



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



ISO 9001:2015 Certified

DIT INSTITUTE CONSULTANCY BUREAU (DIT ICB)

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

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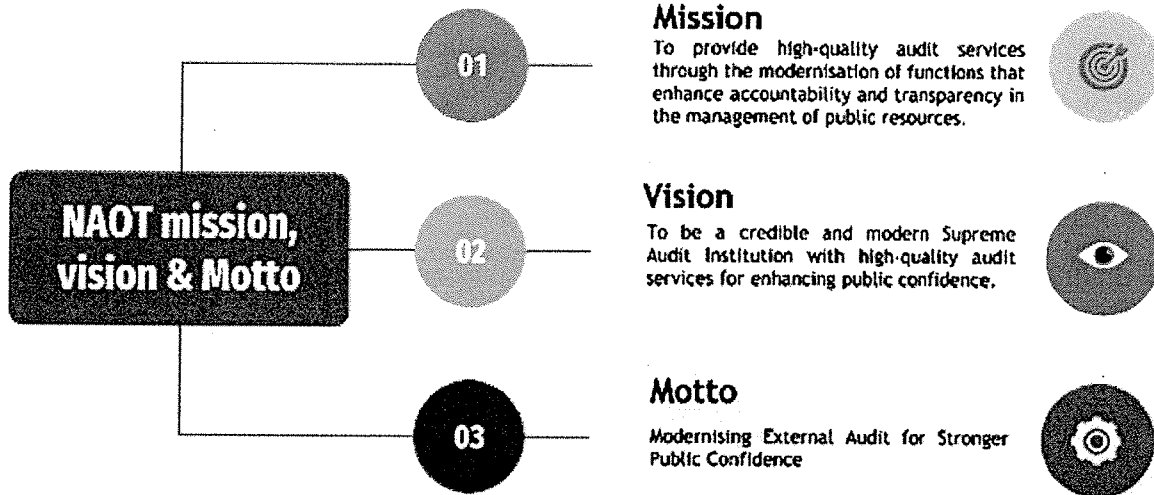
March 2024

AR/PA/ICB/2022/23

About the National Audit Office

Mandate

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



Independence and objectivity

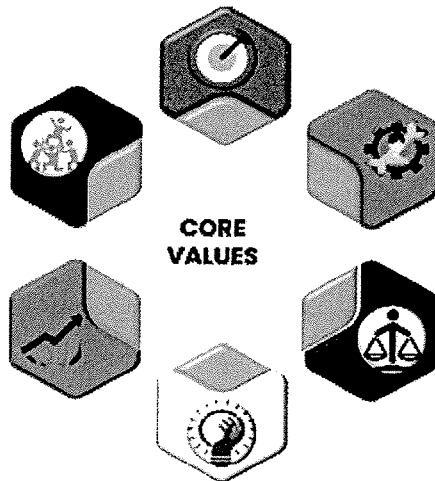
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

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



Professional competence

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

Integrity

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

Creativity and Innovation

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

© This audit report is intended to be used by DIT Institute Consultancy Bureau (DIT ICB) and may form part of the annual general report, which once tabled to National Assembly, becomes a public document; hence, its distribution may not be limited.

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ABBREVIATIONS

| | |
|---------------|---|
| CAG | Controller and Auditor General |
| ICB | DIT Institute Consultancy Bureau |
| IFRS | International Financial Reporting Standards |
| ISSAIs | International Standards of Supreme Audit institutions |
| PPE | Property, Plant and Equipment |
| TFRS | Tanzania Financial Reporting Standards |



1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Advisory Board,
DIT Institute Consultancy Bureau,
P.O. Box 2958,
DAR ES SALAAM.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of DIT Institute Consultancy Bureau (DIT ICB), which comprise the statement of financial Position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in net assets and statement of cash flows 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 DIT Institute Consultancy Bureau (DIT ICB) as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the manner required by the Public Finance Act, Cap. 348.

Basis for Opinion

I conducted my audit in accordance with 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 DIT Institute Consultancy Bureau (DIT ICB) in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

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

Other Information

Management is responsible for the other information. The other information comprises the Report by those charged with governance and the Declaration by the Head of Finance but does not include the financial statements and my auditor's report thereon which I obtained prior to the date of this auditor's report.

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, 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 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 benefits of such communication.

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

Further, Section 48(3) of the Public Procurement Act, 2011 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 DIT Institute Consultancy Bureau (DIT ICB) for the financial year 2022/23 as per the Public Procurement Laws.

Conclusion

Based on the audit work performed, I state that procurement of works, goods and services of DIT Institute Consultancy Bureau (DIT ICB) is generally in compliance with the requirements of the Public Procurement Laws in Tanzania.

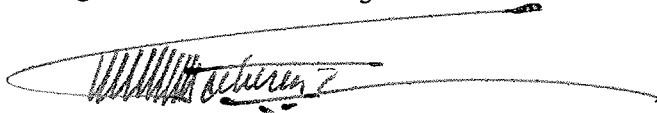
1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

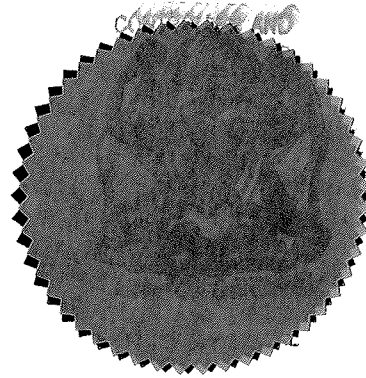
I performed a compliance audit on budget formulation and execution in the DIT Institute Consultancy Bureau for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that Budget formulation and execution of DIT Institute Consultancy Bureau 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 2024



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

2.1 INTRODUCTION

The DIT ICB Board is pleased to present its report together with audited financial statements of the DIT Institute Consultancy Bureau (DIT ICB) for the financial year ended 30 June 2023, which discloses the state of affairs of the Bureau. This report has been prepared in accordance with the Tanzania Financial Reporting Standards (TFRS) No. 1

2.2 BACKGROUND INFORMATION

DIT Institute Consultancy Bureau (DIT ICB) was established in 2000 with the prime objective of coordinating research and consultancy activities at DIT. Since its establishment, there has been gradual increase in research and consultancy activities. In 2006 the coordination and administration of research and consultancy services were separated to enable the two activities grow. It was envisaged that the DIT Institute Consultancy Bureau (DIT ICB) shall facilitate such growth by providing efficient and affective coordination using guidelines stipulated in the DIT ICB Policy of 2006. It was necessary to review the DIT ICB policy five years after it became effective. Thus, the reviewed DIT ICB Policy for the year 2017 which was done 10 years after the first policy builds on the foundations of its predecessor.

