REPORT OF THE CONTROLLER AND AUDITOR GENERAL

THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE

ISO 9001:2015 Certified

TANZANIA INSURANCE REGULATORY AUTHORITY

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

Controller and Auditor General,
National Audit Office,
Audit House,
4 Ukaguzi Road,
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41101 Tambukareli,
Dodoma, Tanzania.
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February 2024

AR/PA/TIRA/2022/23

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ABOUT THE NATIONAL AUDIT OFFICE

Mandate

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

NAOT mission, vision & Motto

01 Mission

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

02 Vision

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

03 Motto

Modernising External Audit for Stronger Public Confidence

Independence and objectivity

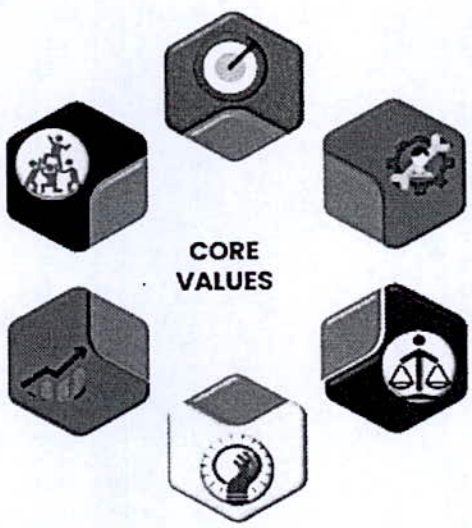
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

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



Professional competence

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

Integrity

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

Creativity and Innovation

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

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

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ABBREVIATIONS

CAG	Controller and Auditor General
CF	Consolidated Fund
CRDB	Cooperative Rural Development Bank
CSR	Corporate social Responsibility
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
NMB	National Microfinance Bak
PSSSF	Public Service Social Security Fund
TIRA	Tanzania Insurance Regulatory Authority
TIRAMIS	TIRA Motor information System
TZS	Tanzania Shillings
WCF	Workers Compensation Fund
ZSSF	Zanzibar Social Security Fund

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairman of the National Insurance Board,
P.O. Box 2789,
DODOMA.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of the Tanzania Insurance Regulatory Authority, which comprise the statement of financial position as at 30 June 2023, and the statement of financial performance, the 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 Insurance Regulatory Authority 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 the Tanzania Insurance Regulatory Authority, 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, Declaration by the Head of Finance, and Statement of Director's Responsibility 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, key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

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

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

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I performed a compliance audit on the procurement of works, goods, and services in the Tanzania Insurance Regulatory Authority for the financial year 2022/23 as per the Public Procurement laws.

Conclusion

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

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in the Tanzania Insurance Regulatory Authority 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 the budget formulation and execution of the Tanzania Insurance Regulatory Authority 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.
February 2024

CONTROLLER AND AUDITOR GENERAL

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

2.1 Introduction

The Directors submit their report together with the financial statements for the period of the year ended 30 June 2023. The report provides information on operations, financial position, and cash flow position and the governance systems and structure of the Authority.

Vision

The Authority envisions: "To be a world-class insurance regulator".

Mission

To develop, promote, and maintain, an inclusive, efficient, fair, and stable insurance market for the benefit and protection of insurance beneficiaries.

Core Values

The core values of the Authority are Teamwork, Accountability, Competence, Transparency, Integrity and Customer Focus.

Establishment

The Tanzania Insurance Regulatory Authority was established by the Insurance Act No. 10 of 2009 ("Insurance Act"). The main function of the Authority is to promote and maintain an efficient, fair, safe, and stable insurance market for the benefit and protection of policyholders. The Authority has six zonal offices in Mainland Tanzania and one office in Zanzibar.

2.2 Functions of the Authority

The Authority is charged with the following activities:

i. To coordinate and implement policies on insurance matters;
ii. To regulate and coordinate activities of insurers, brokers and agents
iii. To specify the code of conduct for members of the insurance industry;
iv. To effect supervision and monitoring of insurers, brokers and agents;
v. To formulate standards in the conduct of the business of insurance which shall be observed by insurers, brokers and agents
vi. To ensure proper observance of the code of ethics and practice by insurers, brokers and agents
vii. To protect the interests of policyholders; and
viii. To perform any other functions as may be necessary for the purpose of the Insurance Act.

2.3 Objectives of the Authority during the Period

Consistent with the Corporate Strategic Plan of 2019/20-2023/24 TIRA continued to pursue the implementation of the following objectives:

(i) Ensure Legal and Regulatory Framework Enhanced;
(ii) Ensure Insurance Research and Market Widened and Deepened;
(iii) The Insurance Ombudsman Service Enhanced;
(iv) Insurance Consumer Protected and Supported;
(v) Authority Visibility Enhanced;
(vi) Financial Resources and Services Strengthened and Managed;
(vii) Organization Capability Strengthened;
(viii) National Agenda on cross-cutting issues Adhered; and
(ix) Business Processes Automation Enhanced.

2.4 The Composition of the Board

The National Insurance Board is established under section 13 of the Insurance Act 13 of the Insurance Act, Chapter 394, the Board comprises of seven members, the Chairman of which is appointed by H.E the President of the United Republic of Tanzania and the other six members appointed by the hon. minister for Finance, two of whom hail from Tanzania Zanzibar. The Commissioner of Insurance is the Secretary to the Board.

The Board members are appointed from amongst persons of ability, integrity and standing who have knowledge and experience in life insurance, general insurance, actuarial science, finance, economics, law, accountancy and administration. The Chairman of the Board is CPA. Moremi A. Marwa.

S.n	Name	Position	Age	Qualification	Nationality	Appointment date	End tenure
1	CPA. Moremi A. Marwa	Chairman	47	MBA (Finance), CPA (T)	Tanzanian	14/05/2023	13/05/2026
2	Dr. Suleiman R. Mohamed	Member	62	PhD (Finance)	Tanzanian	12/04/2022	11/04/2025
3	CPA. Ayoub H. Banzi	Member	59	MBA, CPA (T)	Tanzanian	30/05/2023	29/05/2026
4	Mr. Justine P. Mwandu	Member	68	MA (Public & Social Admin), ACII	Tanzanian	30/05/2023	29/05/2026
5	Mr. Festo A. Mlele	Member	62	MSc (Int. Relations), CFA	Tanzanian	30/05/2023	29/05/2026
6	Ms. Emmy K. Hudson	Member	58	PGD (Law)	Tanzanian	30/05/2023	29/05/2026
7	Ms. Lulu M. Abdulla	Member	41	B.COM	Tanzanian	12/04/2022	11/04/2025
8	Dr. Baghayo A. Saqware	Secretary	49	PhD (Insurance Mgt & Micro Insurance)	Tanzanian	01/01/2022	31/12/2026

The Board has three substantive committees with the following membership

2.4.1 Technical Committee.

s.n	Name	Position	Age	Qualification	Nationality
1	Mr. Justine P. Mwandu	Chairman	68	MA (Public & Social Admin), ACII	Tanzanian
2	Dr. Suleiman R. Mohamed	Member	62	PhD (Finance)	Tanzanian
3	Ms. Emmy K. Hudson	Member	58	PGD (Law)	Tanzanian
4	CPA. Ayoub H. Banzi	Member	59	MBA, CPA (T)	Tanzanian

2.4.2 Finance and Human Resources Committee

s.n	Name	Position	Age	Qualification	Nationality
1	Dr. Suleiman R. Mohamed	Chairman	62	PhD (Finance)	Tanzanian
2	Ms. Lulu M. Abdulla	Member	41	B.COM	Tanzanian
3	Mr. Festo A. Mlele	Member	62	MSc (Int. Relations), CFA	Tanzanian

s.n	Name	Position	Age	Qualification	Nationality
4	Mr. Justine P. Mwandu	Member	68	MA (Public & Social Admin), ACII	Tanzanian

2.4.3 Audit and Risk Committee

s.n	Name	Position	Age	Qualification	Nationality
1	CPA. Ayoub H. Banzi	Chairman	59	MBA, CPA (T)	Tanzanian
2	Ms. Emmy K. Hudson	Member	58	PGD (Law)	Tanzanian
3	Mr. Festo A. Mlele	Member	62	MSc (Int. Relations), CFA	Tanzanian
4	Ms. Lulu M. Abdulla	Member	41	B.COM	Tanzanian

