



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



INSPECTION AND SUPERVISION COOPERATIVE FUND (ISCF)

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

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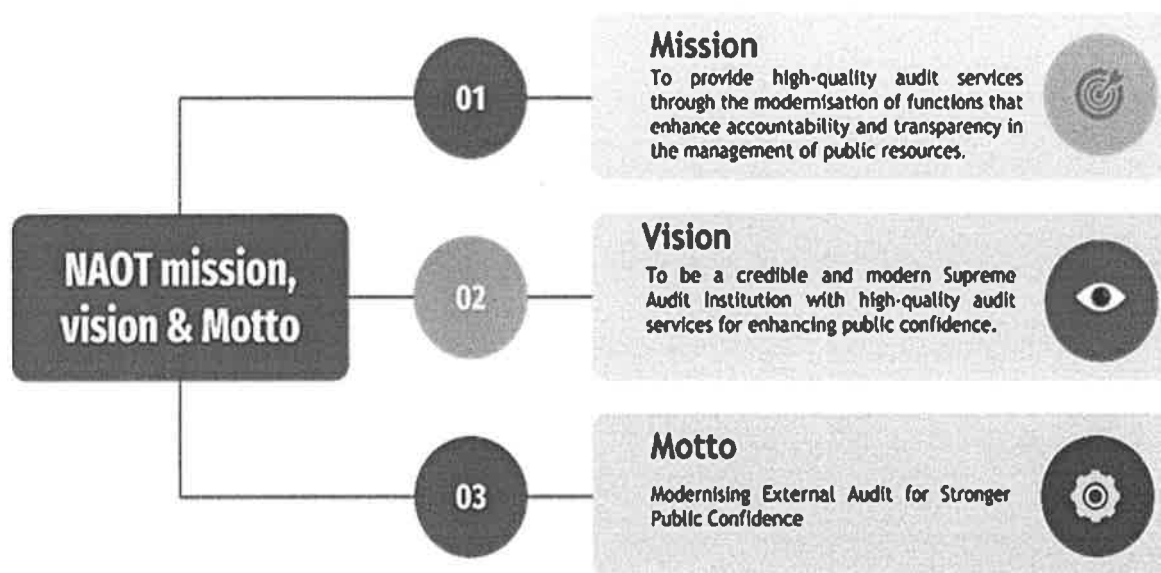
February 2024

AR/CG/ISCF/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 [R.E 2021].



Independence and objectivity

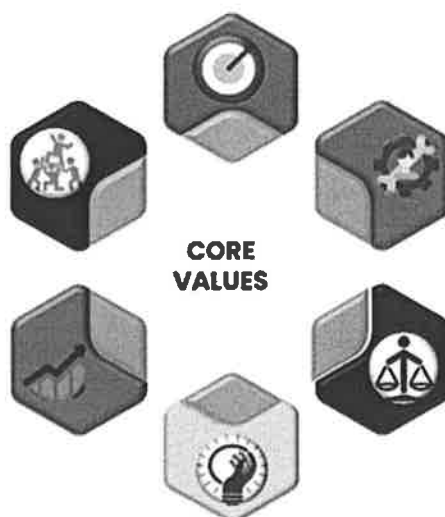
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

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 Inspection and Supervision Cooperative Fund (ISCF) 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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Abbreviation

AMCOS	Agricultural Marketing Cooperative Societies
CAG	Controller and Auditor General
CJE	Cooperative joint Enterprises
COASCO	Cooperative Audit and Supervision Cooperation
CSMIS	Cooperative Supervision Management Information System
ISCF	Inspection and Supervision Cooperative Fund
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
LAAC	Local Authorities Accounts Committee
MoA	Ministry of Agriculture
PAA	Public Audit Act
PAC	Public Accounts Committee
PAR	Public Audit Regulation
PFA	Public Finance Regulations
PPA	Public Procurement Act
PPR	Public Procurement Regulations
SACCOS	Savings and credit cooperative society” or “savings and credit scheme

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board of Commission,
Inspection and Supervision Cooperative Fund (ISCF),
P. O. Box 201,
Dodoma, Tanzania.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Inspection and Supervision Cooperative Fund (ISCF), which comprise the statement of financial position as at 30 June 2023, 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 Inspection and Supervision Cooperative Fund (ISCF) as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348.

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled “Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements”. I am independent of Inspection and Supervision Cooperative Fund (ISCF) in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

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



Other Information

Management is responsible for the other information. The other information comprises the Report by those charged with governance, statement of management responsibility, and Declaration by the Head of Finance but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report. My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon.

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

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

Responsibilities of Management and those charged with Governance for the Financial Statements


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

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

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

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

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




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

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

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, 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 [R.E 2021] requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

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

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I performed a compliance audit on the procurement of works, goods, and services in the Inspection and Supervision Cooperative Fund (ISCF) for the financial year 2022/23 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that, except for the matter described below, procurement of goods, works and services of Inspection and Supervision Cooperative Fund is generally in compliance with the requirements of the Public Procurement laws.

Improper preparation of annual procurement plan

Reg. 69(7) of the Public Procurement Regulation, 2013 requires a procuring entity to draw up procurement plans for those requirements for which sufficient funds have been included in the approved budget in the current financial year or if payment will be due in subsequent financial year, such payment have been budgeted for.

I reviewed the Annual Procurement Plan generated from TANePs for financial year ended 30 June 2023 and noted that, there was one procurement plan which combined two sources of financing with different budget and financial statement. The commission has two sets of budgets; one for other Charges and another for Inspection and Supervision Cooperative Fund (ISCF). Each set prepares its own financial statements and being audited separately. In this regard there is a need of separating the annual procurement plan among these sources of funding for easy monitoring and accountability.

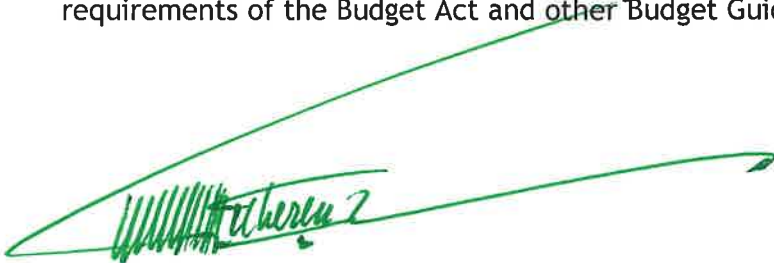
1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in the Inspection and Supervision Cooperative Fund for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that, the budget formulation and execution of Inspection and Supervision Cooperative Fund is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.



Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania



February 2024

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

1.0 REPORT BY THOSE CHARGED WITH GOVERNANCE

1.1 Background of ISCF and General Information

The Inspection and Supervision of Cooperatives Fund (ISCF) is the fund managed and operated by Registrar of Cooperative societies. It was established in 1996/1997 after endorsement by the Parliament of United Republic of Tanzania as per directives given under Section 17(1) of "Exchequer and Audit ordinance 1961" that has been repealed by the new Public Finance Act, Cap 348 [R.E 2020].

Its relevance remains under Section 12 (1) - (2) and Section 75 of the Cooperative Societies Act No. 6 of 2013. The mandate of the Fund is derived from Section 17(1) of "Exchequer and Audit Ordinance 1961" that has been repealed by the new Public Finance Act, Cap. 348 [R.E 2020].

1.2 Purpose of the Fund

The purpose of establishing the Fund, is to supplement the expenses of inspection, promotional and regulatory functions due to the insufficient MTEF budget approved annually by Government. The Fund supplement the TCDC Vote 024 activities that were supposed to be funded by Vote 024 Treasury budget.

1.3 Operation and Administration of the Fund

The Fund is governed and managed by the Registrar of Cooperative Societies as per Section 75 of the Cooperative Societies Act No. 6 of 2013. The operation and administration of the Fund is guided by the Fund Annual Budget prepared by TCDC Management and approved by Board of Commissioners. The Registrar is responsible for administering the Fund and ensuring that it is utilized for the purposes described in the Cooperatives Societies Act No. 6 of 2013 and its Regulations. The Fund Operation and Management should be reported to the TCDC Board of Commissioners quarterly in financial year.

1.4 Source of Revenue of the Fund

The sources of the Fund are; Fees, Penalties, Contributions from Cooperative Societies and Contributions from various Cooperative stakeholders as per CSA No. 6 of 2013.

1.5 CORPORATE GOVERNANCE OF THE FUND

1.5.1 The Board of Commission

The TCDC Board of Commissioners supervises and oversees the management and operations of the Commission including the Fund. The duty of the Board is to promote the interests of general public and the cooperatives stakeholders by overseeing the administration and proper organization of operations of TCDC. The current Board members appointed on 23 August 2022 are as shown in Table 1 below.

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

Table 1: Board of Commission Composition

S/N	Name	Qualifications	Age	Title	Appointment Date
1	Abdulmajid M. Nsekela	MBA in International Banking and Finance	52	Chairperson	23-Aug-22
2	Irene M. Mlola	Masters of Business Administration	49	Vice Chairperson	23-Aug-22
3	Dkt. Benson O. Ndiege	PhD. (Financial Management)	44	Secretary	23-Aug-22
4	Patrick S. Malogoi	LL.M	44	Member	23-Aug-22
5	Richard M. Mayongela	CPA(T), MBA(Finance)	42	Member	23-Aug-22
6	Happy P. Kitingati	Master Degree in Economics and Public Policy	37	Member	23-Aug-22
7	Godfrey J. Ng'urah	MBA Corporate Finance	44	Member	23-Aug-22
8	Prof. David Nyange	PhD in Agricultural Economics	57	Member	23-Aug-22
9	Paul M. Kechemba	Masters in Finance and Banking	44	Member	23-Aug-22
10	Prof. Alfred S. Sife	PhD in Information Science	51	Member	23-Aug-22
11	Shaib A. Nnunduma	Masters of Applied Science in Agriculture and Rural Development	62	Member	23-Aug-22
12	Zainab Telack	Masters in Rural Development	61	Member	23-Aug-22

1.5.2 The Board of Commission Audit Committee

TCDC Board of Commission Audit Committee is a standing committee of the Board of Commission. The committee is responsible for reviewing, providing guidance and recommendation on the TCDC financial and audit matters. Specifically, the committee assures internal controls, risk management, independent audit, and financial analysis for the Commission. During the year 2022/2023, members of the TCDC Board of Commission Audit Committee were as follows;

Table 2: The Board of Commission Audit Committee Composition				
S/N	Name	Qualifications	Age	Title
1	Richard M. Mayongela	CPA(T), MBA(Finance)	42	Chairperson
2	Godfrey J. Ng'urah	MBA Corporate Finance	44	Member
3	Paul M. Kechemba	Masters in Finance and Banking	44	Member

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

Activities Performed by Board of Commission Audit Committee during the Year

1. Reviewed Financial Statements of the Fund for the year ended 30 June, 2023.
2. Reviewed implementation of internal Audit recommendations accepted by Management and made a guidance.
3. Reviewed and made recommendation to Management on Risk Management Framework implementation.
4. Reviewed quarterly Financial Reports of the Fund and made recommendation to Management.

