



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



**PUBLIC PROCUREMENT REGULATORY AUTHORITY - (PPRA)**

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

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March 2023

AR/PA/PPRA/2021/22

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL**

## About the National Audit Office

### **Mandate**

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

### **Vision**

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

### **Mission**

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

**Motto:** “Modernizing External Audit for Stronger Public Confidence”

### **Core values**

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

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

### **We do this by:**

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

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

## TABLE OF CONTENTS

Abbreviations .....	iii
1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL.....	1
1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS.....	1
2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2022 .....	5
3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE.....	52
4.0 DECLARATION OF THE CHIEF ACCOUNTANT .....	53
5.0 FINANCIAL STATEMENTS .....	54

## Abbreviations

ADF	African Development Fund
AfDB	African Development Bank
BOT	Bank of Tanzania
CEO	Chief Executive Officer
e-GA	Electronic Government Authority
HIV/AIDS	Human Immune-Deficiency Virus/ Acquired Immune-Deficiency Syndrome
IAU	Internal Audit Unit
IPSAS	International Public Sector Accounting Standards
ISPGG	Institutional Support Project for Good Governance
ISSAI	International Standards of Supreme Audit Institutions
MDAs	Ministries, Independent Departments and Agencies
MoFP	Ministry of Finance and Planning
MTSP	Medium Term Strategic Plan
NAOT	National Audit Office of Tanzania
NHIF	National Health Insurance Fund
NSSF	National Social Security Fund
ONA	Office of the National Assembly
PCCB	Prevention and Combating of Corruption Bureau
PE	Procuring Entity
PMIS	Procurement Management Information System
PMO	Prime Minister's Office
PMU	Procurement Management Unit
PO-PSMGG	President's Office-Public Service Management and Good Governance
PPA	Public Procurement Act, Cap. 410
PPAA	Public Procurement Appeals Authority
PPD	Public Procurement Policy Division
PPR	Public Procurement Regulations
PPRA	Public Procurement Regulatory Authority
PSC	Project Steering Committee
PSPTB	Procurement and Supplies Professionals and Technicians Board
PVCA	Procurement Value Chain Analysis
SDP	Staff Development Plan
TANePS	Tanzania National Electronic Procurement System
TFRS	Tanzania Financial Reporting Standards
TPJ	Tanzania Procurement Journal
TZS	Tanzania Shilling
UD	User Department
USAID	United States Agency for International Development
VAT	Value Added Tax
VfM	Value for Money

## 1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairman of the Board,  
Public Procurement Regulatory Authority (PPRA),  
P.O. Box 2865,  
41104-DODOMA, TANZANIA.

### 1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

#### **Unqualified Opinion**

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

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Public Procurement Regulatory Authority (PPRA) as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and in 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 Public Procurement Regulatory Authority (PPRA) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

#### **Key Audit Matters**

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

#### **Other Information**

Management is responsible for the other information. The other information comprises the Report of those charged with government, statement of management responsibility

and Declaration by the Head of Finance and 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, my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

#### **Responsibilities of management and those charged with Governance for the Financial Statements**

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

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

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

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

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

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

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

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

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

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

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

Further, Section 48(3) of the Public Procurement Act, 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 LEGISLATIONS

### 1.2.1 Compliance with the Public Procurement laws

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

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

#### Conclusion

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

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

**Subject matter: Budget formulation and execution**

I performed a compliance audit on budget formulation and execution in the Public Procurement Regulatory Authority (PPRA) for the financial year 2021/22 as per the Budget Act and other Budget Guidelines.

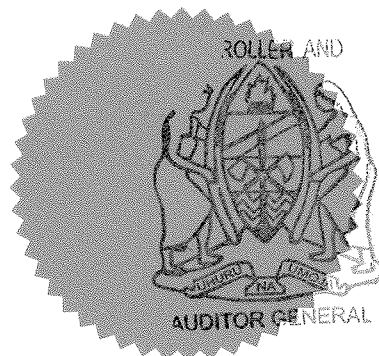
#### Conclusion

Based on the audit work performed, I state that Budget formulation and execution of Public Procurement Regulatory Authority (PPRA) 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, 2023





## **2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL YEAR ENDED 30 JUNE, 2022**

### **2.1 INTRODUCTION**

In compliance with The Public Procurement Act, (Cap. 410 R.E. 2022) and the Tanzania Financial Reporting Standard (TFRS) No. 1 on the Report by those charged with Governance of 1 January 2021, the Board of Directors submits their report and the Financial Statements of the Public Procurement Regulatory Authority (PPRA) for the year ended 30 June 2022.

### **2.2 NATURE OF OPERATIONS**

PPRA is a regulatory body established under the Public Procurement Act, Cap 410 and charged with the responsibility to regulate and oversee public procurement and related matters as prescribed in the Act. The Public Procurement Regulatory Authority (PPRA) was established in May 2005 after the enactment of Public Procurement Act, 2004 and charged with the responsibility to regulate and oversee implementation of this Act. It replaced the Central Tender Board (CTB), which was established under the Public Procurement Act, 2001. However, in order to provide more powers for PPRA to enforce implementation the Public Procurement Act, 2011 was enacted and repealed the PPA, 2004. There have been a number of amendments to the Act (including amendments made in 2013, 2014, 2016 and 2018), all aiming at strengthening functions of PPRA for effective and efficient delivery of its regulatory functions.

The Public Procurement Act, Cap 410 mandated the PPRA to ensure that procurement processes in the public sector are open, fair, transparent, competitive and deliver value for money outcomes to the public. In addition, Section 7(2) of the Public Procurement Act, Cap 410 identifies PPRA as a body corporate which has all the powers to expedite its functions.

PPRA is under the Ministry of Finance and Planning. PPRA Head Office is in Dodoma it operates in one (1) region of Dar es salaam in Mainland Tanzania.

### **2.3 VISION**

A public procurement system that offers value for money.

### **2.4 MISSION**

To regulate public procurement system and promote best practices for attaining value for money.

### **2.5 CORE VALUES**

PPRA has identified the following basic core values which will govern its relationship with the internal and external stakeholders:

- (a) Integrity;

PPRA upholds high ethical and moral standards in executing its duties.

(b) Team Work;

PPRA upholds interdepartmental co-operation and develops its human resource for achievement of strategic goals.

(c) Professionalism;

PPRA professionally protects the interest of public procurement stakeholders through application of fair, competitive, transparent, value for money and non-discriminatory procurement standards and practices.

(d) Innovativeness;

PPRA values radical and gradual improvements in rendering its services both physical and electronically. and

(e) Confidentiality.

PPRA respects the value and ownership of information and does not disclose it without appropriate authority, unless there is a legal or professional obligation to do so.

## 2.1 OBJECTIVE AND STRATEGIES OF THE AUTHORITY

### (a) Objectives of the Authority

During the year, PPRA focused on the implementation of its objectives which guided the Authority in achieving its vision and mission, and facilitating the attainment of value for money in Tanzania Procurement. The Objectives of the Authority as provided under Section 8 shall be to: -

- i) Ensure the application of fair, competitive, transparent, non-discriminatory and value for money procurement standards and practices;
- ii) Set standards for the Public Procurement systems in the United Republic of Tanzania; for the better carrying out of procurement activities;
- iii) Monitor compliance of procuring entities; and
- iv) Build, in collaboration with Public Procurement Policy Division and other relevant professional bodies, procurement capacity in the United Republic.

During the year under review the Authority focused on the implementation of the following objectives

- i) Non - Communicable Diseases, HIV and AIDS infections reduced and supportive services improved
- ii) Implementation of National Anti-corruption Strategy and Action Plan Enhanced and sustained

- iii) Performance in Public Procurement Improved
- iv) Capacity to Deliver Quality Services Strengthened

**(b) Strategies for Achieving Objective**

- i) Strengthen intervention against spread of HIV/AIDS at work place
- ii) Strengthen intervention of non-communicable diseases and Covid-19
- iii) Promote Integrity and accountability to staff and Pes
- iv) Enhance compliance on CAP 410
- v) Enhance public procurement capacity
- vi) Strengthen provision of advisory services on legal frameworks
- vii) Enhance bidders' compliance with PPA CAP 410
- viii) Strengthen contracts/ agreements management
- ix) Enhance e-Procurement systems.
- x) Enhance ICT services and facilities.
- xi) Strengthen ICT Infrastructure and Security.
- xii) Enhance regional and international strategic public procurement networks
- xiii) Strengthen Board performance and managerial functioning
- xiv) Strengthen public awareness on public procurement and attainment of value for money
- xv) Strengthen public asset management
- xvi) Strengthen Internal control system
- xvii) Strengthen human resources management
- xviii) Promote PPRA service delivery and stakeholders involvement
- xix) Promote conducive working environment
- xx) Strengthen financial resources management
- xxi) Strengthen PPRA Annual Plans and budget
- xxii) Mainstream Risk Management Framework into plans and budget

**2.2 Managing Operations of the Authority**

Pursuant to Section 21 of PPA, Cap 410, the Board of Directors is the governing body of the Authority which is required to ensure compliance to the governing laws and procedures. The Board consists of non-executive members whose chairman is appointed by the President and the other six members are appointed by the minister responsible for Finance. The Board, for better carrying out of its function, has established committees as provided in Section 22 of the Act for effective regulation of the public procurement sector. The Chief Executive Officer of PPRA, who is appointed by the President, is the Secretary to the Board. The Board delegates the day-to-day management and operations of the Authority to the Chief Executive Officer.

In addition, the Board had established a Risk Register which guide Management on risk management process including monitoring of external environment which may impact the regulatory process of the Authority.

### 2.3 STATEMENT OF SERVICE PERFORMANCE INFORMATION

The Authority's Service Performance Information discloses information needed for accountability and decision-making purpose, primarily to help users of the report by Those Charged with Governance to understand what the Authority had set out to achieve (target) and what it has achieved (results). The service performance information is generally be a mix of qualitative and quantitative reporting. The reporting of service performance information is based around two elements:

- (i) Outcomes: what the Authority seeks to achieve in terms of its impact on society; and
- (ii) Outputs: the services that the Authority's delivers during the financial year.

The Authority reporting of service performance information is provided in this report under Para 2.35: Key Performance Indicators.

### 2.4 PPRA OPERATING MODEL

The Authority's operating model is the system of transforming inputs, through its operating activities, into outputs and outcomes that aims to fulfil PPRA's strategic purposes and create value over the short, medium and long term. Thus, PPRA Operating Model is explained below:-

#### 2.5 Inputs

##### (a) Human Capital

The Authority has employed staff with adequate skills and competence to ensure delivery of quality services. Employees are well motivated and perform their duties responsibly and in ethical manner.

##### (b) Financial Capital

Financial capital of the Authority consist of:-

- i) Money appropriated by Parliament;
- ii) Loans or grants
- iii) Revenues collected from goods or services that are rendered by the Authority;
- iv) Any other money received or made available to the Authority for the purposes of its functions; and
- v) The Authority may charge and collect fees on documents.

##### (c) Social and Relationship Capital

In executing its functions, PPRA has established an ethical and transparent relationship with government institutions, customers, suppliers, policy makers and

the public in general. The Authority conduct stakeholders' meetings to provided awareness and receive feedback on various Authority issues. PPRA engaged actively on Corporate Social Responsibilities. Each year, the Authority set aside funds directed to contribute to the society well-being.

**(d) Intellectual Capital**

The Authority has developed Training and Seminar Management System (TSMS), to ensure effective and efficient services delivery.

**(e) Natural Capital**

The Authority has no natural capital.

**2.6 Operating Activities**

The Authority implements a number of activities in converting inputs into quality service delivery. The operating activities are mainly grouped as public procurement regulatory functions as shown below;

**(a) Public procurement regulatory functions**

- (i) Advise Government, local government authorities and statutory bodies on procurement principles and practices;
- (ii) Monitor and report on the performance of the public procurement systems in the United Republic of Tanzania and advise on desirable changes;
- (iii) Regulate procurement of consultancies transaction advisors and private part in respect of Public Private Partnership projects in accordance with the regulations made under the Public Private Partnership Act and guidelines issued by the Authority;
- (iv) Prepare update and issue authorized version of the standardized tendering documents procedural forms and any other documents to procuring entities;
- (v) Ensure any deviation from the use of the standardized tendering documents, procedural forms and any other attendant documents require prior written approval of the Authority
- (vi) Issue guidelines for public procurement system and processes
- (vi) Organize and maintain a system for the publication of data on public procurement opportunities, awards and any other information of public interest;
- (vii) Conduct periodic inspections of the records and proceedings of the procuring entities to ensure full and correct application of PPA, Cap 410;
- (viii) Monitor the award and implementation of public contracts with a view to ensuring that: contracts are awarded impartially and on merit, the circumstances in which each contract is awarded or terminated, do not involve impropriety or irregularity;

- (ix) Institute procurement audits during the tender preparatory process, contract audits in the course of execution of an awarded tender; and performance audit after the completion of the contract in respect of any procurement;
- (x) Determine, develop, introduce, maintain and update related system to support public procurement by means of information and communication technologies including the use of public electronic procurement;
- (xi) Agree on a list, which shall be reviewed annually, of services and supplies in common use by more than one procuring entity which may be subject to common procurement;
- (xii) Administer and enforce compliance of PPA, Cap 410 this Act, regulations and guidelines issued by PPA, Cap 410;
- (xiii) Build capacity to stakeholders engaged in public procurements issues
- (xiv) Obtain price information for standardized common use items and services from relevant public bodies with a view to ensuring that the price conform with the prevailing market prices; and
- (xv) Undertake research and surveys nationally and internationally on procurement matters.

## 2.7 Outputs

### (a) Public procurement regulatory functions

In its regulatory role, the Authority had the following outputs:

- (i) Implementation of TANePS;
  - 803 public entities connected to TANePS
- (ii) Capacity building interventions;
  - Conducted Tailor - made training to 574 public servants
  - Conducted the dissemination workshops on PPA to 1468 public servants
- (iii) Advisory services;
  - Provided 489 legal and technical advisory services to stakeholders on the application of PPA, PPR and PIT
- (iv) Research on procurement matters
  - Authority conducted three studies
- (v) Procurement implementation tools
  - Authority reviewed 14 PIT
  - Seven (7) new tools were developed
- (vi) Handling of applications for retrospective approval.
  - The Authority advised the Paymaster General on 26 applications for retrospective approval on emergency procurement
- (vii) Outreach capacity and visibility
  - The Authority coordinated the Public Procurement Week in collaboration with MoFP, PPAA, PSPTB and GPSA
- (viii) Debarment Matters
  - Authority handled 17 debarment proposals from 13 entities, whereby two Companies were debarred.

## Outcomes

The following were noted outcomes:

- Increased compliance with the Public Procurement Act and its Regulations;
- Increased value for money;
- Increased implementation of TANePS;
- Increased customers satisfaction.

## 2.8 CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

The Authority's current and future development and performance are explained below:

### 2.9 Authority Strategic Plan

The Authority registered achieved milestones of its Second Five -Year Authority Strategic Plan (2015/16 - 2019/20) and one-year operational plan 2020/21 as at 30 June 2021 as follows, Operationalization of PPRA regulatory roles, which included regulation of public procurement services, acquired and implemented ICT application systems to enhance its operations and service delivery, and increase of Annual revenue to finance its Annual expenditure. During the FY 2021/22, the Authority has marked following achievements;- 803 entities had been connected to TANePS; a total of 8,826 suppliers were registered in TANePS during the year under review thus making a total of 30,020 registered supplier; The special assessment was conducted on the use of TANePS in 232 entities out of 803 registered entities. The audited entities comprise of 128 MDAs, 26 LGAs, and 78 PAs; the Authority provided tailor-made training on the application of PPA and procurement implementation tools was offered to 574 public servants from 19 PEs as compared to 600 participants from 20 PEs; conducted dissemination workshops on PPA and procurement implementation tools to 1,468 public servants; conducted four capacity building dissemination sessions to 305 public servants from LGAs in four regions namely Mtwara (69), Lindi (128), Dar es Salaam (51) and Pwani (57); conducted training to special groups on opportunities available in the public procurement whereby a total of 289 participants comprising of 60 persons with disabilities, 140 youths and 89 from women groups were trained and 47,424 tenders out of 62,161 (equivalent of 76.29 percent of planned tenders) were processed through TANeP.

Furthermore, the Authority, in collaboration with the Ministry of Finance and Planning, will arrange for workshops to educate customers/stakeholders on the necessity to comply with Public Procurement Act CAP 410 and its Regulations. The implementation of the Authority's Third Five -Year Strategic Plan started in the Financial Year 2021/22. The Authority's future development plan includes construction of PPRA Head Office buildings, renovation of PPRA buildings at coastal zone, and acquisition of motor vehicles. The Authority had also a plan to develop comprehensive e Procurement system which will involve automation of all processes in the procurement cycle i.e from e-registration, e-tendering, e-contract

management, e-auction, e-catalogue and e-payments. The Authority had, further plan to have e-procurement strategy and e-procurement guidelines to guide all the system users. The full operationalization of the system will entail the key technological component known as Intelligent/Smart procurement which will have futures such as; artificial intelligent, Machine learning, intuitive intelligent, intelligent content extractions, cognitive computing artificial intelligent and Supply chain Management. In addition, the Authority planned to enhance staff performance on service delivery through short and long term training, implementing its responsibilities by focusing on customer satisfaction, and increase levels of engagements with key stakeholders in regulated services. In terms of revenue, the Authority projects growth in recognized revenue to TZS 15,999.00 million in the year 2022/23.

## 2.10 Development Plans and Performance

The Authority operated zonal offices in the Dar es salaam regions during the year under review. These initiatives were focused on improving accessibility of Authority's services. In addition, the continued with improvement operations of e- procurement system to ensure rendered services satisfy and meet expectations of suppliers, bidders, service providers, consultants, contractors and public in general. This includes enhancing the electronic procurement systems (TANePS) in use to address the existing and future operational requirements that provide quality services to our customers, stakeholders and the general public. In addition, the Authority shall coordinate implementation of activities set out in the plan for implementation of audit findings and observations from the audit conducted by CAG.

## 2.11 Significant Aspects of the Statement of Financial Performance

### (a) Revenue

During the Financial year ended 30<sup>th</sup> June, 2022 the Authority managed to collect TZS 17,441,214 thousand as revenue compared to TZS 14,461,223 thousand in 2020/2021 as shown below, figures in '000'

(Amount TZS'000)		
Details	2021/22	2020/21
Revenue Grants	8,421,397	8,579,509
Internally generated fund	8,992,817	5,870,591
Gain on foreign transaction (ISPGG III)	-	11,123
<b>Total Revenue</b>	<b>17,414,214</b>	<b>14,461,223</b>

The revenue increased by TZS 2,964,114 thousand equivalent to 20 percentage compared to financial year 2020/21. The percentage increase in collection for the year 2020/22 was facilitated by automation of TANePS related fees and increase of PPA compliance.



