



**THE UNITED REPUBLIC OF TANZANIA  
NATIONAL AUDIT OFFICE**



**TANZANIA INSURANCE REGULATORY AUTHORITY**

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

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AR/PA/TIRA/2021/22

## About the National Audit Office

### Mandate

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

ACPA	Authorized Certified Public Accountant
AIDS	Acquired Immune Deficiency Syndrome
CPA	Certified Public Accountant
HIV	Human Immunodeficiency Virus
IPSAB	International Public Sector Accounting Standards Board
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
NHIF	National Health Insurance Fund
NSSF	National Social Security Fund
PSSSF	Public Service Social Security Fund
RBC	Risk Based Capital
RBS	Risk Based Supervision
TIIP	Tanzania Imports Insurance Portal
TIRA	Tanzania Insurance Regulatory Authority
TIRA MIS	Tanzania Insurance Regulatory Authority Motor Insurance Sticker Portal
TIRA RBS	Tanzania Insurance Regulatory Authority Motor Risk Based Supervision Portal
TR	Treasury Registrar
TZS	Tanzania Shillings
USD	United State Dollars
WCF	Workers Compensation Fund



## **1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL**

Chairman of the Board,  
Tanzania Insurance Regulatory Authority,  
P.O. Box 9892,  
Dar es Salaam.

### **1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS**

#### **Unqualified Opinion**

I have audited the financial statements of Tanzania Insurance Regulatory Authority which comprise the statement of financial position as at 30 June 2022, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Tanzania Insurance Regulatory Authority as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348.

#### **Basis for Opinion**

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Tanzania 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 and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon which I obtained prior to the date of auditors report.

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

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

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

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

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

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

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

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

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



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

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

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

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

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



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

## **1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS**

### **1.2.1 Compliance with the Public Procurement laws**

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

I performed a compliance audit on procurement of works, goods and services in the Tanzania Insurance Regulatory Authority for the financial year 2021/22 as per the Public Procurement laws.

#### **Conclusion**

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

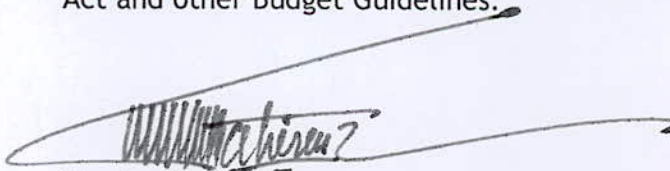
### **1.2.2 Compliance with the Budget Act and other Budget Guidelines**

**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 2021/22 as per the Budget Act and other Budget Guidelines.

#### **Conclusion**

Based on the audit work performed, I state that Budget formulation and execution of Tanzania Insurance Regulatory Authority is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

  
Charles E. Kicheře  
Controller and Auditor General,  
Dodoma, United Republic of Tanzania.  
June 2023





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

### 2.1. INTRODUCTION

The Directors submit their report together with the draft financial statements for the period of the year ended 30 June 2022. The report provides information on operations, financial position, and cash flows position and the governance systems and structure of the Authority.

### 2.2. INCORPORATION

The Tanzania Insurance Regulatory Authority was established by the Insurance Act No. 10 of 2009 ("Insurance Act"). The main function 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 five zonal offices in the Mainland Tanzania and one office in Zanzibar.

#### Vision, Mission and Core Values of the Authority

##### Vision

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

##### Mission

To develop, promote, maintain, 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.

### 2.3. 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 policy holders; and
- viii. To perform any other functions as may be necessary for the purpose of the Insurance Act.



## 2.4. OBJECTIVES OF THE AUTHORITY DURING THE PERIOD

Consistent with the Corporate Strategic Plan of 2019/20-2023/24 TIRA continued to pursue 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.

## 2.5. COMPOSITION OF THE BOARD

The National Insurance Board is established under section 13 of the Insurance Act No.10 of 2009 as amended by sections 151 and 152 of the Social Security Laws (Amendments) Act, 2012. The Board shall consist of the Chairman who is appointed by the President and seven members who are appointed by the Minister of Finance and Planning as follows: (a) one member from Association of Tanzania Insurers; (b) one member from Tanzania Insurance Brokers Association; (c) one member from Tanzania Insurance Agents Association; (d) one member from the Attorney Generals' 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 hail from either part of the United Republic.

A member of the Board shall hold office for a period of three years on such terms office and conditions as may be specified in the instrument of appointment and may be eligible for re-appointment for one more term. The Board's tenure came to an end on 11 April 2019. Following the end of the Board's tenure, the Authority has been under the direct supervision of the Permanent Secretary, Ministry of Finance and planning who makes decisions that are to be made by the Board.

## 2.6. OPERATING AND FINANCIAL REVIEW

### 2.6.1. OPERATIONAL REVIEW

TIRA has one core Directorate known as Directorate of Supervision. This directorate was formed by merging of the then two core directorates, i.e. Directorate of Licensing and Market Conduct Supervision and Directorate of Surveillance and Prudential Supervision. Functions of this directorate 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

Table 1: Insurance Registrants for the year 2021/22 and 2020/21

Registrants	2021/22	2020/21
Re insurance Company	2	2
Insurance Company	32	29
Insurance Broker	91	70
Insurance Agency	958	927
Local Reinsurance Brokers	5	4
Banc assurance Agent	29	19
Actuarial Firms	4	4
Loss Adjusters/Assessors	47	52
<b>Total</b>	<b>1,168</b>	<b>1,107</b>

Source: Insurance Registrant Register

## 2.6.2. FINANCIAL REVIEW

### i. Analysis of Statements of Financial Performance

#### 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 2021/22 is TZS 17.72 billion (2020/21: TZS 14.40 billion).

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

Premium levy increased from TZS 12.70 billion in 2020/21 to TZS 15.88 billion in 2021/22 equivalent to 25 %, while fines, fees and penalties increased from TZS 1.61 billion in 2020/21 to TZS 1.79 billion in 2021/22 equivalent to 11.1 %. The increase of the premium levy may be attributed by the increase in new registered players, and effective use of systems such as Tiramis in obtaining information and enhanced compliance. Fines, fees and penalties may have increased due to effective measures and close follow up on noncompliance activities.