1.5.3 The Advisory Audit Committee

The TCDC Audit Committee deals with all matters relating to the Fund in according to Fund Operational Directives issued by Registrar as directed by Cooperative Societies Act No. 6 of 2013. The Accounting Officer appointed the Audit Committee members who serves for three years on effective date as shown on Table 3 below.

Table 3: The Audit Committee Composition

S/N	Name	Entity	Age	Title	Qualifications	Appointment Date
1	CPA. Evance B. Asenga	Ministry of Finance	52	Chairman	MBA-Masters of Business Administration, CPA(T), PGDA, ADA	23 June, 2021
2	Advocate Shani Mayosa	Tanzania Investment Centre	46	Member	Master of Law (LLM) in Corporate Commercial Law, LLB(Hons)	14 June, 2021
3	Mr. Revocatus Nyagilo	TCDC	41	Member	Advanced Diploma in Accountancy	14 June, 2021
4	Prof. Joseph J. Magali.	Open University of Tanzania	48	Member	Professor Finance PhD Business Administration (Fin Mgt) MBA, BSC in Agricultural	14 June, 2021
5	CPA Milton Nyera	President Office- RALG	55	Member	MBA-Masters of Business Administration, CPA(T)	14 June, 2021

During the year ended 30 June 2023. The TCDC Audit Committee performed the following duties related to the Fund.

1. Reviewed and approved the Risk Based Internal Audit Plan for the Fund of 2022/2023, its scope, progress, and any significant changes;
2. Reviewed of audit findings, recommendations, management response and follow-up audit query implementation;

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

3. Reviewed Financial Statements for the year ended 30th June, 2023;
4. Reviewed implementation of External Audit recommendations accepted by Management;
5. Reviewed through the Internal and External Audit functions, the adequacy of the internal control structure and systems;
6. Conducted three (3) quarterly audit committee for the year 2022/2023;
7. Visited Cooperatives Society on two Regions (Mwanza and Simiyu); and
8. Prepared an annual summarized report to TCDC Management on performance and achievements for the previous year.

1.6 Internal Audit Function

TCDC internal audit unit assesses risk and reviews controls of the Fund. The unit ensures that recommendations to improve controls are followed up by the Management. The Chief internal auditor reports functionally to the Audit Committee and administratively to the Registrar of Cooperative.

1.7 Management Team

The day-to-day management of the Fund's operation is carried by Registrar of Cooperative Societies. The Registrar of Cooperative Societies is also responsible to the Board, which has the overall mandate of the Fund. Registrar of Cooperative Societies is assisted by a Management Team of 44 members, of which 18 are at the Head Office and 26 are at Regional Offices. At the Head office there are 3 Divisions with 7 Sections and 8 Units. Also, there are 26 Assistants Registrar of Cooperative Societies at the regional level countrywide.

1.8 TCDC Tender Board

The Tanzania Cooperatives Development Commission has procurement Management Unit (PMU) which is also administer procurement of the fund in accordance with the Public Procurement Act (PPA), 2011(Amended 2016). Members of the Tender Board oversee the procurement activities of the Fund as required by the Act and its Regulations. During the year 2022/23, members of the Board of Commission were as follows:

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

Table 4: Tender Board Composition

S/N	Name of Member	Designation	Position
1	Consolata J Kiluma	Deputy Registrar Promotion Division	Chairperson
2	Amina A. Lyamaiga	Acting Head of Procurement Management Unit	Secretary
3	Emmanuel Sanka	Assistant Registrar Cooperative Legal and Registration	Member
4	Ntambi Bunyanzu	Head, Government Communication Unit.	Member
5	Hermes Rulagirwa	Acting Head of ICT Unit	Member
6	Valency R. Karunde	Chief Accountant	Member
7	Flora Bilauri	Direct of Planning, Monitoring and valuation	Member

Functions of the Tender Board are; Adjudication of recommendations from Procurement Management unit and award of contract(s); Review all applications for variations, addenda or amendments to ongoing contract(s); Approving tendering and contract documents ; Approving procurement and disposal by tender procedures; Ensuring that best practice in relation to procurement entities; Ensure compliance with the Public Procurement Act, 2011(Amended 2016); Liaising directly with the Authority on matters within its jurisdiction as well as qualifications of goods and services procured by TCDC Tender Board through Receiving and Inspection Committee.

1.9 ACHIEVEMENTS MADE DURING THE YEAR.

Public awareness and Information Services

ISCF Provided expertise and services in information and dialogue with public media to the Commission and 28 televisions, 15 Radio programs about cooperative have been prepared and broadcasted

Legal services

ISCF Facilitated legal service and expertise to the commission and Cooperative societies in Kilimanjaro, Arusha, Mtwara, Morogoro, Lindi, Shinyanga, Mwanza, Mbeya, Mara, Tabora, Tanga, Njombe, Dar es salaam, Katavi and Kagera. Furthermore, ISCF provided assistances to Societies facing various disputes; and Legals service in terms of Contract vetting, cases and MoU's;

Research and Training Services

Education and training were provided to 710 Cooperative leaders on the use of CSMIS also cooperative education provided to 263,406 Members, 21,693 Leaders, 8,766 Staff of Cooperative Societies, 40 Service Providers; Two research was conducted on Challenges

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

facing Cooperative Societies in Rukwa Region and Study conducted on how Cooperative should operate in business Competitive environment.

Promotion and Coordination Services

ISCF assisted preparation and participation of ICUD celebrations held nationally in Mwanza Region and International Cooperative Day which held in Tabora Region where training for 15,351 members, 1,355 Cooperative leaders and 1,755 Cooperative executives were provided also International Trade Fair held in the Dar Es Salaam region involved 3,423 companies, of which 3,200 are local companies and 223 are foreign companies, 19 Cooperatives, 15 entrepreneurs;

Financial Services

ISCF assisted TCDC to scrutinize 136 received License applications and out of them 109 issued 1 license to qualified SACCOS; 759 SACCOS were supervised (Off-site Supervision) and 342 SACCOS were inspected; Annual SACCOS Performance draft report was prepared; TCDC in collaboration with SCCULT conducted training to 412 SACCOS on preparation and submission of SACCO's periodic report. The objective of the training was to build capacity of Licensed SACCOS officials to fill and submit mandatory periodic report.

Marketing and Investment

TCDC through ISCF Conducted marketing supervision activities on a substantial quantity of crops of 1,826,850,970 kgs (equivalent to 1,826,850.97 tons) amounting to a total value of TZS 1,752,128,795,530 which was collected and sold through Cooperatives; Follow-up and coordination were made on the revival of the cooperative owned industries including Sola (Simiyu), Manawa (Mwanza), Mugango (Mara) na Buyagu (Mwanza) as part of a reviving process; a draft of cooperative assets assessment and formalization program was developed and will be in its implementation fully in the coming financial year of 2023/2024; a draft of cooperative investment profile concept note was developed and its action plan will be in its implementation fully in the coming financial year of 2023/2024.

Regulatory and Inspection Services

135 Cooperative societies were updated to the Cooperative Register; 21 Cooperatives Unions and 2,387 Primary Co-operatives Societies were inspected. Various findings from inspected Cooperative Societies were identified and corrective measures were taken; Annual estimates of Income and Expenditures of 66 Co-operative Societies approved; Annual budget estimates of 66 Co-operative Societies Scrutinized Maximum Liability Certificates worth TZS 104,310,294,681.68 and USD 75,466,289.51 for 71 Cooperative Societies were approved at TCDC Headquarters. Also, the maximum Liability Certificate worth TZS 3,734,871,188.00 and USD 10,451,908.09 were approved at Regional Co-operative offices

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

1.10 KEY FINANCIAL PERFORMANCE INDICATORS

Table No. 7: Key Financial Performance Indicators

Performance indicator/ratio	Definition and formula	Purpose	2022/2023	2021/2023	Ratio interpretation
Income ratios	Total Income/Total Assets	Income generating activities	2.2:1	1.7:1	Ratio shows, due to the nature of TCDC main activities more fund spent on regulatory and promotional activities than on Assets acquisition
Expenditure Ratios	Total Expenses/Total Income	Relationship between expenses and income	1.1:1	1.03:1	The Fund revenue has slight capacity to cover operating activities
Expenditure Ratios	Total Expenses less Depreciation/Total Income	Relationship between expenses and income	0.92:1	0.95:1	The Fund revenue has slight capacity to cover operating activities
Liquidity Ratio	Current Assets/Current Liabilities	Ability of the Commission to settle current obligation	559.75:1		The fund is more liquid to pay its debts.

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

1.11 IMPLEMENTATION OF THE PLAN AND BUDGET

Inspection and Supervision of Cooperatives Fund revenue collection budget was TZS 4,737,456,446.00 while actual revenue collection was TZS 3,746,462,108.94 Equivalent to 79 Percent of collection budget. Actual expenditure was TZS 4,124,915,424.87 equivalent to 110.28 percent of total collection. The actual expenditure increase of TZS 378,439,078.63 was financed by the cash balance existed at the beginning of the financial year under review amounted to TZS 397,839,473.86.

1.11 COMMENTARY TO THE FINANCIAL STATEMENT

1.11.1 Financial Position

The Financial Position Comprises of Cash and Cash Equivalent, Prepayments, Receivables, Property Plant and Equipment, Payables, Capital, Accumulated Surplus/Deficit and Net Assets/Equity.