**(b) Expenses**

The Authority's expenses for the financial year ended 30 June 2022 amounted to TZS. 16,414,609 thousand compared to TZS 12,682,805 thousand reported in the preceding year. The major components of expenses during the year ended 30 June 2022 were:

**(i) Wages, salaries and employee benefits**

During the financial year 2021/22 the Authority spent for Wages, salaries and employee benefits TZS 5,416,417 thousand, compared to TZS 5,012,839 thousand spent during financial year 2020/2021. This increase was attributed by the additional of eleven (11) staff from seventy six (76) to Eighty seven (87) who was transferred from other government organisation and staff salary adjustments (increments) of supporting staff for the financial year ended 30 June 2022;

**(ii) Use of goods and services**

The Authority incurred a total expenditure of TZS 6,505,116 thousand during the year ended 30<sup>th</sup> June 2022 compared to TZS 6,397,285 thousand reported in the preceding year. This was attributed by increase in number of procurement audits and special audits carried out during year. In addition there was increase in number of PPA dissemination workshops conducted during the year.

**(iii) Maintenance Expenses**

The Authority incurred a total of TZS 773,540 thousand during the year ended 30<sup>th</sup> June 2022 compared to TZS 724,497 thousand in the year ended 30<sup>th</sup> June, 2021. This increased contributed by increase in cost of motorvehicle repairs and maintenance since they have been in use for long period of time.

**(iv) Other Expenses**

During the financial year 2021/2022 the Authority's other expenses amounted to TZS.2,300,414 thousand compared to TZS 396,445 thousand in financial year 2020/2021. This increase contributed by inclusion of ISPGG III project expenditures during the consolidation.

- (v) Surplus fund during the year was TZS 999,549 thousand compared to TZS 1,778,417 thousand. This decrease was attributed by major increase in expenditure seen in 10.3 (b) (i-v) for the reasons provided for each category.

## 2.12 Significant Aspects of Statement of Financial Position

### (a) Cash and Cash Equivalents

During the Financial year ended 30<sup>th</sup> June, 2022 the Authority had a balance of cash and cash equivalent of TZS 3,474,978 thousand compared to TZS 2,934,339 thousand at the end financial year 2020/21, which is an increase of TZS 540,639 thousand. This increase was due to committed funds for carrying out procurement audits, which were carried out in the first quarter of the following year.

### (b) Receivables, Prepayments, staff advances and imprests

#### i) Receivables

The Authority had total receivables amounting TZS 12,150 thousand during the year under review, compared to TZS 1,215,622 thousand in 2020/21, the decrease in receivables is due to write off of doubtful debts.

#### ii) Prepayments

During financial year ended 30<sup>th</sup> June, 2022, the Authority had prepayment amounting to TZS 102,405 thousand as compared to TZS 113,517 thousand at the end of financial year 2020/21. The outstanding prepayment amount is refundable rent deposit to PSSSF.

#### iii) Staff Advances and Imprests

During the year under review, the Authority had Staff advances (Salary advance) amounting to TZS 12,150 thousand, but did not close with any outstanding staff imprest as at 30<sup>th</sup> June, 2022, in the preceding year, the Authority closed with outstanding imprests amounting to TZS 175,059 thousand.

### (c) Inventories

For the financial year ended 30<sup>th</sup> June, 2022, the Authority had no inventories compared to TZS 26,196 thousand in 2020/21. The major components of Inventories for the last financial year were consumables (Ipad). The last financial year Inventories were recognized as an expense during the year under review, because were issued for consumption in the normal course of operations of the Authority.

**(d) Property and Equipment**

During the year ended 30<sup>th</sup> June, 2022 the Authority had PPE amounting to TZS 1,761,872 thousand compared to TZS 1,259,280 thousand in 2020/21 signed financial statements and TZS 1,962,800 thousand as per re stated financial statements. Depreciation charged during the year was TZS 297,667 thousand compared to TZS 151,739 thousand in 2020/21, no impairment established during the year 2021/2022.

The difference was contributed contributed by the purchase of computers, office equipment and furniture as shown in part (e) below:

**(e) Additions to Property and Equipment**

During the year, the Authority made addition of assets amounting to TZS 78,738 thousand compared to TZS 123,132 thousand in 2020/21, The purchased computers, office equipment and furniture during the year was made by cash.

**(f) Intangible Assets**

During the year, the Authority had some intangible assets which are fully amortized but are still in use and generating economic benefits to PPRA while other software are fully amortized and replaced by MUSE. There were no additions during the year.

**(g) Payables and Accrued Expenses**

The Authority had a balance of Payables and accruals at the end of financial year 2021/2022 amounting to TZS 509,351 thousand compared to TZS 657,978 thousand held at the end of financial year 2020/21. The Outstanding payables and accruals consisted payables amounting to TZS 387,693 thousand of AICC debt and accruals for Audit fee of 2021/22 amounting to TZS 121,658 thousand.

**(h) Overall financial Performance**

During the year ended 30 June 2022, the Authority had a surplus of TZS 999,549 thousand compared to a surplus of TZS 1,778,417 thousand recorded in 2020/21. Expenses increased by 29.42% from TZS 12,682,805 thousand in the previous year 2020/21 to TZS 16,314,665 thousand in the year 2021/22 while revenue increased by 20.42 percent from TZS 14,461,223 thousand in the previous year 2020/21 to TZS 17,414,214 thousand in the year 2021/22.

The table below shows a snapshot of financial information for the year ended 30<sup>th</sup> June 2022.

(Amount in TZS'000)

Details	2021/22	2020/21	2020/21 re stated
Revenue	17,414,214	14,416,223	14,416,223
Expenses	16,413,609	12,682,805	12,682,805
Total Assets	5,351,405	5,548,954	6,252,474
Total Liabilities	2,001,229	3,920,195	3,920,195
Net Assets	3,350,176	1,628,759	2,332,279

### 2.13 Level of Capital Expenditure

During the financial year under review, the Authority incurred payment of TZS 78,738 thousand for procurement of computers, office equipment and furniture and all assets paid for were delivered by suppliers during the year 2021/22. These additions of capital items are expected to improve a day-to-day performance of the Authority that leads to achievement of its strategic objectives.

### 2.14 Integrated Financial Management Information System

During the year under review, The Authority Management continued to process its financial data using the Government Accounting System known as 'Mfumo wa Uhasibu Serikalini' (MUSE) and Planrep. MUSE is accounting system which enhanced Authority to process, reconciliation of transactions and preparations of financial reports while Planrep enhanced Authority to process budget.

### 2.15 Description of Budget Information

The Authority's final revenue budget for the financial year ended 30 June 2022 was TZS 17,407,692 thousand compared to TZS 20,341,844 thousand in 2020/21, The budget decrease caused by completion of ISPGG III Project and the recognized revenues for the year was TZS 17,414,214 thousand compared to TZS 14,450,100 thousand in 2020/21 which is TZS 6,522 thousand above the final budget. The major reason for this performance is attributed by recognition of revenue from the public procurement week. The final expenditure budget of the Authority for the financial year ended 30 June 2022 was TZS 17,407,692 thousand compared to TZS 20,315,184 thousand in 2020/21 and the actual expenditure was TZS 15,175,280 thousand compared to TZS 12,656,451 thousand in 2020/21, which was under the final budget by TZS 2,239,000 thousand. The under-spending is attributed by some procurement audit activities were forwarded to first quarter of next financial year.

### 2.16 Analysis of Authority's External Aspect/Environment

The Authority as regulator, is affected by external environment. Political, economic, social, technological, environmental, and legislative analysis focused on understanding the environment under which it operates with a view to appreciating the factors that would support or impede its implementation. Therefore, analysis of the external environment matters that might affect the Authority's operations are explained here under:

**(a) Political Aspect**

Political stability is essential for promoting economic development and growth of a nation. The current political stability and supportive environment, alongside with efficient use of government resources, encourage value for money in all public procurement processes. The Authority stands to benefit from the measures undertaken by the Government, such as combating corruption, reduced interference from politicians and a trimmed bureaucracy, which promote economic development.

**(b) Economic aspect**

Public procurement accounts for a significant portion of Government Budget, which contributes significantly to the growth of the national economy. Procurement performance goes together with significant implementation of the FYDP, procurement policy and proper management of the economic development project. In this plan, PPRA will recognize developments in the global arena, which might have a bearing on its performance. As stated earlier on mandate, PPRA continued monitoring the country's public procurement system by ensuring it creates economic opportunities and value for money. PPRA is involved in all initiatives in line with global economic trends, coupled with sustainable development goals, progress in women empowerment, youth employment and financial inclusion.

**(c) Social Aspect**

The Government has introduced the public procurement system to stimulate fair, competitive and transparent procurement systems in the country. Implementation of the system led to various achievements, including improvement of overall average compliance (from 71 percent in FY 2015/16 to 75 percent in FY 2020/21) and VfM performance (84.6 percent in FY 2020/21). Despite those efforts, the country has witnessed disparities due to mis-procurement that led to the disparities that exist in the communities, which undermines goals of the National Development Vision. The Authority largely focuses on ensuring that the procurement system contributes towards government efforts against poverty by empowering various groups including women, youth, elderly, and people with disabilities so they can participate effectively in public tenders.

**(d) Technological aspect**

The Authority has adopted various digital initiatives including the National Internet Data Centre (NIDC), e- Government Authority Data Centres, National ICT Broadband Backbone (NICTBB), National Cyber Security Strategy 2016, National ICT Policy (2016) and its implementation strategy. PPRA uses the e- Government system, e- Government Act, 2019 and its Regulations to ensure compliance of the systems. These initiatives are in-line with National Five-Year Development Plan III (2021/22 - 2025/26). PPRA has taken advantage of those initiatives to oversee

proper use of technology to advance its services delivery including enhancement of TANEPS.

**(e) Environmental Aspect**

The environmental key policies and legislations provide guidance for environmental management in the public procurement sector. The main objective of the environmental management is to prevent and/ or reduce environmental degradation, mitigating and adapting to climate change while implementing various procurement contracts in order to achieve sustainable development goals (SDGs). The Authority will promote environmental protection initiatives while undertaking its oversight role.

**(f) Legislative Aspect**

The legal and regulatory frameworks that govern the public procurement systems contribute to the smooth implementations of PPRA mandates. The PPA, public procurement regulations and local government tender boards (establishment and proceedings regulations, 2018), assisted the Authority to regulate the country's public procurement system. The Act further provides for the establishment of regulations, regulatory and operational bodies with their objectives and mandates. In addition, it provides principles, methods and processes, as well as sanctions against prohibitive actions in public procurement and sets out controls/audit mechanisms and a complaints handling system.

Furthermore, PPA, Cap 410 also gives mandate to the Authority to use Public Private Partnership Act Cap. 103 and Regulations made under it, to monitor procurement of Public Private Partnership (PPP) projects.

**2.17 RESOURCES**

**(a) Human Resources**

The Authority has employed staff with adequate skills and competence to ensure delivery of quality services. Employees are well motivated and perform their duties responsibly and in ethical manner.

**(c) Financial Resources**

Financial resources of the Authority consist of:-

- i) Money appropriated by Parliament;
- ii) Loans or grants
- iii) Revenues collected from goods or services that are rendered by the Authority;
- iv) Any other money received or made available to the Authority for the purposes of its functions; and
- v) The Authority may charge and collect fees on documents.

**(c) Social and Relationship Resources**

In executing its functions, PPRA has established an ethical and transparent relationship with government institutions, customers, suppliers, policy makers and the society in general. The Authority conduct stakeholders' meetings to provided awareness and receive feedback on various Authority issues. PPRA engaged actively on Corporate Social Responsibilities. Each year, the Authority set aside funds directed to contribute to the society well-being.

**(d) Intellectual Resources**

The Authority has developed Training and Seminar Management System (TSMS), to ensure effective and efficient services delivery.

**(e) Natural Resources**

The Authority had no natural resorces during the year under review.

**2.18 PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES**

**2.19 Principal Risks and Uncertainties**

The Authority's principal risks and uncertainties with their impacts and mitigation are summarized under Table 1 below:

**Table 1: The Corporation Risks, Impacts and Mitigation**

SN	Risk and Impacts	Mitigation
1	<p><b>Compliance risk</b></p> <ul style="list-style-type: none"> <li>Authority being a Public entity is prone to compliance risks when fails to observe certain legal requirements as such; compliance with legislation governing regulation of Procurement (Public Procurement Act Cap 410, Treasury Registrar (Powers and Functions) Act Cap 370 and tax legislation are critical to how we continue to implement our responsibilities and interact with our regulated procurement entities, suppliers, service providers, bidders, customers, contractor, consultants and other stakeholders.</li> <li>The Procurement, Treasury Registrar (Powers and Functions) and tax legislation are subject to changes. Therefore, If the Authority are unable to foresee, advocate for, plan for, and adapt to</li> </ul>	<ul style="list-style-type: none"> <li>Authority provides expenditure budget to legislation compliance by ensuring staff are equipped with relevant knowledge through training, risk prevention initiatives and engage with policy makers and communities to advocate for appropriate legislation reform</li> <li>During sensitive (confidential) information handling, Authority takes the appropriate measures to protect that data and prevent privacy breaches.</li> <li>Authority maintains good relationships with the Government, Parliamentary sectorial committees and the Parliament in general where we get opportunity to share our comments on legislation changes.</li> </ul>

**PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)**

SN	Risk and Impacts		Mitigation
		<p>legislation change, this could negatively impact the Authority compliance with legislations together with ability to serve regulated procurement entities, suppliers, service providers, bidders, customers, contractor, consultants and other stakeholders. Also, Authority handles sensitive(confidential) information, failure to comply with confidential procedures may impact the Authority image</p>	
2	Reputational risk	<p>Reputational risk is a hidden threat or danger to the good name or standing of Authority and can occur through a variety of ways such as the result of the actions of the Authority and due to the actions of an employee or employees.</p> <p>Authority as Procurement regulator, reputation is key and is directly related to how we carry out regulatory function, how we make regulatory decisions and communicate with the Government and other public institutions, regulated procurement entities, suppliers, service providers, bidders, customers, contractor, consultants and other stakeholders.</p> <p>A negative change in any of our stakeholder's observation may significantly weaken our ability to promote for positive outcomes that align to Authority vision, mission and core values, and our ability to push long-term performance. This may also affect the cost and availability of financial resources necessary for the implementation of the Authority' annual plans and budgets</p>	<ul style="list-style-type: none"> <li>• Authority mitigates reputational risk by understanding what stakeholder expectations are, it's much easier to meet them. Learn what customers, shareholders, and employees expect from the organization and management, and strive to satisfy these conditions.</li> <li>• Improve internal work flow to minimize delays in responding to customer requirements</li> <li>• Presence of suggestion box and complaints handling committee</li> <li>• Sharing of information through of social network, website and forums for educating clients, stakeholders and staff.</li> <li>• The board and top management recognize the importance of reputational risk management, and Authority through management lead by example to promote positive messages to key stakeholders.</li> </ul> <p>Authority training, policies, and procedures ensure that all employees know how to behave and respond appropriately in any situation. When reputation is at risk, employees act quickly and responsibly by doing anything within their power to positively influence public ideas</p> <ul style="list-style-type: none"> <li>• Authority embedded Customer service, transparency and goodgovernance, as the most important messages to convey</li> <li>• Authority have embedded culture which communicates what we expect of staff in applying vision, mission and core values as a guide for the Authority's regulatory management and decision- making</li> </ul>



PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

SN	Risk and Impacts		Mitigation
			<ul style="list-style-type: none"> <li>Authority continues to ensure intense engagement with the Government, procuring entity's, customers, suppliers, bidders, contractors and other stakeholders in procurement sector to ensure delivery of better and consistently equitable outcomes.</li> </ul>
3	Financial Management	<p>The Authority's activities are potentially exposed to a variety of financial management risk including financial risk, credit risk and liquidity risk as briefly explained below:</p> <p>(a) Financial risk The financial risk is the possibility that the Authority's cash flow will not be adequate to discharge the Authority's obligations.</p> <p>(b) Credit Risk Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Authority is exposed to credit risk on its receivables in the event of non-performance by counterparties to financial instruments.</p> <p>(c) Liquidity Risk Liquidity risk is the risk of incurring losses resulting from the inability to meet payment obligations in a timely manner when they become due or from being unable to do so at a sustainable cost. Therefore, it is the risk that the Authority will not have sufficient cash to meet its financial commitments in a timely manner. The Authority's approach to managing liquidity risk is to ensure</p>	<p>We prepare our annual plan and budget in line with the Government guidelines on the preparation of Medium-Term Expenditure Framework (MTEF) to address financial risk management.</p> <p>The Authority mitigates the credit risk by ensuring that salary advances to staff are minimized and recovered within short time, non-issuance of multiple imprest to staff, recovering overdue staff imprest directly from the employee's salary and /or pension, maintaining cash and cash equivalents with the Bank of Tanzania; and minimize cash deposits to its suppliers or service providers otherwise required as contractual requirements.</p> <p>Authority manages liquidity risk through conscious financial planning and analysis and by forecasting cash flow regularly, monitoring and optimizing net working capital and managing existing credit facilities. This is achieved through maintaining sufficient cash and cash equivalents. In addition, the Authority strives to ensure that no unplanned/unbudgeted expenditures are honored.</p>

**PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)**

SN		Risk and Impacts	Mitigation
		that sufficient resources is available to meet its obligations when due, without incurring unacceptable losses or causing damage to the Authority's reputation	
4	<b>Operational risk</b>	<p>Operational risk is the risk resulting from ineffective or failed internal processes, people, systems, or external events that can disrupt the flow of business operations.</p> <p>The Authority's activities are potentially exposed to a variety of operational risk as briefly shown below:                      Low coverage and or scope of procurement compliance and performance audits, Limited cooperation from stakeholders, Inappropriate technology for automation, Non or Insufficient submission of documents, Delay in rendering advice, Failure to improve and enhance e-Procurement systems, Inadequate provision of technical support on application of e-Procurement systems to all PEs and Economic Operators, Low of economic operators' participation on scheduled training and seminar, Outdated ICT assets and communication infrastructures, Failure to manage HR Strategy</p>	<p>Availability of Regulations, Directives, and Guidelines that governs Human Resources Practices                      information sharing whenever there is a delay and the reasons of such delays                      To provide capacity building to Management and entire staff on the importance of M&amp;E                      Establishment of Baseline Data</p>

**2.20 Opportunities**

The Authority's risk assessment process identified opportunities that would expectedly enhance the strategic plan execution as summarized below:

NO	CRITERIA	OPPORTUNITIES
1.	Leadership and Management	i) Availability of networks at national, regional and international level ii) Good relationship with key stakeholders
2.	Human Resource	i) Existence of Performance Management Systems (OPRAS, Contract Performance and Balanced Score Card) ii) Availability of sponsorship for training iii) Availability of legal framework for public service iv) Existence of training institutions and professional bodies v) Existence of National Human Resources System
3.	Advisory Services	i. Existence of PPA and PPR (legal framework)

**PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)**

NO	CRITERIA	OPPORTUNITIES
	and Capacity building	ii. Availability of training courses on emerging sectors
4.	Procurement Performance	i) Existence of eGA in providing hosting environment for the systems including TANEPS ii) Improvement of system functionalities to fully support procurement processes
5.	Financial Management	i) Existence of PPA CAP 410, PFA CAP 348, PPP Act of 2018 and Budget Act CAP 439; ii) Existence of MUSE, PlanRep, GARI-ITS, GeRAS and GAMIS; iii) Adoption of IPSAS in financial reporting; iv) Existence of Budget Guideline v) Availability of Development Partners to support PFM reforms vi) Existence of Risk Management and Audit Manuals vii) Existence of International Auditing Standards
6.	Security and Risk Management	i) Existence of Guideline for Institutionalizing Risk Management Framework and Fraud Risk Management in Public Sector ii) Existence of National ICT Broadband Backbone iii) Existence of ICT regulatory authorities' commission iv) International Security

**2.21 Relationship With Stakeholders**

The Authority continued to maintain good relations with its stakeholders to enable its existence. Key stakeholders of PPRA range from Government institutions responsible for overseeing performance of the Authority to those whose functionality depends on the Authority's outputs. These stakeholders include MoFP, TRO, PEs, PPAA, GPSA, PCCB, Service Providers, non - State Actors, professional boards, academic and research institutions, politicians, LGAs, Parliament, employees, development partners, NAOT, regional and international partners, the media, trade unions and the general public. Therefore in decisions making, the Board considers the interests of all stakeholders to ensure their expectations are met.