2.5 Operational Overview

TIRA has three Directorate known as Directorate of Supervision, Directorate of Legal Services and Directorate of Planning, Research and Market Development. Functions of these Directorates are as follows:

(i) Registration and licensing;
(ii) Market conduct supervision - follow up behaviour of players in insurance industry;
(iii) Handles matters to loss assessors, risk managers, surveyors, and re-insurance business matters;
(iv) Deals with conduct of insurers on daily basis; and
(v) Enhancement of contacts or relationships with brokers, agents, assessors.
(vi) Prudential supervision - financial analysis, solvency supervision,
(vii) Implementation of risk-based supervision - risk assessment of insurers,
(viii) Risk based supervision,
(ix) Statistics and Actuarial analysis,
(x) Market surveillance,
(xi) Monitoring of financial health & operational performance of insurance companies,
(xii) Detect solvency and risk exposure of insurers,
(xiii) Enforcement of the Insurance Act and related legislations,
(xiv) Legal Counsel and Litigation,
(xv) Undertaking and coordinating matters related to planning, and
(xvi) Enhancement of Insurance Market Development, Research and Policy

Insurance Registrants for the year 2022/23 and 2021/22

s.n	Registrants	2022/23	2021/22
1	Re insurance Company	3	2
2	Insurance Company	33	32
3	Insurance Broker	107	91
4	Insurance Agency	1,037	958
5	Local Reinsurance Brokers	6	5
6	Banc assurance Agent	29	29
7	Actuarial Firms	5	4
8	Loss Adjusters/Assessors	56	42
9	Private Investigators	6	5
10	Insurance Digital Platforms	12	-
11	Takaful Operators	1	-
12	Takaful Brokers	1	-
	Total	**1,296**	**1,168**

2.6 Financial overview and Performance

The financial statements for the period under review were prepared in compliance with IPSASs requirements for the purpose of ensuring that TIRA is accountable for decisions and use of public resources.

2.6.1 Revenue from exchange Transactions

Revenue from exchange transactions for the year 2022/23 TZS 299,856,000 (2021/22: 325,211,000)

2.6.2 Revenues from non-exchange transactions

Revenues from non-exchange transactions include premium levy, fees, fines, penalties and Other Revenue. As reflected in the statement of financial performance, revenues from non-exchange transactions during the year 2022/23 is TZS 23.46 billion (2021/22: TZS 17.72 billion).

There is general increase in most of the revenue including Premium levy, Fees, fines and Penalties.

Premium levy for the year 2022/23 TZS 20.71 billion (2021/22: TZS 15.88 billion) equivalent to 30.4% increase, while fees, fines for the year 2022/23 TZS 2.67 billion (2021/22: TZS 1.79) equivalent to 49% increase. The increase of the premium levy is attributed by the increase in new registered players, and the effective use of systems such as TIRAMIS in obtaining information and enhanced compliance. Fines, fees and penalties have increased due to effective measures and close follow up on non-compliance activities.

2.6.3 Expenses

During the year 2022/23, the total expenses of the Authority amounted to TZS 15.38 billion (2021/22: TZS 13.86 billion). The increase is equivalent to 11% and was mainly due to the increased number of operational activities and increased administrative costs emanating from the introduction of one additional zonal office during the year.

2.6.4 Results for the period

The surplus during the year is TZS 4.82 billion (2021/22: surplus TZS 1.59 billion) when compared with the result of the previous year.

The Authority is required to contribute 15% of its annual total revenues to the Government Fund. In the financial year ended 30 June 2023, the contribution is TZS 3.56 billion (2020/21: TZS 2.61 billion). This increase is equivalent to 36.6% and was mainly due to an increase in revenues during the year.

2.6.5 Total Assets

The total net assets of the Authority amounted to TZS 16.00 billion (2021/22: TZS 11.18 billion) representing an increase of 43.11%. The increase is due to the net surplus recorded of TZS 4.82 billion during the year.

2.7 CORPORATE GOVERNANCE

(i) Statement of compliance

The National Insurance Board is committed to the principles of good corporate governance and complies with the legal, regulatory and relevant codes of ethics. The Board is pleased to report that throughout the financial year ended 30 June 2023 and at the date of this report, the Authority applied the principles of, and was compliant with the requirements of, good corporate governance. In compiling this report, the Board referred to the legal and regulatory requirements, Internal Code of Ethics, Code of Ethics and Conduct for the Public Service as well as the requirements of best practices in good corporate governance.

Good governance requires professionalism, transparency and accountability. The Authority has put in place internal mechanisms to ensure that this is achieved. These mechanisms include structure and practices of the Board and Management, Employees' roles as well as Whistle Blower Policy. These are explained hereunder:

(ii) Board Membership and responsibilities

The Authority is under the supervision of the National Insurance Board and the day to day management is entrusted to the Commissioner of Insurance. The Board comprises of seven members with diverse skills and knowledge all of whom are non-executive. A non-executive Chairman is by law appointed by the President.

The other members are appointed by the Minister responsible for Finance for a tenure of three years renewable as follows: (a) one member from Association of Tanzania Insurers; (b) one member from Tanzania Insurance Brokers Association; one member from Tanzania Insurance Agents Association; (d) one member from the Attorney General's Office; and (e) three members with adequate knowledge and experience in matters pertaining to finance, banking, economics and social security at least two of whom shall hail from either part of the United Republic.

Following the end of the Board's tenure on 11 April 2019 the Authority was under the direct supervision of the Permanent Secretary, Ministry of Finance and Planning up to 14 May 2023 when the President Appoint a new Chairman of the Board and thereafter Minister responsible for Finance appoint other six Board Members.

The Board is responsible for the success of the Authority and, through independent oversight of management, are accountable to the Government for the performance of the Authority.

The principal role of the Board is to set the Authority's strategic Plan and to regularly review its strategic direction. In doing this, the Board also has responsibility for corporate governance.

A formal schedule of matters reserved by the Board has been established by the Directors. This covers areas such as review and approval of the audited financial statements, Corporate Plan, Annual Plans and Budget, significant capital expenditure, disposal of assets, significant change in accounting policies or practices, oversight of risk and the appointment of executive directors and managers.

The Commissioner of Insurance is appointed by the President after receiving recommendations of a suitable candidate from the Board. The Commissioner of Insurance is the Secretary to the Board. The appointment of Commissioner of Insurance is for a period of five years, subject to renewal upon satisfactory performance in the initial period.

As part of the annual financial planning process, the Board sets annual performance targets for the Authority based upon the Authority's objectives. The Commissioner of Insurance establishes targets for the directorates and units which are then cascaded down throughout the Authority.

The Management

The Commissioner of Insurance who is the Chief Executive Officer is appointed by the President of the United Republic of Tanzania. He is responsible for the day-to-day management of the Authority. He is assisted by a Deputy Commissioner who is also appointed by the President of the United Republic of Tanzania. The Deputy Commissioner, subject to any general or specific directives by the Commissioner, performs the functions and discharges duties of the Commissioner of Insurance in Zanzibar.

Under the Commissioner and Deputy Commissioner, there are three directorates namely: Directorate of Supervision, Directorate of Legal Services and Directorate of Planning, Research and Market Development.

The Authority has seven units directly reporting to the Commissioner of Insurance. These units are: the Information Technology and Communication Unit; Procurement Management Unit;

Internal Audit Unit; Public Relations and Communication Unit; Quality and Risk Management Unit and Finance and Accounts Unit.

All members of Management report to the Commissioner of Insurance. The Commissioner of Insurance reports to the National Insurance Board. The Head of Internal Audit reports, administratively, to the Commissioner of Insurance and to the Board Audit Committee on functional matters.

2.8 FUTURE DEVELOPMENT PLANS

(i) Automation of business processes through developing and implementing electronic systems for supervision of the Insurance Industry and complaints handling;
(ii) To develop crisis management framework of the Insurance Sub-sector;
(iii) To Finalise RBC and Stress testing frameworks and ensure implementation accordingly.
(iv) To monitor implementation of actuarial guidelines issued to monitor the market;
(v) To oversee implementation of Micro-insurance and Banc assurance practices in the market for expansion of insurance Business;
(vi) To oversee implementation of practices relating to emerging insurance products including Agricultural, livestock and takaful insurance; and
(vii) To pursue finalization of the National Policy on Insurance.