1.11.2 Cash and Cash Equivalent

The balance of Cash and Cash Equivalent as of 30th June 2023 was TZS 19,400,395.23 as compared to TZS 397,839,473.86 in 2021/2022. The decrease in closing balance was due to Management decision to increase cooperative supervision, promotion and branding as compared to previous year. Furthermore, some amount of opening balance financed the reporting year activities. Refer to Statement of Cash flow and Statement of comparison between Budget and Actual.

1.11.3 Prepayments

At the end of financial year 2022/2023 the balance of prepayments was TZS 168,699.936.94 that comprise prepayment of TZS 34,408,328 paid in 2021/2022 to acquire Motor vehicles as part payment and the remaining balance of TZS 134,291,609.00 paid in 2022/2023, that have not yet been received as at 30th June 2023 while in year 2021/2022 the prepayment was TZS 588,489,806.00. Refer to Note 4 of the Financial Position Statement.

1.11.4 Receivables

For Financial year 2022/2023 ISCF Receivables were TZS 53,398,784.28 as compared to TZS 23,515,728.89 in prior period. The increases were caused by more control number issued to Cooperatives for green gram and sesame sales during the month of June 2023, as compared to previous year. Refer to Note 5 of the Financial Position Statement.

1.11.5 Property, plant and Equipment

During financial year 2022/2023 ISCF Property, Plant & Equipment amount increased to TZS 1,650,138,963.69 from TZS 985,293,731.25 of previous year. The increase was due to acquisition of 6 motor vehicles of TZS 554,081,478.96 Land purchase for Tabora

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

Regional Office of TZS 5,604,000.00 Air condition purchase of TZS 2,020,000.00, Bajaj motor cycle of TZS 15,000,000.00. Acquisition of computers of TZS 413,130,039.92 for District offices use. One Motor vehicle of TZS 30,000,000.00 granted by Heifer International for office use and 12 Motor cycle of TZS 24,500,000.00 granted by CRDB Bank for office use.

Furthermore, for the year ended 30th June 2023, ISCF recorded a depreciation of TZS 379,490,286.44 as compared to TZS 257,179,205.21 in 2022/2023 while Accumulated Depreciation was TZS 1,323,801,635.57 as compared to TZS 944,311,349.13 in 2021/2022. The increase of both caused by starting to depreciate the Assets acquired in previous year which are Motor vehicles, motorcycles and computers. Refer to Note 15 of the Financial Position Statement.

1.11.6 Payables and Accrued Expenses

The ISCF Payables and Accrued Expenses was TZS 417,288.14 as at 30 June 2023 as compared to zero in previous year. The TZS 417,288.14 was Withhold Tax paid to Tanzania Revenue Authority but due to technical problem, the transaction deposited in unapplied Account in steady of Tanzania Revenue Authority bank account. Refer to Note 13 of the Financial Position Statement.

1.11.7 Net Assets/Equity

ISCF has the Net Asset/Equity of TZS 1,891,220,792.00 as of 30 June 2023 as compared to TZS 1,995,138,740 for the previous year. The decrease caused by removal from the book of account of fully depreciated computers and office furniture.

1.11.8 Accumulated Surplus/Deficit

ISCF has Accumulated Surplus/Deficit of TZS 1,636,409,883.00 during the year as compared to TZS 1,740,327,831 for the previous year. The decreases were caused by deficit of TZS 103,917,947.37 for the year, resulted by decision to allocate more fund in supervision, promotional and branding activities.

1.12 FINANCIAL PERFORMANCE

Financial Performance details ISCF revenues, expenses and surplus/deficit in financial year 2022/2023. The financial performance during reporting period took into account revenue from fees, fine, penalties and grants, expenses in form of supplies and consumables goods, wages salaries and employee benefits, maintenance expenses, finance costs, depreciation charges and other expenses.

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

1.12.1 Revenue from Fee, Fine and Penalties

In the year 2022/2023 ISCF revenue from fees, fine and penalties was TZ 3,776,345,164.96 and TZS 24,500,000 being grant of 12 motorcycles received from CRDB and TZS 30,000,000 being grant of one motor vehicle received from Heifer International to make a revenue total of TZS 3,830,845,164.96 as compared to TZS 3,556,950,897.33 for the prior period resulted to increase of TZS 273,894,267,63 The increases were due to revenue collection systems improvement such as the use of CSMS, use of electronic weighing scale to collect coffee and donation received from stakeholders. Refer to Note 1 of the Financial Performance Statement.

1.12.2 Supplies and office Consumables

Total Supplies and Office consumables as at 30 June 2023 was TZS 683,566,469.87 as compared to TZS 893,142,677.81 for the year 2021/22 resulting to decrease of TZS 209,576,207.94 The decreases in year under review resulted from few numbers of Cooperative Officers training conducted as compared to comparable year. Refer to Note 2 of the Financial Performance Statement.

1.12.3 Wages Salaries and Employee Benefits

Total Wages Salaries and Employee Benefits as at 30 June 2023 was TZS 2,817,208,356.02 as compared to TZS 2,475,674,756.25 for the year 2021/22 resulting to increases of TZS 341,533,599.77, the increases were mainly caused by more fund allocated for supervision and promotion activities. Refer to Note 6 of the Financial Performance Statement.

1.12.4 Maintenance Expenses

There were maintenance expenses of TZS 528,000 for the year ended 30 June 2023 as compare to zero amount for previous year, because in previous year all maintenances done through outsource maintenance contract services item under Supplies and Office Expenses. Refer to Note 8 of the Financial Performance Statement.

1.12.5 Finance Costs

There were Finance Costs of TZS 10,000 for the year ended 30 June 2023 as compared to TZS 30,000.00 for previous year.

1.12.6 Depreciation of Property Plant and Equipment

There was a depreciation of TZS 379,490,286.44 for the year ended 30th June 2023 as compare to TZS 257,179,205.21 for previous year. The increases were caused by increase on depreciation of motorcycles, computer printer, scanner and photocopiers that were

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

not depreciated in comparable year. Refer to Note 10 of the Financial Performance Statement.

1.12.7 Other Expenses

There were other expenses of TZS 53,960,000.00 for the year ended 30th June 2023 as compared to TZS 29,360,000 for the previous year. The increases were caused by cost of geological consultancy service received from Geological Survey of Tanzania as preliminary preparation of TCDC Headquarter Office construction. Refer to Note 11 of the Financial Performance Statement.

1.13 CASH FLOW

The cash flow shows how ISCF money movement through TCDC business. It shows increases or decreases in cash from operations, investing and financing during a period of time. This statement of cash flow shows the net change in cash balance using numbers from both the income statement and the position statement.

1.13.1 Cash from Operating Activities

Total flows relating to receipts from operating activities during the year under review were TZS 3,746,462,108.94 collected from fees, penalties and contributions from Cooperative Societies as compared to TZS 3,571,433,120.90 for previous year. The increases were due to revenue collection systems improvement such as the use of CSMIS and use of electronic weighing scale to collect.

Cash flows related to Payments from operating activities was TZS 3,554,855,537.75 as compared to TZS 3,398,207,434.06 for previous year, The increases were mainly caused by decision to allocate more fund for Cooperative Societies supervision and promotion activities.

1.13.2 Cash from Investing Activities

In the year 2022/2023 there was cash outflow of TZS 570,045,649.92 related to purchase of Land for Tabora Regional Office of TZS 5,604,000.00, Air condition purchase of TZS 2,020,000.00, Bajaj motor cycle of TZS 15,000,000.00 and Acquisition of computers of TZS 413,130,951.22 as compared to TZS 426,748,249.80 in 2021/22. Furthermore, in the year under review there was flow related to prepayment for motor vehicle of TZS 134,015,146.00 as compared to TZS 184,693,826.00 paid to acquire Motor vehicles that had not received as at 30th June, 2023.

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

1.13.3 Cash from Financing Activities

There was no cash inflow/outflow from financing activities for the year ended 30th June 2023 as it was in year 2021/2022.

1.14 COMPARISON OF BUDGET AND ACTUAL AMOUNT

1.14.1 Receipts

The Fund Receipts final budget from Fee, Fine and Penalties for the year under review were TZS 4,737,456,446.00 while actual Receipts turned to be TZS 3,746,462,108.94 which is equal to 79 percent of the final budget. The difference between budget and actual was caused by low cashew nut production due to bad weather condition.

1.14.2 Maintenance Expenses

Final budget for maintenance was TZS 2,457,279.00 during the year ended 30th June 2023 the actual expenditure was TZS 528,000.00

In the year 2022/2023 final budget for other expenses were TZS 61,450,000.00 the actual budget amount became TZS 53,960,000.00 to make a difference of TZS 7,490,000.00 the difference was caused by revenue under collection.

1.14.3 Grants and Other Transfer Payment

During the year under review final budget for grants and other transfer payments was TZS 50,000,000 while the actual turned to be TZS 0.00 due to revenue under collection.

1.14.4 Supplies and Consumable Goods

Final budget amount of this item was TZS 718,008,715.06 compared to the actual amount TZS 683,149,181.73 which is equal to 95% of its budget, the difference was due to revenue under collection.

1.14.5 Wages Salaries and Employee Benefits

Final budget for Wages, salaries and Employees Benefits for the financial year 2022/23 was TZS 3,280,063,517.94 while the actual expenditure as at 30th June, 2023 was TZS 2,817,208,356.02 which is equal to 86% of its budget, the difference was due to revenue under collection.

1.14.6 Property Plant and Equipment

There were purchases of Property, plant and Equipment of TZS 570,045,649.82 in year under review as compared to final budgeted amount of TZS 625,446,934.00.

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

1.14.7 Net Receipts/Deficit

There was Net of TZS -378,439,078.63 during the year under review.

1.14.8 Payment to Third Party

During Financial Year 2021/2022 the ISCF did not receive any cash or make any payment to/from third party

1.14.9 Contingent Liabilities and Contingent asset

There were no Contingent liabilities and Assets during the year related to ISCF

1.15 Risk Management and Internal Control

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

- (a) Safeguarding the Commission's assets;
- (b) Effectiveness and efficiency of operations;
- (c) Compliance with applicable laws and regulations;
- (d) Reliability of accounting records and financial information;
- (e) Responsive behavior towards stakeholders.