Categories of stakeholders, their expectations, services offered to them and potential impacts that might arise if stakeholders' expectations are not met are specified hereunder: -

S/N	STAKEHOLDER NAME	SERVICE/PRODUCT OFFERED TO STAKEHOLDERS BY PPRA	EXPECTATIONS	POTENTIAL IMPACT IF EXPECTATIONS ARE NOT MET	RANKING
1.	Ministry of Finance and Planning	i. Budget estimates ii. Implementation reports iii. Audited Financial Statements iv. Annual Performance Evaluation Reports (APER)	i. Timely submission of budget estimates ii. High level of compliance with PPA by all PEs iii. Proper application of	i. Lack of informed decision ii. Inadequate financial resources iii. Audit Query iv. Violation of PPA, PFA, PPPA, Budget	H

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

S/N	STAKEHOLDER NAME	SERVICE/PRODUCT OFFERED TO STAKEHOLDERS BY PPRA	EXPECTATIONS	POTENTIAL IMPACT IF EXPECTATIONS ARE NOT MET	RANKING
		<ul style="list-style-type: none"> <li>v. Procurement audit</li> <li>vi. Guideline on PPP Procurement Procedures</li> <li>vii. Internal audit reports</li> </ul>	<ul style="list-style-type: none"> <li>iv. Timely submission of budget estimates and performance reports</li> <li>v. Compliance with budget Act and guideline</li> <li>vi. Well-managed and sustainable Authority.</li> </ul>	<ul style="list-style-type: none"> <li>v. Violation of SDG No. 12 section 12.7 (Promote Public Procurement practices that are sustainable in accordance with national policies and priorities)</li> <li>vi. Violation of African Agenda 2063 (An Africa of Good Governance Justice and the rule of Law)</li> </ul>	
2.	Paymaster General	<ul style="list-style-type: none"> <li>i. Advisory services to Paymaster General</li> <li>ii. Procurement Investigation Reports</li> </ul>	<ul style="list-style-type: none"> <li>i. Timely submission of advisory services</li> <li>ii. Timely submission of Investigation Reports</li> </ul>	<ul style="list-style-type: none"> <li>i. Delay in making decision</li> <li>ii. Making wrong decision</li> </ul>	H
3.	Treasury Registrar	<ul style="list-style-type: none"> <li>i. Budget estimates</li> <li>ii. Performance reports</li> <li>iii. Financial Statements</li> </ul>	<ul style="list-style-type: none"> <li>i. Timely and accurate submission of budget and performance report</li> <li>ii. Compliance with budget Act and guideline</li> <li>iii. Timely remittance of contributions to consolidated fund</li> <li>iv. Proper implementation</li> </ul>	Violation of Treasury Registrar Act, budget Act and guidelines	H

**PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)**

S/N	STAKEHOLDER NAME	SERVICE/PRODUCT OFFERED TO STAKEHOLDERS BY PPRA	EXPECTATIONS	POTENTIAL IMPACT IF EXPECTATIONS ARE NOT MET	RANKING
			n of performance contract		
4.	Procuring Entities	i. Authorized versions of standard documents and tools ii. Enforce compliance of PPA iii. Procurement capacity building iv. Procurement Practices and advisory services v. Advisory Services vi. Researchable or surveyed procurement information	i. Promptly availability of user friendly standard documents and tools ii. Continuing monitoring of compliance iii. Continues capacity building interventions on application of PPA iv. Timely provision of legal and technical advice on PPA, CAP 410 v. Reliable regular information sharing	i. Non compliance of PPA ii. Increase in prolonged procurement processes iii. Increase in corruption incidences iv. Violation of African Agenda 2063 (An Africa of Good Governance Justice and the rule of Law) v. Loss of public image vi. Violation of PFA, Budget Act and guidelines vii. Low level of procurement compliance	H
5.	PPAA	Technical advisory services on public procurement issues	Compliance with section 97 & 99 of PPA CAP 410	Failure to make timely decision on procurement appeals	H
6.	GPSA	i. Accurate Annual Procurement Plan and requirements for the procurement processes ii. TANEPS supportive services iii. Necessary assistance as stipulated in the contracting out agreement	Good accessibility and availability of TANEPS	i. Failure to process contract of framework agreements and catalogue items in TANEPS ii. Non-availability of CUIS in the government entities.	H

**PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)**

S/ N	STAKEHOLDER NAME	SERVICE/PRODUCT OFFERED TO STAKEHOLDERS BY PPRA	EXPECTATIONS	POTENTIAL IMPACT IF EXPECTATIONS ARE NOT MET	RANKING
7.	PSPTB	i. Procurement information on compliance to PPA ii. Sharing of experience, knowledge and skills on procurement	i. Timely availability of relevant procurement information ii. Updated with emerging issues in procurement systems iii. Collaboration on procurement issues iv. Offering practical training to procurement trainees	i. Inability to take appropriate action to defaulting professionals ii. Failure to update curriculum iii. Failure to honor CPD hours to professionals	H
8.	PCCB	Corruption red flags reports related to PE's procurement processes	i. Timely provision of information related to corruption in public procurement system or processes ii. Collaboration on corruption related to procurement issues	Government will lose financial resources related to procurement processes	H
9.	Economic Operators/Service Provider	i. Procurement capacity building ii. Procurement principle and practices advisory services iii. Publication of data on public procurement opportunities and awards iv. Procurement system support v. Access to procurement information	i. Timely access of updated public procurement information ii. Good access to procurement system	Failure to offer services to the public	M
10	Non-State Actors	i. Procurement capacity building	i. Good governance, transparency	i. Loss of Public image ii. Lack of	M

**PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)**

S/N	STAKEHOLDER NAME	SERVICE/PRODUCT OFFERED TO STAKEHOLDERS BY PPRA	EXPECTATIONS	POTENTIAL IMPACT IF EXPECTATIONS ARE NOT MET	RANKING
		<ul style="list-style-type: none"> <li>ii. Access to information</li> <li>iii. Cooperation and participation in development of different intervention</li> </ul>	<ul style="list-style-type: none"> <li>and accountability</li> <li>ii. Timely availability of Procurement information</li> <li>iii. Proper use of public funds</li> </ul>	<ul style="list-style-type: none"> <li>trust and confidence</li> <li>iii. Poor participation of CSOs in development initiatives</li> <li>iv. Delay in implementation of development projects</li> <li>v. Lack of compliance of PPA</li> </ul>	
11	Professional Boards, Academic and Research Institutions	<ul style="list-style-type: none"> <li>i. Procurement research opportunities</li> <li>ii. Procurement information on compliance to PPA</li> <li>iii. Sharing of experience, knowledge and skills on procurement</li> <li>iv. Capacity building on public procurement matters</li> </ul>	<ul style="list-style-type: none"> <li>i. Use of procurement research findings</li> <li>ii. Timely availability of relevant procurement information</li> <li>iii. Updated with emerging issues in procurement systems</li> <li>iv. Offering practical training to procurement trainers</li> <li>v. Collaboration on procurement issues</li> </ul>	<ul style="list-style-type: none"> <li>i. Poor procurement research and development</li> <li>ii. Inadequate number of competent professionals</li> <li>iii. Inability to take appropriate action to defaulting professionals</li> </ul>	H
12	Parliament	<ul style="list-style-type: none"> <li>i. Awareness programme on public procurement matters to Parliamentary Committees</li> <li>ii. Clarifications/advice on issues related to public procurement</li> </ul>	<ul style="list-style-type: none"> <li>i. Adequate Knowledge on Procurement matters</li> <li>ii. Well regulated procurement system</li> </ul>	<ul style="list-style-type: none"> <li>i. Un-informed decision on approval of procurement legislations</li> <li>ii. Lack of Political support</li> </ul>	H

**PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)**

S/N	STAKEHOLDER NAME	SERVICE/PRODUCT OFFERED TO STAKEHOLDERS BY PPRA	EXPECTATIONS	POTENTIAL IMPACT IF EXPECTATIONS ARE NOT MET	RANKING
13	Employees of PPRA	<ul style="list-style-type: none"> <li>i. Internal Policies and Regulations</li> <li>ii. Health and Safety</li> <li>iii. Staff Incentives and Rewards</li> <li>iv. Training and career development</li> <li>v. Conducive working environment</li> <li>vi. Job descriptions, confirmation and promotions</li> </ul>	<ul style="list-style-type: none"> <li>i. Clear and fair operational procedures</li> <li>ii. Assurance of health and safety supportive services</li> <li>iii. Timely and adequate incentives</li> <li>iv. Attractive and timely payment of remunerations</li> <li>v. Continued and transparent Capacity building and career progression</li> <li>vi. Appropriate conducive working environment and adequate proper working tools and equipment</li> <li>vii. Clear job description and scheme of service</li> </ul>	<ul style="list-style-type: none"> <li>i. Poor performance</li> <li>ii. Employee turn over</li> <li>iii. Lack of Value for Money</li> <li>iv. Non-compliance to standards, laws and guidelines</li> <li>v. Failure to be independent and objective</li> <li>vi. Low or poor working morale Employee grievances</li> </ul>	H
14	Development Partners	<ul style="list-style-type: none"> <li>i. Project Implementation Reports</li> <li>ii. Public Procurement Information</li> </ul>	<ul style="list-style-type: none"> <li>i. Clear and timely project implementation reports</li> <li>ii. Good governance, transparency and accountability</li> </ul>	<ul style="list-style-type: none"> <li>i. Unpredictable disbursement of external resources</li> <li>ii. Loss of trust and confidence in financial management</li> </ul>	H
15	CAG	<ul style="list-style-type: none"> <li>i. Approved Annual Plans and Budget</li> <li>ii. Quarterly and Annual Progress Report</li> <li>iii. Board and Management Minutes</li> </ul>	<ul style="list-style-type: none"> <li>i. Compliance to Financial legislations</li> <li>ii. Timely submission of reports and</li> </ul>	<ul style="list-style-type: none"> <li>i. Qualified Audit Opinion</li> <li>ii. Failure of Auditor to conduct</li> </ul>	H



**PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)**

S/ N	STAKEHOLDER NAME	SERVICE/PRODUCT OFFERED TO STAKEHOLDERS BY PPRA	EXPECTATIONS	POTENTIAL IMPACT IF EXPECTATIONS ARE NOT MET	RANKING
		iv. Report of those charged with Governance and Financial statement v. Procurement reports vi. PPRA Internal Regulations, Policies and Guidelines vii. Internal audit reports iii. Management responses on CAG's Audit Observations ix. Other financial and non-financial records	documents required for Audit purpose iii. Timely response to audit queries; iv. Access to information systems	statutory Audit in time	
16	Regional and International Partners (EAPF, APPN, SADC, OECD-DAC, etc)	i. Sharing experience and learning through networking ii. Collaboration in Public procurement management	i. Harmonization of public procurement systems ii. Knowledge and Experience sharing	i. Un-harmonized public procurement systems ii. Existence of public procurement system not compliant to best practices	M
17	Media	Information on public procurement management	Timely accurate and reliable information on public procurement	i. Loss of public image ii. Poor dissemination of public information iii. Distortion of information disseminated to the public	M
18	General public	Information and knowledge on public procurement	Timely and reliable public procurement information and knowledge	Loss of trust and confidence	M

## **2.22 CAPITAL STRUCTURE AND TREASURY POLICIES**

### **2.23 Capital Structure**

The Authority's capital structure for the year ended 30 June 2022 consists of Accumulated Surplus of TZS 3,350.176 million compared to 2,332.279 million in 2020/21.

### **2.24 Treasury Policies and Objectives**

PPRA treasury policies involve mechanisms established by the board, which delegates financial decisions to Management in a controlled manner. The control instruments in place include legislation, Government Circulars, Guidelines and the Board resolutions on opening, operating and signing mandate to the bank accounts. The main objective is to ensure proper control and safeguard of the Government financial resources. Under these mechanisms, Authority's revenue is collected and remitted directly to the Authority revenue collection accounts maintained at commercial banks (CRDB, NMB, AZANIA) and BANK OF TANZANIA (BOT) using GePG system; and weekly, on Monday, to the Authority's revenue collection accounts maintained at Bank of Tanzania. All expenditures of the Authority are incurred within the approved limits in the approved annual budget.

## **2.25 CASH FLOWS**

The Authority's cash flows can be analysed from the cashflows statement under three areas of cashflows from operating activities, cashflows from investing activities and cashflows from financing activities. Therefore, the Authority's cash flows analysis is summarized below

### **(a) Cash Flows from Operating Activities**

The net cash flows from operating activities of TZS 619,377 thousand in current year compared to 477,188 thousand of previous year, was resulted as the difference between cash receipts amounting to TZS 15,592,252 thousand in current year from Revenue grants, fees, and other revenue; and payments amounting to TZS 14,973,875 thousand for wages, salaries and employee benefits; supplies and consumables used, other expenses, maintenance expenses and grants, subsidies and other transfer payments.

### **(b) Cash Flows from Investing Activities**

The net cash flows from investing activities of TZS 78,738 thousand in current year compared to TZS 65,589 thousand of previous year was derived from cash capital expenditures for acquisition of property and equipment.

### **(c) Cash Flows from Financing Activities**

There were no net cash flows from financing activities during the financial year ended 30 June 2022 and in previous year.

**2.26 LIQUIDITY**

During the financial year ended 30 June 2022, the Authority managed its liquidity level to ensure there is sufficient funds to meet its obligation when due, without incurring unacceptable losses or risking damage to the Authority's reputation. This was achieved through wise liquidity management which includes maintaining sufficient cash and cash equivalents and striving to ensure that Authority renders its services on cash. Thus, the Authority's Liquidity gap which is the excess of current assets over current liabilities for the financial year ended 30 June 2022 was TZS 3,080,182 thousand compared to TZS 3,608,745 thousand of previous year. This shows that the Authority was able to meet its current obligations when due.

Therefore the Authority shall continue to monitor its existing sources of revenue, find other sources of revenue and ensure control of expenditure to minimize the effect of Authority to suffer from failure to discharge its obligations when due.

**2.27 KEY PERFORMANCE INDICATORS**

OBJECTIVE CODE	OBJECTIVE DESCRIPTION	STRATEGY	TARGETS	KEY PERFORMANCE INDICATORS	OUTCOME INDICATORS
A	Non Communicable Diseases, HIV and AIDS infections reduced and supportive services improved	Strengthen intervention against spread of HIV/AIDS at work place	HIV/AIDS awareness seminars provided to all staff annually by June 2026	Number of staff attended HIV/AIDS awareness seminar	HIV / AIDS and NCD Prevalence rate at work place
			Staff undergo HIV/AIDS voluntary tests increases from 42 to 81 by June 2026	Number of staff voluntarily tested	
			All staff living with HIV/AIDS provided with care and supportive services by June 2026	Number of staff living with HIV/AIDS provided with care and supportive services	
			Staff attended awareness seminars on non-communicable diseases increased from 51 to 81 by June 2026	Number of staff attended awareness seminars on non-communicable diseases	
		Strengthen intervention of non-communicable diseases and Covid-19	PPRA fitness program developed and implemented annually by June 2026	Number of fitness program developed and implemented	

**PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)**

<b>OBJECTIVE CODE</b>	<b>OBJECTIVE DESCRIPTION</b>	<b>STRATEGY</b>	<b>TARGETS</b>	<b>KEY PERFORMANCE INDICATORS</b>	<b>OUTCOME INDICATORS</b>
<b>B</b>	Implementation of National Anti-corruption Strategy and Action Plan Enhanced and sustained	Promote Integrity and accountability to staff and PEs	Procurement Corruption Red Flags assessed in all audited PEs annually by June 2026	Number of audited PEs assessed	Prevalence rate of employees sanctioned for involvement in corruption practices
			Four (4) Integrity Committee meetings conducted annually by June 2026	Number of Integrity Committee meetings conducted	
<b>C</b>	Performance in Public Procurement Improved	Enhance compliance on CAP 410	Internal auditor's compliance with PPA Cap 410 monitored in all PEs annually by June 2026	Number of PEs monitored	Average level of compliance on PPA.
			Procurement process monitored in all PEs annually by June 2026	Number of PEs monitored	
			Procurement contract implementation monitored in all PEs annually by June 2026	Number of PEs monitored	
			Investigations on all allegations/complaints/reported cases of breach of PPA Cap 410 carried out by June 2026	Number of allegations/complaints/reported cases investigated	
			Procurement Compliance audit conducted to all PEs by June 2026	Number of PEs audited on procurement compliance	
			Procurement Performance audit conducted to all PEs by June 2026	Number of PEs audited on procurement performance	
		Enhance public procurement capacity	All PEs, Economic Operators and CSOs capacitated on PPA CAP 410 by June 2026	Number of PEs, Economic Operators and CSOs capacitated on PPA CAP 410	
		Ten (10) new and 38 existing procurement Implementation	Number of procurement implementation tools developed,		

