
Per Diem - Foreign	2,640,000	198,698,000
Petrol	0	6,752,000
Posts and Telegraphs	1,274,400	16,210,000
Printing and Photocopy paper	646,150	60,000
Printing and Photocopying Costs	8,093,410	12,450,000
Publicity	40,503,677	63,674,000
Rent - Housing	0	75,000
Rent - Office Accommodation	2,112,603	56,714,000
Sewage Charges	2,410,080	3,080,000
Software License Fees	0	9,791,000
Special Needs material and supplies	0	884,235,000
Special Operation Services	0	3,423,000
Special Operations	0	200,000,000
Subscription Fees	9,775,621	3,876,000
Sundry Expenses	15,750,798	6,777,000
Suppliers Debts	35,159,567	0
Tapes, Films, and Materials (split)	840,000	0
Telephone Charges (Land Lines)	1,131,215	0
Training Materials	0	11,570,000
Tuition Fees	8,715,000	9,650,000
Uniforms	17,725,000	0
Uniforms and Ceremonial Dresses	0	18,166,000
Visa Application Fees	0	4,130,000
Water Charges	13,634,705	9,723,000
	1,564,768,633	3,525,336,000

21 Wages, Salaries and Employee Benefits

	2020/21	2019/20
Acting Allowance	0	13,621,000
Casual Labourers	1,507,246	65,806,000
Civil Servants	73,392,380	958,800,000
Court Attire Allowance	1,000,000	0
Electricity Allowance	23,935,592	0
Extra-Duty	355,062,550	393,277,000
Food and Refreshment	3,750,366	41,352,000
Furniture	29,083,160	37,600,000
Honoraria	65,197,500	40,090,000
Housing Allowance	44,140,000	0
Internship Allowance	7,384,984	7,403,000
Leave Travel	23,918,600	40,027,000

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Moving Expenses	29,545,154	5,354,000
Passages Allowances	100,272,770	82,522,000
Sitting Allowance	114,094,810	143,323,000
Staff debts	77,777,608	0
Telephone Allowance	28,900,000	0
	978,962,720	1,829,175,000

22 Grants, Subsidies and other Transfer Payments

	2020/21	2019/20
Revenue Transfer	1,154,859,509	0
	1,154,859,509	0

23. Capital Commitments

The Board had no capital commitments as at 30 June 2021.

24. Contingent Liabilities

The Board had only one contingent liabilities as at 30 June 2021 as hereunder;

IPSAS 19.18 defines a contingent liability as:

- a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity, or
- b) A present obligation that arises from past events but is not recognized because:
 - i) It is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities give rise to material effect on the financial resources in the event that the pending case is ruled out in favor of the plaintiff. In this case, TTB has one legal case referred as Civil Case No. 11 of 2018 with claim of USD 435,285 (Equiv. to TZS 1,008,990,630). The case is between Benita Cassar Torreggiani Inc (Plaintiff) Vs. TTB (1st. Defendant) and Attorney General (2nd Defendant). However the ruling of the main case was delivered on 07 February 2020 in favor of Defendant, but plaintiff was aggrieved with the decision and hence lodged a notice of appeal to the Court of Appeal. The final outcome of the appeal is not certain, now this case is reported as contingent liability.

25. Related Party Transactions

A number of transactions are entered into with related parties in the normal course of business. These include directors' fees, gratuity, salaries to key management personnel and other services. Key management includes the Managing Director, Executive Directors, Managers, Principal Officers and Senior Officers.

The recorded gratuity relates to payments that is payable to director's of the Board upon

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completing their tenure as members.

Emoluments

Directors' remunerations:

	2020/21	2019/20
Directors' fees	10,750,000	34,875,000
Directors' expenses	31,971,300	44,140,000
	42,721,300	79,015,000

Compensations to Key management personnel:

	2020/21	2019/20
Salaries for six managerial personnel	279,438,000	194,436,000
Other management allowances	120,600,000	59,280,000
	400,038,000	253,716,000

26. Incomparable Items

Some items has been reported uncomparable with the previous year due to changes of manual system to electronic system (MUSE). The introduction of MUSE causes more disclosures to accumulated items which same used in the preparation of annual budget 2020/21. Therefore these changes altogether resulted some items in the year 2020/21 missing some figures.

27. Comparative Figures

Previous year's figures have been regrouped whenever considered necessary to make them comparable with those of the current year.