1.15.1 Internal Control

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Commission's system is designed to provide the Management with reasonable assurance that procedures in place are operating effectively. The Management have assessed the internal control system and are generally satisfied as explained herein. On the other hand, the Commission has an internal audit function which reports to the Audit Committee, through which the Board (Commission) monitors and directs corrective measures on the internal control environment.

1.15.2 Risk Management

The Commission has a draft of risk management framework and risk register together with various policies/regulations through which it manages its risks.

The ISCF is subject to a number of financial and operational risks, hazards and strategic risk and is responsible for ensuring appropriate risk management strategies and policies are in place within any mandate provided by legislation, some of major risks and its

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

mitigation in TCDC risk management framework related to TCDC and Cooperative Sector are in list below;

Risk Description	Risk Mitigation
Possibility of TCDC service delivery to be negatively affected due to death caused by HIV/AIDS infections and NCDS.	Conducting awareness seminars on HIV/AIDS and NCDS infections-; Distribution of protective gears; Availability of National HIV/AIDS Policies and schemes; Availability of HIV/AIDS and NCDS Committee; Availability of HIV/AIDS budget.
Possibility of non-implementation of Cooperative sector Anti-corruption action plan due to lack of awareness.	Availability of National Anti-corruption Strategy Plan phase III; Availability of TCDC Anti-corruption action plan; Availability of Anti-corruption program; Availability of Integrity committee; Availability of Complaining desk.
Possibility of cooperatives leaders' abuse of power.	Continuous Cooperative society's leaders training programs on code of ethics and conduct and legal enforcement mechanism.
Possibility of low public cooperative awareness due to inadequate cooperative education to the public	Sensitization and public awareness campaigns.; Availability of Communication Strategy and guidelines; Availability of qualified staff; Use of social media for awareness; Availability of cooperative policy
Inadequate cooperative performance in marketing linkages for agricultural produce.	Provision of marketing systems and public awareness campaigns; Sensitization on the use of new technology and establishment of large, medium and small sized industries through cooperatives; Undertaking digital marketing platforms
Unviable investments in cooperatives due to low knowledge of investment appraisal.	Identification of potential area for investment, market coordination and establishment of investment projects
Possibility of TCDC liquidity fluctuation due insufficient revenue	To make follow on ISCF revenue collection from each cooperative society and cooperative stakeholder and follow up on approved budgeted and fund disbursed by the government

1.16 Constraints

Notwithstanding the achievements noted above, the cooperative sub-sector is still encountering some challenges such as; poor administration and leadership skills in some of cooperative societies, poor business practices and negotiation skills, lack of professionalism in running cooperative societies operations, absence of strategic and business plans in cooperative societies, corporate strategies and action plans to be used as tools in the day- to-day management of their businesses and some cooperatives are too rigid to cope with the modern economic realities, little public awareness especially youth on the importance of cooperative. Inadequate human and financial resources to

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

facilitate implementation of the Commission's functions; high dependence of cooperatives on external finance, dishonest among some cooperatives leaders and management team that lead to embezzlement of funds and mismanagement of assets.

1.17 Future strategies

To improve cooperative sub-sector performance and attain its set objectives and targets, TCDC in collaboration with stakeholders including development partners is reviewing the Cooperative Policy of 2002 to meet the current social, economic and legal status.

TCDC will continue to carry out public awareness to broadcast cooperative virtues and ideals among citizens to inculcate understanding, generate interest and spur befitting actions including recruitment of large membership, cooperative staff and cooperative officers, mobilization of shares and deposits to build up sizable capital for improving service delivery and for investment purposes factors which are important in strengthening cooperatives.

TCDC will make sure that dormant cooperatives are activated, establish SACCOS in every AMCOS to provide credit to farmers.

Furthermore, capacity building efforts including training of staff and board members will be enhanced to ensure that cooperative societies are effectively run by qualified and professional staff and are able to provide services to a large clientele on sustainable basis. This is critical because it will ensure that cooperative societies have adequate economic muscles to deliver on time various services to the majority of the citizens and thereby facilitate poverty reduction.

Last but not least, inspection and supervision of all cooperative societies will be strengthened to ensure that, they are properly run according to legal requirements and professional standards.

1.18 Solvency

The Commission of TCDC confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Commission has reasonable expectation that ISCF has adequate resources to continue in operational existence for the foreseeable future.

1.19 Accounting Policies

The accounting policies of the ISCF disclosed in the notes to these financial statements have been approved by the Management Committee. The accounting policies have been

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

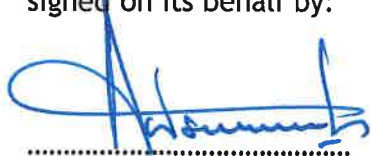
updated to reflect the new and revised accrual based International Public Sector Accounting Standards (IPSAS).

1.20 Independent Auditors

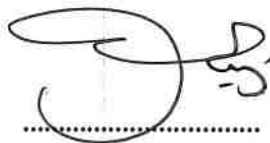
The Controller and Auditor General (CAG) is the statutory auditor of the Inspection and Supervision Cooperative Fund (ISCF) by virtue of the Article 143 of the Constitution of the United Republic of Tanzania (URT) of 1977 (Revised 2000) and The Public Audit Act, CAP 418 (R.E 2021).

BY ORDER OF THE COMMISSION APPROVAL OF THE COMMISSION

This report has been approved by the Commission on 6/2/2024 2024 and signed on its behalf by:



Abdulmajid M. Nsekela
Chairperson,
TCDC Commission



Dr. Benson O. Ndiege
Secretary,
Registrar

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

2.0 STATEMENT OF MANAGEMENT RESPONSIBILITY

Section 30 (2) & (4) of the Public Finance Act 2001 (as revised in 2020) requires management to prepare financial statements for each financial year, which gives a true and fair view of receipts and payments of the reporting entity as at the end of the financial year. It also requires management to ensure the reporting entity keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the reporting entity. They are also responsible for safeguarding the assets of the reporting entity.

Management accept responsibility for the ISCF financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Public Sector Accounting Standard (IPSAS and in the manner required by the Section 30 (2) & (4) of the Public Finance Act 2001 (as amended in 2020).

Management has opinion that the financial statements give a true and fair view of the state of the financial affairs of the reporting entity. Management accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control. Management is responsible for safeguarding the assets of the reporting entity and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

To the best of our knowledge, the system of internal control has operated adequately throughout the reporting period and that the records and underlying accounts provide a reasonable basis for the preparation of the Financial Statement for the Financial Year 2022/2023.

The Budget for ISCF was approved for the accounting period from 01 July 2022 to 30 June 2023. Hence ISCF continued to operate in the same manner as in the approved budget for the previous year.

We accept responsibility for the integrity of the Financial Statement the information it contains, and its compliance with the Public Finance Act No 6 of 2001 (as amended in 2004) and instructions from the Treasury.

Procurement of goods, works, consultancy, and non-consultancy services to the extent that they are reflected in these financial statements have been done in accordance with the Public Procurement Act No. 6 of 2011 (Amended 2016).

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

STATEMENT OF MANAGEMENT RESPONSIBILITY (CONTINUED)

Nothing has come to the attention of the management to indicate that the Inspection and Supervision Cooperative Fund will not remain a going concern for at least the next twelve months from the date of this statement.



Dr. Benson O. Ndiege
Accounting Officer

06/02/2024
Date

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

3.0 DECLARATION OF THE HEAD OF FINANCE AND ACCOUNTS

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 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 Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors/Governing Body as under Directors Responsibility statement on an earlier page.

I, **Valency R. Karunde** being the Head of Finance/Accounting of Inspection and Supervision Cooperative Fund (ISCF) hereby acknowledge my responsibility of ensuring that financial statements for the year ended June 30, 2023 have been prepared in compliance with International Public Sector accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Inspection and Supervision Cooperative Fund (ISCF) as on that date and that they have been prepared based on properly maintained financial records.



Signed by:

CPA Valency R. Karunde

Position: Chief Accountant

NBAA Membership No.: ACPA 2125


Date: 06/02/2024

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

4.0 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	2022 / 2023 TZS	2021 / 2022 TZS
ASSETS			
CURRENT ASSETS			
Cash And Cash Equivalents	3	19,400,395.23	397,839,473.86
Prepayments	4	168,699,936.94	588,489,806.00
Receivables	5	53,398,784.28	23,515,728.89
TOTAL CURRENT ASSETS		241,499,116.45	1,009,845,008.75
NON CURRENT ASSET			
Property Plant And Equipment	15	1,650,138,963.69	985,293,731.25
TOTAL NON CURRENT ASSET		1,650,138,963.69	985,293,731.25
TOTAL ASSETS		1,891,638,080.14	1,995,138,740.00
LIABILITIES			
CURRENT LIABILITIES			
Payables And Accrued Expenses	13	417,288.14	-
TOTAL CURRENT LIABILITIES		417,288.14	-
TOTAL LIABILITIES		417,288.14	-
Net Assets		1,891,220,792.00	1,995,138,740.00
NET ASSETS			
Accumulated Surplus	17	1,636,409,883.00	1,740,327,831.00
Taxpayers	19	254,810,909.00	254,810,909.00
TOTAL NET ASSETS		1,891,220,792.00	1,995,138,740.00



Abdulmajid M. Nsekela
Chairperson,
TCDC Commission

06/02/2024

Date

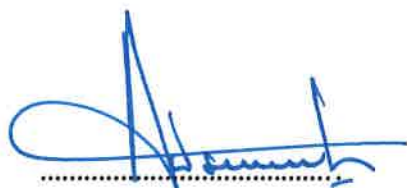


Dr. Benson O. Ndiege
Secretary,
Registrar

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

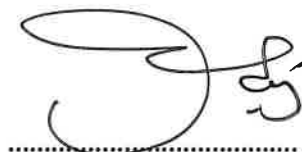
	Note	2022 / 23 TZS	2021 / 22 TZS
REVENUE			
Revenue From Fees, Fines and Penalties	1	3,776,345,164.96	3,556,950,897.33
Grants	18	54,500,000.00	-
TOTAL REVENUE		3,830,845,164.96	3,556,950,897.33
EXPENSES			
Supplies and Office Consumables	2	683,566,469.87	893,142,677.81
Wages Salaries And Employee Benefits	6	2,817,208,356.02	2,475,674,756.25
Maintenance Expenses	8	528,000.00	-
Finance Costs	9	10,000.00	30,000.00
Depreciation Of Property Plant And Equipment	10	379,490,286.44	257,179,205.21
Other Expenses	11	53,960,000.00	29,360,000.00
TOTAL EXPENSES		3,934,763,112.33	3,655,386,639.27
Deficit		(103,917,947.37)	(98,435,741.94)



