



**THE UNITED REPUBLIC OF TANZANIA**

**NATIONAL AUDIT OFFICE**

**TAX REVENUE APPEALS BOARD (TRAB)**

**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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Controller and Auditor General,  
National Audit Office,  
Audit House,  
4 Ukaguzi Road,  
P.O. Box 950,  
41101 Tambukareli,  
Dodoma, Tanzania.  
Tel: 255 (026) 2161200,  
Fax: 255 (026) 2321245,  
E-mail: [ocag@nao.go.tz](mailto:ocag@nao.go.tz)  
Website: [www.nao.go.tz](http://www.nao.go.tz)

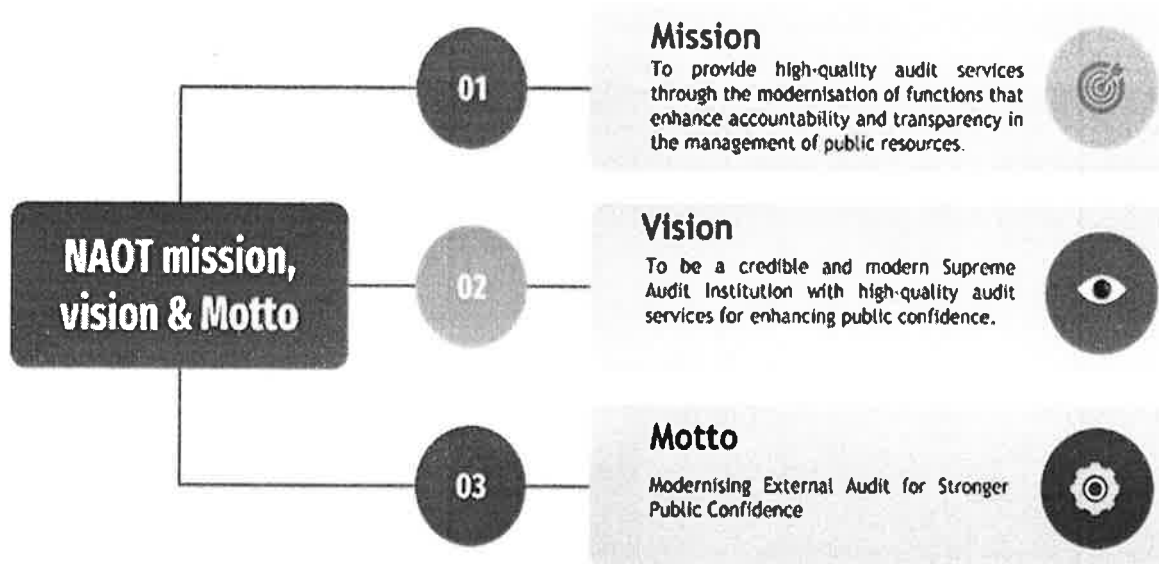
January 2024

AR/NA/TRAB/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

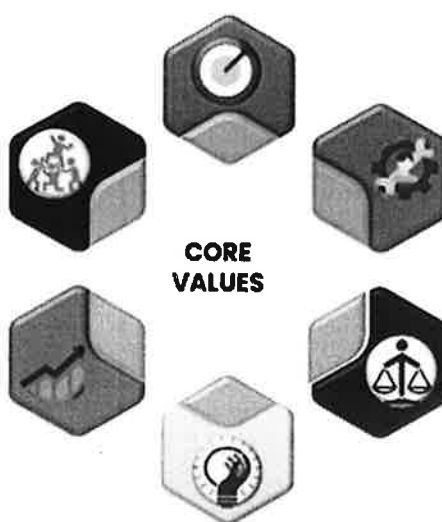
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

#### 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 Tax Revenue Appeals Board (TRAB) and may form part of the annual general report, which once tabled to National Assembly, becomes a public document; hence, its distribution may not be limited.

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## Abbreviations

<b>AIDS</b>	Acquired Immunodeficiency Syndrome
<b>BOT</b>	Bank of Tanzania
<b>CAG</b>	Controller and Auditor General
<b>GAMIS</b>	Government Asset Management Information System
<b>ICT</b>	Information and Communications Technology
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>ISSAIs</b>	International Standard of Supreme Audit Institutions
<b>NAO</b>	National Audit Office
<b>NBAA</b>	National Board of Accountants and Auditors
<b>NHIF</b>	National Health Insurance Fund
<b>NMB</b>	National Microfinance Bank
<b>PMU</b>	Procurement Management Unit
<b>PPE</b>	Property Plant and Equipment
<b>PSSSF</b>	Public Sector Social Security Fund
<b>TFRS</b>	Tanzania Financial Reporting Standards
<b>TRA</b>	Tax Revenue Authority
<b>TRAB</b>	Tax Revenue Appeals Board
<b>WCF</b>	Workers Compensation Fund

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

Hon. Secretary,  
Tax Revenue Appeals Board,  
P.O. Box 9721,  
DAR ES SALAAM.

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

#### **Unqualified Opinion**

I have audited the financial statements of Tax Revenue Appeals Board (TRAB), 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 Tax Revenue Appeals Board (TRAB) 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 Tax Revenue Appeals Board (TRAB) 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 and Accounts 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 Tax Revenue Appeals Board (TRAB) 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 Tax Revenue Appeals Board (TRAB) is generally in compliance with the requirements of the Public Procurement laws.

#### ***Procurement worth TZS 28,023,392 not incorporated in the approved Annual Procurement Plan and Budget***

Reg. 69 (3) of the Public Procurement Regulations, 2013 indicates that a procuring entity shall forecast its requirements for goods, services and works as accurately as is practicable with particular reference to services or activities already programmed in the annual work plan and included in the annual estimates. Also Reg. 69(7) of Public Procurement Regulations, 2013 added that procuring entity shall 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.

During the year review, My audit found that, TRAB management executed nine procurements that were not included in the Board's approved Annual Procurement Plan and Annual Approved Budget, contrary to cited regulations above.