The revenue categories that has significant impact on the overall revenues are premium levy which contributes 88 % of the total revenues (2020/21: 86 %) and Accreditation fees with a contribution of 7 % of the total revenues (2020/21: 7 %).

Revenues from exchange transactions include gains from sale of insurance stickers. The income from sale of stickers during the period amounted to TZS 325.21 million (2020/21: TZS 294.32 million). The gain during the year represents an increase of 10.5 %. The increase is generally due to use of e-stickers and increased compliance.



**Deductions from net assets****Expenses**

During the year 2021/22, total expenses of the Authority amounted to TZS 13.9 billion (2020/21: TZS 11.4 billion). The increase is equivalent to by 21% and was mainly due to increased number of operational activities and increased administrative costs emanating from increasing number of staffing during the year.

**Results for the period**

The surplus during the year was TZS 1.59 billion (2020/21: surplus TZS 1.06 billion). When compared with the result of previous year, the surplus has increased by 49.3%.

The Authority is required to contribute 15% of its annual total revenues to Government Fund. In the financial year ended 30 June 2022, the contribution is TZS 2.61 billion (2020/21: TZS 2.18 billion). This increase is equivalent to 19.7%. And was mainly due to increase in revenues during the year.

**ii. Analysis of Statements of Financial Position****Total Assets**

Total net assets of the Authority amounted to TZS 11.2 billion (2020/21: TZS 9.60 billion) representing an increase of 16.5%. The increase is due to the net surplus recorded of TZS 1,585.01 million during the year.

**Table 2: Total Net assets of the Authority**

Description	2021/22 TZS '000'	% of total Assets	2020/21 TZS '000'	% of total assets
Taxpayers' Fund	603,403	5.40	603,403	6.29
Accumulated surplus	10,578,961	94.60	8,993,954	93.71
<b>Total</b>	<b>11,182,364</b>	<b>100.00</b>	<b>9,597,357</b>	<b>100.00</b>

Source: Financial Statements.

**iii. Analysis of Statements of Cash Flows**

The Authority's cash and cash equivalents as at 30 June 2022 was TZS 3,007.80 million (2020/21: TZS 1,875.24 million).

The net cash inflow from operating activities was TZS 1,334.58 million (2020/21: TZS (223.54) million). The increase in net inflows in operating activities was mainly due increased collection of revenue generated during the year.

As at 30 June 2022, the amount of cash inflows from operating activities was TZS 17,084.52 million (2019/20: TZS 13,749.24 Million). Cash outflows from operating activities was TZS 15,749.94 Million (2020/21: TZS 13,972.78 Million). The net cash out flow from investing activities was TZS 207.41 Million (2019/20: TZS 680.38 million).



## 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 2022 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 normally comprises of eight 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 Generals' 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 has been under the direct supervision of the Permanent Secretary, Ministry of Finance and Planning to the date of issuing these Financial Statements.

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 and oversees management's control and accountability framework.

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**

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: 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 accept 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 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 implementation of 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 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 2022 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 absence of any decision to cease the operations. Management has 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 which were contributed by the Government of TZS 603.40 million at the time of its formation. Refer note 12.



## 2.12. ACCUMULATED SURPLUS

As at 30 June 2022 the Authority's accumulated Surplus stood at TZS 10.58 billion (2020/21: TZS 8.99 billion). The increase of accumulated reserves was due to the recorded surplus of TZS 1,585.01 million 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 a responsible behaviour 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 across the stakeholders.

## 2.14. DIRECTORS' REMUNERATION

All the Directors are non-executive. However, during the period under review, there were no directors appointed.

## 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 acquisitions of the systems requires considerable amount of resources and resorted to adopt Government's procured/developed systems or develop 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 from 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 2021/22. 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 implementation of all Workers' Council Meetings and this significantly contributed to enhanced employer-employee relationship at work place.



**(ii) Training allowance**

In order to develop suitable personnel in all relevant fields, the Authority provides training to its staff members at both local and foreign Institutions. For the year 2021/22 the Authority incurred TZS 263.13 million for training compared with TZS 86.37 million of the year 2020/21.

**(iii) Social Benefit**

All members of TIRA staff are members of National Health Insurance Fund with effect from July 2015. In addition, TIRA meets all the uncovered medical expenses for its staff members together with their legal dependants in accordance with staff rules and regulations. The Authority contributes 4.5 % while an employee contributes 1.5 % to NHIF. In this financial year 2021/22, TIRA and Tanzania Insurance Ombudsman office has contributed a total of TZS 784.47 million to PSSSF, WCF and PSSSF as statutory contributions for its employees (2020/21: TZS 640.12 million).

**(iv) Financial Assistance to Staff**

The Authority provides various loans (short and long term) to its employees in accordance with TIRA Loans Policy and Staff Rules and Financial Regulations in force. These include housing loans, car loans, car maintenance loans, furniture loans and education loans. For the year 2021/22 had staff loan receivables TZS 1.52 billion (2020/21: TZS 1.67 billion)

**(v) Persons with Disabilities**

It is the policy of the Government not to discriminate persons with disabilities in recruitment. The Authority has a recruitment policy and Training manual, which accommodates all staff without discrimination.