Abdulmajid M. Nsekela
Chairperson,
TCDC Commission

06/02/2024

Date

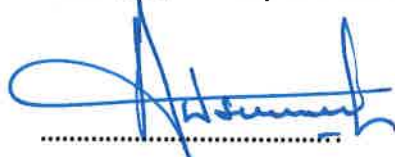


Dr. Benson O. Ndiege
Secretary,
Registrar

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

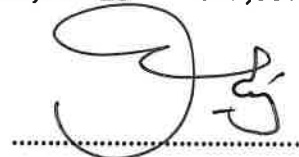
	NOTE	2022 / 23 TZS	2021 / 22 TZS
CASH FLOW FROM OPERATING ACTIVITIES			
RECEIPTS			
Revenue From Fees, Fines and Penalties		3,746,462,108.94	3,571,433,120.90
TOTAL RECEIPTS		3,746,462,108.94	3,571,433,120.90
PAYMENTS			
Finance costs	9	10,000.00	30,000.00
Other expenses	11	53,960,000.00	29,360,000.00
Supplies and consumables used		683,149,181.73	893,142,677.81
Wages, salaries and employee benefits	6	2,817,208,356.02	2,475,674,756.25
Maintenance expenses	8	528,000.00	-
TOTAL PAYMENTS		3,554,855,537.75	3,398,207,434.06
Net Cash Flow From operating activities		191,606,571.19	173,225,686.84
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(435,754,039.92)	(242,054,423.80)
Prepayment to PPE		(134,291,609.00)	(184,693,826.00)
Net Cash Flow From investing activities		(570,045,649.82)	(426,748,249.80)
CASH FLOW FROM FINANCING ACTIVITIES			
Net Cash Flow From financing activities		-	-
Net increase/(decrease) in cash and cash equivalent		(378,439,078.63)	(253,522,162.96)
Cash and cash equivalents at beginning of period		397,839,473.86	651,361,636.82
Cash and cash equivalents at end of Period		19,400,395.23	397,839,473.86



Abdulmajid M. Nsekela
Chairperson,
TCDC Commission

06/02/2024

Date



Dr. Benson O. Ndiege
Secretary,
Registrar

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

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

	Accumulated Surplus/Deficit	Taxpayers	Total
Opening Balance as 01 July 2022	1,740,327,830.37	254,810,909.00	1,995,138,739.37
Deficit for the year	(103,917,947.37)	-	(103,917,947.37)
Closing balance as 30 June 2023	1,636,409,883.00	254,810,909.00	1,891,220,792.00

	Accumulated Surplus/Deficit	Taxpayers	Total
Opening Balance as 01 July 2021	1,838,763,572.31	254,810,909.00	2,093,574,481.31
Deficit for the year	(98,435,741.94)	-	(98,435,741.94)
Closing balance as at 30 June, 2022	1,740,327,830.37	254,810,909.00	1,995,138,739.37



Abdulmajid M. Nsekela
Chairperson,
TCDC Commission

06/02/2024

Date



Dr. Benson O. Ndiege
Secretary,
Registrar

INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

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

	Original Amount	Reallocation(s)/ Adjustment(s)	Final Budget	Actual Amounts on Comparable Basis	Difference: Final Budget and Actual
RECEIPTS					
Revenue From Fees, Fines and Penalties	4,737,456,446.00		4,737,456,446.00	3,746,462,108.94	990,994,337.06
TOTAL RECEIPTS	4,737,456,446.00		4,737,456,446.00	3,746,462,108.94	990,994,337.06
PAYMENTS					
Maintenance Expenses	5,377,279.00	(2,920,000.00)	2,457,279.00	528,000.00	1,929,279.00
Finance	30,000.00		30,000.00	10,000.00	20,000.00
Other Expenses	20,000,000.00	41,450,000.00	61,450,000.00	53,960,000.00	7,490,000.00
Grants And Other Transfer Payments	50,000,000.00	-	50,000,000.00	-	50,000,000.00
Supplies And Office Consumables	891,444,104.52	(173,435,389.46)	718,008,715.06	683,149,181.73	34,859,533.33
Wages Salaries and Employee Benefits	2,796,037,128.48	484,026,389.46	3,280,063,517.94	2,817,208,356.02	462,855,161.92
Property Plant and Equipment	974,567,934.00	(349,121,000.00)	625,446,934.00	570,045,649.82	55,401,284.18
TOTAL PAYMENTS	4,737,456,446.00		4,737,456,446.00	4,124,901,187.57	612,555,258.43
NET PAYMENTS				(378,439,078.63)	378,439,078.63

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND (ISCF)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

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

GENERAL INFORMATION

The Inspection and Supervision of Cooperatives Fund (ISCF) is the fund managed and operated by Registrar of Cooperatives Societies. It was established in 1996/1997 after endorsement by the Parliament of United Republic of Tanzania as per direction given under Section 17(1) of “Exchequer and Audit ordinance 1961” that has been repealed by the new Public Finance Act No. 6 of 2001 (Revised 2020). Its relevance remains under Section 12 (1) - (2) and Section 75 of the Cooperative Societies Act No. 6 of 2013. The mandate of the Fund is derived from Section 17(1) of “Exchequer and Audit Ordinance 1961” that has been repealed by the new Public Finance Act No. 6 of 2001 (as Revised 2020) under section 12 (1) - (2), and Sect. 75 of the Cooperative Act No. 6 of 2013. The purpose of establishing the Fund is to supplement the expenses of inspection, promotional and regulatory functions due to the insufficient MTEF budget approved annually by Government.

PRINCIPAL PLACE OF BUSINESS Dodoma Municipal, P.o. Box 201, DODOMA, TANZANIA.	BANKER Bank of Tanzania, Dodoma Branch, P.O. BOX 2303, 16 Jakaya Kikwete Road, 40184 DODOMA, TANZANIA.
RESPONSIBILITY FOR ISCF ACCOUNTS Dr. Benson O. Ndiege Registrar of Cooperative, Tanzania Cooperative Development Commission, P.O.BOX 201, DODOMA, TANZANIA.	BANKER Central Zone Office, NMB Dodoma, P.O.BOX 888, DODOMA, TANZANIA.
AUDITOR Controller and Auditor General, National Audit Office, Audit House, Ukaguzi House, P.O.BOX 950, 41104 Tambukareli, Dodoma, TANZANIA.	LAWYER Office of the Attorney General, The Attorney General Chamber, 21 Mtaa wa Mji wa Serikali Mtumba, P.O.BOX 630, Dodoma, TANZANIA.

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)


**7.1. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION FOR THE YEAR
EDNDED 30 JUNE 2023**

These financial statements of the Inspection and Supervision of Cooperatives Fund (ISCF) comply with Generally Accepted Accounting Practice as defined in the Public Finance Act 2001 (revised 2004) Section 25(1) and have been prepared in accordance with International Public Sector Accounting Standards (IPSAS).

The financial statements are presented in TZS, which is the functional and reporting currency of the Government. The measurement base applied is historical cost modified by the valuation of property, plant and equipment and investment properties to determine deemed cost for initial recognition as per IPSAS 33. These financial statements have been prepared based on a going concern basis.

7.2. AUTHORIZATION

These financial statements will be authorized for issue after being signed by the CAG and tabled to the Parliament.



.....
Dr. Benson O. Ndiege
Accounting officer

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7.3. REPORTING ENTITY

The Tanzania Cooperative Development Commission is reporting the financial statements of the Inspection and Supervision cooperative Fund that encompass the Cooperative Development for the year ended 30 June 2023.

7.5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of the ISCF Financial Statements requires management to make judgments, estimates and assumptions that affects the disclosed amounts of assets and liabilities at the reporting date.

The accounting policies adopted, which are consistent with those of previous years, are shown below.

7.6. FUNCTIONAL AND PRESENTATION CURRENCY

Items included in the financial statements of ISCF are measured using the currency of the primary economic environment in which the Government operates ("the functional currency" The financial statements are presented in Tanzanian Shillings (TZS), which is the Government's functional and presentation currency.

7.7. TRANSACTIONS AND BALANCES

All transactions made in Tanzanian Shillings, so there is no exchange gains and losses resulting from the settlement of such transactions. All closing balances are in Tanzanian Shilling

7.8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash at banks. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

7.9. REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions is governed by IPSAS 23 comprise gross inflows of economic benefits or service potential received and receivable by ISCF, which represents an increase in net asset/equity, other than increases relating to contributions from owners. Moreover, revenue is recognized to the extent that it is probable that the economic benefits will flow to the ISCF and the revenue can be reliably measured.

Other transfers include fees, fines, penalties, licenses, gifts, donations (including goods-in-kind), and transfers from other government entities. These are associated with the asset will flow to the entity; and the fair value of the asset can be measured reliably.

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Services-in kind are not recognized as revenue but are disclosed in the financial statements. Grants are recognized as per IPSAS 23 requirements and until there is reasonable assurance that the TCDC will comply with the conditions attaching to them and the grants will be received. ~~Grants whose primary condition is that it should purchase, construct or otherwise acquire non-current assets are recognized as deferred income in the statement of financial position and transferred to statement of financial performance on a systematic and rational basis over the useful lives of the related assets. Other grants are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis~~

7.10. PROVISIONS

The TCDC recognize provision in accordance with IPSAS 19 “para 22-34” when has a present obligation in form of legal or constructive as a result of a past event and such obligating event has a great probability to cause an outflow of resources embodying economic benefit as result of settling the obligation and reliable estimate can be made of cost amount of an obligation. Where the TCDC expect some or all of a provision to be reimbursed, example under Insurance Contract, the reimbursement is as a separate asset but only when the reimbursement is virtually certain. The expenses relating to any provision is presented in surplus/deficit net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects the risks specific to the liability. When there is discounting, any increase in provision due to the passage of time is as a finance cost

7.11. IMPAIRMENT OF ASSETS

The TCDC assesses impairment of assets at each reporting date whether there is an indication that an asset may be impaired. If any such exists, or when annual impairment testing for an asset is required the TCDC makes an estimate of the assets recoverable amount.