### **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 Tax Revenue Appeals Board (TRAB) 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, except for the matter described below, Budget formulation and execution of Tax Revenue Appeals Board (TRAB) is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

### ***Manually control of the Board's Budget***

Section 52 (1) (a)-(b) of the Budget Act, [CAP. 439 R.E 2020] provides that, the Government or public entity shall be required to maintain a commitment control system into which all assumed commitments are entered and prohibit payment from the budget without the underlying commitment being recorded in the commitment control system and commitment number being issued by the system.

On the contrary my review of approved budget and its performance reports, found that the TRAB budget of TZS 2.99 billion was manually executed, monitored, evaluated, and reported.



Charles E. Kichere  
Controller and Auditor General,  
Dodoma, United Republic of Tanzania.  
January 2024



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2.0 FINANCIAL STATEMENT

STATEMENT BY THE ACCOUNTING OFFICER

2.1 INTRODUCTION

I am presenting the Financial Statements of Tax Revenue Appeals Board for the year ended 30 June 2023.

The Financial Statements have been prepared and presented in compliance with the provisions of the International Public Sector Accounting Standards (IPSAS) Accrual basis, requirements of the TFRS No.1: *The Report by those charged with Governance*; The submission of these financial statements is in fulfilment of Section 30 (4) of Public Finance Act, Cap. 348 and pursuant to Regulation 53 of the Public Finance Regulations, 2001.

However, additional details have been included to promote understanding and comparison of data as required and in compliance with the International Public Sector Accounting Standards (IPSAS) under accrual basis of accounting.

The Financial statements for the year ended 30 June 2023 includes, The Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Net Assets, The Statement of Cash Flow, The Statement of Budget and Actual amount, as well as other Schedules, Summary Statements and Notes as provided in IPSAS 1.

During the year under review, neither events that have affected the financial position of the Entity and nor future factors that are likely to affect the TRAB going forward in achieving its objectives.

The accounting policies adopted and set out in the Notes to the Financial Statements include Employees benefits; Property, Plant and Equipment; Related Party Transaction.



.....  
Hon. Bahati M. Ndeserua

Accounting Officer

Date.....18/1/2024.....

## **2.2 THE NATURE OF THE TAX REVENUE APPEALS BOARD**

The Tax Revenue Appeals Board is a quasi-judicial institution established under Section 4 of the Tax Revenue Appeals Act; Cap. 408 herein referred to as the Act). The jurisdiction of TRAB is provided for under Section 7 of the Tax Revenue Appeals Act, Cap. 408 as follows, “the Board shall have sole original jurisdiction in all proceedings of a civil nature in respect of disputes arising from revenue laws administered by the Tanzania Revenue Authority”.

## **2.3 VISION OF THE BOARD**

To be a trusted Appeal Board for fair tax dispute resolution.

## **2.4 MISSION OF THE BOARD**

Determination of tax appeals in a fair and timely manner through effective and efficient use of available resources.

## **2.5 CORE VALUES**

The Board believes in and subscribes to the following core values: -

### **Professionalism;**

We will adhere to the set values that comprise of professional obligations, codes of conduct and both formal and informal expectations of customers in our service delivery.

### **Innovativeness;**

We will always think on how we can improve and add extra value by doing things differently, continuously looking out for ways to do things better and work with new ideas.

### **Participatory Management;**

We will strive to encourage employees to participate in the institutions decision-making process.

### **Customer Focused;**

At all times we shall put our customers first by providing them with quality and reliable services, thus meeting their needs.

### **Efficiency; and**

We will be guided by ethical principles, honesty and uprightness in all our work relationships, decisions and judgments.

### **Teamwork.**

We will constantly realize and recognize the diverse strengths and abilities of the various employees apply and put those attributes to work for the benefit of the institution.

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**2.6 OBJECTIVE OF THE TRAB**

To timely hear and determine, tax appeals arising from revenue laws administered by the Tanzania Revenue Authority as provided for under Section 7 of the Tax Revenue Appeals Act, Cap. 408.

**2.7 THE MAJOR ROLES AND FUNCTIONS OF THE ENTITY**

The major role or core function of the Board is to register, hear and determine civil tax appeals, which arise from revenue laws administered by the Tanzania Revenue Authority (TRA). In determining process, the Board ensures there is a just and timely determination so that the tax due should be paid according to the law. Other functions of the Board are to provide legal advice to litigants on appealing procedure to appeal to the Board and conduct public awareness on Tax Revenue Appeals Act, Cap. 408, Tax Revenue Appeals Board Rules and other related laws.

**2.8 STRATEGIES OF THE ENTITY**

The Medium-term strategies to achieve the TRAB's objective include among others is to improve mechanism of resolving tax appeals and Communication with Stakeholders.

**2.9 MANAGEMENT OF THE TAX REVENUE APPEALS BOARD**

Tax Revenue Appeals Board is made-up of two departments and three Unit namely:

**DEPARTMENTS**

- (a) Appeals Management and Legal Services;
- (b) Corporate Services.

**UNIT**

- (a) Internal Audit Unit;
- (b) Procurement Management Unit; and
- (c) Information, Communication, Technology and Statistics Unit.

**2.10 FINANCIAL RESULTS**

During the year ended 30 June 2023, The Tax Revenue Appeals Board closed with a deficit of **TZS 49,129,586** while in 30 June 2022 there was a surplus of **TZS 123,733,814** after adjustment made as shown in the statement of change in net Assets and PPE schedule. The reported deficit in the year 2023 compared to surplus in the year 2022 was largely due to an expense of the opening outstanding imprest balance and prepayment as compared to previous year where some of the fund received during the year remain unspent at the end of the year.

**2.11 FINANCIAL POSITION**

During the year under review Tax Revenue Appeals Board Net Asset decreased by **52.38%**, the decrease in net Asset was due to reported loss of **TZS 49,129,586** for the year.

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The TRAB's total current Assets decrease by 95.15% which resulted from decrease of its most liquid assets i.e. Cash and Cash equivalent decreased (By 98.6%), due to unspent balance of 2021/22 which were now spent on acquisition of assets during the year caused by shifting to new office Ex BET offices along Samora Avenue Street which were under renovation and the adjustment made on account receivables. The TRAB current liabilities increased by 0.27%.

