



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



TANZANIA INSURANCE REGULATORY AUTHORITY

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL AND COMPLIANCE AUDIT FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2024**

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AR/PA/TIRA/2023/24

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.



Independence and objectivity

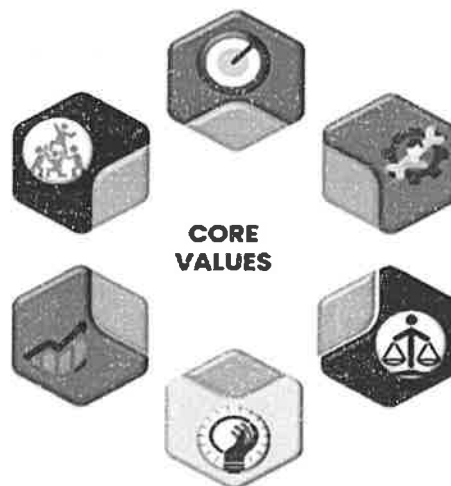
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

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



Professional competence

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

Integrity

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

Creativity and Innovation

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

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Abbreviations

CAG	Controller and Auditor General
CDR	Corporate Social Responsibility
ECL	Expected Credit Loss
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
PAA	Public Audit Act
PAC	Public Accounts Committee
PAR	Public Audit Regulation
PFA	Public Finance Regulations
PPA	Public Procurement Act
PPR	Public Procurement Regulations
TIRA	Tanzania Insurance Regulatory Authority
TZS	Tanzania Shillings

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairman of the National Insurance Board,
Tanzania Insurance Regulatory Authority,
P.O. Box 2987,
Dodoma
Tanzania.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of the Tanzania Insurance Regulatory Authority, which comprise the statement of financial position as at 30 June 2024, the statement of financial performance, the statement of changes in net assets, the 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 2024, and its financial performance and its cash flows for the year that 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 Report by those charged with governance, statement of management responsibility, Declaration by the Head of Finance and Insurance Market Report but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

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

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

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

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

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

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

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

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

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

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional scepticism 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, Cap. 410 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 LEGISLATION

1.2.1 Compliance with the Public Procurement Laws

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

I performed a compliance audit on the procurement of works, goods, and services in the Tanzania Insurance Regulatory Authority for the financial year 2023/24 as per the Public Procurement laws.

Conclusion

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

Notification of award issued prior expiry of cool off period

During the financial year 2023/24 the Authority did not comply with the required cool-off period in awarding tender. The Authority Issued Awards Notification Letters to the successful bidder after only two days after the award decision, which is contrary to Section 60(3) of the Public Procurement Act, CAP.410 (R.E 2022) and Regulation 231(2) of the Public Procurement Regulations, 2013 which requires Accounting Officers to issue a notice of intention to award the contract to all tenderers who participated in the tender and provide a seven-working-day period for any complaints to be submitted if any.

Evaluation of tenders done by Head of procurement unit TZS 255.84 million

My review of 24 sampled tenders noted 18 tenders with total contract amount of TZS 255.84 million where the evaluation was conducted by the Head of the Procurement Management Unit (HPMU) instead of the evaluation committee contrary to Regulation 202(1) of the Public Procurement Regulations, 2013 which requires the accounting officer to form a tender evaluation committee of three to five members.

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 2023/24 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. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March 2025



2.0 REPORT WITH THOSE CHARGED BY GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2024

2.1 Introduction

The Directors submit their report together with the draft financial statements for the period of the year ended 30 June 2024. The report provides information on operations, financial position, and cash flows position and the governance systems and structure of the Authority.

Vision

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

Mission

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

Core Values

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

Establishment

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

2.2 Functions of the Authority

The Authority is charged with the following activities:

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

2.3 Objectives of the Authority during the Period

Consistent with the Corporate Strategic Plan of 2022/23-2025/26 TIRA continued to pursue implementation of the following objectives:

- (i) Regulatory and Supervisory frameworks enhanced;
- (ii) Insurance Market Widen and deepened;
- (iii) The Insurance Ombudsman Service Enhanced;
- (iv) Insurance Consumer Protected and Supported;
- (v) Authority Services Accessibility Enhanced;
- (vi) Financial Resources and Services Strengthened and Managed;
- (vii) Organization Capacity improved and strengthened;
- (viii) Health services improved and HIV and AIDS infections reduced; and
- (ix) National Anti-Corruption strategy effectively implemented and sustained.
- (x) Business Processes Automation Enhanced

2.4 The Composition of the Board

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

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

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

Members of the National Insurance Board held five meetings during the year under review.

The Board received and deliberated some of the key matters as follows;

- (i) Insurance Market Performance Report for the year 2022;
- (ii) Report on Implementation of TIRA Corporate Strategic Plan;
- (iii) Review Guidelines and Reports on Supervision of Insurance Service Providers;
- (iv) TIRA Budget and Annual Procurement Plan for the year 2024/25;
- (v) Adoption of TIRA Financial Statements for the year ended 30 June 2023;
- (vi) Review the changes of TIRA Organization Structure;
- (vii) Implementation of CAG and Internal Auditor recommendations.
- (viii) Risk Based Internal Audit Plan for financial year 2023/24;
- (ix) TIRA internal Audit Charter;
- (x) TIRA Risk Register, Risk Management framework and Disaster Recovery Plan

The Board has three substantive committees with the following membership;

2.4.1 Technical Committee.

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

Members of the Technical Committee held four ordinary meetings during the year under review.

The committee received and deliberated the Insurance Market Performance Report for the year 2022, Report on Implementation of TIRA Corporate Strategic Plan, Review Guidelines and Reports on Supervision of Insurance Service Providers.