An assets recoverable amount is the higher of an assets fair value less costs to sell and its value in use and determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre - tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the assets recoverable amount since the last impairment loss was recognized.

7.12.PROPERTY, PLANT AND EQUIPMENT

The ISCF Property, Plant and Equipment is stated at Cost Less Accumulated Depreciation. The Government has adopted straight line method for depreciation of Public Assets which is allocated systematically over the useful life of the respective assets as issued in Government Asset Guideline on 10th December, 2012 and updated information on the circulars issued by Director of Government Asset

Management time to time and the accounting policies applicable. The depreciable amount of an asset is allocated on a systematic basis over its estimated useful life. The prevailing International Standard for depreciation is applied over the useful life of the assets. An item of non-Current assets, is derecognized upon disposal, when no future economic benefits are expected from its use or disposal. The valuation of Noncurrent Assets which their value is not known is done in accordance with IPSAS 33 to determine deemed cost.

7.13. ESTIMATED USEFUL LIFE (EUL)

Assets ran an economic life peculiar to themselves depending on make, constant handling and operational use. Some assets are continued to be in use much beyond the EUL due to periodical maintenance and repairs. Review of useful life of Non-current Assets is undertaken annually as required by IPSAS 3. Asset expected life are projected in ranges as follows.

Description	Years
Furniture, fixture and equipment	5
Office Equipment	5
Motor vehicles - Light duty (below 5 tons)	5
Motorcycle	7
Computer (Desktops and laptops)	4
Video Conference Equipment	4
Servers	7
Network/Telecom Equipment	7
Equipment Racks	10
Other Equipment (with purchase value > or = \$	10
Automated file storage equipment	7
Equipment for production, storage and viewing of microforms	7
Document processing equipment e.g. Photocopiers, mail handling equipment, check handling equipment and	7
Television studio, cameras and other photographic equipment	7
Uninterruptible power supplies (UPS)	7
Computer hardware	5

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7.14. INVENTORY MEASUREMENT

Inventories are stated at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

- Raw materials - purchase cost on first in first out basis
- Stationeries and other consumables - cost is determined on first in first out basis

Net realized value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Where inventories are acquired through a non-exchange transaction, their cost shall be measured at their fair value as at the date of acquisition.

7.15. EVENTS AFTER REPORTING DATE

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified.

1. Those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
2. Those that are indicative of conditions that arose after reporting period (non-adjusting events after the reporting period).

7.16. TAXPAYERS FUND

Taxpayers Fund is a public fund which includes all sources collected and spent by the Government in various infrastructures such as schools, hospitals, roads, railway and many other strategic projects for the purpose of satisfying individuals or collective needs for its citizens. It represents initial residual value or capital and expected to be static after the lapse of the transitional period in the financial 2016/2017.

7.17. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the ISCF financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

7.18. FUTURE CHANGES IN ACCOUNTING POLICIES

Standards issued but not yet effective up to the date of issued and some amendment thereon which might have impact in the entity financial statements. These standards issued are those in which the entity reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. TCDC expect to adopt IPSAS 47 when become effective and it will have an impact on financial statements.

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

	2022 / 2023	2021 / 2022
Note 01 - Revenue From Fees, Fines And Penalties		
Fees From Non Agriculture Business Cooperatives - Other Cooperatives	4,219,817.00	1,384,000.00
Fee from Consumers Cooperatives	180,000.00	-
Fines Penalties and Forfeitures	1,000,000.00	-
Registration of Charges/Mortgages	42,969,321.44	5,818,250.00
Cooperative Education Fund Contributions	498,245,302.54	483,536,926.82
Fees from Cooperative Service Providers	39,915,000.00	37,603,262.30
Fees From Coffee Cooperatives	289,292,183.16	196,570,060.56
Receipts from Registration Fees	56,250,000.00	5,050,000.00
Fees From Tobacco Cooperatives	258,375,073.44	189,493,156.78
Fees From Dairy Cooperatives	22,382,754.00	25,787,738.20
Fines and Penalties	32,500,000.00	59,130,000.00
Others	3,200,000.00	8,940,720.00
Licensed SACCOS Fees	6,525,001.00	23,600,000.00
Fees From Tea Cooperatives	13,227,064.50	15,354,958.00
Receipt from Supervision and Agency Fees	174,890,408.22	3,100,000.00
Miscellaneous Receipts	112,870,497.35	173,829,007.66
Fee on Profit from Cooperative other Investment	38,657.00	-
Other Income	82,030,807.51	79,805,857.57
Fee from Cocoa sales	6,466,040.00	-
Fees From Non Agriculture Business Cooperatives (TFC and Joint Enterprises)	10,053,751.95	10,077,750.00
Fees From Cotton Cooperatives	422,659,879.33	390,156,138.00
Mortgage registration fee	1,050,000.00	1,483,485.00
Fees From Financial Cooperatives	476,831,510.80	604,813,821.00
Fees From Cashew nut Cooperatives	798,803,838.00	912,708,360.00
Fees From Mixed Crop Cooperatives	422,329,718.72	328,510,733.44
Receipt from sunflower oil Cooperatives	38,539.00	196,672.00
Total	3,776,345,164.96	3,556,950,897.33

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 02 - Supplies and Office

Consumables

INTERNATIONAL FESTIVALS	8,242,260.00	-
Advertising and Publication	8,405,200.00	21,460,000.00
Conference Facilities	42,135,000.00	80,484,154.67
Food and Refreshment	73,346,000.00	191,379,000.00
Uniforms and Ceremonial Dress	2,240,000.00	12,655,000.00
Tuition Fees (Local)	11,977,600.00	4,050,000.00
Internet and Email Connection	1,656,000.00	1,120,000.00
Electricity	120,000.00	95,000.00
Outsource Maintenance Contract services	67,140,543.93	109,616,107.09
Printing and photocopying costs	26,777,500.00	28,079,522.00
Telephone charges	-	55,981.21
Printing Materials	12,635,000.00	-
Air Travel Tickets	27,624,300.00	4,392,540.00
Tyres and Batteries	320,000.00	10,500,000.00
Printing and Photocopying costs	1,439,460.28	3,000,000.00
Air Travel ticket	11,975,245.00	7,803,960.00
contracted labour	1,200,000.00	-
Catering services	48,528,539.72	-
Gifts and Prizes	3,000,000.00	7,050,000.00
Sitting Allowance	91,780,000.00	100,110,000.00
Facilitation Fees	13,100,000.00	10,900,000.00
Training Allowances- Domestic	-	1,500,000.00
Training Materials	1,750,000.00	1,800,000.00
Computer supplies and Accessories	1,340,000.00	1,500,000.00
Exhibition, Festival and Celebration	25,122,980.00	69,304,240.00
Printer and Scanner	-	600,000.00
Office consumables (papers, pencils, pens and stationary)	34,104,500.00	46,239,053.00
Subscription Fee	750,000.00	-
Outsource maintenance contract services	3,509,300.00	21,238,870.50
Taxes levied by another level of Government	7,451,700.00	-
Hiring of training facilities	6,850,000.00	-
Petrol	171,500.00	-
Diesel	131,104,181.30	150,929,449.34
small tools and implements	2,219,660.00	833,000.00
Casual Laborer's	540,000.00	5,676,800.00
Outsourcing Costs	-	770,000.00
Direct labour	15,010,000.00	-
Total	683,566,469.87	893,142,677.81

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**Note 03 - Cash and Cash
Equivalents**

Inspection and Supervision Coop Expenditure Account No. 50510032037	10,532,554.68	153,307,838.08
Mrajis wa Vyama Vya Ushirika Account(BOT) No. 9925263101	2,951,224.35	244,424,865.78
GePG Inspection Collections Account (NMB)No. 50510047660	-	80,430.00
GePG Inspection Account(CRDB) No. 0150417858900	5,916,656.20	26,340.00
Total	19,400,395.23	397,839,473.86

Note 04 - Prepayments

Prepayments on PPE	168,699,936.94	588,489,806.00
Total	168,699,936.94	588,489,806.00

Note 05 - Receivables

Receivable from Cooperative Society	53,398,784.28	23,515,728.89
Total	53,398,784.28	23,515,728.89

**Note 06 - Wages Salaries and
Employee Benefits**

Entertainment	1,500,000.00	-
court Attire allowance	2,000,000.00	-
Food and Refreshments	12,700,000.00	10,805,000.00
Ground travel (bus,railway, tax)	74,981,400.00	94,121,760.00
Moving Expenses	99,466,692.00	231,083,244.25
Burial Expenses	3,000,000.00	4,000,000.00
Special uniforms and clothing	-	1,000,000.00
Per Diem - Foreign	37,049,446.36	66,696,418.00
Acting allowance	21,412,300.00	-
Outfit Allowance	1,200,000.00	-
Per Diem Domestic	1,963,239,767.66	1,576,048,836.00
Extra duty	396,012,500.00	332,764,498.00
Honorariums	18,880,000.00	4,000,000.00
Ground Travel	4,691,250.00	3,115,000.00
Special allowance	181,075,000.00	152,040,000.00
Total	2,817,208,356.02	2,475,674,756.25

Note 08 - Maintenance Expenses

Motor vehicles and water craft	528,000.00	-
Total	528,000.00	-

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 09 - Finance Costs		
Bank Charges	10,000.00	30,000.00
Total	10,000.00	30,000.00
Note 10 - Depreciation Of Property Plant And Equipment		
Depreciation of computers and other document processing equipment	133,051,708.96	61,285,659.81
Depreciation of furniture ,fixtures and Equipment	4,791,377.00	4,673,543.67
Deprecation of Motor vehicle	141,825,594.12	116,207,658.64
Deprecation of Office Equipment and computer related	10,327,155.95	10,206,917.76
Depreciation of motor cycle	35,835,714.29	16,435,714.29
Depreciation of Printers, scanner and Other Equipment	23,289,000.00	22,675,607.14
Depreciation of Furniture and Fixtures	7,854,728.40	7,854,728.40
depreciation other equipment and installation	1,133,428.57	1,133,428.57
Depreciation of IT and Networking equipment	19,540,486.83	14,864,854.90
Depreciation of Camera	1,626,806.32	1,626,806.32
Deprecation of TVs and Radio	214,286.00	214,285.71
Total	379,490,286.44	257,179,205.21
Note 11 - Other Expenses		
Consultancy	41,480,000.00	-
Cooperative education fund contribution	12,480,000.00	29,360,000.00
Total	53,960,000.00	29,360,000.00
Note 13 - Payables And Accrued Expenses		
Trade creditors	417,288.14	-
Total	417,288.14	-
Note 15 - Property Plant And Equipment		
Office equipment and other computer related	101,593,200.00	99,573,200.00
Telecommunication infrastructure, Networks	136,783,407.81	136,783,407.81
Television and Decoder	1,500,000.00	1,500,000.00
Computers and other document processing equipment	681,548,119.80	268,418,079.88