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

OBJECTIVE CODE	OBJECTIVE DESCRIPTION	STRATEGY	TARGETS	KEY PERFORMANCE INDICATORS	OUTCOME INDICATORS
			tools developed, reviewed and disseminated by June 2026	reviewed and disseminated.	
			Ten (10) studies on public procurement issues conducted by June 2026	Number of studies conducted.	
		Strengthen provision of advisory services on legal frameworks	Legal advisory services on CAP 410 provided to all submitted requests by June 2026	Number of legal advisory requests submitted and attended	
		Enhance bidders' compliance with PPA CAP 410	All bidders' conducts in procurement process monitored by June 2026	Number of bidders conduct monitored	
		Strengthen contracts/agreements management	All PPRA contracts/agreements reviewed and advice on proper contract management provided annually by June 2026	Number of contracts/agreements reviewed and advice provided	
		Enhance e-Procurement systems.	e-Procurement system reviewed and implemented by June 2026	e-Procurement system reviewed and implemented	
			All PEs and Economic Operators capacitated on e-Procurement system by June 2026	Number of PEs and Economic Operators capacitated on e-Procurement system	
			All PEs and Economic Operators provided with technical support on application of e-Procurement systems by June 2026	Number of PEs and Economic Operators provided with technical support on e-procurement	
			e-Procurement System integrated/interfaced with all related	Number of systems integrated/interfaced	

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

OBJECTIVE CODE	OBJECTIVE DESCRIPTION	STRATEGY	TARGETS	KEY PERFORMANCE INDICATORS	OUTCOME INDICATORS
			systems by June 2026.		
		Enhance ICT services and facilities	ICT services, maintenance, facilities and support provided to all PPRA Divisions/Units annually by June, 2026	Number of Division/Units provided with ICT services, maintenance, facilities and support	
			All Internal systems developed, reviewed and upgraded by June 2026	Number of internal systems developed reviewed and upgraded	
		Strengthen ICT Infrastructure and Security.	ICT Infrastructure and security services provided to PPRA Divisions /Units annually by June, 2026	Number of Divisions/Units provided with ICT Infrastructure and security services	
			PPRA network and communication infrastructures developed, maintained and upgraded annually by June 2026	Number of network and communication infrastructures developed, maintained and upgraded	
		Enhance regional and international strategic public procurement networks	All regional public procurement strategies mainstreamed in national procurement procedures by June, 2026	Number of regional public procurement strategies mainstreamed in national procurement procedures	
D	Capacity to Deliver Quality Services Strengthened	Strengthen Board performance and managerial functioning	Eighteen (18) Board and twenty four (24) Management meetings timely conducted annually by June 2026	Number of Board and Management meetings timely conducted annually	Level of stakeholder's satisfaction with PPRA services
			Seven (7) Board Members capacitated on the performance of their oversight functions annually by June 2026	Number of Board Members capacitated on the performance of their oversight functions	

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

OBJECTIVE CODE	OBJECTIVE DESCRIPTION	STRATEGY	TARGETS	KEY PERFORMANCE INDICATORS	OUTCOME INDICATORS
		Strengthen public awareness on public procurement and attainment of value for money	PPRA educational and awareness program prepared and implemented by June 2026	Number of awareness programs prepared and disseminated	
			PPRA communication policy and strategy reviewed and implemented by June 2026	PPRA communication policy and strategy reviewed and implemented	
		Enhance compliance with PPA CAP 410 and PFA CAP 348	PPRA Annual Procurement Plan prepared and implemented annually by June 2026	Number of planned procurement implemented	
		Strengthen public asset management	PPRA Asset register reviewed and updated annually by June 2026	Updated asset register in place	
		Strengthen Internal control system	PPRA Annual Audit Plan prepared and implemented by June 2026	Percentage of reviews as per audit plan	
		Strengthen human resources management	PPRA Human Resource Strategy reviewed and implemented annually by June 2026	Number of PPRA Human Resource Strategy reviews	
		Promote PPRA service delivery and stakeholders involvement	Client Service Charter (CSC) reviewed and implemented by June, 2026	Reviewed Client Service Charter in place	
		Promote conducive	Statutory and administrative services to all PPRA	Number of staff provided with statutory and	

**PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)**

<b>OBJECTIVE CODE</b>	<b>OBJECTIVE DESCRIPTION</b>	<b>STRATEGY</b>	<b>TARGETS</b>	<b>KEY PERFORMANCE INDICATORS</b>	<b>OUTCOME INDICATORS</b>
		working environment	staff provided annually by June 2026	administrative services	
			Two (2) PPRA Office buildings constructed and one (1) building rehabilitated by June 2026	Number of PPRA buildings constructed and rehabilitated	
		Strengthen financial resources management	Annual Statutory Financial Reports timely prepared and submitted by June 2026	Statutory financial reports timely prepared and submitted	
		Strengthen PPRA Annual Plans and budget	Annual Plans and budgets timely prepared, approved and implemented by June 2026	Annual plans and budgets timely approved and implemented	
			Annual Plans and budgets Monitored annually by June 2026	M&E reports timely prepared and submitted	
			Strategic Plan's reviewed twice (bi-annually mid-term and end-term) by June 2026	Number of strategic plan reviews	
		Mainstream Risk Management Framework into plans and budget	Risk Register reviewed and implemented annually by June 2026	Updated risk register in place	

**2.28 CORPORATE GOVERNANCE MATTERS**

**2.34.1 Corporate Governance Statement**

The overall responsibilities of the Board of Directors, among other things, include providing general oversight on the Authority's operations, identifying key risk areas, monitoring investment decisions and reviewing the performance of management strategic plans and budgets. The Board is also responsible for ensuring presence of a



**PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)**

comprehensive system of internal control as well as compliance with sound corporate governance practices.

Therefore, during the year under review, all aspects of good corporate governance principles which include Board operations and control; rights of the Government and general public; stakeholder relations; ethics and social responsibility; accountability, risk management and internal control; and transparency and disclosure are complied with. These are briefly explained below:

**2.34.2 Governance Structure of PPRA**

Pursuant to Section 21 of Public Procurement Act, [CAP 410, R. E. 2022], the Board of Directors is the governing body of the Authority. The Board consists of non-executive members whose chairman is appointed by the President and the other six members are appointed by the Minister responsible for Finance. The Chief Executive Officer of PPRA, who is appointed by the President, is the Secretary to the Board. The Board, for better carrying out of its function, has established several committees as provided for under Section 22 of CAP 410, R. E. 2022. Board members who served the Board during the year 2021/22 are indicated in 2.36.2a

**2.34.2a: Composition of Board of Directors**

S/N	Name	Position	Qualification	Nationality	Age	Date of Appointment	Date of End of Tenure
1	Amb. Dr. Matern C. Lumbanga	Chairperson	PhD in International Relations	Tanzanian	75	21 <sup>st</sup> July, 2019	18 July, 2022
2	Dr. Leonada R. Mwangike	Chairperson	Phd in Procurement	Tanzanian	50	21 <sup>st</sup> July 2022	20 <sup>th</sup> July 2025
3	Prof. Sufian H. Bukurura	Member	PhD in Law	Tanzanian	66	10 May, 2020	09 May, 2023
4	Eng. Sylvester N. Mayunga	Member	MBA, BSc in Engineering	Tanzanian	58	19 January, 2022	18 January, 2025
	Eng. Ephatar L. Mlavi	Member	MSc. in Engineering	Tanzanian	53	15, September 2018	14 September 2021
6	CPA. Rhoben P. Nkori	Member	MBA, CPA (T)	Tanzanian	50	15 September, 2018	14 September, 2021
7	Eng. Prof. Ninatubu M. Lema	Member	PhD project management, MSc engineering	Tanzanian	66	10 May, 2020	09 May, 2023
8	Adv. Grace M.J Mfinanga	Member	LLM	Tanzanian	63	10 May, 2020	09 May, 2023
9	Mrs. Mary S. Lyimo	Member	LLB	Tanzanian	67	19 January, 2022	18 January, 2025

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

S/N	Name	Position	Qualification	Nationality	Age	Date of Appointment	Date of End of Tenure
10	Hon. Allan J. Kiula	Member	MBA	Tanzanian	59	19 January, 2022	18 January, 2025
11	Eng. Leonard S. Kapongo (Deceased)	Secretary/CEO	MSc. in Engineering	Tanzanian	59	26 October, 2018	17 July 2021
12	Dr. Irene C. Isaka	Secretary/CEO	PhD in Economics	Tanzanian	52	09 November, 2021	15 May, 2022
13	Eliakim C. Maswi	Secretary/CEO	Msc Finance	Tanzanian	56	16 May, 2022	To date

### 2.34.3 Board operations and control

The principle on appointment, composition, size and qualifications of Board members was observed by the respective appointing authorities as follows:

#### (a) Diversity

The Board is composed of members of different qualifications with diversity of strength and knowledge of public procurement. Diversity is observed through differentiation in the Directors' age, gender, professional qualifications and previous experiences. In addition, members were appointed from both public and private sectors. As well, they are members of professional bodies.

#### (b) Composition of Board of Directors

The Board of Directors of PPRA is a governing body consisting of the Chairperson who is appointed by the President and six non-executive directors appointed by the Minister responsible for Finance. The Chief Executive Officer (CEO), is appointed by the President, and is the Secretary to the Board. The Board, for better carrying out of its function, has established committees as provided for under 22 of CAP 410, R. E. 2022. The Established committees are Audit Committee, Technical committee and Advisory Committee.

#### (c) The Functions of the Board

To enhance accountability to the Government and the public at large, the duties and responsibilities of the board shall include, but not limited to:

- Analyse and approve Authority's operational plans, medium- and long-term plans;
- Approve the Annual budget;
- Approve the Annual Financial Statements;
- Approve new revenue sources;
- Approve the Annual Procurement Plan;
- Determine composition of committees, Terms of Reference and conditions of service;

- Receive and approve or ratify decisions of its committees;
- Approve appointment and disciplinary issues of directors, managers and heads of Units;
- Approve the Annual Performance Evaluation Report of the Authority;
- Approve proposed organization structure, scheme of service, salary structure, manning levels and incentive package for submission to the approving authority;
- Approve amendment of procurement contract price that increase the original price by more than 15 percent;
- Approve opening of new and closure of existing zonal offices;
- Approve new sources of revenue and fees to be charged by the Authority;
- Approve proposal for opening of new bank accounts of the Authority;
- Approve the aggregate Annual Procurement Audit Report;
- Set forth policies that will guide Management in the conduct of its day to day activities;
- Enter into performance contract with Chief Executive Officer and assess his performance relative to the set targets;
- Approve and monitor the progress of major capital expenditure, acquisitions and divestitures; and
- Approve reports on progress and outcome of litigation cases where necessary.

**(d) The Board Independence**

The Authority assesses the independence of Board members on an annual basis, to ensure that the Board always benefits from independent and objective judgment

**(e) The Board Instruments**

The Authority has developed the Board's Code of Ethics and Conduct, in compliance with the Treasury Registrar's Board of Directors Code of Ethics and Conduct Guidelines, 2016 of which has been cascaded down to all employees. Also has established Charters of the Board and its Committees so as to guide the Board in undertaking its oversight role and planned activities. The Code and the Charters are reviewed where needs arise to cope with changes. Further, the Board develops a work plan and an evaluation toolkit annually, to ensure effectiveness.

**(f) Governance on Audit**

The Board continues to oversee Management implementation of the Controller and Auditor General's recommendations made during the statutory audit of the previous financial years. In addition, the Board continues to oversee

Management implementation of recommendations made by the Authority Internal Auditor.

**(g) Rights of the Government and the General Public**

- The Authority recognizes, respects and protects the rights of the Government and the general public through:
- Availing information on the Authority's performance by submission of quarterly performance reports to relevant Government authorities and publishing annual reports together with audited financial statements;
- Ensuring equitable treatment of all regulated service providers and customers in discharging the Authority functions;
- Ensuring that Government, Ministries and Agencies hold meetings with the Authority's Management, when required, to discuss any matter related to the Authority's performance or service delivery; and
- Engaging the media on dissemination of important Authority's information.

**2.34.4 Meetings of Those Charged with Governance**

During the financial year 2021/22, the Board had three committees namely, Audit Committee, Advisory Committee, and Technical Committee. The audit committee dealt with issues related to risk management, finance and audit. The Advisory Committee advised the Paymaster General (PMG) on applications for retrospective approvals, as they happened. The Technical Committee dealt with other core functions of public procurement namely monitoring and compliance, capacity building, technical advisory services as well as procurement information system.

Paragraph 5(1) of the First Schedule to PPA states that the Board shall meet at such times and such places being not less than once in a month as the Chairperson may determine. During the year under review, a total of four meetings were planned and five meetings were held.

**2.34.5 Committees of Those Charged with Governance**

During the financial year 2021/22, the Board had three committees namely,

- (i) Audit Committee,
- (ii) Advisory Committee, and
- (iii) Technical Committee.

The audit committee dealt with issues related to risk management, finance and audit. The Advisory Committee advised the Paymaster General (PMG) on applications for retrospective approvals, as they happened. The Technical Committee dealt with

**PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)**

other core functions of public procurement namely monitoring and compliance, capacity building, technical advisory services as well as procurement information system. Composition of Board Committees is as explained below in table 2.36.5(a)(b)(c).

**2.34.5 (a) Audit Committee composition**

S/N	Name	Position	Qualification	Nationality
1	CPA. Rhoben P. Nkori	Chairperson	MBA, CPA (T)	Tanzanian
2	Mrs. Mary S. Lyimo	Chairperson	LLB	Tanzanian
3	Adv. Grace M. J. Mfinanga	Member	LLM	Tanzanian
4	Eng. Sylvester N. Mayunga	Member	MBA, BSc in Engineering	Tanzanian
5	Eng. Ephatar L. Mlavi	Member	MSc. in Engineering	Tanzanian
6	Hon. Allan J. Kiula	Member	MBA	Tanzanian

**2.34.5 (b) Advisory Committee composition**

S/N	Name	Position	Qualification	Nationality
1	Prof. Sufian H. Bukurura	Chairperson	PhD in Law	Tanzanian
2	Eng. Ephatar L. Mlavi	Member	Engineering	Tanzanian
3	Mrs. Mary S. Lyimo	Member	LLB	Tanzanian
4	Eng. Prof. Ninatubu M. Lema	Member	PhD project management project	Tanzanian
5	Hon. Allan J. Kiula	Member	MBA	Tanzanian

**2.34.5 (c) Technical Committee composition**

S/N	Name	Position	Discipline	Nationality
1.	Eng. Prof. Ninatubu M. Lema	Member	PhD project management, MSc engineering	Tanzanian
2.	Prof. Sufian H. Bukurura	Chairperson	PhD in Law	Tanzanian
3.	Eng. Sylvester N. Mayunga	Member	MBA, BSc in Engineering	Tanzanian
4.	CPA. Rhoben P. Nkori	Member	MBA, CPA (T)	Tanzanian
5.	Adv. Grace M. J. Mfinanga	Member	LLM	Tanzanian

**2.34.6 Attendance to Committees Meetings**

During the financial year 2021/22, a total of five audit committee meetings were held, five meetings of the Advisory Committee were held whereas the Technical Committee held seven meetings.

S/N	Board Committee	Number of Meetings
1	Audit Committee	5
2	Advisory Committee	5
3	Technical Committee	7
	<b>Total</b>	<b>17</b>

## 2.29 MANAGEMENT OF THE AUTHORITY

The Chief Executive Officer, of the Authority and the Secretary to the Board, is responsible to the Board for the proper administration and management of the functions and affairs of the Authority . The Authority's Management team, which is under the supervision of the Chief Executive Officer demonstrated capability to handle all operational and administrative matters efficiently. . The Management, under the Chief Executive Officer, is structured in the five (5) Divisions and two (2) Units as follows:

- i. Division of Corporate Services
- ii. Division of Legal and Public Affairs
- iii. Division of Capacity building and Advisory services
- iv. Division of Information Systems
- v. Division of Monitoring and Compliance
- vi. Internal Audit Unit
- vii. Procurement Management Unit

## 2.30 Overall Authority Performance

PPRA in financial year 2021/22, aimed at improving public procurement systems in order to achieve value for money. The objectives of the Authority as stipulated in section 8 of PPA, are outlined hereunder:

- a) Ensure application of fair, competitive, transparent, non-discriminatory and value for money procurement standards and practices;
- b) Set standards for the public procurement systems in the United Republic of Tanzania;
- c) Monitor compliance of procuring entities; and
- d) Build, in collaboration with Public Procurement Policy Division and other relevant professional bodies, procurement capacity in the United Republic.

During financial year 2021/22, PPRA recorded performance as highlighted in subsequent sub-sections.

### i) Implementation of TANePS

Regulations 342 of PPR and Government directive Ref. No. EB/AG485/01/Vol.Xii dated 23 October, 2019 requires all procurements to be done by PEs through TANePS. In line with this, by 30 June, 2022 there were 803 entities connected to TANePS as compared to 718 PEs connected in the preceding year, indicating an increase of 11.84 percent. Likewise, a total of 8,447 suppliers were registered in TANePS during the year under review thus making a total of 29,641 registered suppliers and service

providers as compared to 21,194 registered by end of the preceding financial year. This indicates an increase of 39.86 percent;

Out of 803 entities connected in the system, only 667(83.1 percent) submitted and uploaded their APPs in TANePS, which consisted of 62,161 tenders with total estimated value of TZS 32.1 trillion. The Authority advised nine PEs who had submitted their APPs to rectify anomalies noted, but they did not respond and hence a total number of 136 entities (16.9 percent of total entities connected) failed to upload their APPs in the system, during the year under review.

The Authority further noted that, only 47,424 tenders out of 62,161 tenders (76.29 percent of planned tenders) included in 667 APPs , were processed through TANePS; and only 6,902 contracts out of processed tenders were awarded through the system. In the preceding year, tenders that were processed through the system were 31,423 out of 47,637 tenders ( 65.96 percent of tenders included in uploaded APPs) and 8,187 contracts were awarded through the system. Generally, although number of users of the system increased, most PEs did not fully processed their procurement as required in PPR and directed by the Government through TANePS.

The Authority however, continued to provide support to TANePS users through telephone, email and face to face interaction in the help desks stationed in Dar es Salaam and Dodoma offices. An average of 13,920 calls, 287 e-mails and 224 walk-ins, were attended to, monthly. In the preceding year, an average of 9,000 calls, 180 e-mails and 156 walk-ins, were attended to, respectively;

**iii) Business process re-engineering**

The Authority is responsible for guiding, monitoring and controlling procurement conducted by public institutions. In its duties, PPRA has faced several issues with ensuring that public funds are properly utilized by public institutions. During the reporting period, the Authority initiated a business process re-engineering of the public procurement system in order to identify and model the current business processes, analyse the current business process, establish issues and bottlenecks, identify and discover new business processes and redesign improved business processes. The accomplishment of the aforementioned objectives will be contributed by the professional team conversant with the public procurement system from MoFP, PPRA, PSPTB, GPSA, PPAA and MSD.