DIT ICB Policy (2017) aims at ensuring dynamism, coordination, control, quality assurance and specific performance in the management of consultancy services, all members of staff engaged in consultancy activities are expected to familiarize themselves with this policy and implement it as required in co-operation with the DIT ICB coordinators for the achievement of better DIT's consultancy services undertaking.

2.3 MISSION AND VISION

(i) Mission

- To provide access to high quality technical education and training for students in applied sciences, engineering, entrepreneurship and related disciplines as well as to conduct relevant research and consultancy.
- To promote the development and usage of appropriate technology that meets national, regional and international needs and standards through skills and practical -oriented training, research and consultancy.
- To cooperate with the Government of the United Republic of Tanzania and the private sector in establishing centres of excellence to combat national catastrophes such as draught, floods hunger and pollution amongst other things.
- To foster honesty, respect, and responsibility, lifelong learning, and Innovation

(ii) Vision

To become the leading provider of high-quality engineering education, research, and consultancy, within Tanzania and the East African region.

DIT INSTITUTE CONSULTANCY BUREAU

2.4 PRINCIPAL ACTIVITIES OF THE DIT ICB

DIT ICB is in charge of provision of co-coordinating professional engineering consultancy services, experts' professional services and offering continuous professional development (CPD) programmers in different disciplines of engineering and related fields.

In addition, DIT ICB facilitate, solicit, and look for jobs, register them, assign, monitor, receive and disburse fund to staff on behalf of the Bureau.

2.5 CORPORATE GOVERNANCE

DIT ICB is well managed, and its policies and operations are directed, controlled and managed in conformity with good corporate governance principles. The overall responsibility of governing the bureau rests with the DIT ICB Board.

DIT ICB Board Members

Table 1: Members of DIT ICB Board

| SN | Name | Position | Nationality | Gender | Age (Years) | Date Appointed |
|----|----------------------------|--|-------------|--------|-------------|------------------|
| 1 | Prof. Ezekiel Amri | Chairperson DIT ICB Board (Ag. DPARC) | Tanzanian | Male | 54 | 04 November 2022 |
| 2 | Eng. Dr. Johnson L. Malisa | Secretary (DIT ICB Manager) | Tanzanian | Male | 50 | 30 December 2021 |
| 3 | Eng. Emmanuel Tasei | Member (NIMETA Consult (T) Ltd) | Tanzanian | Male | 60 | 30 December 2021 |
| 4 | Eng. Kimwaga J.Mfutakamba | Member (TEMESA HQ) | Tanzanian | Male | 46 | 30 December 2021 |
| 5 | Eng. Hamisi Mikate Saidi | Member (ENSOL (T) Ltd) | Tanzanian | Male | 49 | 30 December 2021 |
| 6 | Dr Sixbert Mkumbaye | Member (KCMC Hospital) | Tanzanian | Male | 41 | 30 December 2021 |
| 7 | Eng. Julias Z. Chacha | Member (Civil Engineering Department) | Tanzanian | Male | 41 | 30 December 2021 |
| 8 | Eng. Dr.Mashauri Kusekwa | member (Electrical Engineering Department) | Tanzanian | Male | 60 | 30 December 2021 |
| 9 | Ms. Elizabeth B. Lukwaro | member (DIT Legal Officer) | Tanzanian | Female | 43 | 30 December 2021 |
| 10 | Dr.Peter J.Chitamu | Independent ICT Consultant | Tanzanian | Male | 67 | 30 December 2021 |

Source: Appointment letters

During the year ended 30 June 2023, the Advisory Board held one meeting whereby various decisions were made including but not limited to;

- To receive, deliberate and approve DIT ICB budget estimates;

DIT INSTITUTE CONSULTANCY BUREAU

- Discussing Report on completed projects and share distribution for consultancy works;
- Discussing Report on ongoing projects;
- Discussing Financial Report for the year;
- Discussing the Report on impact of DIT ICB projects in capacity building;
- Deliberation and approval of modality of submitting the Bureau's reports to the Institute's meetings (DIT Academic Board, Principal(Principal's reports),Management meeting, FPC, etc ; and
- Discussing other DIT ICB affairs.

The Advisory Committee Board

To ensure high standards of corporate governance, the Bureau Board has formed a committee namely DIT ICB Advisory Committee that reports to the Board.

The tenure of office of the DIT ICB Advisory Committee membership shall be three years, renewable to a maximum of two consecutive terms. The members who served the DIT ICB Advisory Committee for the year under review were as follows:

Table 2: Members of DIT ICB Advisory Committee

| S/N | Name | Position | Qualification | Nationality | Gender | Date appointed |
|-----|----------------------------|-------------|--|-------------|--------|----------------|
| 1 | Prof. Najat K. Mohamed | Chairperson | Chairperson of Advisory Committee (DPAF) | Tanzanian | Female | October 2019 |
| 2 | Eng. Dr. Johnson L. Malisa | Secretary | Secretary (DIT ICB Manager) | Tanzanian | Male | October 2019 |
| 3 | Solomon Loibanguti | Member | Mechanical Engineering Department | Tanzanian | Female | October 2019 |
| 4 | Isaack Adam Kmanga | Member | Telecommunication Eng. Department | Tanzanian | Male | October 2019 |
| 5 | Daudi Bahebe | Member | Electrical Department | Tanzanian | Male | October 2019 |
| 6 | Happiness Alexander | Member | Computer Studies Department | Tanzanian | Male | October 2019 |
| 7 | Arch. Anderson Towo | Member | Civil Engineering Department | Tanzanian | Male | October 2019 |
| 8 | Ramadhani Rashidi Mungula | Member | GS Department | Tanzanian | Male | October 2019 |
| 9 | Omary Ahmad | Member | Laboratory Technology Department | Tanzanian | Male | October 2019 |
| 10 | CPA. Rajab M. Mirambo | Member | Bursar | Tanzanian | Male | October 2019 |
| 11 | CPA. Salum J. Mrindoko | Member | Internal Auditor | Tanzanian | Male | October 2019 |

Source: Appointment letters

The Advisory Committee delegates the day to day management of the Bureau to the Manager.