2.9 RISK MANAGEMENT AND INTERNAL CONTROLS

The Directors accepts final responsibility for risk management and internal control system of the Authority. The management ensures that adequate financial and operational control systems are maintained on an ongoing basis. The objective is to provide reasonable assurance on the following:

(i) Safeguarding Authority's resources;
(ii) Effectiveness and efficiency of operations;
(iii) Compliance with applicable laws and regulations;
(iv) Reliability of accounting records and financial information;
(v) Sustainability of the Authority's operations under normal and adverse conditions; and
(vi) Responsive behaviour towards stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system, of internal control can provide absolute assurance against misstatement or losses, the Authority's system is designed to provide the Directors with reasonable assurance that procedures in place are operating effectively.

The Authority has developed a Risk Management Framework, which was duly approved by the Board. Every individual within the Authority is required to appreciate risks inherent at his/her place of work. Risk assessment responsibility rests under the Office of the Deputy Commissioner through Quality, Compliance and Risk Management Section. The Commissioner of Insurance is the overall risk owner and ensures the implementation of the risk framework and supports all activities proposed to mitigate risks. In addition, it is the responsibility of Management to ensure that adequate internal financial and operational control systems are developed and maintained on an on-going basis in order to provide reasonable assurance regarding the Authority's objectives.

The availability of NEW TIRA MIS Mobile application system plays a tremendous role in reducing fraudulent practices in the market. The Board assessed the internal control systems throughout the financial year ended 30 June 2023 and is of the opinion that they met accepted criteria. The National Insurance Board implements risk and internal control assessment of the Authority through its Audit Committee.

2.10 SOLVENCY

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

The going-concern assertion is based on the approval of the budget for the ensuing year, the positive historical trend of premium levies over the past years and the absence of any decision to cease the operations. Management has a reasonable expectation that the Authority has adequate resources to continue in its operational existence for the foreseeable future.

2.11 CAPITAL FUND

The capital fund of the Authority comprises the Assets that were contributed by the Government of TZS 603.40 million at the time of its formation. Refer to note 13.

2.12 ACCUMULATED SURPLUS

As at 30 June 2023, the Authority's accumulated Surplus stood at TZS 15.40 billion (2021/22: TZS 10.58 billion). The increase in accumulated reserves was due to the recorded surplus of TZS 4.82 billion during the year

2.13 CORPORATE RELATIONSHIPS WITH STAKEHOLDERS

The Authority believes that stakeholders are the primary reason for the existence of the Authority. Several measures have been taken to institute responsible behavior towards stakeholders. These measures include the establishment of forums in which the Authority meets with the stakeholders to discuss various matters affecting the market and the Policyholders. The Authority enjoys good and remarkable support from almost all stakeholders. Key to this relationship has been prompt communication among the stakeholders.

2.14 DIRECTORS' REMUNERATION

All Directors are being paid Directors fees. However, during the financial year 2022/23 there were no directors' fees paid.

2.15 ADMINISTRATIVE EFFICIENCY

The Directors consider administrative efficiency as the key to superior service delivery. The Authority has adopted the Government Accounting System that will facilitate a number of administrative activities. This will significantly improve administrative functions including stores, financial management, placing orders as well as management of fixed assets.

The authority is aware that the acquisition of the systems requires a considerable amount of resources and resorted to adopting the Government's procured/developed systems or developing systems at low cost to minimize administrative costs.

The Authority has not borrowed funds and consequently no interest charges have accrued against the Authority. All statutory payments such as Pay As You Earn (PAYE), pension contributions and other statutory deductions effected by staff salaries were made and submitted to the relevant authorities in time.

The existing internal control systems are invariably complied with. This has resulted in smooth operations of the Authority.

2.16 EMPLOYEES' WELFARE

(i) Management and Employees' Relationship

Employees and Management maintained good relationships for the year 2022/23. There had been no unresolved complaints received by Management from the employees during the year. A healthy relationship continues to exist between Management and the Trade union. During the year under review, Management facilitated the implementation of all Workers' Council Meetings, and this significantly contributed to enhanced employer-employee relationship at workplace.

(ii) As at 30 June 2023 the Authority's contributed to (PSSSF, ZSSF, NHIF and WCF) TZS 1,120,610,000 (2021/22: TZS 784,464,000), while retirement benefit is TZS 83,600(2021/22: TZS 0)

2.17 GENDER PARITY

The Authority is an equal-opportunity employer. As at 30 June 2023, the Authority had the following distribution of employees by gender:

Table 1: Authority Staff Distribution

Gender	2022/23	2021/22
Male	72	69
Female	43	43
Total	115	112

Source: TIRA staff Establishments

2.18 RELATED PARTY TRANSACTIONS

Transactions with related parties during the year were in the normal course of business. Details of transactions and balances are disclosed under Note 26 of the financial statements.

2.19 ENVIRONMENTAL CONTROL PROGRAM

The Authority monitors the impact of its operations to the environment, which is mainly through the use of power, water and the generation of waste. The Authority minimizes its impact through better use of its premises and inbuilt facilities to ensure that there is proper waste management.

2.20 POLITICAL DONATIONS

The Authority did not make any political donations during the period.

2.21 CORPORATE SOCIAL RESPONSIBILITY

In fulfilling its corporate social responsibility, for the year 2022/23 the Authority engaged itself on CSR activities to support the community in which it operates in the form of social and financial aid. The CSR activities were mainly in the areas of education, health, sports, environmental conservation and corporate governance.

2.22 COMPLIANCE TO LAWS AND REGULATIONS

In performing the activities of the Authority, various laws and regulations having an impact on the Authority's operations are observed as a tool for financial management. These are Financial Regulations, Staff Rules and Regulations, Insurance Act No. 10 of 2009, Income Tax Act, 2004, and Public Procurement Act, 2011 and related regulations.

2.23 SERIOUS PREJUDICIAL MATTERS

During the period ended 30 June 2023, the authority has one litigation in the court at the court of appeal, however, the claim seems to have no serious impact to the Authority. For details of the case refer to note 30.

2.24 ACCOUNTING POLICIES

The accounting policies used in the preparation of the financial statements have been disclosed in Note 2 to the financial statements. These policies are all considered to be critical to an understanding of the performance and financial position of the Authority.

2.25 STATEMENT OF COMPLIANCE

The Report by those Charged with Governance has been prepared in full compliance with the requirements of the Tanzania Financial Reporting Standards No.1.

2.26 AUDITORS

The Controller and Auditor General is the statutory Auditor of the Tanzania Insurance Regulatory Authority (TIRA) by virtue of Article 143 of the Constitution of the United Republic of Tanzania as amplified under Section 30 of the Public Audit Act, Cap 418.

BY THE ORDER OF THE BOARD

CPA. Moremi A. Marwa
Chairman of the Board

28-02-2024
Date

Dr. Baghayo A. Saqware
Commissioner of Insurance

28-02-2024
Date

3.0 STATEMENT OF RESPONSIBILITIES BY THOSE CHARGED WITH GOVERNANCE FOR THE PERIOD ENDED 30 JUNE 2023

These Draft Financial Statements have been prepared by the Management of the Tanzania Insurance Regulatory Authority in accordance with the provisions of Sect 25(4) of the Public Finance Act. No 6 of 2001 (Revised 2004). The financial statements as required by the said Act are presented in a manner consistent with the International Public Sector Accounting Standard (IPSAS) Accrual Basis of Accounting.

The National Insurance Board is responsible for establishing and maintaining a system of effective internal Control designed to provide reasonable assurance that the transactions recorded in the accounts are within the statutory authority and that they contain the receipt and use of all public financial resources by Tanzania Insurance Regulatory Authority.

To the best of my knowledge, the system of Internal Control has operated adequately throughout the reporting period and that the financial statements and underlying records provide a reasonable basis for the preparation of the financial statements for the 2022/23 financial year.

We accept responsibility for the integrity of the financial statements, the information they contain and their compliance with the Public Finance Act No. 6 of 2001 (revised 2004).

BY THE ORDER OF THE BOARD

....	....
CPA. Moremi A. Marwa	**Dr. Baghayo A. Saqware**
Chairman of the Board	**Commissioner of Insurance**
Date: 28-02-2024	**Date:** 28-02-2024

4.0 DECLARATION BY THE HEAD OF FINANCE OF TANZANIA INSURANCE REGULATORY AUTHORITY

The National Board of Accountants and Auditors (NBAA) according to the powers 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 Head of Finance 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/Management to discharge the responsibility of preparing financial statements of an entity showing 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 financial statements rests with the Board of Directors as under Directors Responsibility statement on preceding page.