**iv) Capacity building interventions**

The Authority according to the PPA is required to build capacity to stakeholders engaged in procurement matters. During the year under review, the Authority conducted Tailor-made training on the application of PPA and PIT to 574 public servants from 19 entities as compared to 600 that had been planned for. The target was not reached due to the fact that some of PEs requested for tailor made training did not pay within the period. It is worth noting that tailor made trainings are

conducted on demand basis. Furthermore, the dissemination workshops on PPA and PIT were conducted to 1,468 public servants as compared to 1,200 that had been targeted. The participants were from 63 entities. The Authority also conducted a special capacity building dissemination sessions to 305 public servants from 11 LGAs in four regions and roll out sessions on TANePS, which were attended by 1,168 public servants, 457 participants from special groups, 515 students from higher learning institutions and 417 economic operators, as compared to 1,320 public servants and 1,715 economic operators in the preceding year. On special groups, the Authority by the year end, had recorded and published details of 182 special groups (women, youth, the elderly and persons with disabilities) on its website, as compared to 102 in the preceding year. This means more groups can participate in published tenders which have been set aside by PEs for special groups in local communities.

**v) Advisory services**

The Authority in line with functions provided in section 9 of PPA, during the year under review, provided 489 legal and technical advisory services to stakeholders on the application of PPA, PPR and PIT.

**vi) Research on procurement matters**

The Authority is required in section 9, PPA, to conduct research and surveys nationally and internationally on procurement matters. During the year under review, the Authority conducted three studies, namely Effectiveness of Force Account in Construction Projects, Assessment of Procurement Procedures in Diplomatic Missions Abroad and Participation of Women in Public Procurement. Reports on the aforementioned studies will be ready in FY 2022/23.

**vii) Procurement implementation tools**

The Authority is also required, according to section 8 of PPA to set standards for procurement systems in the URT. In order to fulfil this, during the year under review, the Authority reviewed 14 PIT against 10 that had been planned for, in order to align them with the amendments of PPA and PPR as well as TANePS requirements. Furthermore, seven new tools were developed.

**viii) Handling of applications for retrospective approval**

According to Section 64 (6) of PPA, the Paymaster General shall seek the advice of the Authority in respect of application for retrospective approval on emergency procurements made by PE. During the year under review, the Authority advised the Paymaster General on 26 out of 32 applications for retrospective approval on emergency procurement, compared to 46 out of 67 applications that had been received in the preceding year.



**ix) Outreach capacity and visibility**

In order to ensure the public in general is aware of PPRA and its functions, during the year under review, the Authority conducted awareness campaigns to the public on its various activities and services including application of PPA and TANEPS through TV, radio and participated in public events. Furthermore, the Authority coordinated the Public Procurement Week in collaboration with MoFP, PPAA, PSPTB and GPSA, that was held in May 2022 and attended by 1,140 participants.

**x) Debarment Matters**

Section 83 (2) of PPA provides that , “Where a procuring entity is satisfied, after due diligence, that any person or firm to which it is proposed that a tender be awarded, has engaged in fraudulent, collusive, coercive or obstructive practices in competing for the contract in question, the procuring entity shall- (a) reject a proposal for award of such contract; and (b) report any person or tenderer, including its directors to the Authority for debarment and blacklisting in accordance with section 62 of the Act. During the year under review, the Authority handled 17 debarment proposals from 13 entities, whereby two companies were debarred. In the preceeding year, only one company was debarred out of 24 proposals received from 13 entities.

**xi) Performance of PEs**

PPRA is mandated by PPA, to monitor and report on performance of the public procurement systems in Tanzania and also enforce compliance with the provisions of PPA and PPR. During the year under review, the Authority conducted routine monitoring of PEs on the use of TANEPS and submission of internal audit reports whereas Procurement Audits were done to check compliance by PEs in 232 entities, value for money in 44 entities and performance in 46 entities implementing covid-19 funded projects. The Authority also conducted special and investigation in 11 entities and assessment of corruption red - flags in all audited entities.

Routine monitoring was done on compliance of PEs on the use of TANEPS, Assessment of APPs submitted through TANEPS and compliance on submission of internal audit reports. The Assessment revealed that out of 803 entities registered in TANEPS, 127 entites did not submit their APPs to PPRA for uploading in TANEPS, and 9 whose APPs were returned because of noted anomalies did not resubmit their APPs. This means these entities did not process their tenders though TANEPS. On Compliance of PEs on submission of internal audit reports, 215 reports were received from 124 entities, compared to 161 reports received from 75 PEs in FY 2020/21. This indicates that most PEs do not comply with section 48 (2) of PPA.

On compliance audit , special assessment was done on the use of TANEPS covering 232 entities i.e 128 MDAs, 26 LGAs, and 78 PAs. The overall compliance was assessed

to be 65.1 percent, implying that compliance on the use of TANEPS in undertaking tender processes is fair. Audited entities with highest scores in compliance were Tarura Mara (97%), Tarura Dodoma (90%), Tarura Coast (89%), Tanraods Mtwara (89%), Tarura Dar es Salaam (89%), Institute of Social Works (89%), Tanrods Morogoro (89%), TASAF (87%), Tarura Kigoma (87%) and Tarura Morogoro (85%). Entities with poor performance were 62 which is equivalent to 26.7 percent of audited entities, which includes 18 LGAs, 12 PAs and 32 MDAs. The following were among weaknesses observed; inadequate implementation of APPs, majority of implemented tenders did not adhere to the planned time in APPS, entities did not upload in TANEPS detailed evaluation reports, entities did not upload in TANEPS minutes of tender board meetings/circular resolutions, entities did not upload and forward to the AOs summaries of TB decisions, entities did not publish contract awards in TANEPS and entities published awards of contracts in TANEPS beyond bid validity period.

On Value for Money Audit, 44 entities comprising MDAs (32), PAs (11) and LGA (1) were audited. The 44 entities were among the 232 which had been subjected to compliance audit. The value for money audit was conducted on 291 contracts worth TZS1.545 trillion. The overall average VfM performance of the 44 entities was 83.6 percent (which is satisfactory), compared to 84.6 percent for 54 audited entities in the preceding year; and out of all audited contracts, 222 or 76.3 percent, had satisfactory performance; whereas 57 contracts or 19.6 percent, were deemed to have fair performance. The performance signifies that most of the contract objectives are likely to be achieved and significant weaknesses need to be achieved in order to attain VfM. The results however showed 11 contracts had poor performance (performance score below 49 percent). These contracts were being implemented by Ministry of Home Affairs, Ministry of Foreign Affairs & East Africa Cooperation, MSD, TANAPA western zone, TPDC, Tanzania Cotton Board, Ministry of Health, BOT and TRA

Similarly, in September 2021, IMF approved USD 567.25 million (about TZS 1.30 trillion) as emergency financial assistance under the Rapid Credit Facility and Rapid Financing Instrument to support the country's efforts in addressing the effects of the Covid-19 pandemic. In this regard, PPRA conducted performance audit to 46 selected entities to establish whether use of the funds complied with PPA, PPR as well as the Authority's guidelines. The entities included MDAs (25), LGAs (15) and PAs (6). A total of 1,013 projects or contracts worth TZS 431.68 billion were planned and implemented by the 46 audited entities using monies from the Covid-19 Fund. Out of the total, 302 projects (or 30 percent) worth TZS 204.30 billion, equivalent to 47 percent of the total value, were audited; and the value of the audited projects or contracts was equivalent to 18.9 percent of the Covid-19 Fund allocated to Tanzania Mainland. Overall average performance was assessed to 69.7 percent, which is fair performance. The results further showed, 16 entities or 34.8 percent of audited entities had satisfactory performance with scores above 74 percent; and 29 entities or 63.1 percent of audited projects had fair performance ranging between 50 and 74 percent. Geita DC was the only entity that had poor performance. Generally, projects

in water sector performed well with exception of few ,whereas those in education sector did not perform well because of lack of capacity in secondary and primary schools.In Health and tourism sectors, performance was also not appealing.

During FY 2021/22, the Authority also conducted special audit or investigation on 11 entities involving 98 tenders or contracts, and 582 LPOs, with a total value of TZS 199.09 billion and 3.24 billion, respectively. The audit or investigation was conducted at the PO-RALG (1 tender with 3 contracts); Auwasa(2 contracts), NM-AIST (16 contracts and 6 LPOs), RAS - Kagera (2 contracts), Kuwasa (20 contracts), Sengerema DC (7 contracts and 337 LPOs), Tarura-Mbeya (22 contracts); and Tarura-Morogoro (17 contracts). Futhermore, special audit or investigation was conducted at Nzuwasa (3 contracts and 167 LPOs); SUA (3 contracts and 72 LPOs); and MoEST(1 tender with 3 contracts). The special audit and investigation revealed that; the Government saved a total of TZS 13.87 billion from the intervention made by the Authority durings its monitoring activities and The Government suffered losses to the tune of TZS 38.99 million due to failure to impose liquidated damages on delayed deliveries. However, respective PEs were instructed to recover the mentioned amount accordingly.

The Authority and PCCB have MoU to the effect that when PPRA carries out procurement audit, it also assesses likelihood of corruption in procurement processes. When the Authority observes a likelihood of corruption, it refers the matter to PCCB.The assessment of corruption red flags was carried out in compliance audit in 232 entities, performance audit in 44 entities and Covid -19 Fund performance audit in 46 entities.

In compliance audit, 12 entities were observed to have corruption red flags namely, Ministry of Education, Science and Technology; AUWSA; TANROADS - Kigoma; Tanroads - Rukwa; TPDC; Mtwara Urban Water Supply and Sanitation Authority; TanroadsKagera; Tanroads Morogoro; Korogwe Urban Water Supply and Sanitation Authority; Tanzania Fisheries Research Institute; TRC; and Rural Water Supply and Sanitation Agency (Mbeya).

The assessment of corruption symptoms for the performance audits, covered 283 contracts/projects having a total value of TZS 4.61 trillion implemented by 44 entities. Out of the total reviewed contracts, corruptions symptoms were observed in six (6) tenders/contracts with a total value of TZS 66.06 billion and were implemented by three entities namely; TCB, REA, and TANAPA (HQ).

On performance audit in 46 entities on projects implemented using Covid -19 Fund, 15 entities were observed with corruption red flags, namely, MWAUWASA, Mkalama DC, Bahi DC, MUWSA, Rombo DC, Sengerema DC, Singida DC, RUWASA Mwanza (Sengerema), AUWSA, PO-RALG, Geita DC, MSD, RUWASA HQ, NCAA, and RUWASA Arusha.

## PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

During Value for Money audit in the 44 entities, the Authority made follow up in 19 entities on the implementation of previous audit recommendations while the remaining 25 were left out in the exercise as they had never been audited. The follow up revealed that while some of the recommendations were implemented, others were either partially implemented or not implemented at all. Out of 565 recommendations, 399 (equivalent to 71 percent), were fully implemented; 125 (equivalent to 22 percent), were partially implemented and 41 (equivalent to 7 percent), were not implemented at all.

### 2.31 EMPLOYEES' WELFARE

PPRA continued to strengthen its capacity to deliver good quality services by implementing strategies that are stipulated in the Operational Plan for FY 2021/22. In order for the Authority to exercise its mandate and deliver quality services, the following were done as detailed in subsequent subsections.

#### (a) STAFF COMPLEMENT, GENDER BALANCE AND DISABLED PERSONS

As at the end of FY 2021/22, the Authority's staff complement stood at 87 as compared to 76 in the preceding FY. The approved establishment of the Authority is 171. The staff complement as at 30 June 2022 is shown below.

Staff complement as at 30 June 2022

S/N.	Staff Category	Number of Staff		Total
		Male	Female	
1.	Managerial Staff	12	5	17
2.	Technical Staff	36	14	50
3.	Support Staff	11	9	20
	Total	59	28	87

#### Gender balance and disabled persons

The Authority's recruitment policy is based on certain fundamental principles which among others includes equality under which we observe equal opportunity and refrain from discrimination during recruitment process. As such, equal opportunity is given to all qualified Tanzanian regardless of race, color, religion, disability, gender or status. Recruitment and engagement are therefore based on merit; therefore, transparency and patriotism are maintained throughout the process. Special services are facilitated to disabled and challenged staff who happen to declare their status or those with physical disabilities.

The Authority strives to retain and develop professionals through succession planning and staff development implemented annually. Staff affairs are of high priority such that equitable staff incentive policy, improved working environments and facilitation of periodic staff meeting and workers council pave way to teamwork and organizational common goal realization. This makes the Authority to be one of the most attracting Government employer recently through equal investment in workforce.

**(b) Training Support**

The Authority enhanced educational levels and skills of its employees in managerial, regulatory and technical areas. During the year under review, 35 employees attended seminars and workshops organized by professional bodies; 14 attended short term training; and 9 staff attended long-term training. Details of the training are presented below:-

**Training attended by staff in 2021/22**

S/N	Description of training	Number of staff		
		Female	Male	Total
1.	Long term training	1	8	9
2.	Short term training	7	7	14
3.	Professional seminars and workshops	17	18	35

**(c) Medical Assistance**

All staff in the Authority are members of the National Health Insurance Fund (NHIF) and when a staff does not get required medical facility under NHIF cover, the Authority refunds the staff costs incurred where appropriate. The Authority pays mandatory contribution each month to NHIF and for the year under audit the Authority incurred TZS 82.425 million as medical expenses under NHIF.

**(d) Health & Safety**

The Authority takes all reasonable and practicable measures to safeguard health, safety and welfare of its staff. A safe working environment is ensured to all staff by providing protective gears, training and supervision where necessary.

**(e) Interventions against COVID -19**

During the year under review, PPRA adhered to Government's directives on how to protect and reduce transmission of COVID -19 pandemic to staff. The Authority provided sanitizers in the office, hand sanitizers and face masks to its staff. Furthermore, staff were continuously appraised on the government guidelines and measures to be taken against the pandemic while they are in the office as well as out of the office.

**(f) Employees Benefit Plan**

The Government through Treasury pays mandatory contributions to a publicly administered pension scheme (PSSSF) which qualifies to be a defined contribution plan. The amount incurred for the financial year 2021/22 was TZS 456.56 million (2020/21 was TZS 360.62 million).

### 2.32 CHALLENGES AND WAY FORWARD

During the year under review, the Authority encountered a number of challenges including the following:

#### Challenges and way forward

Five challenges are essentially internal, including; insufficient staff compliment which affects the number of staff required to serve in various positions, including the help desk, that will be addressed through continuing to liaise with MoFP and PO-PSMGG; limited office space at HQ Building, whereby it is noted that the Authority has started to construct the HQ building in July 2022. The third challenge is the unsuitability of the location of the coastal zonal office and Dar es Salaam Help Desk at GPSA building, which hinders customers due to high traffic in Julius Nyerere and Nelson Mandela roads. The Authority plan to relocate its Coast Zonal Office to PPAA's office located in Dar es Salaam.

The fourth challenge is shortage of office equipment and working tools, whereby the Authority has set aside funds for purchasing office equipment and working tools. The fifth challenge, shortage of financial resources, to address this challenge the Authority will continue liaising with the Ministry of Finance and Planning to increase budget ceiling and implement Resource Mobilization Strategy.

### 2.33 PREJUDICIAL ISSUES

The Authority had no any prejudicial issues at the end of the financial year 2021/22.

### 2.34 STATEMENT OF COMPLIANCE

The Report by Those Charged with Governance is prepared in compliance with the new Tanzania Financial Reporting Standard No. 1 (TFRS No. 1) as issued by the National Board of Accountants and Auditors (NBAA) and became effective from 1 January 2021. The Authority's financial statements have been prepared in compliance with the International Public Sector Accounting Standards (IPSASs) as issued by the International Public Sector Accounting Standards Board (IPSASB).

### 2.35 FUTURE PERFORMANCE OF SIGNIFICANT EVENTS AFTER REPORTING DATE

Management is not certain about any significant event that will impact future performance of the Authority. Though due to on going initiatives of reviewing the current PPA and its regulations, there is possibility of reviewing the current fees for various services rendered by the Authority. This review may either positively or negatively impact future performance of the Authority.

**2.36 SOLVENCY**

The Authority's state of affairs as at 30 June 2022 is reflected in these financial statements. The Board considers the Authority to be solvent.


**2.37 AUDITORS**

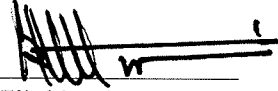
The Controller and Auditor General is the statutory auditor of PPRA by virtue of Article 143 of the Constitution of the United Republic of Tanzania as amplified by section 10 (1) of the Public Audit Act, Cap 418 (R.E. 2021).

**2.38 APPROVAL**

This Report was approved and authorized for issue by the Board of Directors during its 91 Extra Ordinary Meeting held on 27<sup>th</sup> December, 2022 and signed on its behalf by:

By order of the Board

  
\_\_\_\_\_  
Dr. Leonada R. Mwangi  
Chairperson of the Board

  
\_\_\_\_\_  
Eliakim C. Maswi  
Chief Executive Officer

Date 20/03/2023

**3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE**

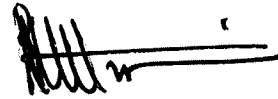
The Board is required by Section 26 of PPA, to prepare financial statements that give a true and fair view of the state of affairs of the Authority as at the end of the financial year and of the surplus or deficit of the Authority for that period. The Board confirms that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year ended 30 June 2022.

The Board also confirms that the International Public Sector Accounting Standards (IPSAS) accrual, have been followed. The Board is responsible for keeping proper accounting records, for safeguarding the assets of the Authority and hence taking reasonable steps for prevention of fraud and other irregularities.

By order of the Board



Dr. Leonada R. Mwangi  
Chairperson of the Board



Eliakim C. Maswi  
Chief Executive Officer

Date 20/03/2023



#### 4.0 DECLARATION OF THE CHIEF ACCOUNTANT

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 the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors and Management to discharge the responsibility of preparing financial statements of the Authority showing a true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of the financial statement's rests with the Board of Directors as under Directors Responsibility statement on item No.2 on Report of the Directors.

I, Avodia D. Rukonge a being the Chief Accountant of The Public Procurement Regulatory Authority (PPRA), hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2022 have been prepared in compliance with applicable accounting standards and statutory requirements.