**(vi) HIV/AIDS and Non Communicable Diseases Awareness Program**

The Authority has put in place a Committee that, among other things is responsible for educating staff on HIV/AIDS and Non-Communicable Diseases. In the year under review, the Authority conducted one training to all its employees.

**2.17. GENDER PARITY**

The Authority is an equal opportunity employer. As at 30 June 2021 the Authority had the following distribution of employees by gender:

**Table 3: Authority Staff Distribution**

Gender	2021/22	2019/20
Male	69	54
Female	43	34
<b>Total</b>	<b>112</b>	<b>88</b>

*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 24 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 2021/22 the Authority engaged itself on CSR activities to support the community in which it operates in 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 the 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 2022, 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. Details of the case refer note 27.

## **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**

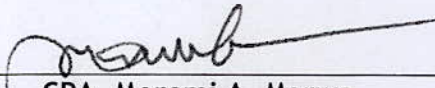
The Director's report has been prepared in full compliance with requirements of the Tanzania Financial Reporting Standards No.1-Directors' Report.

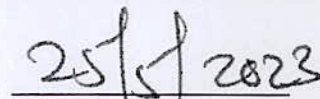


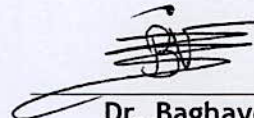
2.26. AUDITORS

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

  
Date

  
Dr. Baghayo A. Saqware  
Commissioner of Insurance



**3.0. STATEMENT OF RESPONSIBILITIES BY THOSE CHARGED WITH GOVERNANCE FOR THE PERIOD ENDED 30 JUNE 2022**

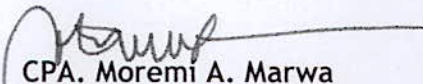
These financial statements have been prepared by the Management of the Tanzania Insurance Regulatory Authority in accordance with the provisions of Sect 25(4) of the Public Finance Act. No 6 of 2001 (Revised 2004). The financial statements as required by the said Act are presented in a manner consistent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

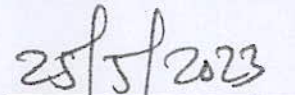
The National Insurance Board is responsible for establishing and maintaining a system of effective Internal Control designed to provide reasonable assurance that the transactions recorded in the accounts are within the statutory authority and that they contain the receipt and use of all public financial 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 2021/22 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  
Chairman of the Board

  
Date



**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 2022 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.

Signed by: \_\_\_\_\_



NBAA Membership No. ACPA1557

Date: \_\_\_\_\_

25/05/2023





## 5.0. FINANCIAL STATEMENTS

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	NOTE	2021/22 TZS' 000	2020/21 TZS' 000
<b>Current Assets</b>			
Cash and Cash Equivalents	4	3,007,802	1,875,235
Trade Receivables	5	5,574,952	4,619,932
Staff loan and other receivable	6	1,682,597	1,866,620
Prepayments	7	99,101	123,635
Inventories	8	58,744	86,821
<b>Total Current Assets</b>		<b>10,423,196</b>	<b>8,572,243</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	10	3,940,006	4,036,990
Intangible Assets	9	752,081	678,062
<b>Total Non-current Assets</b>		<b>4,692,087</b>	<b>4,715,052</b>
<b>TOTAL ASSETS</b>		<b>15,115,238</b>	<b>13,287,295</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables and Accruals	11	3,932,919	3,689,938
<b>Total Current Liabilities</b>		<b>3,932,919</b>	<b>3,689,938</b>
<b>TOTAL LIABILITIES</b>		<b>3,932,919</b>	<b>3,689,938</b>
<b>NET ASSETS</b>		<b>11,182,364</b>	<b>9,597,357</b>
<b>NET ASSETS/ EQUITY</b>			
Capital contributed by:			
Capital Fund	12	603,403	603,403
Accumulated Surplus	13	10,578,961	8,993,954
<b>TOTAL NET ASSETS/ EQUITY</b>		<b>11,182,364</b>	<b>9,597,357</b>

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

  
 CPA. Moremi A. Marwa  
 Chairman of the Board

  
 Dr. Baghayo A. Saqware  
 Commissioner of Insurance

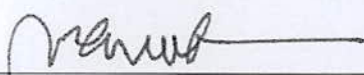
Date: 25/5/2023

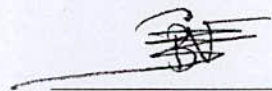


## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	Note	2021/22 TZS '000	2020/21 TZS '000
<b>REVENUES</b>			
<b>Revenues from Non-Exchange Transactions</b>			
Premium Levy	14	15,881,312	12,699,182
Fees, Fines , Penalties	15	1,792,623	1,613,734
Other Revenue	16	44,243	81,634
Gain on foreign translation	18	5,568	2,542
Revenue from Exchange transaction	17	325,211	294,315
<b>TOTAL REVENUES</b>		<b>18,048,957</b>	<b>14,691,407</b>
<b>EXPENSES AND TRANSFER</b>			
Wages, Salaries and Employee benefits	19	6,863,706	6,715,351
Social Benefits	20	784,465	801,252
Supplies and Consumable used	21	5,562,896	3,374,851
Maintenance Expenses	22	174,710	118,096
Loss from Write off of obsolete inventories	8	58,129	-
Depreciation Charges	10	347,692	359,098
Amortization Charges	9	66,873	83,876
<b>Total Expenses</b>		<b>13,858,471</b>	<b>11,452,524</b>
<b>Transfer</b>			
Grant, Subsidies, and other Government transfer	23	2,605,479	2,177,047
<b>Total transfer</b>		<b>2,605,479</b>	<b>2,177,047</b>
<b>TOTAL EXPENSES AND TRANSFER</b>		<b>16,463,950</b>	<b>13,629,571</b>
<b>Surplus for the year</b>		<b>1,585,007</b>	<b>1,061,836</b>