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Camera	11,387,644.21	11,387,644.21
Land Acquisition	91,622,084.00	86,018,084.00
Motor vehicle	1,430,393,476.44	846,311,997.48
Furniture, Fixture and Equipment	114,284,425.00	114,284,425.00
Other equipment and installations	7,934,000.00	7,934,000.00
Computer, printers, scanners and other computer related equipment	103,020,600.00	103,020,600.00
Motor Cycles	254,600,000.00	215,100,000.00
Furniture and fixtures	39,273,642.00	39,273,642.00
Accumulated depreciation of computer & other document processing equipment	-208,393,279.20	-75,341,570.24
Accumulated depreciation Telecommunication infrastructure Network	(53,795,872.73)	(34,255,385.90)
Accumulated depreciation of Camera	(6,507,225.28)	(4,880,418.96)
Accumulated Depreciation - Office Equipment and computer related	(89,486,520.14)	(79,159,364.19)
Accumulation depreciation other equipment and installation	(2,266,857.14)	(1,133,428.57)
Accumulated depreciation of Television	(1,125,000.28)	(910,714.28)
Accumulated Depreciation - Furniture ,Fixture and Equipment	(99,792,460.67)	(95,001,083.67)
Accumulated depreciation of Furniture and Fixture	(21,825,940.80)	(13,971,212.40)
Accumulated Depreciation - Motor Vehicles	(741,122,443.76)	(599,296,849.64)
Accumulated depreciation of motor cycle	(53,521,428.43)	(17,685,714.14)
Accumulated -Depreciation of Printers, scanner and Other Equipment	(45,964,607.14)	(22,675,607.14)
Total	1,650,138,963.69	985,293,731.25
Note 17 - Accumulated Surplus/Deficit		
Accumulated Surplus/Deficit	1,740,327,830.37	1,838,763,572.31
Surplus/Deficit for the year	(103,917,947.37)	(98,435,741.94)
Total	1,636,409,883.00	1,740,327,830.37
Note 18 - Grants		
Grant	54,500,000.00	-
Total	54,500,000.00	-

INSPECTION AND SUPERVISION OF COOPERATIVES FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note 19 - Taxpayers		
Tax Payer's	254,810,909.00	254,810,909.00
Total	254,810,909.00	254,810,909.00

CASH FLOW NOTE

Note 20-Revenue	<u>2022/23</u>
Revenue reported on performance	<u>3,776,345,164.96</u>
Less debtors during the year	<u>(29,883,055.39)</u>
Revenue reported in cash flow	<u>3,746,462,109.57</u>

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTES 15: PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED JUNE 30, 2023

2022/2023	Cost	Additions(Monetary)	Adjustments (non Monetary additional)	Balance	Acc. Depreciation at 1 July	Depreciating Charge	Total Accumulated Depreciation 30th June	Carrying value at 30 June
Furniture, Fixture and Equipment	114,284,425.00	0.00	0.00	114,284,425.00	95,001,083.67	4,791,377.00	99,792,460.67	14,491,964.33
Office equipment and Computers	99,573,200.00	2,020,000.00		101,593,200.00	79,159,364.19	10,327,155.95	89,486,520.14	12,106,679.86
Motor vehicle	846,311,997.48			1,430,393,476.44	599,296,849.64	141,825,594.12	741,122,443.76	689,271,032.68
Television and Decoder	1,500,000.00	0.00	584,081,478.96	1,500,000.00	910,714.28	214,286.00	1,125,000.28	374,999.72
Telecommunication infrastructure, Networks	136,783,407.81	0.00	0.00	136,783,407.81	34,255,385.90	19,540,486.83	53,795,872.73	82,987,535.08
Camera	11,387,644.21			11,387,644.21	4,880,418.96	1,626,806.32	6,507,225.28	4,880,418.93
Motor Cycles	215,100,000.00	15,000,000.00	24,500,000.00	254,600,000.00	17,685,714.14	35,835,714.29	53,521,428.43	201,078,571.57
Computers and other document processing equipment	268,418,079.88	413,130,039.92		681,548,119.80	75,341,570.24	133,051,708.96	208,393,279.20	473,154,840.60
Furniture and fixtures	39,273,642.00			39,273,642.00	13,971,212.40	7,854,728.40	21,825,940.80	17,447,701.20
Computer, printers, scanners and other computer related equipment	103,020,600.00	0.00	0.00	103,020,600.00	22,675,607.14	23,289,000.00	45,964,607.14	57,055,992.86
Other equipment and installations	7,934,000.00			7,934,000.00	1,133,428.57	1,133,428.57	2,266,857.14	5,667,142.86
Air conditioner				-	-	-	-	-
Land Acquisition	86,018,084.00	5,604,000.00	-	91,622,084.00	-	-	-	91,622,084.00
Note-15 Total	1,929,605,080.38	435,754,039.92	608,581,478.96	2,973,940,599.26	944,311,349.13	379,490,286.44	1,323,801,635.57	1,650,138,963.69
Total	1,929,605,080.38	435,754,037.92	608,581,478.96	2,973,940,599.26	944,311,349.13	379,490,286.44	1,323,801,635.57	1,650,138,963.69

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Note-15: Property Plant
And Equipment

Descriptions	Cost/Revaluation					Accumulated Depreciation and Accumulated Impairment				
	Cost	Additions	Adjustments	Disposal	Balance	Acc. Depreciation at 1 July	Depreciation Charge	Disposal	Total Accumulated Depreciation Charge at 30 June	Carrying valuea at 30 June 22
2021/2022										
Furniture, Fixture and Equipment	112,909,425	325,000	1,050,000	-	114,284,425	90,327,540	4,673,544	-	95,001,084	19,283,341
Office equipment and other computer related	99,573,200	-	-	-	99,573,200	68,952,446	10,206,918	-	79,159,364	20,413,836
Motor vehicle	846,311,997	-	-	-	846,311,997	483,089,191	116,207,659	-	599,296,850	247,015,148
Television and Decoder	1,500,000	-	-	-	1,500,000	696,429	214,286	-	910,714	589,286
Telecommunication infrastructure, Networks	100,253,984	36,529,424	-	-	136,783,408	19,390,531	14,864,855	-	34,255,386	102,528,022
Camera	11,387,644	-	-	-	11,387,644	3,253,613	1,626,806	-	4,880,419	6,507,225
Motor Cycles	15,000,000	200,100,000	-	-	215,100,000	1,250,000	16,435,714	-	17,685,714	197,414,286
Computers and other document processing equipment	267,918,080	500,000	-	-	268,418,080	14,055,910	61,285,660	-	75,341,570	193,076,510
Furniture and fixtures	39,273,642	-	-	-	39,273,642	6,116,484	7,854,728	-	13,971,212	25,302,430
Computer, printers, scanners and other computer related equipment	-	2,550,000	100,470,600	-	103,020,600	-	22,675,607	-	22,675,607	80,344,993
Other equipment and installations	7,934,000	-	-	-	7,934,000	-	1,133,429	-	1,133,429	6,800,571
Computers, printers, scanners, and other computer related equipment	99,470,600	1,000,000	(100,470,600)	-	-	-	-	-	-	-
Land Acquisition	86,018,084	-	-	-	86,018,084	-	-	-	-	86,018,084
Filing Cabinets	-	1,050,000	(1,050,000)	-	-	-	-	-	-	-
Total	1,687,550,657	242,054,424	-	-	1,929,605,080	687,132,144	257,179,205	-	944,311,349	985,293,731

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**RECONCILIATION OF CASH FLOW STATEMENT FOR YEAR ENDED 30 JUNE 2023
(INDIRECT METHOD)**

Operating activities	
Deficit for the year	(103,917,947.37)
Adjustment to reconcile net Surplus to:	
Non-cash grant	(54,500,000.00)
Depreciation of property and equipment	379,490,286.44
(Increase)Decrease in current assets:	
Increase in Accounts Receivable	(29,883,056.02)
Increase in Current Liabilities	417,288.14
NET CASHFLOW FROM OPERATING ACTIVITIES	191,606,571.19
 DIRECT METHOD	
NET CASHFLOW FROM OPERATING ACTIVITIES	191,606,571.19
DIFFERENCE	-

AGE ANALYSIS OF THE RECEIVABLE FOR THE PERIOD ENDED 30 JUNE 2023

S/N	CATEGORIES	TOTAL (TZS)	>30< 60DAYS	>60<90DAYS
1	Receivables	53,398,784.28	53,398,784.28	0
	GRAND TOTAL	53,398,784.28	53,398,784.28	0

8.4 RECONCILIATION OF ACTUAL AMOUNTS AGAINST BUDGET

IPSAS 24 Para 47 requires an entity to reconcile basis differences between the actual amounts presented on a comparable basis to the budget with other set of financial statements, which occur when approved budget is prepared on a basis other than the accounting basis. During the Financial year ended 30th June, 2023 the basis differences between ISCF actual amounts to the budget and actual amounts to the Cash Flow Statement were as follows:

Differences between Actual Amounts to the Budget and Amounts to the Cash flow Statements				
Categories	Net Receipts in Cash flow Statements	Net Receipts in the Statement of Budget	Difference	Reasons for difference
Net Receipts	19,400,395.23	(378,439,078.63)	397,839,473.86	Opening cash balance of TZS 397,839,473.86

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Differences between Approved Final Budget Amount and Actual Amount on Comparable Basis				
Item	Final Budget	Actual Amount	Difference	Reasons for difference
Total Receipts	4,737,456,446.00	4,124,925,424.87	612,531,021.13	Under collection
Total Payments	4,737,456,446.00	4,124,925,424.87	612,531,021.13	Under collection