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

Signed by:



**Name:** Avodia D. Rukonge  
**Position:** Chief Accountant  
**NBAA Membership No:** ACPA 2431

## 5.0 FINANCIAL STATEMENTS

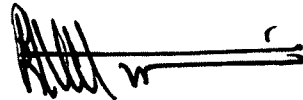
### 5.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2022

ASSETS	Note	30.6.2022	Re-stated 30.6.2021
		TZS'000	TZS'000
<b>Current Assets</b>			
Cash and Equivalents	7	3,474,978	2,934,339
Inventories	8	-	26,196
Prepayments	9	102,405	113,517
Receivables	10	12,150	1,215,622
<b>Total Current Assets</b>		<b>3,589,533</b>	<b>4,289,674</b>
<b>Non-Current Assets</b>			
Property, and Equipment	11	1,761,872	1,962,800
<b>Total Non-Current Asset</b>		<b>1,761,872</b>	<b>1,962,800</b>
<b>TOTAL ASSETS</b>		<b>5,351,405</b>	<b>6,252,474</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Deferred Income (Revenue)	14	-	22,951
Payables and Accruals	13	509,351	657,978
<b>Total Current Liabilities</b>		<b>509,351</b>	<b>680,929</b>
<b>Non-Current Liabilities</b>			
Deferred Income (Capital)	15	1,491,878	3,239,266
<b>Total Non-Current Liabilities</b>		<b>1,491,878</b>	<b>3,239,266</b>
<b>TOTAL LIABILITIES</b>		<b>2,001,229</b>	<b>3,920,195</b>
<b>Net Assets</b>		<b>3,350,176</b>	<b>2,332,279</b>
<b>NET ASSETS /EQUITY</b>			
<b>Capital Contributed by:</b>			
Accumulated		3,350,176	2,332,279
Surpluses/Deficits			
<b>TOTAL NET ASSETS/EQUITY</b>		<b>3,350,176</b>	<b>2,332,279</b>

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



Dr. Leonada R. Mwangi  
Chairperson of the Board



Eliakim C. Maswi  
Chief Executive Officer

Date 20/03/2023

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

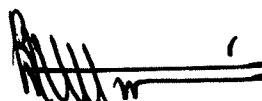
5.2 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE, 2022

	Note	30.6.2022 TZS'000	30.6.2021 TZS'000
<b>REVENUE</b>			
<b>Revenue from non exchange transactions</b>			
Amortization of Revenue Grants from Government	17(i)	8,421,397	8,579,509
Fees, Fine, Penalties and Forfeits	17(ii)	6,833,190	2,626,045
Other Revenue	17(iii)	478,915	1,959,546
Gain on foreign currency transaction on ADB III Project	17(iv)	-	11,123
		<u>15,733,502</u>	<u>13,176,223</u>
Revenue from exchange transactions	18	<u>1,680,712</u>	<u>1,285,000</u>
Receipts from training and examination fee			
<b>TOTAL REVENUE</b>		<u>17,414,214</u>	<u>14,461,223</u>
<b>EXPENSES AND TRANSFERS</b>			
<b>Expenses</b>			
Wages, Salaries and Employee Benefits	19	5,416,417	5,012,839
Use of goods and services	20	6,505,116	6,397,285
Maintenance Expenses	21	773,540	724,497
Other Expenses	22	2,301,470	396,445
Depreciation of Property, Plant and Equipment	7	279,667	151,739
Bad Debt	23	1,038,455	-
<b>Total Expenses</b>		<b>16,314,665</b>	<b>12,682,805</b>
<b>Transfers</b>			
Grants, Subsidies and other transfer payments		100,000	-
<b>TOTAL EXPENSES AND TRANSFERS</b>		<b>16,414,665</b>	<b>12,682,805</b>
<b>Surplus for the Year</b>		<b>999,549</b>	<b>1,778,418</b>

Notes form part of the financial statements



Dr. Leonada R. Mwangi  
Chairperson of the Board



Eliakim C. Maswi  
Chief Executive Officer

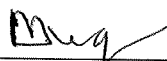
Date 20/03/2023

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

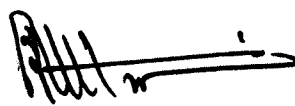
5.3 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE, 2022

	Tax Payer's Fund	Accum. Surplus/(Deficit)	Total
		TZS'000	TZS'000
<b>As at 30 June 2021</b>			
Opening Balance as at 01 July 2020	-	(149,659)	(149,659)
Surplus for the Year	-	1,778,418	1,778,418
Closing Balance as at 30 June 2021	-	1,628,759	1,628,759
Adjustment of accumulated depreciation		703,520	703,520
<b>Restated Closing Balance as at 30 June 2021</b>		<b>2,332,279</b>	<b>2,332,279</b>
<b>As at 30 June 2022</b>			
Opening Balance as at 1 July 2021	-	2,332,279	2,332,279
Adjustment	-	18,348	18,348
Surplus for the Year	-	999,549	999,549
<b>Closing Balance as at 30 June 2022</b>	-	<b>3,350,176</b>	<b>3,350,176</b>

Notes form part of the financial statements



Dr. Leonada R. Mwagike  
Chairperson of the Board



Eliakim C. Maswi  
Chief Executive Officer

Date 20/03/2023

**PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)**

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**5.4 CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE, 2022**

**CASH FROM OPERATING ACTIVITES  
RECEIPTS**

	Note	<b>30.6.2022</b> TZS'000	<b>30.6.2021</b> TZS'000
Revenue from non exchange transactions	30(a)	13,912,540	10,436,198
Revenue from exchange transactions,	30(b)	1,680,712	1,285,000
<b>Total Receipts</b>		<b>15,593,252</b>	<b>11,721,198</b>

**PAYMENTS**

Wages, Salaries and Employee benefits	30(d)	(5,416,417)	(2,479,486)
Supplies and Consumable Used	30(e)	(6,505,116)	(6,397,285)
Other Expenses	30(f)	(2,178,802)	(1,642,742)
Maintenance Expenses	30(g)	(773,540)	(724,497)
Grants,Subsidies and other Transfer Payments		(100,000)	-
<b>Total Payment</b>		<b>(14,973,875)</b>	<b>(11,244,010)</b>

**NET CASH FLOW USED IN OPERATING ACTIVITIES**

	<b>619,377</b>	<b>477,188</b>
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**CASH FLOW FROM INVESTING ACTIVITIES**

Acquisition of property, Plant and Equipment	7	(78,738)	(65,589)
<b>Total Investing Activities</b>		<b>(78,738)</b>	<b>(65,589)</b>

**NET CASH FLOW USED IN OPERATING ACTIVITIES**

	<b>(78,738)</b>	<b>(65,589)</b>
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**Net Change in Cashflows**

	<b>540,639</b>	<b>411,599</b>
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Cash and Cash equivalent at beginning of Period

	2,934,339	2,511,617
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Effect of exchange rate

30(h)	-	11,123
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Cash and cash equivalent at end of period

	<b>3,474,978</b>	<b>2,934,339</b>
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Notes form part of the financial statements

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

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

	Original Budget	Reallocations/ Carryover	Final Budget (B)	Actual Amount (A)	Variance (B-A)	Percentage
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	%
<b>RECEIPTS</b>						
Revenue from non exchange transactions	10,788,522	4,826,170	15,614,692	13,912,540	(1,702,152)	(11)
Revenue from exchange transactions	1,793,000		1,793,000	1,680,712	(112,288)	(6)
<b>Total Receipts</b>	<b>12,581,522</b>	<b>4,826,170</b>	<b>17,407,692</b>	<b>15,593,252</b>	<b>(1,814,440)</b>	<b>(10)</b>
<b>PAYMENTS</b>						
Grants, subsidies and other Transfer payments	100,000	-	100,000	100,000	-	-
Maintenance Expenses	771,400	234,655	1,006,055	773,540	232,515	(23)
Other Expenses	2,386,944	1,064,488	3,451,432	2,178,802	1,272,630	(37)
Supplies and Consumables Used	4,741,275	1,774,473	6,515,748	6,505,116	10,632	-
Wages, Salaries & Employee benefits	4,501,903	937,031	5,438,934	5,416,417	22,518	-
Acquisition of Intangibles	-	66,200	66,200	-	66,200	-
Acquisition of Property, Plant and Equipments	80,000	749,322	829,322	78,738	750,583	91
<b>Total Payment</b>	<b>12,581,522</b>	<b>4,826,170</b>	<b>17,407,692</b>	<b>15,052,613</b>	<b>2,355,078</b>	<b>14</b>
<b>Net Receipts/Payments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>540,639</b>	<b>-</b>	<b>-</b>

Explanations on the significant variances is on note 6.4.

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

### **NOTE 1.0: GENERAL INFORMATION**

The Public Procurement Regulatory Authority was established by the Public Procurement Act, No. 21 of 2004 (as repealed by Act No 7 of 2011). The Act stipulates in detail the objectives, functions and powers of the Authority. The Authority offices are located at the 9<sup>th</sup> Floor of Kambarage Tower, Jakaya Kikwete Road, P. O. BOX 2865, Dodoma.

The overall management of PPRA is vested in the Board of Directors as the Governing body under the supervision of the Ministry of Finance and Planning. The Chief Executive Officer carries out the day-to-day operations of the Authority.

These financial statements of PPRA for the year ended 30 June 2022 were authorized for issue in accordance with the resolution of the Board of Directors.

### **NOTE 2.0: BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) accrual basis. The measurement basis applied in the preparation of these financial statements is the historical cost and accrual basis, except where otherwise stated (for example, the Statement of Cash Flows).

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

Budget is prepared on cash basis while the statement of financial position and performance are Prepared on accrual basis. The variation between the accrual items versus cash items are reconciled through preparation of reconciliation statements of budget versus actual as per IPSAS 24 requirement.

The complete set of the financial statements comprises a statement of financial position, a statement of financial performance, a statement of changes in net assets, a cash flow statement, a comparison of budget and actual amounts, and notes comprising a summary of significant accounting policies and other explanatory notes.

### **NOTE 2.1: STATEMENT OF CASH FLOWS**

The statement of cash flow is prepared using direct method

### **NOTE 3.0: STATEMENT OF COMPLIANCE WITH IPSAS AND LAWS**

The financial statements are prepared in accordance with international Public Sector Accounting Standards (IPSAS) Accruals Basis of Accounting as issued by the International Public Sector Accounting Standards Board (IPSASB) and other applicable laws of United Republic of Tanzania.

**NOTE 4.0: NEW AND AMENDED STANDARDS ADOPTED BY THE AUTHORITY**

During the year no new standards issued however the Authority is aware of a number of new standards which is yet to be adopted; these are IPSAS 41 Financial instruments with effective date January 1, 2023. However, on November 2020 its application was deferred to January 01, 2023 due to COVID 19. IPSAS 42 Social Benefits; its effective date is January 01, 2023. Earlier application was encouraged; however, the Authority did not opt for early adoption. Also, the Authority is aware of several amendments in various standards issued November 2020 due to COVID 19.

**NOTE 5.0: SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE 5.1: RECLASSIFICATION OF EXPENSES**

In preparation of 2021/22 financial statements, expenses have been reclassified to reflect the nature of expenses incurred (Classification by Nature). This reclassification of expenses had been applied consistently as previous year.

**NOTE 5.2: FUNCTIONAL, PRESENTATION, CURRENCY TRANSLATION AND ROUNDING OFF**

**NOTE 5.2.1: FUNCTIONAL AND PRESENTATION CURRENCY**

In line with IPSAS 4 , items included in the financial statements are measured in Tanzanian shillings, the currency of the primary economic environment in which the Authority operates ("functional currency"). The financial statements are presented in Tanzanian Shillings, which is the Authority's functional and presentation currency and all values are rounded to the nearest thousand (TZS'000) except where otherwise stated.

**NOTE 5.2.2 FOREIGN CURRENCIES TRANSLATION**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Financial Performance.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. On-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined.



Balances in the Financial Position which are in foreign currency are translated at the closing rate at the date of that statement of Financial Position.

**NOTE 5.3: PROPERTY AND EQUIPMENT**

Property and equipment that qualify for recognition as an asset will be measured at its cost. Where an asset is acquired through a non-exchange transaction, its cost will be measured at its fair value as at the date of acquisition. These assets are subsequently shown at historical cost, less accumulated depreciation and impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to Authority and the cost of the item can be reliably measured. Where an asset is acquired at no cost, or for a nominal cost through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition.

The Authority has elected to use the cost model for all classes of property, plant and equipment. Depreciation is calculated on a straight-line method so as to allocate the cost or revalued amount to its residual value over estimated useful life as follows:

Description	Useful life (Rate (%) Per Annum)
Motor vehicles	5 years (20)
Computers	4 years (25)
Furniture, Fittings and Equipment	5 years (20)
Buildings	50 years (2)

Major renovations are depreciated over the remaining useful life of the related assets or to the date of the next major renovation, whichever is sooner. All other repairs and maintenance expenditure are charged to the Statement of Financial Performance during the financial period in which it is incurred. The asset’s residual values and useful lives are reviewed and adjusted if appropriate at each Statement of Financial Position date. An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

**NOTE 5.3.1 A REVIEW OF REMAINING ECONOMIC LIFE OF ASSETS**

The Authority had some of its Non-Current Assets with Close to Zero Carrying Value but they were still in use. These Assets includes Motor Vehicles, building, Furniture and Fittings, Equipments and Computers and Photocopiers. According to Public Assets Management Guidelines 2019 together with Treasury Circular No.6 of 2018/19 requires all Accounting Officers to review useful life of their Non-Current Assets which are still in use. Therefore, During the year ended 30 June 2022, the Authority engaged Ministry of Finance and Planning through Division of Public Asset Management to review remaining economic life of the Authority’s Assets.

After review of remaining economic life of the Authority's Non-Current Assets of financial year 2020/21, Accumulated Depreciation of financial year 2020/21 decreased by TZS 703,520 thousand and Prior year Accumulated Surplus was increased by TZS 703,520 thousand. Therefore Net Book Value and Accumulated Depreciation for 2020/21 were adjusted to reflect results caused by review of remaining economic life of assets.

Adjustment of TZS 18,348 thousand resulted following the confirmation of outstanding conference charges by service provider namely AICC, which shown the reported outstanding debt at the end of financial year 2021/22 in the books of Authority was overstated by TZS 18,348 thousand. Therefore adjustment made of the amount overstated to reflect the actual outstanding amount.

#### **NOTE 5.4: INTANGIBLE ASSETS**

Expenditure which enhances and extends the computer software programmes beyond their original specifications and lives is recognized as a capital improvement and added to the original cost of the software. Computer software development costs recognized as assets are amortized using the straight-line method over their useful lives, estimated at two years.

#### **NOTE 5.5: IMPAIRMENT OF ASSETS**

Assets that are subject to the depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separable identifiable cash flows (cash generating units). No impairment review for the assets was carried out by the Authority since such events or changes did not exist during the year under review.

#### **NOTE 5.6: PROVISIONS**

Provisions are recognized when the Authority has a present or constructive obligation as a result of past events which it is probable that will result in an outflow of economic benefits that can be reliably estimated.

#### **NOTE 5.7: INVENTORIES**

Inventories are measured at cost upon initial recognition. Inventories that are acquired through non-exchange transactions, are measured at their fair value at the date of acquisition. Subsequently inventories are valued at the lower of cost and current replacement cost. Cost is determined on a weighted average cost method and includes expenditure incurred in acquiring the

inventories and bringing them to their existing location and condition. Inventories are recognized as an expense when issued for consumption in the normal course of operations of the Authority.

**NOTE 5.8: ACCOUNTS PAYABLES AND ACCRUALS**

Accounts payable and accruals are obligations arise from the goods purchased and services rendered but they are not paid for as at the reporting date. Initially Payables are recognized and measured at their fair and subsequently measured at amortized cost using the effective interest method. They are classified as current liabilities if they are due within a year or less, if not they are presented as non current liabilities.

**NOTE 5.9: TRADE AND OTHER RECEIVABLES**

Trade receivables are recognized initially at fair value and subsequently measured at value less provision for bad and doubtful debts. Specific provision shall be made in the financial statements against trade receivables considered to be doubtful of collection. When a trade receivable is Uncollectable, it is written off against the Provision for bad and doubtful debts accounts. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

**NOTE 5.10: CASH AND CASH EQUIVALENTS**

The Authority's Cash and Cash Equivalents comprise cash at bank only, and are subject to an insignificant risk of changes in value. They are initially and subsequently measured at their fair value.

**NOTE 5.11: REVENUE RECOGNITION**

**(a) REVENUES FROM NON - EXCHANGE TRANSACTIONS**

The Authority recognizes revenues from fees when service is rendered and the asset recognition criteria are met. Other non exchange revenues are recognized when it is probable that the future economic benefits or service potential will flow to the Authority and the fair value of the asset can be measured reliably.

**(i) Fees, Fines, Penalties and forfeits**

The Authority recognizes revenue from fees charged from various services rendered which are Advertising fees, Annual fees, and Registration fees only when it is probable that the economic benefits associated with the transaction will flow to the Authority

**(ii) Amortization of revenue Grants from the Government**

Revenue grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. When there are conditions attached to government grants, grants are recognized as a liability in a Statement of Financial Position and when amortized are recognized immediately in the Statement of Financial Performance. When there no conditions attached, they are recognized in total in the Statement of Financial Performance.

Thus, according to MUSE accounting system all transfers/inflow from the government are recognized as assets and liability, then during operations the recipient reduce carrying amount of the liability recognized and recognize an amount of revenue equal to that reduction.

**(iii) Other Revenue**

The Authority recognizes revenue from other revenue charged from various services rendered which are Miscellaneous receipts, Miscellaneous income, Professional fees, receipt from Audit fees and Tender Documents only when it is probable that the economic benefits associated with the transaction will flow to the Authority

**(b) REVENUES FROM EXCHANGE TRANSACTION.**

Revenue from Exchange Transactions is recognized to the extent that it is probable that the economic benefits will flow to the Authority and the amount can be measured reliably.

**(i) Receipts from Training and Examination fees**

The Authority recognizes receipts from training and examination fees charged for various services rendered only when it is probable that the economic benefits associated with the transaction will flow to the Authority.

**NOTE 5.12 TRANSFER REVENUE**

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

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

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

**NOTE 5.13: EMPLOYEES BENEFITS**

In line with IPSAS 39, the Authority had the following employee benefits:

**(i) DEFINED CONTRIBUTION PLAN**

The Authority contributes to statutory defined benefit for its employees under the Permanent and Pensionable term of employment at the rate of 15% of basic salary to the Public Service Social Security Fund (PSSSF) on a mandatory basis.

The Authority has no further payment obligations once the contributions have been paid. The contributions are recognized as an employee benefits expense when they are due and are charged to the statement of financial performance in the year to which they relate.

**(ii) OTHER LONG - TERM EMPLOYMENT BENEFITS**

Gratuity arrangement is based on 25 percent on the monthly basic pay and qualifies as a defined benefit plan. For the year ended 30<sup>th</sup> June 2022, the Authority had Five Employees under Defined Benefit Plan Scheme. Gratuities are remitted to the Public Service Social Security Fund (PSSSF) which is responsible for keeping the funds and payment of gratuity of government contract employees. From February, 2013, Treasury - Ministry of Finance and Planning remits the gratuities directly to the PSSSF (Refer Treasury Registrar Circular with Ref. No. C/BE.115/187/01/154 of 11 July 2013). Lumpsum payment are made by PSSSF to contract employees upon completion of contract period or termination.

**(iii) SHORT - TERM EMPLOYEE BENEFITS**

Short-term employee benefits, such as leave Travel, is recognized during the period in which the employee renders the related service. The Authority recognizes the expected cost of employee rewards only when the Authority has a present legal or constructive obligation to make such payment, and a reliable estimate can be made. For the year ended 30<sup>th</sup> June, 2022 all employee took their leave and they were all paid their Leave Travel. There was no leave travel outstanding for respective financial Year.