2.4.2 Finance and Human Resources Committee

Name	Position	Age	Qualification	Nationality
Dr. Suleiman R. Mohamed	Chairman	62	PhD (Finance)	Tanzanian
Ms. Lulu M. Abdulla	Member	41	B.COM	Tanzanian
Mr. Festo A. Mlele	Member	62	MSc (Int. Relations)	Tanzanian
Mr. Justine P. Mwandu	Member	68	MA (Public & Social Admin), ACII	Tanzanian

Members of the Finance and Human Resources Committee held five meetings (four ordinary and one special) during the year under review.

The committee received and deliberated the TIRA Budget and Annual Procurement Plan for the year 2024/25, TIRA Financial Statements for the year ended 30 June 2023 and Review the changes of TIRA Organization Structure.

2.4.3 Audit and Risk Committee

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

Members of the Audit and Risk Committee held six meetings (four ordinary and two special) during the year under review.

The committee received and deliberated the Implementation of CAG and Internal Auditor recommendations, Risk Based Internal Audit Plan for financial year 2023/24, TIRA internal Audit Charter, TIRA Risk Register, Risk Management framework and Disaster Recovery Plan.

2.5 Operational Overview

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

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

Table 1: Insurance Registrants for the year 2023/24 and 2022/23

Registrants	2023/24	2022/23
Re insurance Company	4	3
Insurance Company	35	34
Insurance Broker	132	108
Insurance Agency	1,125	1,037
Local Reinsurance Brokers	8	6
Banc assurance Agent	31	29
Actuarial Firms	6	5
Loss Adjusters/Assessors	56	56
Private Investigators	6	6

Insurance Digital Platforms	15	12
Deposit Administration Schemes and Pension Funds	1	0
Sales Force Executives (SFEs)	180	0
Health service providers (HSPs)	47	0
Automobile repairers and maintainers (ARMs)	4	0
Total	1,650	1,296

Source: Insurance Registrant Register

2.6 Financial Overview and Performance

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

2.6.1 Revenues from exchange transactions

Revenues from exchange transactions for the year 2023/24 are TZS 333.33 million (2022/23: TZS 299.86 million). The increase is equivalent to 11% which is mainly attributed by adoption of electronic stickers that improved tracking and enhanced compliance and public awareness on importance of Motor Vehicle Insurance.

2.6.2 Revenues from non-exchange transactions

Revenues from non-exchange transactions include premium levy, fees, fines, penalties and other revenue. As reflected in the statement of financial performance, revenues from non-exchange transactions during the year 2023/24 is TZS 24.12 billion (2022/23: TZS 23.42 billion).

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

Premium levy increased from TZS 20.71 billion in 2022/23 to TZS 21.37 billion in 2023/24 equivalent to 3%, while fees, fines and penalties increased from TZS 2.67 billion in 2022/23 to TZS 2.70 billion in 2023/24 equivalent to 1%. The increase of the premium levy attributed by the increase in new registered players and effective use of systems such as TIRAMIS and ORS in obtaining information and enhanced compliance. Fines, fees and penalties have increased due to effective measures and close follow-up on non-compliance activities.

The Authority has adopted IPSAS 41, and during the year, the Provision for Expected Credit Loss (ECL) on Trade Receivable decreased by TZS 202.44 million (2022/23 was TZS. 827.75 million, while 2023/24 is TZS. 625.32 million).

2.6.3 Expenses

During the year 2023/24, the Authority's total expenses amounted to TZS 20.37 billion (Restated 2022/23: TZS 16.26 billion). The increase is equivalent to 25% and was mainly due to an increased number of operational activities and increased administrative costs emanating from an increased staff.

2.6.4 Results for the period

The surplus during the year is TZS 0.82 billion (Restated 2022/23: TZS 3.94 billion) when compared with the result of the previous year.

In 2023/24, the Authority contributed TZS 3.46 billion to the Government Consolidated Fund through the Treasury Registrar (2022/23: TZS 3.56 billion).

2.6.5 Total Assets

Total net assets of the Authority amounted to TZS 18.45 billion (Restated 2022/23: TZS 17.63 billion) representing an increase of 5%. The increase is due to the net surplus recorded of TZS 0.82 billion during the year.

2.7 CORPORATE GOVERNANCE

(i) Statement of compliance

The National Insurance Board is committed to the principles of good corporate governance and complies with the legal, regulatory and relevant codes of ethics. The Board is pleased to report that throughout the financial year ended 30 June 2024 and at the date of this report, the Authority applied the principles of, and was compliant with the requirements of, good corporate governance. In compiling this report, the Board referred to the legal and regulatory requirements, Internal Code of Ethics, Code of Ethics and Conduct for the Public Service as well as the requirements of best practices in good corporate governance.

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

(ii) Board membership and responsibilities

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

The other members are appointed by the Minister responsible for Finance for a tenure of three years renewable as follows: (a) one member from Association of Tanzania Insurers; (b) one member from Tanzania Insurance Brokers Association; one member from Tanzania Insurance Agents Association; (d) one member from the Attorney 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 half from either part of the United Republic.

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

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

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

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

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

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

The Management

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; Administration and Human Resources 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 specialized risks including agriculture insurance, oil and gas and Takaful insurance; and
- (vii) To pursue finalization of the National Policy on Insurance.
- (viii) Finalization of the proposed national insurance policy and its implementation strategy;
- (ix) Finalization of the UHI Regulations and preparation of relevant supervisory Guidelines;
- (x) Finalization of Amendments to the Insurance Act CAP 394;
- (xi) Finalization of Mandatory Covers and Perpetual Licensing Regulations.
- (xii) Finalization of processes for establishment and launch of TAIS;

2.9 RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

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

The Authority has developed Risk Management Frame work, 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 2024 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.

2.9.1 Principal Risks, Uncertainties and Opportunities

The Tanzania Insurance Regulatory Authority (TIRA) adopts a prudent risk-taking approach to managing principal risks and uncertainties, emphasizing identifying and mitigating risks that align with its mandate and strategic objectives.