DIT INSTITUTE CONSULTANCY BUREAU

During the year ended 30 June 2023, the Advisory Committee held a total of four meetings whereby hereby various decisions were made including but not limited to approving budget for 2023/24 and discussing progress of the Bureau.

Business Ethics and Integrity

DIT ICB is committed to the principles of effective good corporate governance and the Advisory Committee is of the opinion that currently the bureau complies with principles of good corporate governance.

Accountability

For the purpose of coordination and maintenance of high-quality work and to ensure that institutional fees are paid, departments and individuals in consultation with the DIT ICB must produce quarterly and annual reports to the Institute on consultancy activities performed by their members of staff under DIT ICB coordination within the stipulated period.

In case of any type of misconduct like cheating in work records, charging unapproved fees etc.: the individual involved will be held accountable and be punished according to DIT disciplinary regulations.

Obligation to Complete Contract Assignment

Member of staff who undertake any consultancy or service job sing the Institute name in any form whether they enter into contract agreement with DIT ICB or not are obliged to accomplish the assignment as specified in the terms of the contract and/or as agreed with the client. Defaulters will be obliged to pay the full cost of the contract assignment and consequences. Projects leaders are obliged to accomplish the assignment as specified in the contract agreement and:

- Defaulters will be surcharged for poor implementation of the contract assignment: and
- The rate of the charge will be determined by the consultancy of DIT ICB Management before project commencement.

Risk management and internal control

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

- The effectiveness and efficiency of operations,
- The safeguarding of the Bureau assets (including information),
- Compliance with the applicable laws, regulations and supervisory requirements,
- The reliability of the accounting records,
- Operation sustainability under normal as well as adverse conditions and responsible behaviour towards all stakeholders.

DIT INSTITUTE CONSULTANCY BUREAU

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always risk of no-compliance of such measure by staff. Consequently, even a strict and efficient internal control system can provide no more than a reasonable measure of assurance in respect of the above-mentioned objective. The Advisory Committee assessed the internal control systems throughout the financial year ended 30 June 2023 and is of the opinion that they met acceptable criteria.

Ethical behaviour

The Bureau's Code of conduct governs all activities, internal relations, and interactions with stakeholders in accordance with its ethical values. It is expected of all staff to maintain the higher level of integrity and honesty in dealing with children, customers, suppliers, government agencies and all stakeholders.

2.6 PERFORMANCE OF THE BUREAU

Financial Performance for the financial Year 2022/23

2.6.1 Income

Total income for the year 2022/23 was TZS 4,415 million compared to TZS 3,809 million in year 2021/22; representing an increase of TZS 606 million (equivalent to 16% of the previous year's revenue) that was mainly attributable to increase in consultancy works performed by the Bureau during the year.

2.6.2 Expenditure

Total expenditure for the year 2022/23 was TZS 5,945 million compared with TZS 2,258 million in 2021/22; an increase of TZS 3,647 million.

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

- **Direct expenses:** - These comprise of all expenses that are directly tied to core activities of the Bureau. Direct expenses for the year 2022/23 were TZS 3,755 million while in the year 2021/22 the expenses totalled TZS 2,036 million. The increase in direct expenses has resulted from the increase in the bureau operations in the year 2022/23.
- **Operating expenses:** - These relate to all expenses not directly tied to the core activities of the Bureau. During the year 2022/23, Operating expenses amounted to TZS 2,190 million compared to TZS 147 million in the year 2021/22. The increase in operating expenses has resulted from the increase in the bureau operations in the year 2022/23.

2.6.3 Profit

During the year 2022/23 the Bureau recorded a loss of TZS 1,5 billion compared to a profit of TZS 1.6 billion in 2021/22.

DIT INSTITUTE CONSULTANCY BUREAU

2.7 MANAGEMENT THE BUREAU

The Management team is headed by the DIT ICB Manager who is responsible management of the day-to-day activities of the bureau. The DIT ICB Manager is assisted by the DIT ICB Coordinator, Accountant and the Secretary.

2.8 GOING CONCERN

The bureau's Advisory Committee is satisfied that DIT ICB has the resources to operations for the foreseeable future. Furthermore, they have confirmed that they are not aware of any material uncertainties that may cast significant doubt upon the DIT ICB ability to continue as a going concern Therefore; the financial statements have been prepared on the going concern basic.

2.9 ACCOUNTING POLICIES

The annual financial statements are prepared on the underlying assumption of a going concern. DIT ICB accounting policies, which are laid out on pages 16 are subject to annual review to ensure compliance with International Public Sector Accounting Standards.

2.10 EQUAL OPPORTUNITY EMPLOYER /GENDER PARITY

The DIT ICB is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factor like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties. As at 30 June 2022 the DIT ICB had staff distribution which shows male were 50% and female 50%.

| Gender | 2022/23 | 2021/22 |
|--------|---------|---------|
| Male | 2 | 2 |
| Female | 2 | 2 |
| Total | 4 | 4 |

2.11 POLITICAL AND CHARITABLE DONATION

DIT ICB did not make any political donations as well as donations to charitable and other Programmes during the year.

2.12 EMPLOYEE WELFARE

Management/employee relationship

The relationship between employees and management was good during the reporting period. Any complaints were resolved through discussions and work morale was good. There were no unresolved complaints from employees.

DIT INSTITUTE CONSULTANCY BUREAU

Training

On job programs were developed to ensure employees were adequately trained at all levels. These mainly focused on teachers who are the main executor of the consultancy works. During the year no trainings were conducted rather planned for 2022/23.

Persons with Disability

DIT ICB's policy to give equal opportunities to disabled persons for any available vacancies.

2.13 ENVIRONMENTAL MATTERS


The DIT ICB complied with standards of Industrial Safety and Environmental Regulations established by various authorities to the best of its knowledge.