Notes form part of the financial statements

  
 CPA. Moremi A. Marwa  
 Chairman of the Board

  
 Dr. Baghayo A. Saqware  
 Commissioner of Insurance

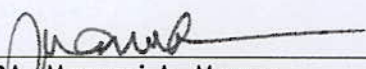
Date: 25/5/2023




## STATEMENT CHANGE IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

	Tax payers fund	Accumulated Surplus	Total
	TZS '000'	TZS '000'	TZS '000'
Year ended 30 June 2020			
Balance as at 1 July 2020	603,403	8,066,286	8,669,689
Adjustment( Note 27)	0	(134,168)	(134,168)
Surplus for the year	-	1,061,836	1,061,836
Balance at 30 June 2021	603,403	8,993,954	9,597,357
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

Notes form part of the financial statements

  
CPA. Moremi A. Marwa  
Chairman of the Board

  
Dr. Baghayo A. Saqware  
Commissioner of Insurance

Date: 25/5/2023

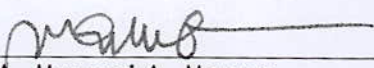


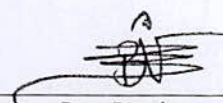
TANZANIA INSURANCE REGULATORY AUTHORITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2021/22 TZS' 000	2020/21 TZS' 000
<b>Receipts</b>			
Fees, fines, penalties & forfeits	26(d)	1,792,623	1,613,734
Premium Levy	26(a)	15,173,982	11,759,555
Other Revenue	16	44,243	81,634
Revenue from Exchange transaction	26e	73,671	294,315
		<u>17,084,519</u>	<u>13,749,238</u>
<b>Less: Payments</b>			
Wages, Salaries and other employee benefits	26(b)	6,992,268	6,597,582
Supplies and Consumable used	26(c)	6,004,370	3,543,879
Social Benefits	20	784,464	801,252
Maintenance Expenses	22	174,710	118,096
Grant, subsidies and other payment transfer	26(f)	1,794,131	2,911,968
		<u>15,749,943</u>	<u>13,972,777</u>
<b>Net Cash flow from/(used in) operating activities [A]</b>		<u>1,334,576</u>	<u>(223,539)</u>
<b>Cash flow from Investing activities</b>			
Acquisition of fixed assets	9&10	(391,600)	(416,830)
Net staff loan repayment/(issue)	26(g)	184,023	(263,552)
<b>Net Cash flow from Investing Activities [B]</b>		<u>(207,577)</u>	<u>(680,382)</u>
<b>Cash flow from Financing Activities</b>			
Decrease in Retained earning	27	-	(134,168)
<b>Net Cash flow from financing Activities( C)</b>		<u>-</u>	<u>(134,168)</u>
<b>Net Increase/(Decrease) in cash and cash equivalent [A+B+C]</b>		<u>1,126,999</u>	<u>(1,038,089)</u>
Cash and Cash equivalent at beginning		1,875,235	2,910,782
Effects of currency translation on cash and cash equivalents		5,568	2,542
<b>Cash and cash equivalents at the end of period</b>		<u>3,007,802</u>	<u>1,875,235</u>

Notes form part of the financial statements

  
CPA. Moremi A. Marwa  
Chairman of the Board

  
Dr. Baghayo A. Saquare  
Commissioner of Insurance

Date: 25/5/2023

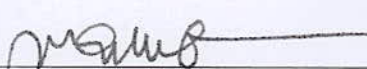


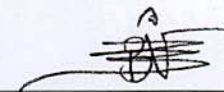
TANZANIA INSURANCE REGULATORY AUTHORITY

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	2021/22 TZS' 000	2020/21 TZS'000
<b>Receipts</b>			
Fees, fines, penalties & forfeits	26(d)	1,792,623	1,613,734
Premium Levy	26(a)	15,173,982	11,759,555
Other Revenue	16	44,243	81,634
Revenue from Exchange transaction	26e	73,671	294,315
		<b>17,084,519</b>	<b>13,749,238</b>
<b>Less: Payments</b>			
Wages, Salaries and other employee benefits	26(b)	6,992,268	6,597,582
Supplies and Consumable used	26(c)	6,004,370	3,543,879
Social Benefits	20	784,464	801,252
Maintenance Expenses	22	174,710	118,096
Grant, subsidies and other payment transfer	26(f)	1,794,131	2,911,968
		<b>15,749,943</b>	<b>13,972,777</b>
<b>Net Cash flow from/(used in) operating activities [A]</b>		<b>1,334,576</b>	<b>(223,539)</b>
<b>Cash flow from Investing activities</b>			
Acquisition of fixed assets	9&10	(391,600)	(416,830)
Net staff loan repayment/(issue)	26(g)	184,023	(263,552)
<b>Net Cash flow from Investing Activities [B]</b>		<b>(207,577)</b>	<b>(680,382)</b>
<b>Cash flow from Financing Activities</b>			
Decrease in Retained earning	27	-	(134,168)
<b>Net Cash flow from financing Activities( C)</b>		<b>-</b>	<b>(134,168)</b>
<b>Net Increase/(Decrease) in cash and cash equivalent [A+B+C]</b>		<b>1,126,999</b>	<b>(1,038,089)</b>
Cash and Cash equivalent at beginning		1,875,235	2,910,782
Effects of currency translation on cash and cash equivalents		5,568	2,542
<b>Cash and cash equivalents at the end of period</b>		<b>3,007,802</b>	<b>1,875,235</b>