Prudent risks enhance the Authority's capacity to deliver its objectives effectively while being well-understood and appropriately mitigated. The Authority acknowledges that uncertainties, both internal and external, may arise from economic, regulatory or technological changes, and these are managed through proactive strategies.

TIRA's risk tolerance is defined within levels 1 to 5 with any risks exceeding these thresholds requiring specific mitigation measures. Additionally, TIRA leverages opportunities arising from risk management to enhance operational resilience, foster innovation, and improve service delivery.

2.9.2 Entity Operating Model

The Authority transforms inputs into outputs and outcomes to achieve its strategic objectives and create value over the short, medium, and long term as follow;

No	Inputs	Business Activities	Outputs	Outcomes
1	Financial Resources:	Policy Development: <i>Formulating regulations, guidelines and enforcing compliance</i>	Regulatory Reports: <i>Industry compliance updates</i>	Enhanced Compliance: <i>Industry alignment with standards, regulations, and guidelines</i>
2	Human Capital: <i>Skilled personnel implementing regulatory policies</i>	Market Surveillance: <i>Ensuring market fairness and efficiency</i>	Digital Services: Tools for stakeholders to access information efficiently	Market Stability: Increased transparency and reduced fraud
3	Technology: TIRAMIS application	Stakeholder Engagement: Collaborating with insurers, policymakers, and the public	Policy Recommendations: Guidance for improving the insurance sector	Stakeholder Confidence: Improved trust and collaboration

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.

4	New registrations, renewals, and changes in business Entity operations	1. Application is done through an Online registration system (ORS) 2. Reviewing and sending for approval	1. Certificate of Registration 2. Renewal/ Remittance letters	Supervision of Insurance market
5	Insurance Complaints:	1. Filling out complaints form and attachments 2. Review of complaints 3. Discussion through meeting	Complains settlements	Consumer Protection
6	Submission of Return Reports: Regular compliance submissions by industry players	1. Filling form 2. Data Review 3. Analysing and verifying submitted reports	1. Compliance Insights 2. Penalties	Collection of premium levy

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 13.

2.12 ACCUMULATED SURPLUS

As at 30 June 2024 the Authority's accumulated Surplus stood at TZS 17.84 billion (Restated 2022/23: TZS 17.02 billion). The increase of accumulated reserves was due to the recorded surplus of TZS 0.82 billion during the year and impact of prior year adjustments amounting TZS 1.62 billion resulted from confirmed payables which were overstated by TZS 2.49 billion and first-time adoption of IPSAS 41 for Provision of Expected Credit Loss (ECL) during the year 2022/23 amounting TZS 0.87 billion contributed by Cash (TZS 0.01 billion), Staff Loan Receivables (TZS 0.03 billion) and Trade Receivables (TZS 0.83 billion).

2.13 CORPORATE RELATIONSHIPS WITH STAKEHOLDERS

The Authority believes that stakeholders are the primary reason for the existence of the Authority. Several measures have been taken to institute responsible 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 Directors are entitled to Directors fees and, during the financial year 2023/24, a total of TZS. 72 million were paid to the Chairman and Six Members of the Board.

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 require 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 2023/24. 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.

2.17 GENDER PARITY

The Authority is an equal-opportunity employer. As at 30 June 2024, the Authority had the following distribution of employees by gender:

Table 2: Authority Staff Distribution

Gender	2023/24	2022/23
Male	75	72
Female	50	43
Total	125	115

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 Notes 26 and 31 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 2023/24 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 Policies and Procedures, Staff Rules and Regulations, Insurance Act CAP 394, Income Tax Act, 2004, and Public Procurement Act, 2011 and related regulations.

2.23 SERIOUS PREJUDICIAL MATTERS

During the period ended 30 June 2024, 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.

2.24 ACCOUNTING POLICIES

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

2.25 STATEMENT OF COMPLIANCE

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

2.26 AUDITORS

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

TANZANIA INSURANCE REGULATORY AUTHORITY

BY THE ORDER OF THE BOARD



CPA. Moremi A. Marwa
Chairman of the Board

14/02/2015

Date



Dr. Baghayo A. Saqware
Commissioner of Insurance

3.0 STATEMENT OF RESPONSIBILITIES BY THOSE CHARGED WITH GOVERNANCE FOR THE PERIOD ENDED 30 JUNE 2024


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

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


To the best of my knowledge, the system of Internal Control has operated adequately throughout the reporting period and that the financial statements and underlying records provide a reasonable basis for the preparation of the financial statements for the 2023/24 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

14/02/2025
Date


Dr. Baghayo A. Saqware
Commissioner of Insurance

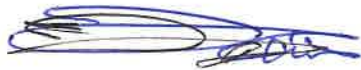
4.0 DECLARATION BY THE HEAD OF FINANCE

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 2024 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.



CPA Gambamala M. Luchunga

NBAA Membership No. ACPA1557

Date: 14/02/2025

5.0 FINANCIAL STATEMENTS

5.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

		2023/24	2022/23 (RESTATED)
	NOTE	TZS' 000	TZS' 000
Current Assets			
Cash and Cash Equivalents	4	2,138,149	4,404,218
Trade Receivables	5	7,780,628	8,029,724
Staff loan and Other Receivables	6	2,273,381	1,930,457
Prepayments	7	81,814	-
Inventories	8	131,982	96,586
Total Current Assets		12,405,954	14,460,985
Non-Current Assets			
Intangible Assets	9	644,226	715,807
Property, Plant and Equipment	10	5,513,564	4,200,986
Work in Progress	27	1,031,085	94,052
Total Non-current Assets		7,188,875	5,010,845
TOTAL ASSETS		19,594,829	19,471,830
LIABILITIES			
Current Liabilities			
Deposits	11	314,523	242,823
Payables and Accruals	12	831,315	1,602,110
Total Current Liabilities		1,145,838	1,844,933
TOTAL LIABILITIES		1,145,838	1,844,933
NET ASSETS		18,448,991	17,626,897
NET ASSETS/ EQUITY			
Capital contributed by:			
Capital Fund	13	603,403	603,403
Accumulated Surplus	14	17,845,588	17,023,494
TOTAL NET ASSETS/ EQUITY		18,448,991	17,626,897