2.14 AUDITORS

The Controller and Auditor General is the statutory auditor of the DIT Institute Consultancy Bureau (DIT ICB) by virtue of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2005) and as amplified under section 10 of the Public Audit Act, CAP 418. However, in accordance with section 33 of the same Act, M/S PMCG Consulting was authorised to carry out the audit of the financial statements of the Institute Consultancy Bureau (DIT ICB) for the year ended 30 June 2023 on behalf of the Controller and Auditor General.

2.15 APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the DIT Institute Consultancy Bureau (DIT ICB) were approved by the Governing Council on



Chairperson of the ICB Board
Prof. Ezekiel K. Amri

Date: 19/03/2024



Secretary of the ICB Board
Eng. Dr. Johnson L. Malisa

Date: 19/03/2024

DIT INSTITUTE CONSULTANCY BUREAU

3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

It is the responsibility of the Management to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Bureau as at the end of the financial year and of the financial activities of the Bureau for the year. The management team is also responsible for keeping proper accounting records which disclose the reasonable accuracy at any time the financial position of the Bureau complies with all regulatory and legal requirements and for taking reasonable steps for prevention and detecting fraud, error and other irregularities.

The Advisory Committee accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with a basis of accounting. The committee is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of DIT ICB and its financial activities. The Management team further accepts responsibility for the maintenance of accounting records, which may be relied upon.

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

BY THE ORDER OF THE DIT ICB BOARD



.....
Name: Prof. Ezekiel M. Amri
Position: Chairman of the DIT ICB Advisory Board

Date: 19/03/2024

4.0 DECLARATION OF THE HEAD OF FINANCE OF DIT INSTITUTE CONSULTANCY BUREAU

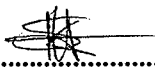
The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants Registration Act No. 33 of 1972 as amended by Act No. 2 of 1995 requires financial statements to be accompanied with a declaration issued by the Director of finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of professional Accountant to assist the Advisory Committee to discharge the responsibility of preparing financial statements of an entity showing a true and fair view of the entity's position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements.

Full legal responsibility for the preparation financial statements rests with the committee as under committee's responsibility statement on the earlier page.

I **KUDRA BITESIGIRWE** being the Accountant of DIT Institute Consultancy Bureau hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2023 have been prepared in compliance with applicable accounting standards and statutory requirements.

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

Signed by: 

Position: DIT ICB ACCOUNTANT

NBAA Membership No: ACPA 4654

Date: 19/03/2024

DIT INSTITUTE CONSULTANCY BUREAU (DIT ICB)


5.0 FINANCIAL STATEMENTS

5.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

| | Note | 2022/23 TZS | 2021/22 TZS |
|------------------------------|------|----------------------|----------------------|
| ASSETS | | | |
| Non-Current Assets | | | |
| Properties and equipment | 4 | 68,061,221 | 77,558,031 |
| Currents Assets | | | |
| Accounts Receivable | 5 | 3,953,735,436 | 4,540,187,733 |
| Cash and Cash equivalents | 6 | 546,833,762 | 277,740,699 |
| Total Current Assets | | 4,500,569,198 | 4,817,928,432 |
| TOTAL ASSETS | | 4,568,630,419 | 4,895,486,463 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Account payable and accruals | 7 | 853,918,219 | 635,598,072 |
| Distribution Payable | 8 | 129,754,721 | 180,809,415 |
| Deferred revenues | 9 | 1,793,132,435 | 756,733,100 |
| | | 2,776,805,375 | 1,573,140,587 |
| NET ASSETS | | 1,791,825,044 | 3,322,345,876 |
| EQUITY | | | |
| Accumulated Fund | | 1,791,825,044 | 3,322,345,876 |
| Total Equity | | 1,791,825,044 | 3,322,345,876 |



Chairperson of the ICB Board
Prof. Ezekiel M. Amri



Secretary of the ICB Board
Eng. Dr. Johnson L. Malisa

Date: 19/3/2024

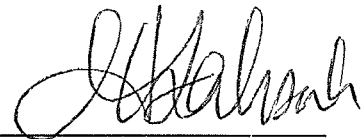
DIT INSTITUTE CONSULTANCY BUREAU (DIT ICB)

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

| | Note | 2022/23 TZS | 2021/22 TZS |
|----------------------------|------|------------------------|----------------------|
| Income | | | |
| Consultancy income | 10 | 4,268,789,270 | 3,026,940,780 |
| Other income | 11 | 145,764,916 | 782,270,940 |
| Total Income | | 4,414,554,186 | 3,809,211,720 |
| Direct Costs | | | |
| Direct Expenses | 12 | 3,755,465,029 | 2,035,964,216 |
| Gross Profit | | 659,089,157 | 1,773,247,504 |
| Operating Expenses | 13 | 2,189,609,989 | 222,350,670 |
| Profit for the year | | (1,530,520,832) | 1,550,896,834 |



Chairperson of the ICB Board
Prof. Ezekiel M. Amri



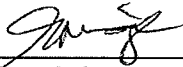
Secretary of the ICB Board
Eng. Dr. Johnson L. Malisa

Date: 19/3/2024

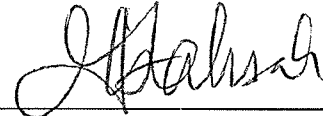
DIT INSTITUTE CONSULTANCY BUREAU (DIT ICB)

5.3 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

| | Notes | Accumulated Fund TZS | Total TZS |
|--------------------------------|-------|-------------------------|------------------------|
| YEAR ENDED 30 JUNE 2023 | | | |
| At start of year | | 3,322,345,876 | 3,322,345,876 |
| Profit for the year | | <u>(1,530,520,832)</u> | <u>(1,530,520,832)</u> |
| At end of year | | <u>1,791,825,044</u> | <u>1,791,825,044</u> |
| YEAR ENDED 30 JUNE 2022 | | | |
| At start of year | | 1,771,449,042 | 1,771,449,042 |
| Profit for the year | | <u>1,550,896,834</u> | <u>1,550,896,834</u> |
| At end of year | | <u>3,322,345,876</u> | <u>3,322,345,876</u> |