Notes form part of the financial statements

  
CPA. Moremi A. Marwa  
Chairman of the Board

  
Dr. Baghayo A. Saquare  
Commissioner of Insurance

Date: 25/5/2023



## TANZANIA INSURANCE REGULATORY AUTHORITY

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

	Original Budget TZS(000)	Reallocation/ Adjustment TZS(000)	Final Budget TZS(000)	Actual Amounts on Comparable Basis	Difference: Final Budget and Actual
<b>Revenues</b>					
Fines, Fees, Penalties	2,270,984	-	2,270,984	1,792,623	(478,361)
Premium levy	13,775,114	-	13,775,114	15,173,982	1,398,868
Other Revenue	358,876	-	358,876	44,243	(314,633)
Revenue from Exchange transaction	693,000	-	693,000	73,671	(619,329)
Net decrease in staff loans	-	-	-	184,023	184,023
<b>Total Revenues</b>	<b>17,097,974</b>	<b>-</b>	<b>17,097,974</b>	<b>17,268,542</b>	<b>170,568</b>
<b>Expenses</b>					
Grants, and other transfer payment	2,411,948	(253,369)	2,158,580	1,794,131	364,449
Maintenance Expenses	167,934	24,302	192,236	174,710	17,526
Social Benefits	825,904	57,330	883,234	784,464	98,770
Supplies and Consumable	5,866,695	117,675	5,984,370	6,004,370	(20,000)
Wages, Salaries and Employees benefits	6,985,924	34,103	7,020,027	6,992,268	27,759
Acquisition of Fixed assets	839,569	19,959	859,527	391,600	467,929
<b>Total Payment</b>	<b>17,097,974</b>	<b>0</b>	<b>17,097,974</b>	<b>16,141,543</b>	<b>956,432</b>
<b>Net increase (Decrease)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,126,999</b>	<b>1,126,999</b>

Notes form part of the financial statements



## 6.0. NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### 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 Board of Directors under the Ministry of Finance and Planning. 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](http://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. 2

##### **(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 derecognition 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.

#### **Derecognition**

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.

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 2022, the total amount of cash and cash equivalents was TZS 3,008 million (30 June 2021: TZS 1,875 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 2022 totalled TZS 7,257.55 million (30 June 2021: TZS 6,486.55 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.



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<b>4</b>	<b>CASH AND CASH EQUIVALENT</b>	<b>2021/22</b>	<b>2020/21</b>
		<b>TZS' 000</b>	<b>TZS' 000</b>
	BOT Own source collection account	284,728	799,349
	Deposit General Cash Account	41,381	178,721
	Loan Cash Account	470,148	184,010
	Own source collection A/C-CRDB	182,926	1,591
	Own source collection account -NBC	14,048	14,048
	Own source Recurrent Expenditure-GF	1,407,846	566,928
	Unapplied Cash Account	146,457	109,806
	USD BOT Collection Account	460,002	13,724
	USD Commercial Collection Account	266	7,058
	<b>Total</b>	<b>3,007,802</b>	<b>1,875,235</b>

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.

<b>5</b>	<b>TRADE RECEIVABLES</b>	<b>2021/22</b>	<b>2020/21</b>
		<b>TZS' 000</b>	<b>TZS' 000</b>
	Trade Receivable	5,567,842	4,612,822
	Other receivable(Rent deposit)	7,110	7,110
	<b>Total</b>	<b>5,574,952</b>	<b>4,619,932</b>

Trade receivables mainly represents unpaid levy for the quarter running from April to June 2022, 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.

<b>6</b>	<b>STAFF LOAN RECEIVABLES</b>	<b>2021/22</b>	<b>2020/21</b>
		<b>TZS' 000</b>	<b>TZS' 000</b>
	Imprest Receivable	163,799	193,120
	Principal Staffs Loan Receivable	1,518,798	1,673,500
	<b>Total</b>	<b>1,682,597</b>	<b>1,866,620</b>

<b>7</b>	<b>PREPAYMENTS</b>	<b>2021/22</b>	<b>2020/21</b>
		<b>TZS' 000</b>	<b>TZS' 000</b>
	Advance for Work in Progress	94,236	123,635
	Prepayments	4,865	-
	<b>Total</b>	<b>99,101</b>	<b>123,635</b>

The amount of advance for work in progress relate to costs for ongoing projects that will be capitalized in projects costs once they are completed.

<b>8</b>	<b>INVENTORIES</b>	<b>2021/22</b>	<b>2020/21</b>
		<b>TZS' 000</b>	<b>TZS' 000</b>
	Consumables	58,744	35,673
	Printed matters	-	51,148
	<b>Total</b>	<b>58,744</b>	<b>86,821</b>

The amount of consumables relate to stationeries for office use. Printed matters amounting to TZS 51,148,000 relating to the physical Motor Insurance stickers and



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other consumables of TZS 6,980,960 summing a total of TZS 58,128,960 have been written off as obsolete inventories.

<b>9 INTANGIBLE ASSETS</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>TZS' 000</b>	<b>TZS' 000</b>
Cost as at beginning	1,069,966	838,764
Additions /(Deduction)	140,892	231,202
<b>Cost at year end 30 June 2022</b>	<b>1,210,858</b>	<b>1,069,966</b>
<b>Amortization</b>		
as at beginning of the year	391,904	308,028
Charges during the year	66,873	83,876
Amortization as at year end	<u>458,777</u>	<u>391,904</u>
<b>Net book value at 30 June 2022</b>	<b><u>752,081</u></b>	<b><u>678,062</u></b>

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.
- ii. Data Analysis and provision of early warning ratios on Risk areas, and online licensing of Insurance registrants.