**2.12 CASH FLOWS**

The TRAB cash flow is as set out in the statement of cash flows and in the statement of comparison of budget and actual amount. As at 30 June 2023, the TRAB closed with cash and cash equivalents amounted to TZS 1,719,000 while in June 2022 closed with TZS 124,372,928. The decrease is mainly attributed by fully utilization of financial resources for provision of services.

**2.13 RESOURCES FOR THE TAX REVENUE APPEALS BOARD**

The Tax Revenue Appeals Board (GEF Code 26311248 and TR 110) depends on the Government Budget which is approved each year by the Parliament.

**2.14 INTERNAL AUDIT**

The TRAB established the Internal Audit Unit in line with the requirement of Regulation 28 of the Public Finance Regulations, 2001 which requires the Accounting Officer to establish an effective Internal Audit Unit. The Internal Audit Unit appraises the soundness and application of accounting financial and operational controls within the TRAB.

**2.15 COMMITTEES OF THE TRAB**

The TRAB has six Committees that perform various roles and responsibilities in overseeing the operation of the TRAB and implementation of plans, strategies and policies. These are namely:

- (a) Audit Committee;
- (b) Recruitment Committee;
- (c) ICT Steering Committee;
- (d) Budget Committee;
- (e) Integrity Committee; and
- (f) HIV/AIDS Committee.

**2.16 Audit Committee**

The Audit Committee was established on November, 2019. Four internal members and secretariat are appointed by the Accounting Officer while external member is appointed by Permanent Secretary for the Ministry of Finance. The Committee deals with all matters relating to finances as described under the Regulation 32 (1) of the Public Finance Regulations, 2001.

**2.16.1 Composition and Activities**

The membership of the Committee comprises of five (5) members and one (1) secretariat their names, position and qualifications are shown in the table below.

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S/N	Full Name	Qualifications	Position in Committee	Date of Appointment
1	Mr. Stanslaus Mpembe	CPA, MBA	Chairperson	19/09/2022
2	Ms. Sekela Mwabukusi	LLB, PGDTM, MBA, Advocate of the High Court	Secretary	19/09/2022
3	Ms. Subilaga Mwandiga	BA in Public Administration Msc. HRM	Member	19/09/2022
4	Mr. Exavery Salila	CPA, Msc Accounting and Finance	Member	19/09/2022
5	Mr. Jacqueline D. Gogadi	BA in Human Resource Management Msc. HRM	Member	19/09/2022
6	Ms. Upendo Gowe	Advanced Diploma in IT	Secretariat	19/09/2022

#### **2.16.2 Roles and Responsibility of Audit Committee.**

The role of the Audit Committee has been defined in TRAB's Audit Committee Charter. During the year under review the Committee performed the following activities: -

S/N	Planned Activities	Implementation/Issues discussed
1	Review and approve the Internal Audit Plan	The Internal Audit Plan for the year 2022/23 Reviewed and Approved.
2	Review the Internal and External Audit report	The Internal Auditor's Quarterly reports and External Auditor report reviewed, and were provided to the Accounting Officer advised accordingly.
3	Review the response to External Auditors Management Letter	The response to External Auditors Management Letter for the year that ended 30 June 2022 provided by the Management reviewed and advice given to the TRAB Management.
4	Review of the TRAB Annual Performance report.	The Performance of activities planned for the year 2022/23 reviewed.
5	Review of the TRAB Financial Statements.	The Financial Statements for the year ended 30 June 2023 was reviewed before they were submitted to the CAG.
6	Review TRAB's Risk Management framework and register	The Committee is annually reviewing the Risk Management and framework for the TRAB.
7	Review of Performance reports for the Year	The Audit Committee reviewed the performance of activities planned for the year 2022/23.

#### **2.16.3 Audit Committee Meeting**

The Committee held four (4) meetings as planned during the year under review. The heads of Account and Finance, Internal Audit, Procurement Unit and representative from Controller and Auditor General attended the meetings as invitees. The attendance of each member during the period under review is as shown in Table below.

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S/N	Name	Position	Number of meetings attended	Date of Appointment/ Retirement
1	Mr. Stanslaus Mpembe	Chairman	4	November 2019
2	Ms. Sekela Mwabukusi	Secretary	4	November 2019
3	Ms. Subilaga Mwandiga	Member	4	November 2019
4	Mr. Exavery Salira	Member	4	November 2019
5	Ms. J. Gogadi	Member	4	November 2019
6	Ms. U. Gowelle	Secretariat	4	November 2019

## 2.17 Recruitment Committee

The Recruitment Committee has Six (6) members who were appointed by the Accounting Officer.

### 2.17.1 Composition and Activities

The Recruitment Committee comprises of six (6) members their names, position and Department are shown in the table below.

S/N	Name	Position	Department/Section	Qualification	Date of Appointment
1	Mr. Ayoub J. Kilabuka	Chairperson	Corporate Services	MSc. HRM, BPA (HRM)	25/4/2023
2	Ms. Subilaga Mwandiga	Secretary	Corporate Services	BA in Public Administration MSc. HRM	23/8.2021
3	Mr. Juma Zuberi Ally	Member	Corporate Services	PGDA, ADA	25/4/2023
4	Ms. Sekela Mwabukusi	Member	Appeals Management and Legal Services	LLB, PGDTM, MBA, Advocate of the High Court	23/8/2021
5	Ms. Jaqueline D. Gogadi	Member	Corporate Services	MSC HRM, BAHM	25/04/2023
6	Mr. Yusuph I. Ndullah	Member	Internal Audit Unit	ADA, Pgfm	23/8/2021

### 2.17.2 Roles and Responsibility of Recruitment Committee.

The Committee is responsible for: -

- Ensuring that the Public Service Management and Employment Policy, Scheme of Service and Guidelines issued by the Government are observed;
- Ensuring that the principles of equality and transparency in the staff appointment, confirmation and promotion are abided;
- Ensuring that principles of equal opportunity to all, including Gender Equality are being observed; and
- Any other Human Resource interventions concerning the Human Resource Management and Development in the TRAB.

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**2.17.3 Recruitment Committee Meeting**

The Committee held two (2) meetings as planned during the year under review. The attendance of each member during the period under review is as shown in Table below.