Chairperson of the ICB Board
Prof. Ezekiel M. Amri




Secretary of the ICB Board
Eng. Dr. Johnson L. Malisa

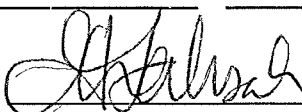
Date: 19/3/2024

DIT INSTITUTE CONSULTANCY BUREAU (DIT ICB)

5.4 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

| | | 2022/23 | 2021/22 |
|---|-------|----------------------|------------------------|
| | Notes | TZS | TZS |
| Cash flows from operating activities | | | |
| <u>Receipts</u> | | | |
| Consultancy income | 14 | 4,855,241,567 | (207,657,425) |
| Other income | 11 | 145,764,916 | 782,270,940 |
| Total Receipts | | 5,001,006,483 | 574,613,515 |
| <u>Payments</u> | | | |
| Direct Expenses | 15 | 3,537,144,882 | 1,751,203,526 |
| Operating Expenses | 16 | 2,218,637,873 | 390,481,208 |
| Total Payments | | 5,755,782,755 | 2,141,684,734 |
| Net Cash flow from/(used in) operating activities | | (754,776,272) | (1,567,071,219) |
| Cash flow from investing activities | | | |
| Acquisition of PPE | 4 | (12,530,000) | (95,081,913) |
| Net cash flow used in investing activities | | (12,530,000) | (95,081,913) |
| Cash flow from financing activities | | | |
| Movement in differed revenues | 9 | 1,036,399,335 | 756,733,100 |
| Net cash flow from financing activities | | 1,036,399,335 | 756,733,100 |
| Net increase/(decrease) in cash and cash equivalents | | 269,093,063 | (905,420,032) |
| Cash and cash equivalents at beginning of the period | | 277,740,699 | 1,183,160,731 |
| Cash and cash equivalent at the end of the period | | 546,833,762 | 277,740,699 |


 Chairperson of the ICB Board
 Prof. Ezekiel M. Amri


 Secretary of the ICB Board
 Eng. Dr. Johnson L. Malisa

Date: 19/3/2024

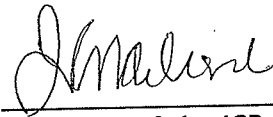
DIT INSTITUTE CONSULTANCY BUREAU (DIT ICB)

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

| DETAILS | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL AMOUNTS ON COMPARATIVE BASIS | VARIANCE | RATE (%) |
|--|-----------------------------|-----------------------------|-------------------------------------|------------------------|--------------|
| | 2022/23 TZS | 2022/23 TZS | 2022/23 TZS | 2022/23 TZS | |
| RECEIPTS | | | | | |
| Consultancy income | 7,345,677,000 | 7,345,677,000 | 5,891,640,902 | (1,454,036,098) | (20%) |
| Other income | 654,889,880 | 654,889,880 | 145,764,916 | (509,124,964) | (78%) |
| TOTAL RECEIPTS | <u>8,000,566,880</u> | <u>8,000,566,880</u> | <u>6,037,405,818</u> | (1,963,161,062) | (25%) |
| PAYMENTS | | | | | |
| Direct Expenses | 4,067,990,330 | 4,067,990,330 | 3,537,144,882 | 530,845,448 | 13% |
| Operating Expenses | 2,670,998,700 | 2,670,998,700 | 2,218,637,873 | 452,360,827 | 17% |
| Acquisition of Property, Plant and Equipment | <u>100,000,000</u> | <u>100,000,000</u> | 11,983,000 | | |
| TOTAL PAYMENTS | <u>6,838,989,030</u> | <u>6,838,989,030</u> | <u>5,767,765,755</u> | 88,017,000 | 88% |
| NET RECEIPTS FOR THE YEAR | 1,161,577,850 | 1,161,577,850 | 269,640,063 | 1,071,223,275 | 16% |



Chairperson of the ICB Board
Prof. Ezekiel M. Amri



Secretary of the ICB Board
Eng. Dr. Johnson L. Malisa

Date: 19/03/2024

DIT INSTITUTE CONSULTANCY BUREAU (DIT ICB)

NOTES TO THE FINANCIAL STATEMENTS FOR THE ENDED 30 JUNE 2023

NOTE 1: GENERAL INFORMATION

The DIT ICB was established in 2000 with the prime objective of coordinating research and consultancy activities at DIT. Since its establishment, there has been a gradual increase in research and consultancy activities.

The Bureau is charged with responsibility of coordinating professional engineering consultancy services, expert professional services and offering continuous professional development (CPD) programmers in the different discipline of engineering and related fields.

Statement of compliance

The financial statements are prepared in accordance with International Financial Reporting Standards and comply with accrual basis of accounting.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies will consistently be applied to all periods, unless otherwise stated.

a) Basis of preparation

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) and under the historical cost basis of accounting.

The financial statements comprise the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and the notes. The measurement basis applied in the preparation of these financial statements is the historical cost basis, except where otherwise stated in the accounting policies below. The financial statements are presented in Tanzania shillings (TZS), which is the Bureau's functional currency.

The preparation of financial statements in conformity with IPSAS Accrual Basis requires the use of certain critical accounting estimates. It also requires the Bureaus to exercise judgment in the process of applying the Bureau's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The Committees believe that the underlying assumptions are appropriate and that the Bureau's financial statements therefore present the financial position and results fairly.

b) Income and Expenditure Recognition

(i) Income recognition

Revenue from the consultancy contracts is recognized basing on the degree of completion of the contract and the revenue from short courses is recognized when incurred

(ii) Expenditure recognition

The effects of expenses are recognized when they occur (and not as cash or its equivalents is paid) and they are recorded in the accounting records and reported in the financial statements of the periods to which they relate.

c) Foreign Currency Translations

Translations in foreign currencies are translated into Tanzanian Shillings based on exchange rates ruling at the dates of respective transactions. Exchange gains/losses thereon are taken into account in the determination of the results from operations. Assets and liabilities expressed in foreign currencies as at the statement of financial position date are translated into Tanzanian shillings at the rate of exchange ruling at the end of the financial year. Difference in exchange rates fluctuations are booked in the statement of comprehensive income.

d) Cash and cash equivalents

Cash and cash equivalents are carried in the Statement of Financial position at face value. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand; deposits held on call and fixed deposits.

e) Property, Plant and Equipment

Property, Plant and Equipment are stated at historical cost less subsequent accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributed to the acquisition of the items.