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




Date

Dr. Baghayo A. Saqware
Commissioner of Insurance


5.2 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

FINANCIAL PERFORMANCE		2023/24	2022/23 (RESTATED)
	Note	TZS'000	TZS'000
REVENUES			
Revenues from Non-Exchange Transactions			
Premium Levy	15	21,373,790	20,710,824
Fees, Fines and Penalties	16	2,696,734	2,671,007
Other Revenue	17	48,891	42,356
Revenue from Exchange Transactions			
Sales of e-stickers	18	333,335	299,856
Gain on foreign translation	19	-	39,730
Reversal of Provision for Expected Credit Loss	30	194,734	-
TOTAL REVENUES		24,647,484	23,763,773
EXPENSES AND TRANSFER			
Wages, Salaries and Employee benefits	20	9,416,112	7,323,736
Social Benefits	21	1,304,494	1,204,210
Supplies and Consumable used	22	9,123,408	6,251,212
Maintenance Expenses	23	292,627	205,173
Loss on Disposal of Property, Plant and Equipment	24	-	10,778
Expected Credit Loss	30	-	873,704
Amortization Charges	9	71,581	130,509
Depreciation Charges	10	158,687	258,176
Total Expenses		20,366,909	16,257,498
Transfer			
Grant, Subsidies and other payment transfer	25	3,458,481	3,558,606
Total transfer		3,458,481	3,558,606
TOTAL EXPENSES AND TRANSFER		23,833,096	19,816,104
Surplus for the year		822,094	3,947,669

Notes form part of the financial statements



 CPA. Moremi A. Marwa
 Chairman of the Board

14/02/2025
 Date


 Dr. Baghayo A. Saqware
 Commissioner of Insurance

5.3 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024

	Tax fund TZS '000'	payers Accumulated Surplus TZS '000'	Total TZS '000'
Year ended 30 June 2022			
Balance as at 1 July 2022	603,403	10,578,961	11,182,364
Surplus for the year	-	3,947,669	3,947,669
Balance at 30 June 2023	603,403	14,526,630	15,130,033
Prior year Adjustments (Refer Note 14)	-	2,496,864	2,496,864
Restated Balance at 30 June 2023	603,403	17,023,494	17,626,897
 Restated Balance as at 01 July 2023	 603,403	 17,023,494	 17,626,897
Surplus for the year	-	822,094	822,094
Balance at 30 June 2024	603,403	17,845,588	18,448,991


CPA. Moremi A. Marwa
Chairman of the Board



14/02/2025
Date


Dr. Baghayo A. Saqware
Commissioner of Insurance

TANZANIA INSURANCE REGULATORY AUTHORITY

5.4 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	Note	2023/24 TZS' 000	RESTATED 2022/23 TZS' 000
Cash flow from Operating Activities			
Receipts			
Fees and Forfeits	16	2,696,734	2,671,007
Premium Levy	28(a)	21,832,215	17,383,034
Other Revenue	17	48,891	42,356
Revenue from Exchange transaction	28(g)	326,446	331,859
Increase in Deposits	28(d)	71,700	34,734
		24,975,986	20,462,990
Payments			
Wages, Salaries and other employee benefits	28(b)	9,416,112	7,383,241
Supplies and Consumable used	28(c)	9,324,444	6,401,651
Social Benefits	21	1,304,494	1,204,210
Maintenance Expenses	23	292,627	205,173
Grant, subsidies and other payment transfer	28(e)	4,145,451	2,900,000
		24,483,128	18,094,275
Net Cash flow from operating activities [A]		492,858	2,368,715
Cash flow from Investing activities			
Acquisition of Intangible Assets	9	-	(94,236)
Acquisition of fixed assets	10	(1,471,264)	(534,512)
Work in progress	27	(937,033)	(94,052)
staff loans repayment /issue	28(f)	(345,979)	(281,981)
Receipt from sale of assets	10	-	4,580
Net Cash flow from Investing Activities [B]		(2,754,276)	(1,000,201)
Cash flow from Financing Activities			
Decrease in Taxpayer fund		-	-
Net Cash flow from financing Activities (C)		-	-
Net Increase/(Decrease) in cash and cash equivalent [A+B+C]		(2,261,418)	1,368,514
Cash and Cash equivalent at beginning		4,416,046	3,007,802
Effects of currency translation on cash and cash equivalents		0	39,730
Cash and cash equivalents at the end of period		2,154,628	4,416,046


CPA. Moremi A. Marwa
Chairman of the Board


14/02/2025
Date

Dr. Baghayo A. Saqware
Commissioner of Insurance

TANZANIA INSURANCE REGULATORY AUTHORITY

5.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30 JUNE 2024

	Original Budget TZS	Reallocation ns/ Adjustmen ts TZS	Final Budget (A) TZS	Actual Amount on Comparison Basis (B) TZS	Difference: Final Budget and Actual (B-A) TZS
RECEIPTS					
Fees and Forfeits	3,022,295	-	3,022,295	2,696,734	(325,561)
Premium Levy	22,879,021	-	22,879,021	21,825,325	(1,053,696)
Other Revenue	50,235	-	50,235	48,891	(1,344)
Revenue from Exchange Transaction	310,500	-	310,500	333,335	22,835
Increase in Deposits	-	-	-	4,850	4,850
Total Receipts	26,262,051	-	26,262,051	24,909,135	(1,352,916)
PAYMENTS					
Wages, Salaries and Employee Benefits	9,121,013	310,719	9,431,732	9,416,112	15,620
Social Benefits	1,380,947	-	1,380,947	1,304,494	76,453
Supplies and Consumable used	9,638,373	(310,719)	9,327,654	9,324,845	2,809
Maintenance Expenses	293,377	-	293,377	292,627	750
Grants, subsidies and other payment transfer	3,253,699	-	3,253,699	3,250,000	3,699
Work in Progress (Construction of Office Building)	1,615,180	-	1,615,180	1,471,264	143,916
Acquisition of Fixed Assets	959,462	-	959,462	937,033	22,429
Total Payment	26,262,051	-	26,262,051	25,996,375	265,676
Net increase (Decrease)	-	-	-	(1,087,240)	(1,087,240)