Also, it includes 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 EQUIPMENTS

	Office Equipment	Furniture and Fittings	Computer Hardware	Motor Vehicles	Land and Buildings
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
<b>Year ended 30 June 2022</b>					
<b>COST</b>					
At start of year	504,965	446,917	622,553	946,616	1,386,220
Additions during the year	79,970	15,950	62,440	92,347	-
Costs as at 30 June 2022	584,935	462,867	684,993	1,038,963	1,386,220
<b>DEPRECIATION</b>					
At the start of the year	(266,687)	(276,320)	(482,964)	(739,060)	(137,899)
Current Depreciation	(67,789)	(50,431)	(84,049)	(117,130)	(28,293)
	(334,476)	(326,751)	(567,013)	(856,190)	(166,192)
Values as at 30 June 2022	250,459	136,116	117,980	182,773	1,220,028
<b>Year ended 30 June 2021</b>					
<b>COST</b>					
At start of year	489,316	394,964	504,525	946,616	1,386,220
Additions during the year	15,648	51,952	118,028	-	-
Costs as at 30 June 2021	504,965	446,917	622,553	946,616	1,386,220
<b>DEPRECIATION</b>					
At the start of the year	(217,954)	(222,877)	(443,089)	(549,737)	(110,174)
Current Depreciation	(48,733)	(53,443)	(39,875)	(189,323)	(27,724)
	(266,687)	(276,320)	(482,964)	(739,060)	(137,899)
Values as at 30 June 2021	238,278	170,597	139,589	207,556	1,248,321



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<b>11</b>	<b>PAYABLES AND ACCRUAL</b>	<b>2021/22</b>	<b>2020/21</b>
		<b>TZS' 000</b>	<b>TZS' 000</b>
	15% of Revenue Contribution to CF	2,693,101	1,881,753
	Accrued Expenses	138,053	153,351
	Advance Received	0	3,850
	Deposit General	60,402	178,721
	Gratuity Payable	69,645	158,246
	Misc. Deduction	9,554	48,030
	Miscellaneous Other Payables	338,058	426,379
	Pay as you earn	89,246	103,567
	Social Security Contribution	0	68,625
	Tax payable to Government entities	0	21,564
	Supplies of goods and Services	374,874	463,129
	Unapplied Deposit Account	147,687	107,200
	Withholding Tax	10,259	5,736
	Staff Claims	2,040	69,787
		<u>3,932,919</u>	<u>3,689,938</u>

<b>12</b>	<b>CAPITAL FUND</b>	<b>2021/22</b>	<b>2020/21</b>
		<b>TZS' 000</b>	<b>TZS' 000</b>
	Subvention from Government	603,403	603,403
	<b>Total</b>	<u><b>603,403</b></u>	<u><b>603,403</b></u>

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.

<b>13</b>	<b>ACCUMULATED SURPLUS</b>	<b>2021/22</b>	<b>2020/21</b>
		<b>TZS' 000</b>	<b>TZS' 000</b>
	Balance at the beginning	8,993,954	8,066,286
	Surplus/(Deficit) for the year	1,585,007	1,061,836
	Adjustment during the year(Note 27)	-	(134,168)
	<b>Total</b>	<u><b>10,578,961</b></u>	<u><b>8,993,954</b></u>

<b>14</b>	<b>PREMIUM LEVY</b>	<b>2021/22</b>	<b>2020/21</b>
		<b>TZS' 000</b>	<b>TZS' 000</b>
	Fire Insurance	2,989,823	2,390,754
	Engineering Insurance	438,851	350,919
	Motor Insurance	4,317,865	3,452,697
	Accident Insurance	919,166	734,993
	Marine Insurance	550,753	440,399
	Aviation Insurance	587,252	469,585
	Health Insurance	2,551,490	2,040,249
	Oil and Gas Insurance	62,046	49,614
	Other General Insurance	745,881	596,429
	Life Insurance	2,718,185	2,173,543



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<b>14</b>	<b>PREMIUM LEVY</b>	<b>2021/22</b>	<b>2020/21</b>
		<b>TZS' 000</b>	<b>TZS' 000</b>
	<b>Total</b>	<b>15,881,312</b>	<b>12,699,182</b>

Premium levy refer to 1.5% charged from the insurance business generated by insurance companies.

<b>15</b>	<b>FINES, FEES AND PENALTIES</b>	<b>2021/22</b>	<b>2020/21</b>
		<b>TZS' 000</b>	<b>TZS' 000</b>
	Fines, Fees and Penalties	86,582	83,255
	Accreditation fees	1,182,416	1,045,279
	Annual Licence Fees	268,975	251,300
	Registration Fees	254,650	233,900
	<b>Total</b>	<b>1,792,623</b>	<b>1,613,734</b>

Accreditation, an amount imposed to Reinsurance Companies and Brokers to control the Externalization of Insurance business. The Conditions requires that all foreign reinsurance Companies and Brokers seeking to transact insurance business with Tanzania registered insurers must earn an Accreditation letter from TIRA after payment of the required fee and meeting all the required conditions. The amount of fines and penalties relate to the amount imposed to Insurance Players, for non-compliance with the Insurance Act. It includes delays in submission of quarterly returns, late renewal of licence and market misconduct.

During the year, TZS 1,792,623,000 (2020/21: TZS 1,613,734,000) was the cash collected.