Subsequent cost are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Institute and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Financial Performance during the financial period in which they are incurred.

Depreciation

Depreciation is charged on assets from the date when they are ready for use and stop on the date when the asset is derecognized by the Institute. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the

DIT INSTITUTE CONSULTANCY BUREAU (DIT ICB)

carrying amount may not be recoverable. Gain and losses on disposal proceeds with the carrying amount and the resulting difference credited/charged to Statement of Comprehensive Income account.

Depreciation on other assets is calculated using the straight-line method to write off the cost of each asset value over its estimated useful life at a given rate per annum as listed below:

| Description of Asset | Rate p.a. |
|---|-----------|
| Residential Building | 2% |
| Office | 2% |
| Furniture & Fixtures | 20% |
| Motor vehicles Below 5 tons | 20% |
| Motor vehicles 5 tons and above | 10% |
| Plant & Machinery | 7% |
| Computers (desk & lap tops) | 25% |
| Document processing equipment; eg. printers, photocopier etc. UPS | 14% |
| Servers and other equipment | 14% |

f) Debtors and other receivables

Receivables are realizable initially at fair value and subsequently measured at cost less provision for bad and doubtful debt. Provision for bad and doubtful debts is made in the accounts for all known bad and doubtful debts. The amount of the provision is reported in the Statement of Financial Performance. Bad debts are written off after all steps to recover them have failed.

g) Debtors and other receivables

The carrying amounts of the entity's assets are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is realizable whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the Statement of Financial Performance

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

h) Payables and accruals

Accounts payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accruals are recognised when incurred through either enjoyment of services on credit and/or receiving of goods supplied on credit. Payables and accruals are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

DIT INSTITUTE CONSULTANCY BUREAU (DIT ICB)

NOTE 3: FINANCIAL AND OPERATIONAL RISK MANAGEMENT

Risk is an inherent feature of the activities of any institution. DIT Institute Consultancy Bureau endeavours to manage risk by having in place appropriate functional structures, systems and procedures. These structures, systems and procedures evolve continuously in response to changes in the environment in which the Bureau operates. The following are the main type of risks the Bureau is exposed to in the course of executing its operations: -

- Operational Risk
- Liquidity Risk
- Credit Risk

3.1 Operational Risk

Operational risk is the risk of loss both financial and non-financial resulting from inadequate systems, management failures, ineffective internal control processes, fraud, theft, and human error. The Bureau addresses this risk, inter alia, through ensuring existence of sound internal control systems.

Managing operational risk in the Bureau is an integral part of the day-to-day operations by the Management. The Management and the members of Advisory Committee closely monitor this risk.

3.2 Liquidity Risk

Liquidity risk is the risk that the Bureau faces by not having adequate funds to settle day-to-day obligations as they fall due. The Bureau has a prudent liquidity risk management through which it maintains sufficient cash to cover committed credit facilities received working capital as well as the Bureau's capital requirements. The liquidity risk management by the Bureau includes forward planning and close monitoring by the finance department.

3.3 Credit Risk

Potential credit risk involves short-term cash deposits and trade and other receivables. Risk relating to short-term deposits is managed through ensuring that surpluses are deposited with banks of high credit standing. Management of risk associated with trade and other receivables includes prompt invoicing, close follow up and requiring regular customers to deposit money in advance to cover for services to be rendered.

NOTE 4 - PROPERTY, PLANT AND EQUIPMENT

| Particulars | Motor Vehicles | Computer and Peripherals TZS | Total TZS |
|-----------------------------|----------------|------------------------------------|--------------|
| Cost/Valuation | | | |
| As at 01 July 2022 | 92,346,913 | 4,725,000 | 97,071,913 |
| Acquisition during the year | - | 12,530,000 | 12,530,000 |

DIT INSTITUTE CONSULTANCY BUREAU (DIT ICB)

| | | | |
|---------------------------|-------------------|-------------------|--------------------|
| As at 30 June 2023 | 92,346,913 | 17,255,000 | 109,601,913 |
| Depreciation | | | |
| As at 01 July 2022 | 19,016,382 | 497,500 | 19,513,882 |
| Charge for the Year | 18,469,382 | 3,557,428 | 22,026,810 |
| As at 30 June 2023 | 37,485,764 | 4,054,928 | 41,540,692 |
| Net Book Value | | | |
| As at 30 June 2023 | 55,408,149 | 12,653,072 | 68,061,221 |
| As at 30 June 2022 | 73,330,531 | 4,227,500 | 77,558,031 |

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| NOTE 5 - ACCOUNTS RECEIVABLE | 30 JUNE 2023 | 30 JUNE 2022 |
|--------------------------------------|------------------------|----------------------|
| | TZS | TZS |
| Trade Debtors | 4,357,022,975 | 3,501,648,018 |
| Staff imprest and advances | 1,480,950,968 | 1,038,539,715 |
| | 5,837,973,943 | 4,540,187,733 |
| Provision for bad and doubtful debts | (1,884,238,507) | - |
| | 3,953,735,436 | 4,540,187,733 |

| NOTE 6 - CASH AND CASH EQUIVALENTS | | |
|---|--------------------|--------------------|
| Bank balances with NBC bank | 546,833,762 | 277,740,699 |
| | 546,833,762 | 277,740,699 |

| NOTE 7 - ACCOUNT PAYABLE AND ACCRUALS | | |
|--|--------------------|--------------------|
| VAT Payable | 808,218,219 | 610,598,072 |
| Audit fees Payable | 29,500,000 | 25,000,000 |
| Other Payables | 16,200,000 | - |
| | 853,918,219 | 635,598,072 |

NOTE 8- DISTRIBUTION PAYABLE TO STAKEHOLDERS

These relate to portions of revenues generated from several consultancies that will be paid to various departments of the Institute that performed those consultancies. During the year, the distribution payable amounted TZS 129,754,721 (2021/22: TZS 180,809,415).