**NOTE 5.14: GRANTS**

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. When there are conditions attached to government grants, grants are recognized as a liability in a Statement of Financial Position and when amortized are recognized immediately in the Statement of Financial Performance. When there no conditions attached, they are recognized in total in the Statement of Financial Performance.

Thus, according to MUSE accounting system all transfers/inflow from the government are recognized as assets and liability, then during operations the recipient reduce carrying amount of the liability recognized and recognize an amount of revenue equal to that reduction.

**NOTE 5.15: RELATED PARTIES**

The key management personnel (as defined by IPSAS 20, “Related Party Disclosures”) are the members of the Board of Directors and Management, who together, constitute the governing body of PPRA. Related party transactions are disclosed under Note 26.

**NOTE 5.16: COMPARATIVE FIGURES**

Comparative previous figures have been regrouped or adjusted necessary to conform to changes in presentation in the current year.

**NOTE 5.17: FINANCIAL RISK MANAGEMENT**

In Financial year ended 30 June, 2022, the Authority continued to implement financial risk management activities based on the Annual Risk management Action Plan and prevailed economic, financial, social and regulatory environment in the country. The overall objectives in managing risks were to ensure that appropriate Internal Controls are in place and are effective in safeguarding the Authority’s Assets, enhancing compliance with the laws and protecting the organizational image to the public.

During the year under review, the Authority conducted financial risk management assessment and implemented mitigations measures that were designed to address prevailing risks to which the Authority was exposed. Further, financial risk management reviews were conducted and the key risks and results were reported to the Board of Directors for decision and guidance.

The key financial management risks that were identified during the reporting period include Financial, Credit risk, Liquidity, as indicated in the Authority Risk Management Register. The risks identified during the period were mitigated by developing and implementing controls designed to minimize the likelihood of occurrence of the potential risks.

Financial management risks and Risk mitigation measures that implemented during the reporting period are explained below:-.

SN	Risk and Impacts		Mitigation
1	Financial Management	<p>The Authority’s activities are potentially exposed to a variety financial management risk including financial risk, credit risk and liquidity risk as briefly explained below:</p> <p>(d) Financial risk The financial risk is the possibility that the</p>	<p>We prepare our annual plan and budget in line with the Government guidelines on the preparation of Medium-Term Expenditure Framework (MTEF) to address financial risk management.</p> <p>The Authority mitigates the credit risk by ensuring that salary advances to staff are</p>

PUBLIC PROCUREMENT REGULATORY AUTHORITY (PPRA)

SN	Risk and Impacts	Mitigation
	<p>Authority's cash flow will not be adequate to discharge the Authority's obligations.</p> <p>(e) Credit Risk Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Authority is exposed to credit risk on its receivables in the event of non-performance by counterparties to financial instruments.</p> <p>(f) Liquidity Risk Liquidity risk is the risk of incurring losses resulting from the inability to meet payment obligations in timely manner when they become due of from being unable to do so at a sustainable cost. Therefore, is the risk that the Authority will not have sufficient cash to meet its financial commitments in a timely manner. The Authority's approach to managing liquidity risk is to ensure that sufficient resources is available to meet its obligations when due, without incurring unacceptable losses or causing damage to the Authority's reputation</p>	<p>minimized and recovered within short time, non-issuance of multiple imprest to staff, recovering overdue staff imprest directly from the employee's salary and /or pension, maintaining cash and cash equivalents with the Bank of Tanzania; and minimize make cash deposits to its suppliers or service providers otherwise required as contractual requirements.</p> <p>Authority manages liquidity risk through conscious financial planning and analysis and by forecasting cash flow regularly, monitoring and optimizing net working capital and managing existing credit facilities. This is achieved through maintaining sufficient cash and cash equivalents. In addition, the Authority strives to ensure that no unplanned/unbudgeted expenditures are honored.</p>

The Board of Directors continued to assume final responsibility for overseeing risk management and internal control system of the Authority by ensuring the adequate internal financial and operational control systems are developed, implemented, improved and maintained and governance principles are upheld throughout the Authority.

**NOTE 5.18: GOING CONCERN**

The Authority's Management has assessed the Authority's ability to continue as a going concern and is satisfied that the Authority has the resources to continue its operations for the foreseeable future. Moreover, Management has not any suspicious information that may have impact on the Authority's ability to continue as a going concern. Therefore, the financial statements are prepared on the going concern basis.

**NOTE 5.19: ASSETS PLEDGED AS SECURITY FOR LIABILITIES**

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

**NOTE 5.20: CONTROLLING ENTITY AND ULTIMATE CONTROLLING ENTITY**

The Ministry of Finance and Planning is the Controlling Entity and the Government of the United Republic of Tanzania is the Ultimate Controlling Entity of the Authority.

**NOTE 6.0: BUDGET PERFORMANCE INFORMATION**

IPSAS 24 requires a public sector entity that is required or elect to make publicly available its approved budget to present budgetary information covering classification, classification and basis adopted in the approved budget, budget period covered, explanation of changes between approved original and final budget because of reallocations within budget and material difference (variances) between the final budget amounts and actual amounts during the year for both revenue and expenditure.

**NOTE 6.1: BUDGETARY BASIS**

The budget for financial year 2021/22 was prepared on cash basis as per requirements of the law and relevant Government Circulars. It was also prepared in line with the Medium - Term Expenditure Framework (MTEF) as one of the requirements of the Government Budget Guidelines for Preparation of 2021/22 budget.

**NOTE 6.2: BUDGET PERIOD COVERED**

The budget for the financial year 2021/22 covered a twelve (12) months period starting 1 July, 2021 to 30 June, 2022.

**NOTE 6.3: CHANGES BETWEEN APPROVED ORIGINAL AND FINAL BUDGET**

During the end of first six months' period of financial year 2021/22, the Authority revised its budget to consider the projections for remaining period of six months that ended 30 June 2022. Generally, re-allocation proposed covered expenditure only, and indicated no increase in total expenditure budget. The proposed reallocation was considered among expenditure line items.



**NOTE 6.4: BUDGET VARIANCES EXPLANATION**

Funds allocated for Recurrent and Development Budget were less than what was budgeted for FY 2021/22. The Authority received during the year under review 99 percent of Government subvention for Recurrent Expenditure, 125 percent Own sources projected and 24 percent of funds budgeted for ISPGGIII. The Authority had on going activities and contracts as at the year end and therefore expenditure was lower than the budgeted amount.

**NOTE 7.0: CASH AND CASH EQUIVALENTS**

	30.06.2022	30.06.2021
	TZS'000	TZS'000
BOT Own source Collection Account	2,961,456	817,187
Development Expenditure Cash Account	480,000	851,376
Own source Collection Account - CRDB	20,070	55,570
Own source Collection Account - NMB	1,800	80,460
Own source Recurrent Expenditure GF	10,597	1,158
Recurrent Expenditure Cash Account	-	22,622
USD BOT Collection Account	1,055	1,105,966
	<b>3,474,978</b>	<b>2,934,339</b>

**NOTE 8.0: INVENTORIES**

	30.06.2022	30.06.2021
	TZS'000	TZS'000
Consumables	-	26,196
	-	<b>26,196</b>

**NOTE 9.0: PREPAYMENTS**

	30.06.2022	30.06.2021
	TZS'000	TZS'000
Advance for Work in Progress	-	11,112
Prepayment to Government Entities	102,405	102,405
	<b>102,405</b>	<b>113,517</b>

During financial year ended 30 June 2022, the Authority had prepayment amounting to TZS 102,405 thousand as compared to TZS 113,517 thousand at the end of financial year 2020/21. The outstanding prepayment amount is refundable rent deposit to PSSF.

**NOTE 10.0: RECEIVABLES**

	30.06.2022	30.06.2021
	TZS'000	TZS'000
Debtors (Provision for doubtful debt)	-	1,038,455
Imprest Receivable	-	175,059
Other Receivables	-	2,108
Staff advance	12,150	-
	<b>12,150</b>	<b>1,215,622</b>

**NOTE 11.0: LAND, PROPERTY AND EQUIPMENT**

	Land	Building	Motor vehicle	Computers	Office Equipment	Furniture	Total
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Cost							
As at 1 July 2021	826,510	301,000	634,149	350,532	1,280,713	290,131	3,683,035
Additions for the Year	-	-	-	27,339	41,420	9,980	78,738
As at 30 June 2022	826,510	301,000	634,149	377,871	1,322,133	300,110	3,761,773
Depreciation							
At 01 July 2021	-	80,810	444,335	224,669	804,086	166,334	1,720,234
Charge for the year	-	5,121	63,944	47,158	129,965	33,479	279,667
As at 30 June 2022	-	85,931	508,279	271,827	934,051	199,813	1,999,901
Net book Value							
At 30 June 2022	826,510	215,069	125,870	106,044	388,081	100,297	1,761,872
At 30 June 2021	826,510	220,190	189,814	125,863	476,627	123,796	1,962,800

**\*Additional note 2: Land, Property and Equipment as at June 2021**

	Land	Building	Motor vehicle	Computers	Office Equipment	Furniture	Total
Cost	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
As at 01 July, 2020	826,510	301,000	634,149	320,702	1,246,269	231,273	3,559,902
Additions for the Year	-	-	-	29,830	34,444	58,858	123,132
<b>As at 30 June 2021</b>	<b>826,510</b>	<b>301,000</b>	<b>634,149</b>	<b>350,532</b>	<b>1,280,713</b>	<b>290,130</b>	<b>3,683,035</b>
<b>Depreciation</b>							
At 01 July 2020	-	108,360	588,172	268,562	1,078,013	228,908	2,272,015
Charge for the year	-	6,020	45,977	28,001	67,934	3,807	151,740
Adjusted accumulated depreciation **		(33,570)	(189,814)	(71,894)	(341,862)	(66,381)	(703,520)
<b>As at 30 June 2021</b>	<b>-</b>	<b>80,810</b>	<b>444,335</b>	<b>224,669</b>	<b>804,086</b>	<b>166,334</b>	<b>1,720,234</b>
<b>Net book Value</b>							
<b>At 30 June 2021 **</b>	<b>826,510</b>	<b>220,190</b>	<b>189,814</b>	<b>125,863</b>	<b>476,627</b>	<b>123,796</b>	<b>1,962,800</b>
<b>At 30 June 2020</b>	<b>826,510</b>	<b>192,640</b>	<b>45,977</b>	<b>52,140</b>	<b>168,255</b>	<b>2,364</b>	<b>1,287,887</b>

\*\* The Authority had some of its Non-Current Assets with Close to Zero Carrying Value but they were still in use. These Assets includes Motor Vehicles, building, Furniture and Fittings, Equipments and Photocopiers. According to Public Assets Management Guidelines 2019 together with Treasury Circular No.6 of 2018/19 requires all Accounting Officers to review useful life of their Non-Current Assets which are still in use. Therefore, During the year ended 30 June 2022, the Authority engaged Ministry of Finance and Planning through Division of Public Asset Management to review remaining economic life of the Authority's Assets.

After review of remaining economic life of the Authority's Non-Current Assetsof financial year 2020/21,Accumulated Depreciation of financial year 2020/21 decreased by TZS 703,520 thousand and Prior year Accumulated Surpluswas increased by TZS 703,520 thousand. Therefore Net Book Value and Accumulated Depreciation for 2020/21 were adjusted to reflect results caused by reviewof remaining economic life of assets.

PUBLIC PROCUREMENT REGULATORY AUTHORITY

**NOTE 12.0: INTANGIBLE ASSETS**

**a) Intangible Assets as at 30 June, 2022**

Cost	TZS'000
Cost as at 30 June, 2020	588,238
Additions	-
Cost as at 30 June, 2021	588,238
Amortisation	-
At 1 July, 2020	588,238
Charge during the year	-
At 30 June, 2021	588,238
Net Book Value	-
At at 30 June, 2021	-
As at 30 June, 2020	-

**a) Intangible Assets as at 30 June, 2022**

Cost	TZS'000
Cost as at 1 July, 2019	588,238
Additions	-
Cost as at 30 June, 2020	588,238
Amortisation	-
At 1 July, 2019	588,238
Charge during the year	-
At 30 June, 2020	588,238
Net Book Value	-
At at 30 June, 2019	-

The Authority has some intangible assets which are fully amortized but are still in use and generating economic benefits to PPRA while other software are obsolete and fully amortized. Below is the table of fully amortized assets at cost.

S/N	Asset category	Cost TZS'000	Remarks
1	Accounting (SAGE 300ERP) and Audit (Team mated & ACL) Software's	185,765	Replaced by MUSE
2	Old Accounting Software (SAGEACCPAC	402,473	Replaced by MUSE
	<b>Total</b>	<b>588,238</b>	-

**NOTE 13.0: PAYABLES AND ACCRUALS**

	30.06.2022	30.06.2021
	TZS'000	TZS'000
Deposit General	-	8,152
Misc. Deduction	-	18,871
Other Accounts Payables	387,693	468,269
Supplies of goods and services	121,658	175,819
Unapplied Deposit Account	-	5,056
Withholding tax	-	(18,188)
	<b>509,351</b>	<b>657,978</b>

**PUBLIC PROCUREMENT REGULATORY AUTHORITY**

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The Authority had a balance of Payables and accruals at the end of financial year 2021/22 amounting to TZS 509,351 thousand compared to TZS 657,978 thousand held at the end of financial year 2020/21. The Outstanding payables and accruals consisted of last financial year AICC debt of TZS 387,693 thousand which have been verified by Ministry of Finance and Planning for payments and accruals for Audit fee of 2021/22 amounting TZS 121,658 thousand which include NAOT fee and Claritus International for ISPGG III Project audit fees, and TZS 1,009 thousand belongs to Computer connections for supplies made to Authority during the year

**NOTE 14.0: DEFERRED INCOME (REVENUE)**

	30.06.2022	30.06.2021
	TZS'000	TZS'000
Recurrent Deferred Income	-	22,951
	-	22,951

**NOTE 15.0: DEFERRED INCOME (CAPITAL)**

	30.06.2022	30.06.2021
	TZS'000	TZS'000
Deferred Capital Grant *	1,010,823	1,015,943
Development Deferred Income **	481,055	2,223,323
	<b>1,491,878</b>	<b>3,239,266</b>

Deferred income (Capital) include deferred capital grant, unspent balance of ISPGG III Project and development local fund received from Ministry of Finance and Planning as shown below;-

\* During the year under review, the Authority had Deferred Capital Grant of TZS 1,010,823 thousand which related to the building received from the Government.

\*\* The Authority also receives funds for Development Activities under PFMRP - Basket funding and PFMRP local funding. In Financial year 2021/22, a total of TZS 1,000,000 thousand was approved for development activities and received TZS 1,000,000 thousand from Local funds. As at 30 June 2022, the Authority had spent a total of TZS 520,000 thousand and committed the balance of TZS 480,000 thousand for the activities that were on-going by obtaining permit from Ministry of Finance and Planning.

\*\* Also, as at 30 June 2022, the Authority recognized a liability of TZS 1,055 thousand related to unspent transfer (fund) from Institutional Support Project for Good Governance.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY**

**NOTE 16.0: LIABILITIES RECOGNISED UNDER TRANSFER AGREEMENT**

**(a) Liabilities Recognised Under ADB-ADF Transfer Arrangements**

The Project The Government of the United Republic of Tanzania (URT) through the Ministry of Finance and Planning (MOFP) entered into loan agreement with African Development Fund (ADF) to finance project activities under the Institutional Support Project for Good Governance (ISPGG)III (“the Project”) for three years from 2016-2019. The Project Loan Agreement was signed on 24 March 2016 with the total fund agreement total ling to Units of Account (UA)13.333 million,where by ADF will provide a loan of UA 12million and the government of URT will contribute UA 1.333 million as counter part funds. The project is implemented in both Tanzania Mainland and Zanzibar. The amount allocated for the Tanzania Mainland is UA 9.05 million while UA 4.28 is allocated to Zanzibar. In Tanzania Mainland about UA 7.90 million of the total fund allocated is financed by the loan from ADF while UA 1.15 million come from Government Contribution.

Has seven beneficiary institutions namely the President Office-Ethics Secretariat (PO-ES), Prime Minister’s Office, Labour, Youth, Employment and Persons with Disability (PMO-LYED),the Ministry of Finance and Planning (External Finance and Internal Auditor General Division), the Controller and Auditor General (CAG), Prevention and Combating Corruption Bureau (PCCB) and Public Procurement Regulatory Authority (PPRA). The indirect beneficiaries are the general population of Tanzania.

Implementation of the Mainland component is under the overall supervision and guidance of the Project Steering Committee (PSC) under the chairmanship of CEO of the PPRA. Financial management is being carried out by the Project Coordination Unit under the supervision of CEO of PPRA.

At 30 June 2022, the Authority recognized a liability of TZS 1,055 thousands related to a transfer to it conditional upon implementing Institutional Support for Good Governance Project III.

**Liability recognized under transfer arrangements**

	30.06.2022	30.06.2021
	TZS'000	TZS'000
BOT AfDB USD Account	-	1,094,842
BOT Collection Account	1,055	427,105
Transfer revenue recognized during the year ADB III	-	-
<b>Total liability recognized under transfer arrangements</b>	<b>1,055</b>	<b>1,521,947</b>

**(b) Liabilities Recognised Under PFMRP- Basket Funding Transfer Arrangement**

The Authority also receives funds for Development Activities under PFMRP - Basket funding. In Financial year 2021/22, a total of TZS 1,000,000 thousand was approved for development activities and received TZS 1,000,000 thousand from Local funds. At 30 June 2022, the Authority had spent a total of TZS 520,000 thousand and committed the balance of TZS 480,000 thousand for the activities that were on-going.

**PUBLIC PROCUREMENT REGULATORY AUTHORITY**

	30.06.2022	30.06.2021
	TZS'000	TZS'000
Transfer received	1,000,000	2,210,000
<b>Total fund</b>	<b>1,000,000</b>	<b>2,210,000</b>
Transfer Revenue recognized during the year	(520,000)	(1,508,624)
<b>Liability recognized under transfer arrangements</b>	<b>480,000</b>	<b>701,376</b>

**(c) Total Liability recognized under transfer arrangements: -**

	30.06.2022	30.06.2021
	TZS'000	TZS'000
Liability under grants from ADB - ADF III	1,055	1,521,947
Liability under grants from PFMRP	480,000	701,376
<b>Total</b>	<b>481,055</b>	<b>2,223,323</b>

**NOTE 17.0: REVENUE FROM NON EXCHANGE TRANSACTIONS**

**i) AMORTIZATION OF REVENUE GRANTS FROM THE GOVERNMENT**

	30.06.2022	30.06.2021
	TZS'000	TZS'000
Government Grant Development Foreign	2,597,597	3,938,779
Government Grant Development local	1,100,000	430,000
Government Grant Other Charges	1,976,270	1,500,279
Government Grant Personal Emolument	2,747,530	2,710,451
	<b>8,421,397</b>	<b>8,579,509</b>

Out of TZS 8,421,397 thousands of amortization of revenue grants, the actual amount received during the year were TZS 6,612,521 thousand the non cash revenue (amortization of revenue) amounting to TZS 1,808,876 thousand were amortization which relates to deferred income (Revenue), deferred income (capital) of previous year and ISPGG III audit fees.