S/N	Name	Position	Number of meetings attended	Nationality
1	Mr. Ayoub J. Kilabuka	Chairperson	2	Tanzanian
2	Ms. Subilaga Mwandiga	Secretary	2	Tanzanian
3	Mr. Juma Zuberi Ally	Member	2	Tanzanian
4	Ms. Sekela Mwabukusi	Member	2	Tanzanian
5	Mr. Yusuph I. Ndullah	Member	2	Tanzanian
6	Ms. Jaqueline D. Gogadi	Member	2	Tanzanian

**2.18 ICT Steering Committee**

ICT Steering Committee was established on February 2022, with eight members.

**2.18.1 Composition and Activities**

The Steering Committee comprises of seven (7) members which are employees and one from outside their names and position are shown in the Table below.

S/N	Name	Position	Department/Section	Nationality
1	Ms. Bahati Ndeserua	Chairperson	Secretary TRAB	Tanzanian
2	Ms. Upendo Goweke	Secretary	Corporate Services	Tanzanian
3	Ms. Subilaga Mwandiga	Member	ICT	Tanzanian
4	Mr. Juma Zuberi Ally	Member	Corporate Services	Tanzanian
5	Ms. Sekela Mwabukusi	Member	Appeals Management and Legal Services	Tanzanian
6	Mr. Yusuph Ndulla	Member	ICT	Tanzanian
7	Mr. Justin Mahinya	Member	Corporate Services	Tanzanian

**The Committee Roles and responsible include**

- To review and approve ICT policy and strategy of the institution;
- To review and provide advice on ICT investment portfolio and priorities;
- To ensure alignment of ICT with the organization's business needs;
- To ensure e-Government guidelines and standards are implemented by the institution;
- To ensure continuous monitoring and evaluation of institutional ICT projects;
- To review and approve institutional disaster recovery plan and ensure its effective implementation;
- To prepare and submit quarterly e-Government progress report to the Authority;
- Ensuring that ICT strategies are aligned with wider government directions and policy priorities (such as access of data, standards, connectivity security issues etc.).



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- (i) Improving the quality, management and value of information, business systems information and communication technology;
- (j) Ensuring strategies and projects are realistic and achievable during the life of the ICT strategic Plan;
- (k) Reviewing and approving major information Management systems and Technology policies, procedures and standards to be used by the Tax Revenue Appeals Board; and
- (l) The Committee meets at least once in every quarter, for the year under review the committee have met four times.

## **2.19 Budget Committee**

Budget Committee was established on October 2022, with seven members.

### **2.19.1 Composition and Activities**

The Budget Committee comprises of seven (7) members and was established on October 2022 their names and position are shown in the table below.

S/N	Name	Position	Department/Section	Qualification	Date of Appointment
1	Ms. Bahati Ndeserua	Chairperson	Secretary - TRAB	LLM, LLB	12/10/2021
2	Mr. Juma Zuberi Ally	Secretary	Finance and Accounts	PGDA, ADA	25/04/2023
3	Ms. Upendo Gowe	Secretary	IT - TRAB	ADIT	12/10/2021
4	Ms. Subilaga Mwandiga	Member	Administration	BA in Public Administration Msc. HRM	12/10/2021
5	Ms. Sekela Mwabukusi	Member	Technical Services	LLB, PGDTM, MBA, Advocate of the High Court	12/10/2021
6	Mr. Yusuph Ndulla	Member	Internal Audit	ADA, Pgfm	12/10/2021
7	Mr. Justin Mahinya	Member	PMU	BBA-PLM, MBA-CM	12/10/2021

### **2.19.2 Role of the Budget Committee.**

Receive the budget message and the budget document;

- (a) Review the quarterly performance reports before submission;
- (b) Approve the budget document as submitted by the budget officer or as revised and prepared by the budget committee;
- (c) To oversees the allocation of financial resources for an Institution and allocate funds accordingly to parts of the organization;
- (d) To produce and update an organization's budget manual, providing clear rules and guidelines for the budgeting process; and
- (e) The Committee meets at least once in every quarter, for the year under review the committee conducted four meetings.

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**2.20 HIV/AIDS Committee**

The Committee is chaired by the Secretary to the Board and is composed of six (6) members as shown in the table below: -

S/N	Name	Position	Department	Qualification	Date of Appointment
1	Ms. Bahati M.Ndeserua	Chairman	Secretary to the Board	LLM, LLB	23/8/2021
2	Ms. Subilaga Mwandiga	Secretary	Corporate Services	BA in Public Administration Msc. HRM	23/08/2021
3	Mr. Ally Nanjundu	Member	Corporate Services	ADC-II	23/08/2021
4	Ms. Tatu H. Mzuzuli	Member	Corporate Services	DRM,	23/08/2021
5	Mr. Juma Zuberi Ally	Member	Corporate Services	PGDA, ADA	25/4/2023
6	Ms. Sekela Mwabukusi	Member	Appeals Management and Legal Services	LLB, PGDTM, MBA, Advocate of the High Court	23/08/2021

**The Committee is responsible for;**

- Providing advice to the Management on all matters pertaining to HIV and AIDS, in terms of Policy, Strategies, Implementing, Monitoring and Evaluation, and Finance;
- Coordinating HIV & AIDS workplace Programs;
- Oversee the institution's contribution in addressing HIV & AIDS issues to the affiliated communities;
- Advocating and create conducive working environment to enhance reduction of HIV & AIDS related stigma and discrimination as well human rights;
- Creating conducive environment that maintains confidentiality at workplace;
- Networking with other stakeholders in sharing, knowledge, experience, skill and service related to HIV and AIDS Programs;
- Facilitating the provision of education on HIV/AID;
- Giving reports on HIV and AIDS workplace programs;
- Facilitating the provision of education on HIV/AID; and
- Giving reports on HIV and AIDS workplace programs.

The Committee meets at least once in every quarter. In the year under review the committee held four meetings.

**2.21 FUNCTIONS OF THE BOARD**

The Board is a quasi-judicial body that deals mostly with hearing and determining tax dispute cases. The Secretary is both Secretary to the Board and Chief Executive Officer of the Board. The Secretary is assisted by two Directors (Appels Management & Legal Services and Corporate Services) and three units of Internal Audit, Procurement and ICT which reports direct to the Secretary.