NOTE 9 -DEFERRED REVENUE

The amount TZS 1,793,132,435 (2021/2022: TZS 756,733,100 refers to fees from consultancy contracts that were not yet completed but the clients had already paid for those assignments.

| NOTE 10- CONSULTANCY INCOME | 2022/23 | 2021/22 |
|-------------------------------------|----------------------|----------------------|
| | TZS | TZS |
| Consultancy - Civil | 4,124,784,818 | 3,005,713,888 |
| Consultancy - Telecom | 134,711,062 | 15,875,409 |
| Consultancy - Laboratory Technician | 9,293,390 | 5,351,483 |
| | 4,268,789,270 | 3,026,940,780 |

NOTE 11 - OTHER INCOME

| | | |
|---------------|--------------------|--------------------|
| Short Courses | 145,764,916 | 782,270,940 |
| | 145,764,916 | 782,270,940 |

NOTE 12 - DIRECT EXPENSES

| | | |
|---------------|----------------------|----------------------|
| Consultancy | 2,822,824,146 | 1,722,951,050 |
| Production | 590,398,584 | 254,686,473 |
| Short Courses | 342,242,299 | 58,326,693 |
| | 3,755,465,029 | 2,035,964,216 |

| NOTE 13 - OPERATING EXPENSES | 2022/23 | 2021/22 |
|-------------------------------------|----------------|----------------|
| | TZS | TZS |

DIT INSTITUTE CONSULTANCY BUREAU (DIT ICB)

| | | |
|--------------------------------------|----------------------|--------------------|
| Legal and Professional fees | - | 6,151,000 |
| Bank charges | 6,333,629 | 6,195,938 |
| Stationery and Printing | - | 10,343,864 |
| Repairs and maintenance | - | 9,400,808 |
| Trade exhibition expenses | 3,215,000 | - |
| Office Entertainment | - | 2,848,000 |
| Audit fees | 22,500,000 | 31,901,083 |
| Travelling expenses | - | 5,491,687 |
| Newspaper expenses & Subscriptions | 360,000 | - |
| Accounting Expenses | - | 1,670,606 |
| Training expenses | - | 2,070,000 |
| Honorarium expense | - | 5,705,000 |
| Board Expenses | - | 17,934,000 |
| Advisory Committee expenses | - | 7,975,000 |
| Extra duty allowance | 9,755,435 | 1,830,000 |
| Bonus/Airtime | - | 4,340,533 |
| General office expenses | 124,220,496 | 9,600,638 |
| Sponsorships | 64,940,500 | 44,535,000 |
| Withholding tax | 52,019,612 | 27,052,330 |
| Depreciation | 22,026,810 | 19,513,883 |
| Provision for bad and doubtful debts | 1,884,238,507 | |
| Tendering expenses | - | 3,106,300 |
| Transport allowance | - | 4,685,000 |
| | 2,189,609,989 | 222,350,670 |

NOTES RELATING TO STATEMENT OF CASH FLOWS

| | 2022/23 | 2021/22 |
|------------------------------------|----------------------|----------------------|
| | TZS | TZS |
| NOTE 14- INCOME | | |
| Consultancy Income - Civil | 3,701,114,824 | 2,901,946,883 |
| Other Consultancy Income | 567,674,446 | 124,993,897 |
| Opening receivables | 4,540,187,733 | 1,305,589,528 |
| Closing receivables | (3,953,735,436) | (4,540,187,733) |
| Actual Collection | 4,855,241,567 | (207,657,425) |
| NOTE 15- DIRECT EXPENSES | | |
| Gross expenditure | 3,755,465,029 | 2,035,964,216 |
| Opening payables | 635,598,072 | 350,837,382 |
| Closing payables (Note 7) | (853,918,219) | (635,598,072) |
| Actual Expenditure | 3,537,144,882 | 1,751,203,526 |
| NOTE 16- OPERATING EXPENSES | | |
| Cashflow on expenditure | 2,167,583,179 | 202,836,787 |
| Opening payables | 180,809,415 | 368,453,836 |
| Closing payables (Note 8) | (129,754,721) | (180,809,415) |
| Actual Expenditure | 2,218,637,873 | 390,481,208 |

DIT INSTITUTE CONSULTANCY BUREAU (DIT ICB)

NOTE 16 - CONTINGENCIES AND COMMITMENTS

Transactions are classified as contingencies where the Bureau's obligations depend on uncertain future events. Items are classified as commitments where the Bureau commits itself to future transactions if the items will result in the acquisition of assets. There were no contingencies and commitments as at 30 June 2023.

NOTE 17- COMPARATIVES

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

NOTE 18 - EXPLANATIONS FOR VARIANCES

IPSAS 24 Requires a comparison of budgeted amount and actuals arising from the execution of the budget to be included in the Financial Statements of entities that are required to make publicly available their approved budget and for which they are held publicly accountable.

Explanations for variances are provided under this note;

- (a) During the year, DIT ICB generated TZS 5,891,640,902 lower than the budget by TZS 1,454,036,098 due to non-realization of few projects as expected during the budgeting process.
- (b) Direct expenses are expenses directly linked to core activities of revenue generation for DIT ICB. During the year 2022/23 these expenses were lower than the budget due the fact that some of the anticipated projects were not realized.

STATEMENT OF RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO SURPLUS FOR THE YEAR ENDED 30 JUNE 2023

| | Notes | 2022/23 TZS | 2021/22 TZS |
|--|-------|----------------------|------------------------|
| Cash Flows from operating activities | | | |
| Loss/Profit for the year | | (1,530,520,832) | 1,550,896,834 |
| Depreciation | 4 | 22,026,810 | 19,513,883 |
| Provision for Bad and Doubtful debts | | 1,884,238,507 | |
| Operating Cash flows before working Capital Changes | | 375,744,485 | 1,570,410,717 |
| Increase in receivables | | (1,297,786,210) | (3,234,598,205) |
| (Decrease)/Increase in other payables | | (51,054,694) | (569,088,679) |
| Increase/(Decrease) in accounts payable | | 218,320,147 | 666,204,948 |
| Net cash flows from/(used in) operations | | (754,776,272) | (1,567,071,219) |

NOTE 19- STANDARDS ISSUED BUT NOT YET EFFECTIVE

New, changes to standards and interpretation that are effective

DIT INSTITUTE CONSULTANCY BUREAU (DIT ICB)

Changes resulted from the new or revised standards, interpretations, amendments to the existing standards, interpretations, and improvements to the IPSASs that were effective for the current reporting period from 1 July 2022 did not have any impact on the accounting policies, financial position, or performance of the Bureau.