Items	Final Budget	Actual Amounts	Difference:	Causes
RECEIPTS				
Revenue From Fees, Fines and Penalties	4,737,456,446.00	3,746,462,108.94	990,994,337.06	Under collection
TOTAL RECEIPTS	4,737,456,446.00	3,746,462,108.94	990,994,337.06	Under collection
PAYMENTS				
Maintenance Expenses	2,457,279.00	528,000.00	1,929,279.00	Under collection
Finance	30,000.00	10,000.00	20,000.00	Under collection
Other Expenses	61,450,000.00	53,960,000.00	7,490,000.00	Under collection
Grants And Other Transfer Payments	50,000,000.00		50,000,000.00	Under collection
Supplies And Office Consumables	718,008,715.06	683,149,181.73	34,859,533.33	Under collection
Wages Salaries and Employee Benefits	3,280,063,517.94	2,817,208,356.02	462,855,161.92	Under collection
Property Plant and Equipment	625,446,934.00	570,045,649.82	55,401,284.18	Under collection
TOTAL PAYMENTS	4,737,456,446.00	4,124,901,187.57	612,555,258.43	Under collection
NET PAYMENTS		-378,439,078.63	378,439,078.63	

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

LIST OF TRANSACTIONS/BALANCES WITH OTHER GOVERNMENT ENTITIES FOR THE YEAR ENDED 30 JUNE 2023				
S/N	Goods/service s received	Name of entity provided goods/services		
			Amount Paid	Payable
1	TAX	TANZANIA REVENUE AUTHORITY(TRA)	7,451,700.00	417,288.14
		GOVERNMENT PROCUREMENT SERVICE		
2	GOODS	AUTHORITY(GPSA)	265,290,827.00	0
3	SERVICE	TEMESA	67,140,543.93	0
4	SERVICE	AIR TANZANIA CORPORATION(ATC)	39,599,545.00	0
7	SERVICE	TANESCO	120,000.00	0

8.5 PERFORMANCE REPORT - SUMMARY OF ISCF 2022/2023 BUDGET EXPENDITURE

S/N	EXPENDITURE ON BY SUB-VOTE (Inspection and Supervision of Cooperative Fund (ISCF) only	APPROVED BUDGET	EXPENDITURE	PERCENTAGEEXP ENDITURE	DESCRIPTION
1	Sub-Vote 1001	1,580,207,624.89	1,374,022,425.15	86.95	Provided expertise and services on Human Resources Management and Administrative matters by providing staff fringe benefits such as leave travel fare, per diems, moving allowances and extra duty allowances, and administrative costs such as utility bills, maintenance costs of government vehicles, fuel, and security were paid to TCDC staff; and coordinated the Short training of 554 TCDC staff. Four (4) meeting of the Commissioners has been conducted. Three (3) Integrity Committee meetings and two (2) HIV/AIDS and Non-Communicable Disease Committee meeting conduct.
2	Sub-Vote 1002	100,964,035.90	64,616,000.00	64.00	Facilitated financial management and bookkeeping services to the office of the Tanzania Cooperative Development Commission; and Conducted awareness to AR-Regional Offices about revenue collections.
3	Sub-Vote 1003	102,650,898.67	125,435,000.00	122.20	Provide expertise and services in planning, budgeting, budget implementation, monitoring and evaluation and preparation of cooperative statistical bulleting facilitated; Concept note for increasing TCDC budget ceiling for FY 2023/2024 prepared and Submitted to MoF; Draft document for Monitoring and evaluation framework prepared; Draft document for Resource mobilization strategy document prepared

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND
FINANCIAL STATEMENT FOR THE YEAR 2022/2023**

S/N	EXPENDITURE ON BY SUB-VOTE (Inspection and Supervision of Cooperative Fund (ISCF) only	APPROVED BUDGET	EXPENDITURE	PERCENTAGEEXP ENDITURE	DESCRIPTION
4	Sub-Vote 1004	59,446,076.82	40,445,200.00	68.04	Provided expertise and services in information and dialogue with public and media to the Commission and 28 television programs and 15 Radio programs about cooperative have been prepared and broadcasted
5	Sub-Vote 1005	65,205,934.80	34,192,000.00	52.44	Facilitating legal service and expertise to the commission and Cooperative societies in Kilimanjaro, Arusha, Mtwara, Morogoro, Lindi, Shinyanga, Mwanza, Mbeya, Mara, Tabora, Tanga and Njombe, Dar es salaam, Katavi and Kagera, have been given legal advice and assistances to those facing different disputes; and Legal advice and assistance are in terms of Contractvetting, cases, MoU's and disputes; Preparation of the proposed miscellaneous amendment of the Cooperative Societies Act; Review of the Cooperative Societies Act no. 6 of 2013.
6	Sub-Vote 1006	55,301,737.54	12,027,500.00	21.75	Provided expertise and services in procurement, storage and supply of goods and services to the office of the cooperative development commission and 4 Procurement committee meeting and Tender board meeting conducted.
7	Sub-Vote 1007	406,467,000.00	141,090,000.00	34.71	Facilitated expertise and services on application of ICT to the Commission and 4 ICT Steering Committee Meeting facilitated. Training to 710 management officers and cooperative leaders on the use of CSMS facilitated.
8	Sub-Vote 1008	66,618,730.14	74,650,000.00	112.06	Provided advisory services to the Accounting Officer on the proper management of funds and Audit of expenditure management on system funds utilized at 10 Regional offices conducted.

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND
FINANCIAL STATEMENT FOR THE YEAR 2022/2023**

S/N	EXPENDITURE ON BY SUB-VOTE (Inspection and Supervision of Cooperative Fund (ISCF) only	APPROVED BUDGET	EXPENDITURE	PERCENTAGEEXP ENDITURE	DESCRIPTION
9	Sub-Vote 1009	201,835,926.88	65,589,000.00	32.50	Education and training were provided to 263,406 Members, 21,693 Leaders and 8,766 Staff of Cooperative Society; Registering, managing and training 40 Service Providers in Cooperatives; Cooperative education and Training was provided to Service Providers; Two research was conducted on Challenges facing Cooperative Society at Rukwa Region and Study conducted on how Cooperative should operate on business Competitive.; Cooperative education and Training was provided to Service Providers
10	Sub-Vote 4001	194,011,214.48	139,659,760.00	71.99	Coordinated the preparation and participation ICUD celebrations held nationally in Mwanza Region and International Cooperative Day which held in Tabora Region; training for 15,351 members, 1,355 Cooperative leaders and 1,755 Cooperative executives was provided; The International Trade Fair held in the Dar Es Salaam region involved 3,423 companies, of which 3,200 are local companies and 223 are foreign companies, 19 Cooperatives, 15 entrepreneurs participated; Coordinated TCDC participation in East African Trade Fair held in Mwanza involved 5.
11	Sub-Vote 4002	75,638,884.32	50,191,068.00	66.36	The office received 136 License applications and scrutinized that applications and issued 109 license to qualified SACCOS; 759 SACCOS were supervised (Off-site Supervision) and 342 SACCOS were inspected; Annual SACCOS Performance draft report was prepared; TCDC in collaboration with SCCULT conducted training to 412 SACCOS on preparation and submission of SACCO's periodic report. The objective of the

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND
FINANCIAL STATEMENT FOR THE YEAR 2022/2023**

S/N	EXPENDITURE ON BY SUB-VOTE (Inspection and Supervision of Cooperative Fund (ISCF) only	APPROVED BUDGET	EXPENDITURE	PERCENTAGEEXP ENDITURE	DESCRIPTION
12	Sub-Vote 4003	901,509,160.11	710,697,000.00	78.83	training was to build capacity of Licensed SACCOS officials to fill and submit mandatory periodic report. 4,712 financial and non-financial Cooperatives societies have been inspected in the FY 2022/2023; Supervision of formal marketing system in cooperative societies was facilitated where by 1,826,850,970 kegs of crops worth 1,752,128,795,530 shillings were sold from tobacco, cashew, cotton, coffee, sesame, cocoa, sisal, tea, peas, soybean, grapes, sugar cane and beans; 73,112 citizens have been sensitized to establish or join cooperative societies; Four quarterly meetings of the Cooperative was held Officers
3	Sub-Vote 4004	200,205,778.55	196,808,208.00	98.30	Conducted marketing supervision activities on a substantial quantity of crops of 1,826,850,970 kgs (equivalent to 1,826,850.97 tons) amounting to a total value of TZS 1,752,128,795,530 which was collected and sold through Cooperatives; Follow-up and coordination were made on the revival of the cooperative owned industries including Sola (Simiyu), Manawa (Mwanza), Mugango (Mara) na Buyagu (Mwanza) as part of a reviving process; a draft of cooperative assets assessment and formalization program was developed and will be in its implementation fully in the coming financial year of 2023/24; a draft of cooperative investment profile concept note was developed and its action plan will be in its implementation fully in the coming financial year of 2023/24.

**INSPECTION AND SUPERVISION OF COOPERATIVES FUND
FINANCIAL STATEMENT FOR THE YEAR 2022/2023**

S/N	EXPENDITURE ON BY SUB-VOTE (Inspection and Supervision of Cooperative Fund (ISCF) only	APPROVED BUDGET	EXPENDITURE	PERCENTAGEEXP ENDITURE	DESCRIPTION
14	Sub-Vote 4005	58,685,341.53	26,042,000.00	44.38	656 Cooperative societies Compliance to Cooperatives legislation maintained; 135 Cooperative societies were updated to the Cooperative Register;
15	Sub-Vote 4006	684,708,102.91	179,847,000.00	26.27	21 Cooperatives Unions and 2,387 Primary Co-operatives Societies were inspected. Different findings from inspected Cooperative Societies were identified and corrective measures were taken; Annual estimates of Income and Expenditures of 66 Co-operative Societies approved; Annual estimates of 66 Co-operative Societies Scrutinized; Annual budget estimates of 66 Co-operative Societies Scrutinized Maximum Liability Certificates worth TZS 104,310,294,681.68 and USD 75,466,289.51 for 71 Cooperative Societies were approved at TCDC Headquarters. Also, The maximum Liability Certificate worth TZS 3,734,871,188.00 and USD 10,451,908.09 were approved at Regional Co-operative offices
	OVERALL TOTAL	4,737,456,446.00	4,124,925,424.87		