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**TAX REVENUE APPEALS BOARD**

The functions of the Board are: -

- (a) To hear and determine tax appeals arising from Revenue Laws administered by the Tanzania Revenue Authority;
- (b) To provide legal advice;
- (c) To litigants on procedures of appealing to the Board; and
- (d) Provide public awareness on the Tax Revenue Appeals Act, Cap 408, Tax Revenue Appeals Board Rules, 2018 and other related laws.

**2.22 MEMBERSHIP OF THE BOARD**

Members of the Board: members who served Dar-es-Salaam Region during the financial year 2022/23.

S/N	Name	Position	Qualifications	Date of Appointment	Date of End of the Appointment
1.	Mr. S.S Sanga	Chairperson	LL.B LLM	02/08/2021	01/08/2022
2.	Mrs. A.S Lutalla	Vice Chairperson	LL.B (Hons) LL.M	03/03/2021	02/03/2024
3.	Mr. G.J Mhini	Vice Chairperson	LL. B (Hons) LL.M (Hons)	03/03/2021	02/03/2024
4.	Mr. V.W Mbiro	Member	LL. B (Hons) LL.M (Tax Law)	11/08/2021	10/08/2024
5.	Ms. E. Z Misso	Member	LL. B (Hons) LL.M (Taxation)	11/08/2021	10/08/2024
6.	Dr. D.N Mahangila	Member	BCom (Accounting) MBA(Finance) PHD (Taxation) CPA(T)	11/08/2021	10/11/2024
7.	Godfrey Enock Mkocho	Member	CPA(T), MBA Finance, B.Com Finance	13/07/2018	10/11/2024
8.	Mr. Shogholo Msangi	Member	B.A (ECON) M.A (ECON)	03/03/2022	02/03/2024
9	Dr. J.K Mduma	Member	B.A (Economics) -Hons M.A (Economics) PH.D (Agri.Econ)	03/03/2022	02/03/2024
10.	Mr. George I. Mnyitafu	Member	Bachelor of Commerce (Hons) M.A(Public Administration)	03/03/2022	02/03/2024
11.	Mr. Julius C.M John	Member	Bachelor of Commerce and Management Master of Arts (Public Administration)	03/03/2022	02/03/2024
12.	Ms. Catherine X. Nkelebe	Member	MSc (Economic Postgraduate Diploma in Tanzania, Certificate of Childcare (Moutesson)	24/08/2022	23/08/2025

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S/N	Name	Position	Qualifications	Date of Appointment	Date of End of the Appointment
13.	Mr Dafi D . Bulali	Member	CPA(T), Bachelor of Law, Master in Business Administration in Finance, Post Graduate Diploma in Tax Management, Current PhD student	24/08/2022	23/08/2025
14.	Mr. J.I.K Laswai	Member	Bachelor of Laws Degrees, Admission to the Roll of Advocates	24/08/2022	23/08/2025

### **2.23 ACCOUNTING POLICIES**

The accounting policies used in preparing the financial statements have been disclosed in note 5 of the financial statements. These policies are all considered critical to an understanding of the performance and financial position of the Tax Revenue Appeals Board.

### **2.24 SOLVENCY**

The State of affairs of the TRAB as at 30 June 2023 is set out on these financial statements. The Management confirms that the International Public Sector Accounting Standards have been adhered to in the preparation of financial statements and they have been prepared on a going concern basis. Management has reasonable expectation that the TRAB will continue to be in operational for unforeseeable future.

### **2.25 THE PERFORMANCE FOR THE FINANCIAL YEAR 2022/23**

During the year 2022/23 the Tax Revenue Appeals Board implemented activities as were approved in the annual Plan and budget for the year 2022/23.

### **2.26 ACHIEVEMENTS**

The main achievements experienced for the planned targets includes: -

- (1) NCDs intervention program developed and implemented by June 2023;**  
Training to all staff on Non-Communicable Diseases conducted and voluntary testing on Prostate and cervical cancer were conducted.
- (2) Five (5) awareness seminars on HIV/AIDS to staff conducted by June 2023;**  
Seminar to all staff on HIV/AIDS were conducted.
- (3) Increase awareness on Ethics and Corruption;**  
Seminar on corruption to staff were conducted.
- (4) 90% percent of tax disputes emanating from the decision of Commissioner General of TRA disposed annually by June 2023;**

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TAX REVENUE APPEALS BOARD**

60 Applications and 559 appeals with amount of tax in disputes TZS 3,403,269,749,027.47 and USD 2,096,680.98 registered and 52 applications and 487 appeals with amount in disputes TZS 1,083,728,495,385.59 determined.

- (5) Case Management Database developed, updated and maintained by June 2023;**
  - (a) Case Management Database developed; and
  - (b) User Acceptance Test (UAT) on Case Management Database to TRAB staff conducted.
- (6) Public awareness program developed reviewed and implemented, by June 2023;**

Seminar/workshop on public awareness to staff were conducted.
- (7) Tanzania Tax Law Reports produced annually by June 2023;**
  - (a) Two (2) Editorial meetings were conducted; and
  - (b) All appeals and applications decided in 2022 were in house edited ready to be submitted to special Editor.
- (8) Strategic Plan reviewed and implemented by June 2023;**

MTEF book for the financial year 2022/23 prepared.
- (9) Human Resources Plan reviewed and implemented by June 2023;**
  - (a) TRAB Scheme of Service prepared, submitted and approved;
  - (b) TRAB Salary Structure Prepared, submitted and approved;
  - (c) First draft of TRAB Staff Regulations has been prepared;
  - (d) One KAMUS Meeting conducted;
  - (e) Four Employees promoted; and
  - (f) One vacant post filled among four posts which were in process to be filled.
- (10) Human Resource Training Program prepared and implemented annually by June 2023;**

Three staff attended short course training on their respective field.
- (11) Staff Statutory and administrative services processed and delivered annually by June 2023;**
  - (a) Statutory entitlements for leaders and staff paid on due date;
  - (b) Repair of office Motor Vehicles were done;
  - (c) Diesel for office Motor Vehicles purchased;
  - (d) Newspapers purchased; and
  - (e) Leave allowance, moving expenses, furniture allowance etc were provided to staff.
- (12) Financial Statements prepared annually by June 2023;**
  - (a) Financial reports were prepared and submitted to CAG;
  - (b) Midyear reports prepared and submitted to Accountant General; and
  - (c) Four Audit Committee meetings were conducted.