New, amended standards and interpretation issued but not yet effective

The new and amended standards issued but not effective to the date of issuance of the Bureau financial statements are not expected to have material impact on the financial statements of the Bureau and have not been applied in preparing these financial statements. Those which may be relevant to the Bureau are set out below. The Bureau does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated.

| S/No. | Approved Standard | Changes | Effective Date |
|-------|--|--|---|
| 1. | IPSAS 41: Financial Instruments | <p>IPSAS 41 improves financial reporting for financial instruments by:</p> <ul style="list-style-type: none"> i. Applying a single classification and measurement model for financial assets that consider the characteristics of the asset's cash flows and the objective for which the asset is held; ii. Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and <p>Applying an improved hedge accounting model that broadens the hedging arrangements in the scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.</p> | <p>Effective for annual periods beginning on or after 1 January 2023.</p> <p>Earlier application is permitted.</p> |
| 2. | IPSAS 42: Social Benefits | <p>The objective of the standard is to improve the relevance, faithful representativeness, and comparability of the information that a reporting entity provides in its financial statements about social benefits. The information provided should help users of the financial statements and general-purpose financial report assess:</p> <ul style="list-style-type: none"> a) The nature of such social benefits provided by the entity. b) The key features of the operation of those social benefit schemes, and <p>The impact of such social benefits provided on the entity's financial performance, financial position, and cash flows.</p> | <p>Effective for annual periods beginning on or after 1 January 2023.</p> <p>Earlier application is permitted</p> |
| 3 | IPSAS 43: Leases | IPSAS 43 is a final product of phase one dealing | Effective for annual |

DIT INSTITUTE CONSULTANCY BUREAU (DIT ICB)

| S/No. | Approved Standard | Changes | Effective Date |
|-------|---|---|---|
| | | <p>with lease accounting model (s) for both lessees and lessors on the same definition of a lease as in IFRS 16.</p> <p>Now, IPSAS 43 requires the lease to recognize: -</p> <p>a) A right-of- use asset because they control the right to use the underlying compared with IPSAS 13 where the lease recognizes the underlying asset when the lease is classified as a finance lease but not when it is classified as an operating lease.</p> <p>A lease liability because they have a present obligation to make future lease payments in accordance with the lease contract (once the underlying asset has been made available and the lessee has the right to use it). Under IPSAS 13, a lease liability is not recognized when the lessee classifies the lease as an operating lease.</p> | <p>periods beginning on or after 1st January 2025.</p> <p>Earlier application is permitted for entities that apply IPSAS 41 at or before the date of initial application of this standard.</p> |
| 4 | IPSAS 44: Non - current Assets Held for Sale and Discontinued Operations | <p>The standard specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. It requires assets that meet the criteria to be classified as held for sale to be:</p> <p>a) Measured at the lower of carrying amount and fair value less costs to sell and depreciation on such assets to cease; and</p> <p>Presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.</p> | <p>Effective for annual periods beginning on or after 1 January 2025.</p> <p>Earlier application is permitted, and it is early applied entities shall disclose that fact and apply IPSAS 43 on leases at the same time.</p> |
| 5 | IPSAS 45: Property, Plant and Equipment | <p>IPSAS 45 intends at updating principles drawn from IPSAS 17, Property, Plant, and Equipment by adding new guidance for heritage assets, infrastructure assets, and measurement of property, plant, and equipment</p> <p>This is after considering responses to the Consultation Paper (CP), Financial Reporting for Heritage in the Public Sector, and constituents' feedback on infrastructure assets the IPSASB concluded that:</p> <p>(a) IPSAS 17 should fully apply to heritage assets that are property, plant, and equipment; and</p> <p>(b) Additional authoritative and non-authoritative guidance should be included in IPSAS 45 to clarify its application to heritage and infrastructure assets.</p> | <p>Effective for annual periods beginning on or after 1 January 2025.</p> <p>Earlier application is permitted for entities that apply IPSAS 43, IPSAS 44, and IPSAS 46 at or before the date of initial application of the Standard.</p> |

DIT INSTITUTE CONSULTANCY BUREAU (DIT ICB)

| S/No. | Approved Standard | Changes | Effective Date |
|--------------|------------------------------------|--|--|
| 6 | IPSAS 46: Measurement | <p>The objective of IPSAS 46 to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> (a) Providing further detailed guidance on the implementation of commonly used measurement bases, and the circumstances under which they should be used; (b) Clarifying transaction costs guidance to enhance consistency across IPSAS; and (c) Amending, where appropriate, guidance across IPSAS related to measurement at recognition, subsequent measurement, and measurement-related disclosures | <p>Effective for annual periods beginning on or after 1st January 2025.</p> <p>Earlier application is permitted.</p> |
| 7 | IPSAS 47: Revenue | <p>The objective of IPSAS 47 is to:</p> <ul style="list-style-type: none"> (a) Present revenue guidance in a single standard by replacing IPSAS 9, Revenue from Exchange Transactions, IPSAS 11, Construction Contracts, and IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers); (b) Clarify and refine the accounting principles and concepts to account for revenue transactions in the public sector; and (c) Provide non-authoritative guidance to help preparers use professional judgment in applying the accounting principles consistently. | <p>Effective for annual periods beginning on or after 1 January 2026.</p> <p>Earlier application is permitted.</p> <p>If an entity applies this Standard earlier, it shall disclose that fact.</p> |
| 8 | IPSAS 48: Transfer Expenses | <p>The objective of IPSAS 48 is to:</p> <ul style="list-style-type: none"> (a) Revise the accounting of transfer expenses to move away from the Public Sector Performance Obligation Approach (PSPOA) and to focus on whether the transfer transaction results in the recognition of an asset; (b) Focus on the accounting from the perspective of the transfer provider (the entity); and (c) Streamline the requirements for measurement, as well as presentation and disclosure. | <p>Effective for annual periods beginning on or after 1 January 2026.</p> <p>Earlier application is permitted.</p> <p>If an entity applies this Standard earlier, it shall disclose that fact and shall apply IPSAS 47, Revenue, at the same time</p> |