I CPA Gambamala M. Luchunga being the Head of Finance of Tanzania Insurance Regulatory Authority (TIRA) hereby 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 Tanzania Insurance Regulatory Authority (TIRA) as on that date and that they have been prepared based on properly maintained financial records.

Gambamala M. Luchunga

Director of finance

NBAA Membership No. ACPA1557

Date: 28/02/2024

5.0 FINANCIAL STATEMENTS

5.1. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	NOTE	2022/23 TZS' 000	2021/22 TZS' 000
Current Assets			
Cash and Cash Equivalents	4	4,416,047	3,007,802
Trade Receivables	5	8,857,479	5,574,952
Staff loan and other receivable	6	2,031,827	1,682,597
Prepayments	7	95,089	99,101
Inventories	8	96,586	58,744
Total Current Assets		**15,497,028**	**10,423,196**
Non-Current Assets			
Intangible Assets	9	715,807	752,081
Property, Plant and Equipment	10	4,200,986	3,940,006
Total Non-current Assets		**4,916,793**	**4,692,087**
TOTAL ASSETS		**20,413,821**	**15,115,283**
LIABILITIES			
Current Liabilities			
Deposits	11	298,680	208,089
Payables and Accruals	12	4,111,404	3,724,830
Total Current Liabilities		4,410,084	3,932,919
TOTAL LIABILITIES		**4,410,084**	**3,932,919**
NET ASSETS		**16,003,737**	**11,182,364**
NET ASSETS/ EQUITY			
Capital contributed by:			
Capital Fund	13	603,403	603,403
Accumulated Surplus	14	15,400,334	10,578,961
TOTAL NET ASSETS/ EQUITY		**16,003,737**	**11,182,364**

Notes form part of the financial statements that were approved for issue and signed on behalf of the Board of Directors by:

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CPA. Moremi A. Marwa
Chairman of the Board

Date: 28-02-2024

BN

Dr. Baghayo A. Saqware
Commissioner of Insurance

Date: 28-02-2024

5.2. STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2022/23 TZS' 000	2021/22 TZS' 000
REVENUES			
Revenues from Non-Exchange Transactions			
Premium Levy	15	20,710,824	15,881,312
Fees, Fines, Penalties	16	2,671,007	1,792,623
Other Revenue	17	42,356	44,243
Gain on foreign Exchange	19	39,730	5,568
Revenue from Exchange transaction	18	299,856	325,211
TOTAL REVENUES		**23,763,773**	**18,048,957**
EXPENSES AND TRANSFER			
Wages, Salaries and Employee benefits	20	7,323,736	6,863,706
Social Benefits	21	1,204,210	784,465
Supplies and Consumable used	22	6,251,212	5,562,896
Maintenance Expenses	23	205,173	174,710
Loss on Disposal of Property, Plant and Equipment	24	10,778	-
Loss from Write off of obsolete inventories	8	-	58,129
Amortization Charges	9	130,509	66,873
Depreciation Charges	10	258,176	347,692
Total Expenses		**15,383,794**	**13,858,471**
Transfer			
Grant, Subsidies, and other Government transfer	25	3,558,606	2,605,479
Total transfer		**3,558,606**	**2,605,479**
TOTAL EXPENSES AND TRANSFER		**18,942,400**	**16,463,950**
Surplus for the year		**4,821,373**	**1,585,007**

Notes form part of the financial statements

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CPA. Moremi A. Marwa
Chairman of the Board

Date: 28-02-2024

Dr. Baghayo A. Saqware
Commissioner of Insurance

Date: 28-02-2024

5.3. STATEMENT CHANGE IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

	Tax payers fund	Accumulated Surplus	Total
	TZS '000'	TZS '000'	TZS '000'
Year ended 30 June 2021			
Balance as at 1 July 2021	603,403	8,993,954	9,597,357
Surplus for the year	-	1,585,007	1,585,007
Balance at 30 June 2022	603,403	10,578,961	11,182,364
Balance as at 1 July 2022	603,403	10,578,961	11,182,364
Surplus for the year	-	4,821,373	4,821,373
Balance at 30 June 2023	603,403	15,400,334	16,003,737

CPA. Moremi A. Marwa
Chairman of the Board

Date: 28-02-2024

Dr. Baghayo A. Saqware
Commissioner of Insurance

Date: 28-02-2024

5.4. CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2022/23 TZS' 000	2021/22 TZS' 000
Receipts			
Fees, fines, penalties &forfeits	16	2,671,007	1,792,623
Premium Levy	28(a)	17,428,297	15,173,982
Other Revenue	17	42,356	44,243
Revenue from Exchange transaction	18	299,856	73,671
Increased in deposit	28(d)	90,591	(174,440)
		20,532,107	**16,910,079**
Less: Payments			
Wages, Salaries and other employee benefits	28(b)	7,383,241	6,813,758
Supplies and Consumable used	28(c)	6,497,570	6,008,440
Social Benefits	21	1,204,210	784,464
Maintenance Expenses	23	205,173	174,710
Grant, subsidies and other payment transfer	28(d)	2,900,000	1,794,131
		18,190,194	15,575,503
Net Cash flow from operating activities [A]	**27**	**2,341,913**	**1,334,576**
Cash flow from Investing activities			
Acquisition of intangible assets	9	(94,236)	(140,892)
Acquisition of fixed assets	10	(534,512)	(250,708)
Staff loans repayment /issue	28(f)	(349,230)	184,023
Proceeds from sale of Asset	10	4,580	0
Net Cash flow from Investing Activities [B]		**(973,398)**	**(207,577)**
Cash flow from Financing Activities			
Net Cash flow from financing Activities(C)		0	0
Net Increase/(Decrease) in cash and cash equivalent [A+B+C]		1,368,515	1,126,999
Cash and Cash equivalent at beginning		3,007,802	1,875,235
Effects of currency translation on cash and cash equivalents		39,730	5,568
Cash and cash equivalents at the end of period		**4,416,047**	**3,007,802**

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CPA. Moremi A. Marwa

Chairman of the Board

Date: 28-02-2024

....

Dr. Baghayo A. Saqware

Commissioner of Insurance

Date: 28-02-2024

5.5. STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30 JUNE 2023

	Original Budget TZS (000)	Reallocation /Adjustment TZS (000)	Final Budget TZS(000)	Actual Amounts on Comparable Basis	Difference: Final Budget and Actual
Revenues					
Fees, fines, penalties &forfeits	1,783,646	0	1,783,646	2,671,007	887,361
Premium Levy	17,305,108	0	17,305,108	17,428,294	123,186
Other Revenue	343,525	0	343,525	42,356	(301,169)
Revenue from Exchange transaction	330,000	0	330,000	299,856	(30,144)
Increased deposits	0	0	0	90,591	90,591
Proceeds on disposal	0	0	0	4,580	4,580
Total Revenues	**19,762,279**	**0**	**19,762,279**	**20,536,684**	**774,405**
Expenses					
Wages, Salaries and other employee benefits	7,403,562	49,000	7,452,562	7,383,241	69,321
Supplies and Consumable used	6,100,809	0	6,100,809	6,497,570	(396,761)
Social Benefits	889,161	0	889,161	1,204,210	(315,049)
Maintenance Expenses	280,121	(8,000)	272,121	205,173	66,948
Grant, subsidies and other payment transfer	2,916,625	0	2,916,625	2,900,000	16,625
Acquisition of fixed assets	2,172,001	(41,000)	2,131,001	534,512	1,596,489
loans repayment /issue	0	0	0	349,230	(349,230)
Acquisition of Intangible assets				94,236	(94,236)
Total Payment	**19,762,279**	**0**	**19,762,279**	**19,168,172**	**594,107**
Net increase (Decrease)	**0**	**0**	**0**	**1,368,512**	**1,368,512**

....	....
CPA. Moremi A. Marwa	**Dr. Baghayo A. Saqware**
Chairman of the Board	**Commissioner of Insurance**
Date: 28-02-2024	**Date:** 28-02-2024

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1. GENERAL INFORMATION

The Tanzania Insurance Regulatory Authority was established by the Insurance Act No. 10 of 2009 ("Insurance Act"). The main purpose of the Authority be to promote and maintain an efficient, fair, safe and stable insurance market for the benefit and protection of policyholders. The Authority has four zonal offices in the Mainland Tanzania and one office in Zanzibar.