CASHFLOW STATEMENT NOTES

NOTE 28 - REVENUE FROM NON EXCHANGE TRANSACTIONS

	2020/21	2019/20
	TZS	TZS'000
Transfer From Other Government Entities	4,140,915,599	4,042,113
Opening receivables	47,822,000	(47,822)
Closing receivables	(85,326,313)	47,822
Actual Collection	4,103,411,286	4,042,113

	TZS	TZS
Revenue Grants	3,908,293,718	4,042,113
Funds Received	195,117,568	
	4,103,411,286	4,042,113

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**NOTE 29 - REVENUE FROM EXCHANGE
TRANSACTIONS**

	<u>2020/21</u>	<u>2019/20</u>
	TZS	TZS'000
Gross revenues	170,352,559	832,217
Opening receivables	83,268,000	(83,268)
Closing receivables	(83,268,000)	83,268
Prior year adjustments	-	-
Actual Collection	170,352,559	832,217

NOTE 30 - OTHER INCOMES

	<u>2020/21</u>	<u>2019/20</u>
	TZS	TZS'000
Gross revenues	234,245,880	326,066
Opening receivables	-	-
Closing receivables	-	-
Prior year adjustments	-	-
Actual Collection	234,245,880	326,066

**NOTE 31 - WAGES, SALARIES AND EMPLOYEE
BENEFITS**

	<u>2020/21</u>	<u>2019/20</u>
	TZS	TZS'000
Gross expenditure	978,962,720	1,829,175
Opening payables	279,822,000	(279,822)
Closing payables	(275,969,500)	279,822
Prior year adjustments	-	-
Actual Expenditure	982,815,220	1,829,175

NOTE 32 - REPAIRS AND MAINTENANCE

	<u>2020/21</u>	<u>2019/20</u>
	TZS	TZS'000
Gross expenditure	188,726,069	51,048
Opening payables	-	-
Closing payables	14,566,681	-
Prior year adjustments	-	-
Actual Expenditure	203,292,750	51,048

NOTE 33 - OTHER EXPENSES

	<u>2020/21</u> TZS'	<u>2019/20</u> TZS'000
Gross expenditure	70,373,368	68,517
Opening payables	85,050,736	-
Closing payables	-	85,051
Prior year adjustments	12,916,811	(153,568)
Actual Expenditure	168,340,915	-

NOTE 34 - SUPPLIES AND CONSUMABLES

	<u>2020/21</u> TZS'	<u>2019/20</u> TZS'000
Gross expenditure	1,564,768,632	3,525,336
Opening payables	1,551,626,736	(1,539,990)
Closing payables	(1,613,366,808)	1,551,627
Prior year adjustments	-	(44,553)
Actual Expenditure	1,503,028,560	3,492,420

NOTE 35: EXPLANATIONS ON STATEMENT OF COMPARISON OF BUDGET AND ACTUAL**Fund Received (A)**

This is formed by the amount of OC, TDL and PE. In this case, the variance here is caused by short disbursement of TDL as planned.

Other Revenue (B)

This is mainly the stakeholders contribution whereby 59% were contributed.

Revenue from Exchange Transactions (C)

This amount is made up of rentals whereby favourable variance is mainly due to increase in occupants rent paid during the year

Grants, Subsidies and other Transfer Payments (E)

This amount has been aroused from internal transfers between BoT and CRDB bank.

Maintenance Expenses (F)

Some of the repair works was not done like Air condition, Computer, Printer, Scanner and other related computer equipment due to lack of funds

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Other Expenses (G)

Some of the expenses was not met due to insufficient funds.

Supplies and Consumables Used (H)

Items like Special operation services and software license were not met while on the side of supplier still have huge outstanding balance due to insufficient funds.

Wages, Salaries and Employee Benefits (I)

Some of the activities was not done as intended like Casual labourers, food and refreshment and staff debts due to insufficient funds.

Acquisition of Property, Plant and Equipment (K)

Major procurement was not done due to insufficient funds.

Note 36. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT) FOR THE PERIOD ENDED 30 JUNE 2021

	2020/21	2019/20
	TZS	TZS
Surplus/ Deficit for the Period	269,863,405	(347,732,618)
Add/ (Less) Non Cash Item		
Depreciation of Property, Plant and Equipment	155,711,821	143,338,000
Impairment of Motor Vehicle	4,471,000	
Amortization	23,001,488	69,369,808
Add/ (Less) Change in Working Capital		
Payables and Accruals	73,833,391	(248,654,000)
Receivables	(26,737,335)	206,961,618
Net Cash Flow from Operating Activities	495,672,770	(172,246,192)