CPA. Moremi A. Marwa
Chairman of the Board

Date

Dr. Baghayo A. Saqware
Commissioner of Insurance

5.6 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1. GENERAL INFORMATION

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

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

(i) Compliance with IPSAS

The financial statement has 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

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 is one new standard (IPSAS 41) that were

effective for the first time for the financial year 2022/23 (Restated) and current year that would have material impact on the Authority's financial statements.

IPSAS 41 - Financial Instruments

The Standard 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 was effective for the financial statements beginning on or after 1 January 2022, with an option for earlier adoption.

The introduction of IPSAS 41 substantially modifies IPSAS 29 by classifying financial assets and liabilities through a principles-based classification model, a forward-looking expected credit loss model.

The impact of introducing IPSAS 41 is the emergence of Expected credit loss /gain in the Financial Statements by having different Cash and Cash Equivalent figures reported in the Statement of Financial Position and the Statement of Cash flows with Exposure at Default (EAD) (Balance) at the end of the financial year.

(c) Changes in Classification and Presentation

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

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

(d) Use of estimates and Judgment

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

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

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

(e) Revenue Recognition

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

Revenue from Non-Exchange Transactions

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

(i) Premium Levy

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

(ii) Fines & Penalties

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

(iii) Accreditation Fee

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

(iv) Annual Fee

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

(v) Registration Fee

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

(vi) Application Fee

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

Revenue from Exchange Transactions

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

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

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

(f) Insurance Stickers

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

(g) Expenses

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

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

(h) Lease agreement

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

(i) Authority as a lessee

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

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

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

(j) Authority acts as a lessor

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

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

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

(k) Property, Plant and Equipment

The Authority take into consideration of the Public Finance (Management of Public Property) Regulations, 2024 whereby every category of Asset has its estimated useful life.

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 bring 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 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 Category	Useful Life (Years)
Office Equipment	10
Furniture and Fixtures	10
Motor Vehicles	10
Buildings	50
Land	-

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

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

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

(I) 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. Intangibles are amortized at estimated useful life of 10 years, which has been consistently applied, is 10% per annum.

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

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

(m) Financial Instruments

Non-derivative financial instruments

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

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

Non-derivative financial instruments are categorized as follows:

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

Amortised cost measurement

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

De-recognition

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

Offsetting

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

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

Accounts payable and accrued expenses:

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

Provisions, Contingent Liabilities and Assets

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

(n) Cash and Cash Equivalents

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

(o) Impairment of financial assets

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

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

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

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

(p) Impairment of non-financial assets

The Authority assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required,

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

(q) Inventory- Stationery and consumables

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

(r) Employees' benefits

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

(s) Other employees' entitlements

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

(t) Foreign Currencies Translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

(u) Changes in Accounting Policies

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

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

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

(v) Comparatives

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

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

3. Specific risks to which the Authority

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

Market risk

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

Foreign Currency risk

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

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

Foreign rate risk

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

Interest rate risk

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

Liquidity risk

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

Credit risk

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

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

As at 30 June 2024, the total amount of cash and cash equivalents was TZS 2,138 million (30 June 2023: 4,404 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 2024 totalled TZS 10,716 million (30 June 2023: TZS 10,822 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.

	2023/24	RESTATED 2022/23
	TZS'000	TZS'000
4 CASH AND CASH EQUIVALENT		
BOT Own source collection account	827,615	3,058,630
Deposit General Cash Account	80,748	62,000
Loan Cash Account	410,596	456,051
Own source collection A/C-CRDB	12,394	74,923
Own source collection account -NBC	14,648	358,994
Own source Recurrent Expenditure-GF	285,566	47,599
Unapplied Cash Account	233,776	180,823
USD BOT Collection Account	214,963	147,502
USD Commercial Collection Account	74,322	29,524
Cash and cash equivalent before Provision for ECL	2,154,628	4,416,046
Provision for Expected Credit Loss on Cash	(16,479)	(11,828)
Total	2,138,149	4,404,218

The decrease in cash and cash equivalent was mainly due to commencement of settlements for Construction of TIRA Head office in Dodoma and payment of other payables during the year.

5 TRADE RECEIVABLES	2023/24	RESTATED 2022/23
	TZS' 000	TZS' 000
Trade Receivable - Premium Levy	8,176,257	8,634,682
Provision for ECL on Trade Receivables	(625,315)	(827,755)
Receivable on Sale of E-Stickers	222,576	215,687
Other receivable (Rent deposit)	7,110	7,110
Total	7,780,628	8,029,724

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Trade receivables mainly represent unpaid levy for the two quarters running from January to June 2024 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. There is a Provision of Expected Credit Loss of on Trade Receivable of TZS. 625 million as at 30 June 2024.

6	STAFF LOAN AND OTHER RECEIVABLES	2023/24	RESTATED 2022/23
		TZS' 000	TZS' 000
	Imprest Receivable	423,460	232,572
	Staff Loan Receivables	1,887,097	1,732,006
	Provision for ECL on Staff Loan Receivables	(37,176)	(34,121)
	Total	2,273,381	1,930,457

There is a Provision of Expected Credit Loss of on Staff Loan Receivables of TZS. 37 million as at 30 June 2024.