The Authority is governed by the National Insurance Board (NIB). The address of its registered office is:

LAPF Building, 5th floor,
Plot No. 4/5, Makole Road,
P.O. Box 2987,
DODOMA, Tanzania.

The information given above is a summary only. For detailed and complete information about the Authority, reference should be made to the Directors Report which is an integral part of these financial statements and the Insurance Act, which can be accessed at www.tira.go.tz

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with IPSAS

The financial statement have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Standards Board (IPSASB).

(ii) Historical cost conventions

The financial statements have been prepared on historical cost basis except where otherwise stated in the accounting policies. The financial statements are presented in Tanzanian Shillings (TZS), which is also the Authority's functional currency, rounded to the nearest thousand (TZS'000), except where otherwise indicated.

(b) Changes in Accounting Policies and Disclosures

(i) New and amended Standards adopted

In the current year, the Authority applied all relevant IPSSAs issued by the International Public Sector Accounting Standard Board (IPSASB) that are mandatorily effective for accounting periods that begin on or after 1 July 2019. There are no standards or interpretations that are effective for the first time for the financial year beginning on or after the 1 July 2019 that would have material impact on the Authority's financial statements.

(ii) New Standards that are not yet effective and have not been early adopted.

IPSAS 41 - Financial Instruments

IPSAS 41 – Financial Instruments was issued by the International Public Sector Accounting Standard Board (IPSASB) in August 2018. The objective of the standard is to establish principles for the financial reporting of the financial assets and financial liabilities that will present relevant and useful information to users of the financial statements for their assessments of the amounts, timing and uncertainty of an entity's future cash flows. This standard is effective for the financial statements beginning on or after 1 January 2022, with an option for earlier adoption.

IPSAS 42 - Social Benefits

IPSAS 42 – Social Benefits was issued by the International Public Sector Accounting Standard Board (IPSASB) in January 2019. The objective of the standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements assess the nature of such benefits, the key features of the operations of such social benefit schemes and impact of the social benefits on the entity's financial performance, financial position and cash flows. This standard is effective for the financial statements beginning on or after 1 January 2022, with an option for earlier adoption.

(c) Changes in Classification and Presentation

Following the adoption of government accounting system **(Mfumo wa Ulipaji Serikalini MUSE),** the classification of financial transaction, and presentation of financial statement has been changed to align with the system.

The financial statement has been presented as per nature and not function which were used before.

(d) Use of estimates and Judgment

The preparation of the financial statements in conformity with the IPSAS requires management to make judgements, estimates and assumptions that affect application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Key estimates management has made in the preparation of the financial statements concerns accruals, the useful lives of property and equipment and intangible assets. The estimated useful lives of these assets are set out in the relevant Notes.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are revised and in any affected future periods.

(e) Revenue Recognition

Revenues received by the Authority arise both from exchange and non-exchange transactions. Non-exchange transactions a transaction in which the Authority either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Revenue from Non-Exchange Transactions

For non-exchange transactions, revenue recognition is based on an assessment of whether an asset or a liability has been created. The specific recognition criteria described below must also be met before revenue is recognized.

(i) Premium Levy

Premium levy is charged from the insurance business generated by insurance companies. The Authority recognizes premium levy as revenues when the companies underwrite business.

(ii) Fines & Penalties

Fines and Penalties are recognized when it is probable that the future economic benefits or service potential associated with the assets will flow to the entity. The Authority recognizes Fines and Penalties as income when enforceable events occur.

(iii) Accreditation Fee

Accreditation fee are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and the fair value of the asset can be measured reliably. TIRA recognizes revenue from Accreditation fee when an Insurer or Broker qualifies for an insurance business licence.

(iv)Annual Fee

Revenue from Annual fee is recognized when an Insurance player qualifies for a new insurance business license. When the approval for license is granted, revenue for the said transaction is recognized in the books of accounts.

(v) Registration Fee

Revenue from Registration fee is recognized when an Insurance player qualifies for a new insurance business license. When the approval for license is granted, revenue for the said transaction is recognized in the books of accounts.

(vi) Application Fee

Accreditation fee are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and the fair value of the asset can be measured reliably. Revenue from Application fee is recognized once it is received by TIRA as it non-refundable.

Revenue from Exchange Transactions

Revenue is recognized when it is probable that future economic benefits or service potential will flow to the Authority and these benefits can be measured reliably regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Revenue from the sale of goods is recognized when significant risks and rewards have been transferred, the Authority neither retains continuing managerial involvement or effective control over the goods and cost incurred can be reliably measured.

The following specific recognition criteria described below must also be met before revenue is recognized.

(f) Insurance Stickers

Revenue from the sale of sticker is recognized when all the following conditions are satisfied: TIRA has transferred to the insurance companies the significant risks and rewards of ownership of the Stickers; TIRA retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the sold stickers; the amount of revenue can be measured reliably if the books of the stickers are handed over to the insurer.

(g) Expenses

Under accrual basis expenditure is recorded in the accounts when it is incurred and not necessarily when it is paid for. The timing of recognition of expenses and assets will occur when the goods and/or services are received by (that is 'delivered' to) the Authority.

Expenses for services are recognized in line with agreed milestones. Where precise details of the exact costs are unknown at the year-end, an estimate of the extent of the service delivered up to the year-end is made. Where there is one specific act noted within a service contract that is more significant than the rest of the acts under the contract, expense recognition is postponed until the significant act has been carried out.

(h) Lease agreement

All leases are classified, at their inception, as finance or operating. *Operating Lease*: the lease is classified as operating lease if it does not transfer substantially all risks and rewards incidental to ownership of an asset. The Authority has only operating leases in the form of office rent.

(i) Authority as a lessee

Lease payments under an operating lease is recognized as an expense on a straight-line basis over the lease term. The straight-line basis spreads out the actual cost of lease equally over the lease term.

If the lease is classified as a finance lease, at the commencement of the lease term, the Authority recognizes the assets and the associated lease obligations as liabilities in the statement of financial position. The assets and liabilities shall be recognized at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

A depreciation expense and a finance expense will be recorded in each accounting period for the assets held under a finance lease. If there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term or its useful life.

(j) Authority acts as a lessor

When the Authority leases out under an operating lease, the Authority recognizes the revenue on a straight-line basis over the lease term, and all costs, including depreciation, incurred in earning the lease revenue are recognized as an expense. The item of PP&E is included in the statement of financial position based on the nature of the asset.

When the Authority leases out under a finance lease, the Authority recognizes the present value of the lease payments as a receivable. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance revenue.

Lease payments relating to the accounting period, excluding costs for services, are applied against the gross investment in the lease to reduce both the principal and the unearned finance revenue. The recognition of finance revenue is based on a constant periodic rate of return on the lessor's net investment in the lease

(k) Property, Plant and Equipment

Property, Plant and Equipment (PP&E) is stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost comprises the purchase price and any costs directly attributable to bringing the asset to its location and condition including associated costs. For PP&E acquired at nil or nominal cost (including donated assets), the cost will be measured at the fair value of the asset.

Once identified as an asset based on recognition criteria, the asset is recorded as an item of PPE. Asset under construction costs will be capitalized if they are directly identifiable exclusively to the construction of the particular assets or group of assets and meet the required thresholds.

A gain or loss resulting from the disposal of PP&E arises where proceeds from disposal differ from its carrying amount. Those gains or losses are recognized in the statement of financial performance.

Subsequent Recognition

Costs incurred subsequent to initial acquisition are capitalized only when it is probable that future economic benefits or service potential associated with the item will flow to the Authority and the cost exceeds the established threshold for initial recognition. Repairs and maintenance (day-to-day servicing) are charged to surplus or deficit in the statement of financial performance in the year in which they are incurred.

Subsequent Measurement

The organization has elected the cost model to measure PP&E after initial recognition. PP&E is depreciated over their estimated useful life using the straight-line method except for land and assets under construction, which are not subject to depreciation.

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

Asset	Depreciation Rate
Motor Vehicles	20.0%
Furniture & Fittings	20.0%
Office Equipment	20.0%
Computers Hardware	25.0%
Office Buildings	2.00%
Plant and Machinery	20.0%

An item of Property, plant and equipment is periodically reviewed for impairment. When the carrying amount of the asset is greater than its estimated recoverable amount, it is written down immediately to its estimated recoverable amount.

The residual values useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of Property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of financial performance in the year the asset is derecognized.