**ii) FEES, FINES, PENALTIES & FORFEITS**

	30.06.2022	30.06.2021
	TZS'000	TZS'000
Advertising fees	1,484,455	1,155,180
Receipt from Annual Fees	820,160	660,930
Registration Fees	4,528,575	809,935
	<b>6,833,190</b>	<b>2,626,045</b>

**iii) OTHER REVENUE**

	30.06.2022	30.06.2021
	TZS'000	TZS'000
Miscellaneous Receipts	205,829	125,269

**PUBLIC PROCUREMENT REGULATORY AUTHORITY**

Miscellaneous Income	5,120	9,505
Professional Fees	30,380	40,740
Receipt from Audit fees	-	3,000
Receipt from Miscellaneous Fees	3,522	17,397
Tender Documents	234,064	1,763,635
	<b>478,915</b>	<b>1,959,546</b>

Out of TZS 478,915 thousand, actual income/revenue collected during the year were TZS 466,829 thousand. The amount of TZS 12,806 thousand relates to amortization of deferred capital grant and deferred income.

**iv) GAIN/(LOSS) ON FOREIGN CURRENCY**

	30.06.2022	30.06.2021
	TZS'000	TZS'000
Balance as at 30 June per GL in USD	-	481,078.04
Exchange rate applied	-	2,275.811
Balance as at 30 June per GL TZS equivalent	-	1,094,843
Adjustment of difference of exchange rate on (USD 481,078.04* 2298.3925) while closing rate used was 2,275.811	-	1,105,966
Adjusted balance as at 30 June per GL in TZS	-	1,105,966
Difference - Exchange gain/(Loss)	-	11,123

**NOTE 18.0: REVENUE FROM EXCHANGE TRANSACTIONS**

	30.06.2022	30.06.2021
Receipt from training and examination fee	1,680,712	1,285,000
	<b>1,680,712</b>	<b>1,285,000</b>

**NOTE 19.0: WAGES, SALARIES AND EMPLOYEE BENEFITS**

	30.06.2022	30.06.2021
	TZS'000	TZS'000
Acting Allowance	34,000	71,970
Civil Servants**	2,747,530	2,710,451
Electricity	64,006	19,247
Extra - Duty	381,913	277,214
Furniture	66,000	-
Honoraria	415,833	439,408
Housing Allowance	496,370	413,530
Internship Allowance	18,010	-
Leave Travel	335,607	268,112
Medical and Dental Refunds	88,770	25,503
Moving Expenses	16,343	150
Outfit Allowance	4,059	12,021



**PUBLIC PROCUREMENT REGULATORY AUTHORITY**

Professional Allowances	-	72,000
Responsibility Allowance	280,250	270,000
Sitting Allowance	211,890	115,600
Special Allowance	128,389	219,785
Staff Debts	-	1,344
Subsistence Allowances	101,287	750
Telephone	-	89,954
Uniform Allowance	7,825	5,800
Food and Refreshment	18,335	-
	<b>5,416,417</b>	<b>5,012,839</b>
**TZS 82.4 of NHIF have been included in Civil Servants (2,747,530 *3%).		

**NOTE 20.0: USE OF GOODS AND SERVICES**

	<b>30.06.2022</b>	<b>30.06.2021</b>
	<b>TZS'000</b>	<b>TZS'000</b>
Advertising and Publication	11,950	20,120
Air Travel Tickets	104,039	51,111
Audit Fees	-	120,000
Bank Charges and Commissions	-	1,796
Burial Expenses	-	14,200
Cleaning Supplies	6,577	6,406
Communication Equipment	-	12,139
Communication Network Services	2,561	1,868
Computer Software	55,314	32,115
Computer Supplies and Accessories	19,140	-
Conference Facilities	302,186	517,654
Consultancy fees	-	869,170
Courier Services	6,700	6,577
Diesel	306,211	306,645
Educational Radio and TV broadcasting programming	11,540	-
Electricity	39,107	54,108
Entertainment	48,550	55,231
Exhibition, Festivals and Celebrations	34,500	23,733
Food and Refreshments	379,172	220,900
Furniture and Appliances	-	-
Gifts and Prizes	80,500	85,356
Ground Transport (Bus, Train, Water)	119,224	202,472
Ground Travel (Bus, Railway, taxi etc)	961,289	432,343
Hiring of Training facilities	3,000	-
Honorariums (expert opinion)	-	19,950
Internet and Email connections	61,300	63,795
Legal Fees	-	5,000
Mobile Charges	-	250
Newspapers and Magazines	5,952	7,037

**PUBLIC PROCUREMENT REGULATORY AUTHORITY**

Office Consumables (papers, pencil, pens and stationeries)	112,964	85,785
Outsourcing Costs (includes cleaning and security services)	126,354	123,538
Per Diem - Domestic	2,035,540	1,656,785
Per Diem - Foreign	412,527	362,593
Posts and Telegraphs	13,200	12,243
Printing and Photocopy Paper	18,314	7,961
Printing and Photocopying Costs	52,963	29,921
Printing Materials	37,077	
Production and Printing of Training Materials	30,900	-
Publicity	46,405	-
Remuneration of Instructors	45,810	34,990
Rent - Office Accommodation	468,139	4 60,210
Special Operations	-	52,994
Subscription Fees	32,500	4,158
Sundry Expenses	-	23,814
Technical Material	5,000	45,972
Technical Service Fees	109,391	60
Telephone charges	66,368	-
Textbooks	8,600	-
Training Materials	500	31,600
Tuition Fees	316,881	328,665
Visa Application Fees	6,871	6,020
	<b>6,505,116</b>	<b>6,397,285</b>

**NOTE 21.0: MAINTENANCE EXPENSES**

	30.06.2022	30.06.2021
	TZS'000	TZS'000
Computers, Printers, Scanners and other computer related equipment	108,810	22,945
Cement, Bricks and Building Materials	641	-
Motor Vehicles and Water Craft	114,817	70,013
Outsource maintenance contract services	537,295	598,859
TV sets and Radios	2,714	-
Tyres and Batteries	9,263	32,680
	<b>773,540</b>	<b>724,497</b>

**NOTE 22.0: OTHER EXPENSES**

	30.06.2022	30.06.2021
	TZS'000	TZS'000
Other Payments	1,115,666	396,445
Audi fees	121,658	-
Bank Charges and Commissions	-	-

**PUBLIC PROCUREMENT REGULATORY AUTHORITY**

Burial Expenses	16,600	-
Consultancy fees	946,378	-
Directors fees	72,000	-
Honorariums (expert opinion)	2,000	-
Legal fees	-	-
Security Services	6,768	-
Sundry Expenses	20,400	-
	<b>2,301,469</b>	<b>396,445</b>

Out of TZS 2,301,469 thousand of other expenses, the actual cash paid were TZS 2,178,802 thousand, while TZS 122,667 million were accruals of audit fees to NAOT and Claritus International for ISPGG III project amounting TZS 121,658 thousand and other payments of TZS 1,009 thousand which relates to Computer connections for supplies made to Authority during the year.

**NOTE 23.0: BAD DEBT**

	30.06.2022	30.06.2021
	TZS'000	TZS'000
Bad Debt	1,038,455	-
	<b>1,038,455</b>	<b>-</b>

**NOTE 24.0: BENEFICIARIES TO ISPGG III EXPENSES**

	30.06.2022	30.06.2021
	TZS'000	TZS'000
National Audit Office (NAOT)	749,383	91,884
Public Procurement Regulatory Authority (PPRA)	62,661	441,750
Ministry of Finance & Planning (MoFP)	443,360	337,975
Prevention and Combating of Corruption Ethics Secretariat (ES)	258,438	648,037
Internal Auditor General (IAGD)	53,120	-
PMO (Labour, Youth and People with Disabilities)	43,265	477,998
Project Implementing Unit (PIU) & depreciation	487,491	157,667
<b>Total</b>	<b>421,878</b>	<b>1,312,398</b>
	<b>2,519,596</b>	<b>3,467,709</b>

**PUBLIC PROCUREMENT REGULATORY AUTHORITY**

**NOTE 25.0: Reconciliation of Net Cash Flows from operating activities to Surplus/(Deficit):**

	Notes	30.06.2022 TZS'000	30.06.2021 TZS'000
Surplus/(Deficit) for the year:		999,549	1,767,294
Adjustments for:			
Depreciation and amortization	7	279,667	151,740
Amortization of Revenue		-	(57,544)
Increase/decrease in receivables	10	1,203,472	(136,749)
Increase in inventories	12	26,196	(26,196)
Increase in Prepayments	11	11,112	(11,112)
Increase in deferred income (revenue)	14	(22,951)	22,951
Increase/decrease in deferred income (capital)	15	(1,747,389)	1,166,174 (2,399,370)
Decrease in accounts payables	13	(130,279)	
Cash generated from / (used in) operations		619,377	477,188

**NOTE 26.0: RELATED PARTY TRANSACTIONS AND BALANCES**

The key management personnel (as defined by IPSAS 20, "Related Party Disclosures") are the members of the Board of Directors and Management, who together, constitute the governing body of PPRA. Details of the payments to the related parties is as shown in 26A and 26B.

**NOTE 26A: BOARD REMUNERATION**

The remunerations of the Board of Directors are approved by the Treasury Registrar and are reviewed from time to time to match with what is being paid in similar Government organisations. During the year 2021/22, the annual Directors Fees were paid to eight members of the Board of Directors at the approved rates as follows; TZS 12,000 thousand for Chairman and TZS 10,000 thousand to other members of the Board.

**Board Remuneration**

Details	Number of persons	30.06.2022	30.06.2021
		TZS '000	TZS '000
Directors' fees	8	72,000	72,000
Sitting allowance	8	62,550	49,650
<b>Total Remuneration</b>		<b>134,550</b>	<b>121,650</b>

**PUBLIC PROCUREMENT REGULATORY AUTHORITY**

**NOTE 26B: COMPENSATION OF SENIOR STAFF**

The senior staff consists of CEO, heads of divisions, heads of independent units, and heads of sections. During the year, remunerations of senior staff were as follows: -

Details	Number of Staff	30.6.2022	30.6.2021
		TZS'000	TZS'000
Salaries	18	1,178,185	1,280,498
Retirement benefit obligations	18	107,154	283,214
Utilities	18	84,370	96,630
Housing allowance	18	103,400	119,400
<b>Total</b>		<b>1,473,109</b>	<b>1,779,742</b>

**NOTE 27.0: CARRY OVER BUDGET**

As at the financial position date, the Authority had the following carry over budget

Details	30.06.2022	30.06.2021
	TZS 000	TZS 000
PFMRP activities	480,000	791,782
ISPGG III Project	-	3,648,053
PE Deductions	-	41,495
Development Own Source	-	344,840
<b>Total</b>	<b>480,000</b>	<b>4,826,170</b>

NOTE 28.0 Schedule to reconcile revenue and expenditure from accrual to cash basis

Description	Reference to cash flow statement	Actual Amounts on Accrual Basis	Prior Year Accrued amount paid	Accrued Amount/ Other amortization, gains/bad debt	Direct Payments	Actual Amount on Comparable Basis
		A	B	C	D	F=(A+B-C-D-E)
		TZS' 000	TZS' 000	TZS' 000	TZ' 000	TZS' 000
Revenue from non exchange transactions						
Amortization of Revenue Grants *	28(a)	8,421,397	-	1,808,876	-	6,612,521
Fees, Fines, Penalties and Forfeits	28 (b)	6,833,190	-	-	-	6,833,190
Other Revenue **	28(c)	478,915	-	12,086	-	466,829
		15,733,502		1,820,962		13,912,540
Revenue from exchange transactions						
Receipts from training and examination fee	28(d)	1,680,712				1,680,712
<b>Total Revenue</b>		<b>17,414,214</b>	-	<b>1,820,962</b>	-	<b>15,593,252</b>
<b>Expenses</b>			-		-	
Wages, Salaries and Employee Benefits	28 (e)	5,416,417	-	-	-	5,416,417
Supplies and Consumables used	28 (f)	6,505,116	-	-	-	6,505,116
Maintenance expenses	28 (g)	773,540	-	-	-	773,540
Other Expenses ***	28 (h)	2,301,469	-	122,667	-	2,178,802
Depreciation and amortization	11	279,667	-	279,667	-	-
Grants, Subsidies and other Transfer Payment	28 (i)	100,000	-		-	100,000
Bad debts	23	1,038,455	-	1,038,455	-	-
<b>Total Expenses</b>		<b>16,414,665</b>	-	<b>1,440,790</b>	-	<b>14,973,875</b>
<b>(Deficit)/Surplus</b>		<b>999,549</b>	-	-	-	<b>619,377</b>

**NOTE 28.1 Analysis of accrued amount/amortization**

SN	Details	Note	TZS' 000
1	Changes in deferred income (Revenue)	14	22,951
2	Changes in deferred income (capital)	15	1,747,388
3	ISPGG III project audit fees	13	38,537
4	External audit fees contributed by ISPGG III project	13	12,086
	<b>Total</b>		<b>1,820,962</b>

\*Out of TZS 8,421,397 thousand of amortization of revenue grants, the actual amount received during the year were TZS 6,612,521 thousand, the non-cash revenue amounting to TZS 1,808,876 thousand were amortization of deferred income of previous year and ISPGG III audit fees.

\*\*Out of TZS 478,915 thousand of other revenue actual amount received during the year were TZS 466,829 thousand. The amount of TZS 12,086 thousand were amount of amortization of part of external audit fee which contributed by ISPGG III project.

\*\*\* Out of TZS 2,301,469 thousand of other expenses, the actual cash paid were TZS 2,178,802 thousand. The amount of TZS 122,667 thousand were accruals of audit fees to NAOT and Claritus International for ISPGG III project amounting TZS 121,658 thousand and other payments of TZS 1,009 thousand which relates to Computer connections for supplies made to Authority during the year.

\*Out of TZS 8,421,397 thousand of amortization of revenue grants, the actual amount received during the year were TZS 6,612,521 thousand, the non cash revenue amounting to TZS 1,808,876 thousand were amortization of deferred income of previous year and ISPGG III audit fees.

\*\*Out of TZS 478,915 thousand of other revenue actual amount received during the year were TZS 466,829 thousand. The amount of TZS 12,086 thousand were amount of amortization of deferred capital grant and deferred income.

\*\*\* Out of TZS 2,301,469 thousand of other expenses, the actual cash paid were TZS 2,178,802 million. The amount of TZS 122,667 thousand were accruals of audit fees to NAOT and Claritus International for ISPGG III project amounting TZS 121,658 thousand and other payments of TZS 1,009 thousand which relates to Computer connections for supplies made to Authority during the year.

**Additional note: Schedule to reconcile revenue and expenditure from accrual to cash basis financial year 2020/21.**

Description	Reference to cash flow statement	Actual Amounts on Accrual Basis	Prior year Accrued amount paid	Accrued Amount/ Other amortization, gains	Direct Payments	Actual Amount on Comparable Basis
		A	B	C	D	F=(A+B-C-D-E)
		TZ' 000	TZ' 000	TZ' 000	TZ' 000	TZ' 000
<b>Revenue</b>						
Amortization of Revenue Grants		8,579,509	-	2,671,358	-	5,908,151
Fees, Fines, Penalties and Forfeits		2,626,045	-	-	-	2,626,045
Gain on foreign currency transaction - ADB III Project		11,123	-	11,123	-	-
Other Revenue		3,244,546	-	57,544	-	3,187,002
<b>Total Revenue</b>		<b>14,461,223</b>	<b>-</b>	<b>2,740,025</b>	<b>-</b>	<b>11,721,198</b>
<b>Expenses</b>						
Wages, Salaries and Employee Benefits		5,012,839	-	-	2,533,353	2,479,486
Supplies and Consumables used		6,397,285	-	-	-	6,397,285
Maintenance expenses		724,497	-	-	-	724,497
Other Expenses		396,445	1,246,297	-	-	1,642,742



Description	Reference to cash flow statement	Actual Amounts on Accrual Basis	Prior year Accrued amount paid	Accrued Amount/ Other amortization, gains	Direct Payments	Actual Amount on Comparable Basis
Depreciation and amortization		151,739		151,739	-	-
<b>Total Expenses</b>		<b>12,682,805</b>	<b>1,246,297</b>	<b>2,685,092</b>	<b>-</b>	<b>11,244,010</b>
Other Gains and Losses						
(Deficit)/Surplus		1,778,418	-	-	-	477,188

**NOTE 28.2 Analysis of Cash payments presented in Cash flow**

Cash Payments	2021/22	2020/21
Description	TZS '000'	TZS '000'
Expenditure as per Statement of Financial Performance	16,414,665	12,682,805
Less: Non - Cash payments	(1,161,925)	(3,860,483)
Less: Imprest & prepayment opening balance	(288,576)	(140,716)
Add: Imprest & Prepayment closing balance	102,405	288,576
Add: Staff advance closing balance	12,150	-
Less: Inventory stock opening	26,196	-
Add: Inventory stock closing balance	-	26,196
Less: Depreciation & amortization	(279,667)	(151,740)
<b>Sub - total (A)</b>	<b>14,825,248</b>	<b>8,844,640</b>
Add: Balance of Accounts Payables as at 01.07	657,978	3,057,348
Less: Balance of Accounts Payables as at 30.06	(509,351)	(657,978)
<b>Sub - total (B)</b>	<b>148,627</b>	<b>2,399,370</b>
Cash payments for the year C = (A+B)	14,973,875	11,244,010
As per Cash Flow statement and Note 28 (D)	14,973,875	11,244,010
Difference E = (C-D)	-	-

**NOTE 29.0: CONTINGENT ASSETS AND LIABILITIES**

As at 30 June 2022 there is no contingent assets and liability.

**NOTE 30.0: COMPARATIVE FIGURES**

Comparative figures have been regrouped or adjusted necessary to conform to changes in presentation in the current year.

**NOTE 31.0: EVENTS AFTER REPORTING DATE**

There were material events non adjusting, which had occurred between the reporting date and dated on 20 September 2022 when the Financial Statements are authorized for issue by Board of Directors which relates to replace Tanzania National Electronic Procurement System (TANePS) with National e-Procurement System of Tanzania (NeST). According to Public Procurement Act Cap 410, together with other duties, the Authority is mandated to develop and monitor Public Procurement Systems, to comply with, PPRA had developed Public Procurement System named(TANePS), this system was developed by European Dynamics and started operating in January 2020.

Due to observed Challenges in the current Public Procurement System (TANePS), The Public Procurement Regulatory Authority looked at possibility of designing a new Public Procurement System. Therefore at the beginning of 2022/23 Financial year, the Authority started the initiatives to develop a new System named National e-Procurement System of Tanzania(NeST).