7	PREPAYMENTS	FY 2023/24	RESTATED 2022/23
		TZS' 000	TZS' 000
	Prepayments	81,814	-
	Total	81,814	-

8	INVENTORIES	FY 2023/24	RESTATED 2022/23
		TZS' 000	TZS' 000
	Consumables	131,982	96,586
	Total	131,982	96,586

9	INTANGIBLE ASSETS	FY2023/24	RESTATED 2022/23
		TZS'000	TZS'000
	Cost as at the beginning	1,305,094	1,210,858
	Additions / (Deduction)	-	94,236
	Cost at year end 30 June 2024	1,305,094	1,305,094
	Amortization		
	As at beginning of the year	589,287	458,777
	Charges during the year	71,581	130,510
	Amortization as at year end	660,868	589,287
	Net book value at 30 June 2024	644,226	715,807

The Intangible assets include TIRA RBS System, TIRA Online Registration System and TIRAMIS and Reinsurance portal.

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10. PROPERTY, PLANT AND EQUIPMENT		Office Equipment		Furniture and Fittings		Motor Vehicles		Buildings		Land		Total	
Year ended 30 June 2024		TZS '000		TZS '000		TZS '000		TZS '000		TZS '000		TZS '000	
COST													
At start of year		1,346,331		435,472		1,430,659		1,386,220		2,032,650		6,631,332	
Additions during the year		498,479		208,524		455,637		308,624		-		1,471,264	
Costs as at 30 June 2024		1,844,810		643,996		1,886,296		1,694,844		2,032,650		8,102,596	
DEPRECIATION													
At the start of the year		951,793		345,665		938,971		193,916		-		2,430,345	
Depreciation for year		47,157		17,067		59,558		34,905		-		158,687	
		998,950		362,732		998,529		228,821		-		2,589,032	
Net Values as at 30 June 2024		845,860		281,264		887,767		1,466,023		2,032,650		5,513,564	
Year ended 30 June 2023													
COST													
At start of year		1,269,928		462,867		1,038,963		1,386,220		2,032,650		6,190,628	
Additions during the year		142,816		-		391,696		-		-		534,512	
Less: Disposal during the year		(64,077)		(25,152)		-		-		-		(89,229)	
Costs as at 30 June 2023		1,348,667		437,715		1,430,659		1,386,220		2,032,650		6,635,911	
DEPRECIATION													
At the start of the year		901,489		326,751		856,190		166,192		-		2,250,622	
Current Depreciation		106,871		40,800		82,781		27,724		-		258,176	
Less: Accumulated Depreciation on Disposal		(56,567)		(21,886)		-		-		-		(78,453)	
		951,793		345,665		938,971		193,916		-		2,430,345	
Proceed on disposal of Assets		(2,336)		(2,244)		-		-		-		(4,580)	
Net Values as at 30 June 2023		394,538		89,806		491,688		1,192,304		2,032,650		4,200,986	

Assets useful life has been determined in accordance with Public Finance (Management of Public Property) Regulations, 2024

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11 DEPOSITS	2023/24	RESTATED 2022/23
	TZS' 000	TZS' 000
Deposit General	80,748	62,000
Unapplied Deposit Account	233,775	180,823
	<u>314,523</u>	<u>242,823</u>

Deposit General comprises amount subscribed for insurance outreach activities and Unapplied Deposits contains unsuccessful transactions which were previous paid but dishonoured and reversed into Authority Accounting System waiting for rectification of payee's information.

12 PAYABLES AND ACCRUAL	2023/24	RESTATED 2022/23
	TZS'000	TZS'000
Payable Other Transfer	233,000	919,970
Accrued Expenses	59,010	122,538
Gratuity Payable	21,000	21,000
Miscellaneous Deduction	9,554	9,554
Miscellaneous Other Payables	231,958	259,845
Supplies of goods and Services	264,426	254,316
Withholding Tax	12,367	14,887
	<u>831,315</u>	<u>1,602,110</u>

13 CAPITAL FUND	2023/24	RESTATED 2022/23
	TZS' 000	TZS' 000
Subvention from Government	603,403	603,403
Total	<u>603,403</u>	<u>603,403</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.

14 ACCUMULATED SURPLUS	2023/24	RESTATED 2022/23
	TZS' 000	TZS' 000
Balance at the beginning	17,023,494	10,578,961
Prior Year Adjustments		2,496,864
Surplus/(Deficit) for the year	822,094	3,947,669
Total	<u>17,845,588</u>	<u>17,023,494</u>

The Amount for Prior year represents rectification of overstated payables by TZS 2,496.86 million and impact of Provisions for Expected Credit Loss which was due to the first-time adoption of IPSAS 41 by the Authority in financial year 2022/24

15 PREMIUM LEVY	2023/24	RESTATED 2022/23
	TZS' 000	TZS' 000
Fire Insurance	3,016,015	2,922,465
Engineering Insurance	1,842,378	1,785,232
Motor Insurance	6,507,605	6,305,754

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Accident Insurance	1,172,690	1,136,316
Marine Insurance	707,408	685,466
Aviation Insurance	278,941	270,289
Health Insurance	2,529,269	2,450,817
Oil and Gas Insurance	126,374	122,454
Other General Insurance	886,147	858,661
Life Insurance	4,306,962	4,173,370
Total	21,373,790	20,710,824

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

16 FEES, FINES AND PENALTIES	2023/24	RESTATED 2022/23
	TZS' 000	TZS' 000
Fees, Fines and Penalties	574,840	414,332
Accreditation fees	1,424,364	1,595,824
Annual Licence Fees	356,855	317,901
Registration Fees	340,675	342,950
Total	2,696,734	2,671,007