(l) Intangible Assets - Software

Recognition and Measurement

Intangible assets acquired are measured at cost on initial recognition except for items donated to the Authority. Such goods should be measured at fair value. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is charged in the statement of financial performance in the year in which the expenditure is incurred.

Intangible assets are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at each financial year end date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

The amortization expense on intangible assets is recognized in the statement of financial performance. The annual rate of amortization, which has been consistently applied, is 10% per annum.

Impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment of intangible assets. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the statement of financial performance in the expense category.

The carrying value of intangible assets as at the year-end is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognized immediately as an expense and is not subsequently reversed.

(m) Financial Instruments

Non-derivative financial instruments

Non-derivative financial instruments are receivables, cash and cash equivalents and accounts payable. Non-derivative financial instruments are recognized initially at fair value plus, for instrument not at fair value through surplus or deficit, any directly attributable transaction cost. Subsequent to initial recognition, non-derivative financial instrument are measured at amortized cost using the effective interest rate method, less any impairment losses, if any.

Loans and receivables are assessed at each reporting date to determine whether there is objective evidence of impairment. Evidence of impairment includes default or delinquency of the counterparty or permanent reduction in value of the asset. Impairment losses are recognized in surplus or deficit in the Statement of Financial Performance in the year they arise.

Non-derivative financial instruments are categorized as follows:

(i) Loans and receivables - these are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are measured at amortised cost using the effective interest rate method, less any impairment losses;
(ii) Held to maturity investments- these are investments with fixed determinable maturity dates; and
(iii) Financial liabilities measured at amortized cost - this relates to all other liabilities that are not designated at fair value through surplus or deficit.

Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

De-recognition

Loans and receivables are derecognized when the rights to receive cash flows have expired or have been transferred and the Authority has transferred substantially all risks and rewards of financial asset.

Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Authority has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis when permitted by the accounting standards or for gains and losses arising from a group of similar transactions.

Accounts payable and accrued expenses:

Accounts payables and accrued expenses arise from the purchase of goods and services that have been received but not paid for as at the reporting date. They are stated at invoice amounts, less payment discounts at the reporting date. Payables are recognized and subsequently measured at their nominal value as they are generally due within 12 months.

Provisions, Contingent Liabilities and Assets

Provisions are recognised when the Authority has a legal or constructive obligation arising from a past event, and it is probable that an outflow of the Authority's financial resources will be required to settle the obligation. Provisions are measured as Management's best estimate of the amount with which the liability is expected to be settled.

(n) Cash and Cash Equivalents

Cash and cash equivalents include cash, and short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Financial instruments classified as cash equivalents.

(o) Impairment of financial assets

The Authority assesses at each reporting date whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtor, or a group of debtors, is experiencing significant financial difficulty, default or delinquency in payments, the probability that they will enter bankruptcy or other financial reorganisation and, where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future Expected Credit Losses that have not yet been incurred) discounted using the asset's original Effective Interest Rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss as credit loss expense.

Impaired debts, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Authority. If a previous write-off is later recovered, the recovery is credited to the credit loss expense. Interest revenue on impaired financial assets is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(p) Impairment of non-financial assets

The Authority assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Authority estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

(q) Inventory- Stationery and consumables

Inventories are stated at the lower of cost and net realizable value. Cost is determined on a first in first out basis (FIFO). Any obsolete items are provided for in full in the year they are detected. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(r) Employees' benefits

The Authority contributes to a publicly administered pension plan on a mandatory basis. Employees contribute 5% of the basic salary and the Authority contributes 15% of employees' basic salary to the scheme. The contributions are recognized as an employee benefits expenses when they are due. The Authority's contributions to the defined contribution schemes are charged to the statement of financial performance in the year in which they fall due. The Authority has no legal or constructive obligation to pay further contributions if the Pension Schemes do not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

(s) Other employees' entitlements

The estimated monetary liability for employees accrued leave entitlement as at the reporting date is recognized as an expense accrual. Provision is made for estimated liability in respect of annual leave accrued on reporting date.

(t) Foreign Currencies Translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Authority operates (the "functional currency"). The financial statements are presented in Tanzania Shillings (TZS), rounded to the nearest thousand, which is the Authority's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies during the period are converted into Tanzania Shillings ("TZS") at rates prevailing at the transaction dates. Monetary items denominated in foreign currency are translated using the functional currency spot exchange rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated at the date of initial recognition. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

(u) Changes in Accounting Policies

The detailed accounting policies shall be applied consistently for similar transactions from one period to the next because users of the financial statements need to be able to compare the financial statements over time.

A change in accounting policy should be made by the Authority only if:

- The change is required by an IPSAS Standard; or
- If the change will result in the financial statements providing reliable and more relevant information about the effects of transactions on the financial position, financial performance or cash flows.

(v) Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information. Where necessary, comparative figures have been re-grouped and re-classified to conform to changes in presentation in the current year.

The Authority's activities expose it to a variety of financial risks, including credit risk, liquidity risk, interest rates, and price risk. The Authority seeks to minimize its exposure to financial risk. It uses only non-derivative financial instruments as part of its normal operations. These financial instruments include bank accounts, accounts receivable and accounts payable.

3. **Specific risks to which the Authority**

The following are specific risks to which the Authority is exposed:

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Authority's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Foreign Currency risk

Currency risk refers to the risk of loss due to adverse movements in foreign exchange rates. The Authority's exposure to currency risk on purchases other than the functional currency is not significant. The currency in which these transactions primarily are denominated is Tanzanian Shilling. Foreign exchange gains and losses resulting from settlement, or translation of year end monetary balances denominated in foreign currencies are recognized in the statement of financial performance.

Measures, including having specific USD denominated bank account, are taken to minimize the Authority's exposure to the currency. The Authority operates separate bank accounts in US Dollars. The Authority incurs currency risk as a result of the conversion of foreign Currency balances held in these bank accounts to Tanzanian Shilling at period end. The currency risk associated with this balance is considered minimal and therefore the Authority does not hedge its foreign currency exposure.

Foreign rate risk

Foreign currency transactions are translated to Tanzanian Shilling at exchange rates at the dates of the transactions.

Interest rate risk

Interest rate arises from possible impact of changes in the interest rates on the value of financial instruments. The Authority's exposure to the risk of changes in market interest rates is minimal as it does not hold fixed income investments. All financial instruments are recognised in the statement of financial position at their fair values.

Liquidity risk

Liquidity risk is the risk of failing to meet obligations when they fall due. The Authority manages liquidity risk by maintaining a bank balance which is adequate to meet its obligations. Management performs cash flow forecasting and monitors rolling forecasts of the Authority's liquidity requirements to ensure it has sufficient cash to meet its operational needs.

Credit risk

Credit risk is the risk that the counterparty to any financial transaction may not be able to fulfil its obligation on due date. Apart from staff advances, the Authority does not have significant concentration of credit risk in other areas.

In the normal course of business, the Authority incurs credit risk from accounts receivable and transactions with banking institutions. The Authority manages its exposure to credit risk by holding bank balances in the Bank of Tanzania and Tanzanian registered banks and maintaining credit control procedures over accounts receivable.

As at 30 June 2023, the total amount of cash and cash equivalents was TZS 4,416 million (30 June 2022: 3,008 million) held with Bank of Tanzania, the National Bank of Commerce Limited, CRDB Plc. and NMB Ltd in the form of demand deposits. Recoverable from non-exchange transactions and receivables from exchange transactions excluding prepayments as at 30 June 2023 totalled TZS 10,889.31 million (30 June 2022: TZS 7,257.55 million).

The Authority does not require any collateral or security to support financial instruments and other receivables it holds due to low risk associated with the realization of these instruments.

4. CASH AND CASH EQUIVALENT	**2022/23**	**2021/22**
	TZS' 000	**TZS' 000**
BOT Own source collection account	3,058,630	284,728
Deposit General Cash Account	60,963	41,381
Loan Cash Account	456,051	470,148
Own source collection A/C-CRDB	74,923	182,926
Own source collection account -NBC	358,994	14,048
Own source Recurrent Expenditure-GF	48,810	1,407,846
Unapplied Cash Account	180,650	146,457
USD BOT Collection Account	147,502	460,002
USD Commercial Collection Account	29,524	266
Total	**4,416,047**	**3,007,802**

The increase in cash and cash equivalent was mainly due to the increase in revenue during the year, the significant balance of which, consists of carry over funds set aside for Construction of TIRA offices in Dodoma and payment of other payables.