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MINISTRY OF FINANCE  
TAX REVENUE APPEALS BOARD**

**(13) Risk and quality Management framework developed and maintained by June 2023; and**

- (a) Annual Internal Audit Plan prepared.
- (b) Quarterly Internal Audit reports prepared and submitted.

**(14) Annual Procurement plan and Stock taking by June 2023**

- (a) Annual Procurement Plan prepared and submitted.
- (b) Asset register reviewed.

**2.27 CHALLENGES**

Despite the achievements shown above, there are challenges that have been encountered and these are;

- (a) Inadequate funds release which has affected activities implementation as planned; and
- (b) Shortage of permanent staff to fill the vacant posts.

**2.28 THE WAY FORWARD**

- (a) Liaison with the Budget department of the Ministry of finance to allocate and release funds as per the action plan and cash flow; and
- (b) Follow ups to responsible authority to make sure the vacant posts are filled as soon as possible.

**2.29 PRINCIPAL RISKS AND UNCERTAINTIES**

The TRAB is exposed to a number of risks and uncertainties as discussed hereunder:

**2.30 Operational Risks**

The TRAB is exposed to Operational risks that may arise from inadequate or failed of internal processes, people and systems or from external events. However, the TRAB has adequate Operational risks policies and framework that cater for mitigation of these risks.

**2.31 Compliance Risks**

These are risks which arise from violations or non-compliance with laws, regulations, directives as well as from incorrect interpretation of relevant laws or regulations. The TRAB has adequate Operational and Financial controls, which ensure that it complies with all laws, regulations and directives.

**2.32 Technical risks**

Refers to the possible impacts that could occur within the TRAB's operations when the system or the entire infrastructure does not work as anticipated.

**2.33 Risk Management and Controls**

The TRAB has developed its Risk register and the process of updating was carried out during the year under review and considered changes and new developments in the environment in which the TRAB is currently operating.

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The TRAB's Risk Register provide a comprehensive list and assessment of all risks that, if they will occur, might impact or threaten the ability of the TRAB to achieve its strategic objectives and targets.

**2.34 STAKEHOLDERS RELATIONSHIPS**

The Boards' stakeholders have been categorized as Tax payers, Tax administrators, Tax consultants, Auditors and Advocates, TRAB Staff, Ministry of Finance, Controller and Auditor General, Media, Tax Revenue Appeals Tribunal, Academic and Research Institutions, and Development Partners.

The TRAB's need support from all mentioned above stakeholders to achieve its mission and vision.

The Tax Revenue Appeals Board through the Medium-Term Strategic Plan for the period 2022/23 to 2026/27 has categorized and analysed the Key stakeholders with their expectations, services offered to them and potential impacts that might arise if their expectations are not met. The Management uses the document as a tool for managing the relationships with stakeholders.

**2.35 EMPLOYEES WELFARE**

The Board believes that its employees should find working for the Board an inspiring and personally elevating experience, and consequently accepts co-responsibility for the development of each employee to his/her full potential. Career progress is based on the individual initiative towards the fulfilment of their responsibilities complemented by the Board. This encompasses individual commitment towards innovative thinking and professional expertise resulting to reward.

The Board is convinced that equal opportunities for all, irrespective of ethnicity, race, gender, disability or religion, should be pursued. The Board accepts that only through total commitment, loyalty and dedication of its employees will be able to achieve its goal. The Board provides various benefits to staff such as long service awards for retiring employees, best worker rewards and others.

**2.36 EMPLOYEE BENEFIT PLANS**

The TRAB makes contributions to Social Security Pension Funds, which are statutory defined contribution pension schemes. The TRAB contributes 15% of basic salary of each employee to PSSSF on behalf of all permanent employees while employees contribute 5% for PSSSF.

During the year under review the amount contributed by the TRAB to PSSSF were TZS 82,465,470 (2022, 61,617,800).

**2.37 MEDICAL SCHEME**

The TRAB also operates an Insured Health Plan in which contributions are paid to the National Health Insurance Fund (NHIF). Employer's portion to the Insured Health Plan is made directly to the National Health Insurance Fund.

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All employees and up to four dependents are covered under the National Health Insurance Fund Scheme. Both the Employer and Employee contribute 3% each. The Amount contributed during the year under review was **TZS 16,493,094 (2022, TZS 12,323,478)**.

**2.38 TRAINING AND DEVELOPMENT**

As an effort to improve employees' technical skills, efficiency and effectiveness in carrying out their responsibilities, The TRAB through the approved training program has continued to ensure that the employees are imparted with relevant knowledge and skills to better their performance.

**2.39 GENDER PARITY**

The TRAB is an equal gender employer and efforts are being taken to maintain gender balance. Considering the year under review TRAB had 22 employees, out of which 11 were males and 11 were female compared to previous year where TRAB had 19 employees out of which 8 were male and 11 were female.

**2.40 PREVENTION OF CORRUPT CONDUCTS**

The Anti-Corruption Strategy and Action Plan for the TRAB is reviewed regularly, and staff are educated on frauds and corruption issues.

**2.41 POLITICAL AND CHARITABLE DONATIONS**

The TRAB did not make any political contributions during the year under review.

**2.42 RELATED PARTY TRANSACTIONS**

Details of related party transactions are set out in Note 23 to the financial statements.



Hon. Bahati M. Ndeserua

**ACCOUNTING OFFICER**

Date.....18/1/2024.....



THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF FINANCE  
TAX REVENUE APPEALS BOARD

3.0 STATEMENT OF MANAGEMENT RESPONSIBILITY FOR THE YEAR ENDED 30 JUNE 2023

Section 30 (4) of the Public Finance Act, Cap. 348 requires Management to prepare Financial Statements for each financial year, which give 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 that the Reporting entity keeps proper accounting records, which disclose with reasonable accuracy the financial position of the Reporting Entity. The Management are responsible for safeguarding the assets of the Reporting Entity.