17 OTHER REVENUE	2023/24	RESTATED 2022/23
	TZS' 000	TZS' 000
Application fee	46,270	36,406
Receipts from Miscellaneous fees	2,621	5,950
Total	48,891	42,356

18 REVENUE FROM EXCHANGE TRANSACTION	2023/24	RESTATED 2022/23
	TZS' 000	TZS' 000
Sales of e-stickers	333,335	299,856
Total	333,335	299,856

19 FAIR VALUE GAINS ON ASSETS AND LIABILITIES	2023/24	RESTATED 2022/23
	TZS' 000	TZS' 000
Gain on foreign Exchange difference	-	39,730
Total	-	39,730

20 WAGES, SALARIES AND EMPLOYEE BENEFITS	2023/24	RESTATED 2022/23
	TZS'000	TZS'000
Civil servant	5,907,016	4,177,604
Acting allowance	119,308	170,978
Housing Allowance	353,429	430,019
Court Attire Allowance	12,600	8,402
Electricity allowance (Utility)	721,546	69,600

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Extra duty	186,701	258,106
Internship & Field (Practical Allowance)	76,994	10,430
Furniture	70,662	98,017
Gratuities	-	63,348
Leave Travel	377,442	341,209
Medical and Dental refund	15,033	11,040
Moving Expenses	608,060	787,058
Outfit Allowance	2,981	22,494
Passage allowance	168,580	272,781
Responsibility Allowance	90,429	224,483
Sitting Allowance	222,935	75,271
Special Allowance	58,167	900
Honoraria	129,400	89,429
Telephone	294,829	212,567
Total	9,416,112	7,323,736

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

21 SOCIAL BENEFITS	2023/24	RESTATED 2022/23
	TZS' 000	TZS' 000
Statutory Contribution (PSSSF, ZSSF, WCF & NHIF)	1,212,288	1,120,610
Retirement Benefits	92,206	83,600
Total	1,304,494	1,204,210

22 SUPPLIES AND CONSUMABLES USED	2023/24	RESTATED 2022/23
	TZS'000	TZS'000
Advertising and Publication	148,293	74,067
Air travel Tickets	212,057	292,067
Audit Fees	120,000	90,000
Bank Charges and Commission	4,324	3,664
Burial Expenses	6,300	43,960
Catering Services	131,125	136,146
Cleaning and Security charges	141,509	124,418
Conference Facilities	356,252	147,925
Consultancy fees	6,700	28,741
Courier Services	38,746	34,706
Donation and Contribution (CSR)	109,560	-
Educational Radio and TV programme	79,575	119,342
Electricity	60,821	97,395
Entertainment	73,126	51,102
Exhibition, Festival and Celebration	29,460	195,826
Food and Refreshments	240,756	118,006
Fuel (Diesel)	262,290	170,769
Fumigation	-	1,794

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Ground Transport	243,839	81,162
Honorarium	9,900	28,071
Insurance Expenses	46,704	21,592
Internet and email connection	221,874	204,323
Land Rent expenses	2,688	51,019
Newspaper and Magazine	14,663	11,634
Office Consumables	84,810	73,243
Office Rent	354,432	186,001
Per Diem Foreign	158,484	276,507
Per Diem Domestic	5,151,461	2,902,269
Posts and Telegraph	2,698	1,226
Printing and Photocopying cost	57,968	163,287
Software Licence fees	153,810	159,993
Special Food (diet food)	3,600	9,200
Subscription fees	25,197	26,429
Telephone Charges	289,021	5,993
Training Allowance	74,320	68,326
Training Materials	7,595	15,580
Tuition Fees	164,461	159,671
Uniforms	31,860	38,070
Visa Application Fees	-	6,200
Water Charges	3,129	31,488
Total	9,123,408	6,251,212

23 MAINTENANCE EXPENSES	FY2023/24 TZS'000	RESTATED FY2022/23 TZS'000
Computers, Scanners, and another computer related	75,301	8,543
Motor Vehicle and Watercraft	119,106	125,565
Outsource Maintenance contract service	50,664	61,927
Small tools and implements	47,556	9,138
Total	292,627	205,173

24 LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	FY 2023/24 TZS' 000	RESTATED 2022/23 TZS' 000	FY
Losses on disposal of property, plant and equipment	-	-	10,778
Total	-	-	10,778

25 GRANT, SUBSIDIES AND OTHER PAYMENT TRANSFER	FY2023/24 TZS'000	RESTATED FY2022/23 TZS'000
15% Contribution to Consolidated Fund	3,458,481	3,558,606
Total	3,458,481	3,558,606

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26 RELATED PARTY DISCLOSURE	FY2023/24 TZS'000	RESTATEDFY2022/23 TZS'000
Remuneration of Key Management		
Key Management personnel remuneration	-	-
Contribution to pension funds and Gratuity	-	-
	<u>-</u>	<u>-</u>
Controlling Entity		
15% Contribution to Consolidated Fund	3,458,481	3,558,606
Total	<u>3,458,481</u>	<u>3,558,606</u>

Key Management remuneration are expenses incurred in respect of Commissioner of insurance, Deputy commissioner and other Directors having Authority and responsibility of planning, directing and controlling the activities of the Authority. Controlling entity expenses are in respect of 15% contribution of gross revenue to the consolidated fund since the Government is the whole owner of the Authority.