5.TRADE RECEIVABLES	2022/23	2021/22
	TZS' 000	TZS' 000
Trade Receivable	8,850,369	5,567,842
Other receivable (Rent deposit)	7,110	7,110
Total	**8,857,479**	**5,574,952**

Trade receivables mainly represents unpaid levy for the quarter running from April to June 2023, and payable in the ensuing quarter. The receivables are the amount expected to be received as provided in the statute and are the registrants discharge their obligations accordingly.

6	STAFF LOAN RECEIVABLES	2022/23	2021/22
		TZS' 000	TZS' 000
	Imprest Receivable	299,821	163,799
	Principal Staffs Loan Receivable	1,732,006	1,518,798
	Total	**2,031,827**	**1,682,597**

7	PREPAYMENTS	2022/23	2021/22
		TZS' 000	TZS' 000
	Advance for Work in Progress	94,052	94,236
	Prepayments	1,037	4,865
	Total	**95,089**	**99,101**

8	INVENTORIES	2022/23	2021/22
		TZS' 000	TZS' 000
	Consumables	96,586	65,725
	Printed matters	-	51,148
	Write off of obsolete inventories	-	(58,129)
	Total	**96,586**	**58,744**

9	INTANGIBLE ASSETS	2022/23	2021/22
		TZS' 000	TZS' 000
	Cost as at beginning	1,210,858	1,069,966
	Additions / (Deduction)	94,236	140,892
	Cost at year end 30 June 2023	**1,305,094**	**1,210,858**
	Amortization		
	as at beginning of the year	458,777	391,904
	Charges during the year	130,509	66,873
	Amortization as at year end	**589,286**	**458,777**
	Net book value at 30 June 2023	**715,808**	**752,081**

The Intangible assets includes TIRA RBS system which is a Supervisory software acquired by TIRA to perform the following functions:

i. Periodical Statutory returns submission and any other statistical data required from registrant; and
ii. Data Analysis and provision of early warning ratios on Risk areas, and online licensing of Insurance registrants.

Also, it includes TIRA Online Registration System and TIRA MIS system which was developed for checking the authenticity of the sold Motor Insurance stickers in the market, and Reinsurance portal for use by registrants for filling request on externalization of business.

10. PROPERTY , PLANT AND EQUIPMENT	Office Equipment	Furniture and Fittings	Computer Hardware	Motor Vehicles	Land and Buildings	Land	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Year ended 30 June 2023							
COST							
At start of year	584,935	462,867	684,993	1,038,963	1,386,220	2,032,650	6,190,628
Additions during the year	19,373	-	123,443	391,696	-	-	534,512
Less: Disposal during the year	(19,403)	(25,152)	(44,674)	-	-	-	(89,229)
Costs as at 30 June 2023	**584,905**	**437,715**	**763,762**	**1,430,659**	**1,386,220**	**2,032,650**	**6,635,911**
DEPRECIATION							
At the start of the year	334,476	326,751	567,013	856,190	166,192	-	2,250,622
Current Depreciation	61,046	40,800	45,825	82,781	27,724	-	258,176
Less: Accumulated Depreciation on Disposal	(14,235)	(21,886)	(42,332)	-	-	-	(78,453)
	381,287	345,665	570,506	938,971	193,916	-	2,430,345
Proceed on disposal of Assets	**(779)**	**(2,244)**	**(1,557)**	-	-	-	(4,580)
Net Values as at 30 June 2023	**202,839**	**89,806**	**191,699**	**491,688**	**1,192,304**	**2,032,650**	**4,200,986**
Year ended 30 June 2022							
COST							
At start of year	504,965	446,917	622,553	946,616	1,386,220	2,032,650	5,939,921
Additions during the year	79,970	15,950	62,440	92,347	-	-	250,707
Costs as at 30 June 2022	**584,935**	**462,867**	**684,993**	**1,038,963**	**1,386,220**	**2,032,650**	**6,190,628**
DEPRECIATION							
At the start of the year	266,687	276,320	482,964	739,060	137,899	-	1,902,930
Current Depreciation	67,789	50,431	84,049	117,130	28,293	-	347,692
	334,476	326,751	567,013	856,190	166,192	-	2,250,622
Net Values as at 30 June 2022	**250,459**	**136,116**	**117,980**	**182,773**	**1,220,028**	**2,032,650**	**3,940,006**

11 DEPOSITS	2022/23 TZS' 000	2021/22 TZS' 000
Deposit General	114,952	60,402
Unapplied Deposit Account	183,728	147,687
Total	**298,680**	**208,089**

12 PAYABLES AND ACCRUAL	2022/23 TZS' 000	2021/22 TZS' 000
15% of Revenue Contribution to CF	3,351,707	2,693,101
Accrued Expenses	122,538	138,053
Gratuity Payable	99,386	69,645
Misc. Deduction	9,554	9,554
Miscellaneous Other Payables	259,845	338,058
Pay as you earn	0	89,246
Supplies of goods and Services	253,487	374,874
Withholding Tax	14,887	10,259
Staff Claims	0	2,040
Total	**4,111,404**	**3,724,830**

13 CAPITAL FUND	2022/23 TZS' 000	2021/22 TZS' 000
Subvention from Government	603,403	603,403
Total	**603,403**	**603,403**

The capital fund of the Authority comprises the Assets which were contributed by the Government of TZS 603,403,404 at the time of its inception.

14 ACCUMULATED SURPLUS	2022/23 TZS' 000	2021/22 TZS' 000
Balance at the beginning	10,578,961	8,993,954
Surplus/(Deficit) for the year	4,821,373	1,585,007
Total	**15,400,334**	**10,578,961**

15 PREMIUM LEVY	2022/23 TZS' 000	2021/22 TZS' 000
Fire Insurance	2,922,465	2,989,823
Engineering Insurance	1,785,232	438,851
Motor Insurance	6,305,754	4,317,865
Accident Insurance	1,136,316	919,166
Marine Insurance	685,466	550,753
Aviation Insurance	270,289	587,252

Health Insurance	2,450,817	2,551,490
Oil and Gas Insurance	122,454	62,046
Other General Insurance	858,661	745,881
Life Insurance	4,173,370	2,718,185
Total	**20,710,824**	**15,881,312**

Premium levy refer to 1.5% charged from the insurance business generated by insurance companies. The increase in revenue primarily stems from the automation of processes involved in acquiring information for insurance businesses.

16 FINES, FEES AND PENALTIES	2022/23 TZS' 000	2021/22 TZS' 000
Fines, Fees and Penalties	414,332	86,582
Accreditation fees	1,595,824	1,182,416
Annual Licence Fees	317,901	268,975
Registration Fees	342,950	254,650
Total	**2,671,007**	**1,792,623**

17 OTHER REVENUE	2022/23 TZS' 000	2021/22 TZS' 000
Application fee	36,406	38,350
Receipts from Miscellaneous fees	5,950	5,893
Total	**42,356**	**44,243**

18 REVENUE FROM EXCHANGE TRANSACTION	2022/23 TZS' 000	2021/22 TZS' 000
Stickers Sales	299,856	325,211
Total	**299,856**	**325,211**

19 GAIN/(LOSS) ON FOREIGN CURRENCY TRANSLATION	2022/23 TZS' 000	2021/22 TZS' 000
Gain on foreign Exchange difference	39,731	5,568
Total	**39,731**	**5,568**

20 WAGES, SALARIES AND EMPLOYEES BENEFITS	2022/23 TZS' 000	2021/22 TZS' 000
Civil servant	4,177,604	4,765,705
Acting allowance	170,978	47,655
Housing Allowance	430,019	167,504
Court Attire Allowance	8,402	6,050
Electricity allowance(Utility)	69,600	44,362

Extra duty	258,106	125,547
Field(Practical Allowance)	10,430	29,550
Furniture	98,017	256,633
Gratuities	63,348	63,256
Leave Travel	341,209	287,642
Medical and Dental refund	11,040	29,775
Moving Expenses	787,058	594,125
Outfit Allowance	22,494	19,889
Passage allowance	272,781	31,700
Responsibility Allowance	224,483	10,358
Sitting Allowance	75,271	45,820
Special Allowance	900	99,197
Honoraria	89,429	61,500
Telephone	212,567	177,438
Total	**7,323,736**	**6,863,706**

During the period, Wages, Salaries and Employees' benefits have increased mainly due to promotion and transfer of staff aimed at better execution of the Authority's functions