<b>16</b>	<b>OTHER REVENUE</b>	<b>2021/22</b>	<b>2020/21</b>
		<b>TZS' 000</b>	<b>TZS' 000</b>
	Application fee	38,350	32,950
	Receipts from Miscellaneous fees	5,893	48,684
	<b>Total</b>	<b>44,243</b>	<b>81,634</b>

<b>17</b>	<b>REVENUE FROM EXCHANGE TRANSACTION</b>	<b>2021/22</b>	<b>2020/21</b>
		<b>TZS' 000</b>	<b>TZS' 000</b>
	Stickers Sales	325,211	294,315
	<b>Total</b>	<b>325,211</b>	<b>294,315</b>

During the year, TZS 325,211,000 (2020/21: TZS 294,315,000) was the revenue obtained from sale of e-stickers; the increase is generally due to use of e-stickers and increased compliance.

<b>18</b>	<b>GAIN/(LOSS) ON FOREIGN CURRENCY TRANSLATION</b>	<b>2021/22</b>	<b>2020/21</b>
		<b>TZS' 000</b>	<b>TZS' 000</b>
	Gain on foreign Exchange difference	5,568	2,542
	Foreign Exchange loss	0	0
	<b>Total</b>	<b>5,568</b>	<b>2,542</b>



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<b>19</b>	<b>WAGES, SALARIES AND EMPLOYEES BENEFITS</b>	<b>2021/22</b>	<b>2020/21</b>
		<b>TZS' 000</b>	<b>TZS' 000</b>
	Civil servant	4,765,705	4,995,896
	Acting allowance	47,655	28,051
	Housing Allowance	167,504	12,455
	Court Attire Allowance	6,050	4,155
	Electricity allowance(Utility)	44,362	19,875
	Extra duty	125,547	83,856
	Field(Practical Allowance)	29,550	41,288
	Furniture	256,633	47,357
	Gratuities	63,256	63,256
	Leave Travel	287,642	280,436
	Medical and Dental refund	29,775	23,790
	Moving Expenses	594,125	538,780
	Outfit Allowance	19,889	128
	Passage allowance	31,700	301,697
	Responsibility Allowance	10,358	-
	Sitting Allowance	45,820	13,730
	Special Allowance	99,197	111,748
	Honoraria	61,500	-
	Subsistence Allowance	-	3,450
	Telephone	177,438	145,403
	<b>Total</b>	<b>6,863,706</b>	<b>6,715,351</b>
<b>20</b>	<b>SOCIAL BENEFITS</b>	<b>2021/22</b>	<b>2020/21</b>
		<b>TZS' 000</b>	<b>TZS' 000</b>
	Statutory Contribution (PSSSF, ZSSF, WCF etc.)	784,464	640,115
	Retirement Benefits	-	161,137
	<b>Total</b>	<b>784,464</b>	<b>801,252</b>
<b>21</b>	<b>SUPPLIES AND CONSUMABLES USED</b>	<b>2021/22</b>	<b>2020/21</b>
		<b>TZS' 000</b>	<b>TZS' 000</b>
	Advertising and Publication	86,271	35,436
	Air travel Tickets	162,450	83,251
	Ground Transport	93,330	35,096
	Perdiem Domestic	2,883,552	1,376,851
	Per Diem Foreign	88,952	16,290
	Training Allowance	263,125	86,369
	Training Materials	9,900	5,494
	Tuition Fees	146,212	78,537
	Audit Fees	180,000	89,600
	Bank Charges and Commission	2,703	10,393
	Burial Expenses	22,140	56,509



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Catering Services	142,573	117,357
Conference Facilities	139,518	32,745
Consultancy fees	16,535	4,766
Office Consumables	156,228	119,432
Courier Services	30,178	16,247
Posts and Telegraph	2,282	5,233
Fuel(Diesel)	113,935	72,823
Educational Radio and TV programme	109,012	49,243
Electricity	19,073	53,390
Entertainment	6,245	1,370
Exhibition, Festival and Celebration	12,809	139,976
Food and Refreshments	94,982	97,099
Fumigation	1,622	-
Honorarium	92,392	5,000
Insurance Expenses	30,509	24,246
Internet and email connection	156,292	86,165
Newspaper and Magazine	12,673	13,536
Cleaning and Security charges	115,816	126,069
Printing and Photocopying cost	4,590	179,968
Office Rent	233,093	218,656
Software Licence fees	4,354	79,822
Special Food(diet food)	2,200	2,000
Subscription fees	118,619	8,531
Tax levied by another level of Government	450	8,423
Telephone Charges	6,250	37,902
Water Charges	2,031	1,026
<b>Total</b>	<b>5,562,896</b>	<b>3,374,851</b>

The increase of the supplies and consumables was mainly attributed by increase in operational activities inline with the ongoing changes and adoption of systems

<b>22</b>	<b>MAINTENANCE EXPENSES</b>	<b>2021/22</b>	<b>2020/21</b>
		<b>TZS' 000</b>	<b>TZS' 000</b>
	Computers, Scanners, and other computer related	14,260	7,887
	Motor Vehicle and Watercraft	101,455	82,317
	Outsource Maintenance contract service	51,658	21,521
	Small tools and Implements	7,337	6,371
	<b>Total</b>	<b>174,710</b>	<b>118,096</b>
 <b>23</b>	 <b>TRANSFER PAYMENT TO CONSOLIDATED FUND</b>	 <b>2021/22</b>	 <b>2020/21</b>
		<b>TZS' 000</b>	<b>TZS' 000</b>
	Contribution to CF (15%)	2,605,479	2,177,047
	<b>Total</b>	<b>2,605,479</b>	<b>2,177,047</b>



**TANZANIA INSURANCE REGULATORY AUTHORITY**

**24 RELATED PARTY DISCLOSURE**

	2021/22 TZS' 000	2020/21 TZS' 000
<b>Remuneration of Key Management</b>		
Key Management personnel remuneration	0	0
Contribution to pension funds and Gratuity	0	0
	<u>0</u>	<u>0</u>
<b>Controlling Entity</b>		
15% contribution to consolidated fund	2,605,479	2,177,047
<b>Total</b>	<u><u>2,605,479</u></u>	<u><u>2,177,047</u></u>

The National Insurance Board is the board appointed to oversee the activities of the Authority, during the financial year ended 30 June 2022 there were no Board expenses incurred, as the board were not in place. 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.