Management is of the opinion that the financial statements give a true and fair view of the state of affairs of the Tax Revenue Appeals Board Services. Management further accepts the responsibility for the maintenance of the accounting records that may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial control. Management is also responsible for safeguarding the assets of the Tax Revenue Appeals Board (TR 110) and hence for taking reasonable steps for the prevention and detection of fraud, errors and other irregularities.

The Government Budget for the GFS Code 26311248 was approved for accounting period from 01 July 2022 to 30 June 2023, hence the 'Entity' continued to operate in the same manner as in the approved budget for the period to 30 June 2023. The TRAB is therefore, a going concern. The Accounting Officer who was present during the execution of this Budget has not been changed.

The Management is taking all responsibility by building confidence to users of these Financial Statements that they portray the true and fair view of the state of affairs of the Tax Revenue Appeals Board.



Hon. Bahati M. Ndeserua  
Accounting Officer



Date

THE UNITED REPUBLIC OF TANZANIA  
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TAX REVENUE APPEALS BOARD

4.0 DECLARATION OF THE HEAD OF FINANCE AND ACCOUNTS UNIT FOR THE YEAR  
ENDED 30 JUNE 2023

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 by 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 Management as declared under the Statement of Management Responsibility statement on these financial statements.

I, **Semeni Hassani Bakari** being the Head of Finance and Accounts Unit of The Tax Revenue Appeals Board hereby acknowledge my responsibility of ensuring that Financial Statements for the year ended 30 June 2023 have been prepared in compliance with applicable Accounting Standards and statutory requirements.

I, thus confirm that the Financial Statements give a true and fair view of the position of The Tax Revenue Appeals Board as on 30 June 2023 and that they have been prepared based on properly maintained financial records.



Signed by:  
Semeni Hassani Bakari  
ACCOUNTANT  
GA 8451.

18/01/2024  
Date

THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF FINANCE  
TAX REVENUE APPEALS BOARD

**5.0 COMMENTARY ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

**5.1 INTRODUCTION**

The Tax Revenue Appeals Board implemented its annual budget based on the Medium-Term Expenditure Framework and the Rolling Medium Term Strategic Plan covering the period of five consecutive financial years from 2021/22 to 2025/26. The implementation of the budget in the period ended 30 June 2023 based on the Entity's vision, mission, objectives, targets and activities.

**5.2 FINANCIAL AND OPERATION OVERVIEW**

**FINANCIAL POSITION**

Financial Position Comprise, Cash and Cash equivalent, Receivables, Prepayments, Property, Plant and Equipment and Payables.

**Cash and Cash Equivalents**

These are cash balances at the end of the financial year mainly includes bank balances and cash on hand. Cash and Cash Equivalents as at 30 June 2023 is **TZS 1,719,000** compared to **TZS 124,372,928** of the previous financial year, this comprises unspent balance in the expenditure account held in NMB Bank PLC **TZS 249,000** which were reversed stale cheque that were not debited at NMB bank expenditure account in time and revenue collection held in BOT **TZS 470,000** which were collected lately at the year end of the financial year and **TZS 1,000,000** for petty cash expenses.

**Receivables**

As at 30 June 2023 the TRAB had receivables amounting to **TZS 6,536,593** being the amount paid for fuel of office motor vehicles and withholding tax which were paid twice to commissioner of Income tax, while in the financial year 2021/2022 the TRAB had receivables restated amounting of **TZS 46,170,39** This is disclosed in note 12 of the financial statements.

**Payables**

As at the end of the year to 30 June 2023, TRAB had payables amounting to **TZS 182,192,108** while at the end of the year 30 June 2022 payables amounted to **TZS 181,697,236** This consist of the amount for provision of audit fees, service rendered by providers of service and goods and Staff claims ( salaries arrears), The amount of Payables have increased by 0.27 %.

**Property, Plant and Equipment**

Property, Plant and Equipment principally comprises three classes of Asset which are Motor Vehicles, Furniture & Fittings, Office Equipment & machine, however in the previous year's Property, Plant and Equipment comprised four classes of Asset which are motor vehicle, furniture and fittings, office equipment's and computer, two classes of assets have been combined together to form one class namely Equipment and Machines in order to have three classes as per GAMIS requirement. In that

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context TZS 110,178,663 has been transferred from Computer equipment to office equipment and machine.

The total Carrying Amount for the Property, Plant and Equipment as at 30 June 2023 are TZS 218,601,522 as compared to TZS 104,948,861 for the previous financial year. The main cause for the increase in the assets were acquisition and recognition of the new Asset worth TZS 159,208,369 and receipt of non-monetary Asset worth TZS 40,126,480 from the Ministry of Finance. However, an adjustment to increase understated value of the Motor vehicle worth TZS 27,379,320 was made to match with the Government Asset Management Information System (GAMIS) which is the base for determination of the value of an Asset.

**Net assets /Equity**

The Tax Revenue Appeals Board has the Net assets /Equity of TZS 44,665,006 as at 30 June 2023 as compared to TZS 93,794,592 for the previous financial year resulting to a decrease of TZS 49,129,586 The reason for the decrease were due to reported loss for the year.

**5.3 FINANCIAL PERFORMANCES**

Final budget for the year under review was TZS 2,894,283,585 as compared to TZS 2,877,806,500 for the previous financial year resulting to increase by 0.6%. The final budget for the year under review comprises of TZS TZS 2,229,583,000 for Recurrent Expenditure (OC) and TZS 664,700,585 for Personal Emoluments. Total expenditure for the year under review is TZS 2,894,283,585 which is equal to 100% of the final budget.

**Non-Tax Revenue**

Non-Tax Revenue includes proceeds from fees on filing cases to the Tax Revenue Appeals Board. During the year that ended 30 June 2023 Non-Tax Revenue amounted to TZS 97,531,000 was collected, while actual collection for the previous financial year was TZS 85,270,000 resulting to an increase of 14.38%. This is disclosed in note 15 of the financial statements.