21 SOCIAL BENEFITS	2022/23 TZS' 000	2021/22 TZS' 000
Statutory Contribution (PSSSF, ZSSF, WCF etc.)	1,120,610	784,464
Retirement Benefits	83,600	-
Total	**1,204,210**	**784,464**

22 SUPPLIES AND CONSUMABLES USED	2022/23 TZS' 000	2021/22 TZS' 000
Advertising and Publication	74,067	86,271
Air travel Tickets	292,067	162,450
Ground Transport	81,162	93,330
Perdiem Domestic	2,902,269	2,883,552
Per Diem Foreign	276,507	88,952
Training Allowance	68,326	263,125
Training Materials	15,580	9,900
Tuition Fees	159,671	146,212
Visa Application Fees	6,200	0
Audit Fees	90,000	180,000
Bank Charges and Commission	3,664	2,703
Uniform	38,070	0
Burial Expenses	43,960	22,140
Catering Services	136,146	142,573
Conference Facilities	147,925	139,518

Consultancy fees	28,741	16,535
Office Consumables	73,243	156,228
Courier Services	34,706	30,178
Posts and Telegraph	1,226	2,282
Fuel(Diesel)	170,769	113,935
Educational Radio and TV programme	119,342	109,012
Electricity	97,395	19,073
Entertainment	51,102	6,245
Exhibition, Festival and Celebration	195,826	12,809
Food and Refreshments	118,006	94,982
Fumigation	1,794	1,622
Honorarium	28,071	92,392
Insurance Expenses	21,592	30,509
Internet and email connection	204,323	156,292
Newspaper and Magazine	11,634	12,673
Cleaning and Security charges	124,418	115,816
Printing and Photocopying cost	163,287	4,590
Office Rent	186,001	233,093
Land Rent expenses	51,019	0
Software Licence fees	159,993	4,354
Special Food(diet food)	9,200	2,200
Subscription fees	26,429	118,619
Tax levied by another level of Government	0	450
Telephone Charges	5,993	6,250
Water Charges	31,488	2,031
Total	**6,251,212**	**5,562,896**

23 MAINTENANCE EXPENSES	2022/23 TZS' 000	2021/22 TZS' 000
Computers, Scanners, and other computer related	8,543	14,260
Motor Vehicle and Watercraft	125,565	101,455
Outsource Maintenance contract service	61,927	51,658
Small tools and Implements	9,138	7,337
Total	**205,173**	**174,710**

24 LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	2022/23 TZS' 000	2021/22 TZS' 000
Losses on disposal of Property, Plant and Equipment	10,778	0
Total	10,778	0

25 TRANSFER PAYMENT TO CONSOLIDATED FUND	2022/23 TZS' 000	2021/22 TZS' 000
Contribution to CF (15%)	3,558,606	2,605,479
Total	3,558,606	2,605,479

26 RELATED PARTY DISCLOSURE	2022/23 TZS' 000	2021/22 TZS' 000
Remuneration of Key Management		
Key Management personnel remuneration	0	0
Contribution to pension funds and Gratuity	0	0
	0	0
Controlling Entity		
15% contribution to consolidated fund	3,558,606	2,605,479
Total	3,558,606	2,605,479

The National Insurance Board is the board appointed to oversee the activities of the Authority, during the financial year ended 30 June 2023 there were no Board expenses incurred, as the first board meeting were conducted on 10 July 2023. Key Management remuneration are expenses incurred in respect of Commissioner of insurance, Deputy commissioner and other Directors having Authority and responsibility of planning, directing and controlling the activities of the Authority. Controlling entity expenses are in respect of 15% contribution of gross revenue to the consolidated fund since the Government is the whole owner of the Authority.

27 RECONCILIATION OF SURPLUS/DEFICIT WITH CASH GENERATED FROM OPERATION	2022/23 TZS' 000	2021/22 TZS' 000
Surplus/(Deficit) for the year	4,821,373	1,585,007
Add: Depreciation charges	258,176	347,692
Amortization	130,509	66,873
Foreign Exchange loss/(Gain)	(39,731)	(5,568)
Loss on disposal	10,778	0
Cash generated from operation before changes in working capital	**5,181,105**	**1,994,004**
Decrease/(Increase) in Receivable	(3,282,527)	(770,997)
Decrease/(Increase) in Inventory	(37,842)	28,077

Decrease/(Increase) in Prepayment	4,012	24,534
Increase/(Decrease) in in Payables	477,165	58,958
Net cash generated from operating activities	**2,341,913**	**1,334,576**

28 CASH FLOW INFORMATION

	2022/23 TZS' 000	2021/22 TZS' 000
a. Premium Levy		
Opening Premium levy	5,574,952	4,867,622
Add: Premium levy during the year	20,710,824	15,881,312
Less: Closing Premium levy	(8,857,479)	(5,574,952)
Total	**17,428,297**	**15,173,982**
b. Wages, Salaries and other employees' benefits		
Salaries paid during the year	7,323,736	6,710,835
Add: Opening Gratuity	69,645	158,246
Tax Outstanding	89,246	103,567
Less: Closing Gratuity	(99,386)	(69,645)
Tax Outstanding	-	(89,245)
Total	**7,383,241**	**6,813,758**
c. Supplies and Consumable Used		
Supplies and consumable during the year	6,251,212	5,715,764
Add: Opening Payables	374,874	463,129
Opening Accrued Expenses	138,053	153,351
Opening Other Payables	338,058	516,568
Opening Staff Claim	2,040	69,787
Opening Withholding Tax	10,259	5,736
Closing Prepayment	95,089	99,101
Closing Inventory	96,586	58,744
Less: Closing Accrued expenses	(122,538)	(138,052)
Closing Staff Claim	-	(2,040)
Closing supplies of goods and services	(253,486)	(374,874)
Closing Other Payable	(259,845)	(338,058)
Closing Withholding Tax	(14,887)	(10,259)
Opening Prepayment	(99,101)	(123,635)
Opening Inventories	(58,744)	(86,821)
Total	**6,497,570**	**6,008,440**

d. Deposits		
Opening Deposit General	(60,402)	(178,721)
Opening Unapplied Deposit	(147,687)	(203,807)
Closing Deposit General	114,952	60,402
Closing Unapplied Deposit	183,727	147,687
Total	**90,590**	**(174,440)**

e. 15% Contribution to Consolidated Fund		
Payment During the year	3,558,606	2,605,479
Add: Opening Balance	2,693,101	1,881,753
Less: Outstanding Balance	(3,351,707)	(2,693,101)
Total	**2,900,000**	**1,794,131**

f. Net staff Loan repayment/(Issue)		
Opening balance	1,682,597	1,866,620
Less: Closing Balance	(2,031,827)	(1,682,597)
Total	**(349,230)**	**184,023**

29	STATEMENT OF RECONCILIATION OF ACTUAL AMOUNT ON A COMPARABLE BASIS AND ACTUAL AMOUNT IN THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023	AMOUNT AS PER STATEMENT OF BUDGET VS ACTUAL	AMOUNT AS PER STATEMENT OF CASH FLOW
		TZS' 000	TZS' 000
	Net increase/Decrease in cash and cash equivalent	1,368,515	1,368,515
	Add: Cash and cash equivalent at the beginning of the period	3,007,802	3,007,802
	Add: Effect of currency translation (Non cash item)	39,730	39,730
	Cash and Cash equivalent at the end of Period	**4,416,047**	**4,416,047**

30 CONTINGENT LIABILITIES

Litigation

As at 30 June 2023, the Authority had the following litigations in the court with the following status.

(i) **Mwananchi Appeal Case**; TIRA and the Attorney General won the Appeal and rulling was delivered by the Court of Appeal of Tanzania on 4th July, 2023. However, Mwananchi Insurance Company has lodged the new application seeking extension of time to file appeal out of time.

31 COMMITMENTS

a) Capital commitments

As at 30 June 2023 the Authority had no capital commitments.

b) Loan commitments

As at 30 June 2023, the Authority had no loan contractual commitment.

c) Operating lease commitments as lessee

The Authority has operating leases for the premises in which it carries out its operations in various zonal offices in Tanzania.

32 ASSETS PLEDGED AS SECURITY FOR LIABILITIES

None of the Authority's assets has been pledged as security for liabilities.

33 EVENTS AFTER REPORTING PERIOD

There were no material events after the reporting date which required disclosures or adjustments in the financial statements.