27 WORK IN PROGRESS	FY 2023/24 TZS' 000	RESTATED FY 2022/23 TZS' 000
Construction of Office Building		
Cost as at beginning	94,052	-
Additions /(Deduction)	937,033	94,052
Cost at year end 30 June 2024	<u>1,031,085</u>	<u>94,052</u>

Work in Progress contains costs for Construction of TIRA Building in Dodoma

28 CASH FLOW INFORMATION	FY2023/24 TZS'000	RESTATEDFY2022/23 TZS'000
a. Premium levy		
Opening Premium Levy	8,634,682	5,306,892
Add: Premium levy during the year	21,373,790	20,710,824
Less: Closing balance	(8,176,257)	(8,634,682)
Total	21,832,215	17,383,034
b. Wages, Salaries and Employee Benefits		
Salaries and wages paid during the year	9,416,112	7,323,736
Add: Opening gratuity	21,000	69,645
Tax outstanding	-	89,246
	9,437,112	7,482,627
Less: Closing Gratuity	(21,000)	(99,386)
Total	9,416,112	7,383,241
c. Supplies of Goods and services		
supplies and consumables during the year	9,123,408	6,251,212
Add: Opening payables	259,845	374,874
Opening accrued expenses	122,538	138,053

TANZANIA INSURANCE REGULATORY AUTHORITY

Opening Other payables		338,058
Opening Withholding Tax	14,887	10,259
Opening Staff claims		2,040
Supplies of Goods and services	253,485	-
Closing prepayment	81,814	-
Closing inventory	131,982	96,586
less: Closing accrued	(59,010)	(122,538)
Closing Supplies of Goods and Services	(264,426)	(254,316)
Closing Withholding Tax	(11,535)	(14,887)
Opening prepayment		(99,101)
Opening inventory	(96,586)	(58,744)
Closing balance other payables	(231,958)	(259,845)
Total	9,324,444	6,401,651
d. Deposits		
Opening deposit General and Unapplied	(242,823)	(208,089)
Closing deposit general and unapplied	314,523	242,823
Total	71,700	34,734
e. 15% Contribution to Consolidated Fund		
Payment during the year	3,458,481	3,558,606
Add: Opening balance	919,970	2,693,101
Less: closing balance	(233,000)	(3,351,707)
Total	4,145,451	2,900,000
f. Staff loan issue and repayment		
Opening balance	1,964,578	1,682,597
less: Closing balance	(2,310,557)	(1,964,578)
Total	(345,979)	(281,981)
g. Revenue from exchange transaction		
Opening balance	215,687	247,690
Add: Sale of e-stickers during the year	333,335	299,856
Less: Closing balance	(222,576)	(215,687)
Total	326,446	331,859
29 RECONCILIATION OF SURPLUS/DEFICIT WITH	FY2023/24	RESTATED FY2022/23
CASH GENERATED FROM OPERATION	TZS'000	TZS'000
Surplus/(Deficit) for the year	822,094	3,947,669
Add: Depreciation charges	158,687	258,176
Expected credit loss	-	873,704
Amortization	71,581	130,509
Foreign Exchange loss/(Gain)	-	(39,731)
Loss on disposal	-	10,778
Provision for credit loss	(194,734)	-
Cash generated from operation before	857,628	5,181,105
changes in working capital		

TANZANIA INSURANCE REGULATORY AUTHORITY

Increase/(Decrease) in deposits	71,700	37,734
Decrease/(Increase) in Receivable	451,535	(3,190,345)
Decrease/(Increase) in Inventory	(35,396)	(37,843)
Decrease/(Increase) in Prepayment	(81,814)	(99,101)
Increase/(Decrease) in in Payables	(770,795)	477,165
Net cash generated from operating activities	492,858	2,368,715

30 PROVISION FOR EXPECTED CREDIT LOSS (ECL)	FY 2023/24	RESTATED 2022/23	FY
	TZS' 000	TZS' 000	
Cash and Cash Equivalent	4,651		11,828
Trade Receivable	(202,440)		827,755
Staff Loan Receivable	3,055		34,121
Total	(194,734)		873,704

31. RELATED PARTY TRANSACTIONS

List of transactions/ balances with other Government Entities for the year ended 30 June 2024				
S/N	Goods/services received	Name of the entity provided goods/services	Amount received in TZS	Payable in TZS
1	Fuel/stationaries/purchase of m/v	GPSA	557,807,300	
2	Electricity	TANESCO	28,102,204	
3	Training & advert fee	PPRA	27,350,000	
4	Internet/telephone/airtime voucher	TTCL	102,276,649	
5	Water	DAWASA	777,899	
6	Water	LUWASA	260,400	
7	Internet	eGA	7,498,520	
8	Courier services (ems) & stamps	POSTA	36,697,220	
9	Training	NIP	2,625,000	
10	Rent	TUWASA	2,070,000	
11	Contributions	WCF	25,875,920	2,326,001
12	Contributions/Rent	PSSSF	1,152,713,224	-
13	Contributions/Rent	NHIF	266,801,576	22,814,415
14	Land rent	Ministry of Land	2,096,300	
15	Rent	NSSF	27,971,337	
16	Rent	NHC	10,800,000	
17	Service and repair of vehicles and generator	TEMESA	1,519,049	
18	Fee & subscription	NBAA	11,082,500	
19	Air travel expenses	Air Tanzania	120,000,000	
20	Outsourcing security services	SUMA JKT	53,962,100	
21	Land acquisition	Katavi Municipal Council	50,000,000	
	Total		2,488,287,198	25,140,416

32 CONTINGENT LIABILITIES

Litigation

Mwananchi Appeal Case; TIRA and the Attorney General won the Appeal and ruling was as at 30 June 2024, the Authority had the following litigations in the court with the following status.

- (i) Delivered by the Court of Appeal of Tanzania on 4 July, 2023. However, Mwananchi Insurance Company has lodged the new application seeking extension of time to file appeal out of time.

33 COMMITMENTS

a) Capital commitments

As at 30 June 2024 the Authority had no capital commitments.

b) Loan commitments

As at 30 June 2024, 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.

34 ASSETS PLEDGED AS SECURITY FOR LIABILITIES

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

35 EVENTS AFTER REPORTING PERIOD

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