	2021/22 TZS' 000	2020/21 TZS' 000
<b>25 RECONCILIATION OF SURPLUS/DEFICIT WITH CASH GENERATED FROM OPERATION</b>		
Surplus/(Deficit) for the year	1,585,007	1,061,836
Add: Depreciation charges	347,692	359,098
Amortization	66,873	83,876
Foreign Exchange loss/(Gain)	(5,568)	(2,542)
<b>Cash generated from operation before changes in working capital</b>	<b>1,994,004</b>	<b>1,502,268</b>
Decrease/(Increase) in Receivable	(770,997)	(939,628)
Decrease/(Increase) in Inventory	28,077	49,136
Decrease/(Increase) in Prepayment	24,534	(105,583)
Increase/(Decrease) in Payables	58,958	(729,734)
<b>Net cash generated from operating activities</b>	<u><u>1,334,576</u></u>	<u><u>(223,539)</u></u>
<b>26 CASH FLOW INFORMATION</b>	<b>2021/22 TZS' 000</b>	<b>2020/21 TZS' 000</b>
<b>a. Premium Levy</b>		
Opening Premium levy	4,612,822	3,673,195
Add: Premium levy during the year	15,881,312	12,699,182
Less: Closing Premium levy	(5,320,152)	(4,612,822)
<b>Total</b>	<u><u>15,173,982</u></u>	<u><u>11,759,555</u></u>
<b>b. Wages, Salaries and other employees benefits</b>		
Salaries paid during the year	6,710,835	6,715,351
Add: Opening Gratuity	158,246	94,990
Tax Outstanding	103,567	120,674



**TANZANIA INSURANCE REGULATORY AUTHORITY**

Other Payables	516,568	444,948
Less: Closing Gratuity	(69,645)	(158,246)
Tax Outstanding	(89,246)	(103,567)
Other Payable	(338,058)	(516,568)
<b>Total</b>	<b>6,992,268</b>	<b>6,597,582</b>

<b>c. Supplies and Consumable Used</b>		
Supplies and consumable during the year	5,715,764	3,374,851
Add: Opening Payables	463,129	958,389
Opening accrued expenses	153,351	180,147
Closing Prepayment	99,101	123,635
Closing Inventory	116,873	86,821
Misc. Deduction	409,475	0
Less: Closing Accrued expenses	(138,052)	(153,351)
Miscellaneous deduction	(229,941)	(409,475)
Closing supplies of goods and services	(374,874)	(463,129)
Opening Prepayment	(123,635)	(18,052)
Opening Inventories	(86,821)	(135,957)
<b>Total</b>	<b>6,004,370</b>	<b>3,543,879</b>

<b>d. Fines, Fees and Penalties</b>		
Opening balance	0	0
Fines, Fees and Penalties during the year	1,792,623	1,613,734
Less: Closing balance	0	0
<b>Total</b>	<b>1,792,623</b>	<b>1,613,734</b>

<b>e. Revenue from exchange transaction</b>		
Opening deposit from third party	(3,850)	3,850
Add: Sales of Motor Stickers during the year	325,211	294,315
Add: Closing deposit from third party	(247,690)	(3,850)
<b>Total</b>	<b>73,671</b>	<b>294,315</b>

<b>f. 15% Contribution to Consolidated Fund</b>		
Payment During the year	2,605,479	2,177,047
Add: Opening Balance	1,881,753	2,616,674
Less: Outstanding Balance	(2,693,101)	(1,881,753)
<b>Total</b>	<b>1,794,131</b>	<b>2,911,968</b>

<b>g. Net staff Loan repayment/(Issue)</b>		
Opening balance	1,866,620	1,603,068
Less: Closing Balance	(1,682,597)	(1,866,620)
<b>Total</b>	<b>184,023</b>	<b>263,552</b>

**27 CONTINGENT LIABILITIES**

**Litigation**

As at 30 June 2022, the Authority had the following litigations in the court with the following status.



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- (i) **Mwananchi Appeal Case;** TIRA and the Attorney General stand an overwhelming chance to win the Appeal as they won in the High Court. Evidence adduced, adherence to procedural laws and proper application of the substantive laws highly guarantee a legitimate expectation to win the Appeal.
- (ii) **Taxation Case No. 53 of 2020;** TIRA and the Attorney General vide the Office of the Solicitor General won the Bill of costs filed against the Judgement Debtor reasonably and within the dictates of the law. However, grantable amounts always depend on the discretion of the taxing master after hearing the parties and assessing the surrounding facts and circumstances of proof thereof. Therefore, the Bill of Costs prayed for at TZS 26,000,000 was taxed at TZS 11,000,000 which are followed up for execution.

### 28 COMMITMENT

- a) **Capital commitments**

As at 30 June 2022 the Authority had no capital commitments.

- b) **Loan commitments**

As at 30 June 2022, 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. The total of TZS 337 million is expected to be paid in next twelve months under non-cancellable operating leases.

### 29 ASSETS PLEDGED AS SECURITY FOR LIABILITIES

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

### 30 EVENTS AFTER REPORTING PERIOD

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