**Wages, Salaries and Employee Benefits**

Actual expenditure as at 30 June 2023 amounted to TZS 1,457,412,335 as compared to TZS 1,413,833,058 for the previous financial year resulting to an increase of 3%. This is disclosed in note 17 of the financial statements.

**Supplies and Consumable goods**

During the year under review actual expenditure for Supplies and Consumable goods were TZS 61,769,348 actual expenditure for the previous financial year amounted to TZS 20,238,090 resulting to an increase by 205%. This is disclosed in note 19 of the financial statements.

**Routine Maintenance and Repair**

The Actual expenditure for the year under review for Routine, maintenance and repair was TZS 40,343,433 compared to TZS 42,979,436 for the previous year, decrease of 6.0%. Routine maintenance includes repairs of TRAB assets and Motor

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Vehicles repaired and maintained. This is disclosed in note 18 of the financial statements.

**Depreciation and Amortization expense**

During the year under review the depreciation charged on Office Motor vehicle, Equipment & Machine and Furniture & Fixtures amounted was **TZS 85,682** while in previous year, total for depreciation and amortization amounted to **TZS 41,920,804**. During the year under review TRAB also review the accumulated depreciation by **TZS 36,885,676** to motor vehicle resulted to an increase of the accumulated surplus with the same amount.

**Prior year's adjustment**

During the year under review various adjustment was made resulting to decrease in accumulated surplus by **TZS 221,507,368**. The adjustment was made following prior period error on valuation of motor vehicle which is now increased by **TZS 27,379,320** and accumulated depreciation decreased by **TZS 36,885,676** this has led to an increase in accumulated surplus by **TZS 64,264,996** however, another adjustment were made which led to decrease in accumulated surplus by **TZS 285,772,364** out of which **TZS 138,080,416** were reclassified as Tax payer's Fund after reversal of the capital grant amortised from 2017/18 to 2020/21 and **TZS 147,691,948** as an expense to staff salaries. Meanwhile the balance of unamortised amount of **TZS 122,794,618** were also reclassified as Tax Payer's Fund This is disclosed in note 14 capital grant.

**Tax payer's Fund**

The Board is whole owned by the Government and the capital of the Board is comprised of accumulated deficit **TZS 216,210,767** and Taxpayer's Fund of **TZS 260,875,773**. Following accounting circular, no of 2017/18 which require presentation and disclosure of the amount of Tax payer's fund, the amortised amount of **TZS 138,080,416** capital grant from 2017/18 to 2020/21 and the balance of unamortised amount of **TZS 122,794,618** were all classified as Tax payer's fund. This is presented in Statement of change in net Asset.

**5.4 CASH FLOW STATEMENT**

**Cash from Operating activities**

Total receipts during the year under review were **TZS 3,031,941,065** which includes **TZS 2,934,410,065** from Government Subvention, **TZS 97,531,000** from Non-Tax Revenue. Total receipts for the previous financial year were **TZS 3,034,313,394** which includes **TZS 2,949,043,390** from Government Subvention and **TZS 85,270,004** from Non-Tax Revenue.

**COMPARISON OF BUDGET AND ACTUAL AMOUNT**

**Wages, Salaries and Employee Benefits**

Final budget for the Wages, Salaries and Employees benefits for the financial year ended 30 June 2023 was **TZS 1,462,159,479** while the actual expenditure as at 30 June 2023 was **TZS 1,462,159,479** which is equivalent to 100% of the final approved

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budget. The comparison between the actual amount against approved estimates for the year 2021/22 and 2022/23 is shown below:

Financial Year	Approved Estimate (TZS)	Actual Expenditure (TZS)	Percent
2022/23	1,462,159,479	1,462,159,479	100%
2021/22	1,413,833,058	1,413,833,058	100%

**Supplies and Consumable goods**

The amount budgeted for the item was TZS 61,769,348 while the actual expenditure for the year under review is the same which equivalent to 100% of the final approved budget. The comparison between the actual amount against approved estimates for the year 2021/22 and 2022/23 is shown below:

Financial Year	Approved Estimate (TZS)	Actual Expenditure (TZS)	Percent
2021/22	20,238,090	20,238,090	100%
2022/23	61,769,348	61,769,348	100%

**Routine Maintenance and Repair**

Final budget for Routine Maintenance and Repair for the year that ended 30 June 2023 was TZS 40,343,433 while the actual expenditure as at 30 June 2022 was TZS 41,319,806 which is equivalent to 100% of the final approved budget. The comparison between the Actual amount against Approved estimates for the year 2021/22 and 2022/23 is shown below: -

Financial Year	Approved Estimate (TZS)	Actual Expenditure (TZS)	Percent
2022/23	40,343,433	40,343,433	100%
2021/22	41,319,806	41,319,806	100%

**5.5 RELATED PARTY DISCLOSURES**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

Related Party Disclosure refers to salaries and other allowances paid to the top Management within the TRAB which include the Secretary to the Board and Heads of Divisions/Units.

During the year under review, a total of **TZS 1,013,545,000** was paid to Top Management compared to the previous financial year in which **TZS 1,457,596,000** was paid for the financial year 2021/22. The reasons for the difference were due change in organization structure which led to change in Scheme of service and salaries. This is disclosed in note 23 of the Related Party Disclosure

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**5.6 EVENTS AFTER THE REPORTING DATE**

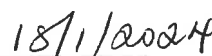
There were no material events, adjusting or non -adjusting events, which have occurred after the reporting date.

**5.7 AUDITORS**

The Controller and Auditor General (CAG) is the Statutory Auditor for the Tax Revenue Appeals Board pursuant to the provision of Article 143 of the constitution of the United Republic of Tanzania of 1977 (revised 2000) and Section 10 (1) of the Public Audit Act, Cap. 418 [R.E 2021].



Hon. Bahati M. Ndeserua  
ACCOUNTING OFFICER



Date

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

		2022/23	2021/22
	Note	TZS	TZS
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	9	218,601,522	104,948,861
		<u>218,601,522</u>	<u>104,948,861</u>
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	11	1,719,000	124,372,928
Trade and Other Receivables	12	6,536,593	46,170,039
		<u>8,255,593</u>	<u>170,542,967</u>
<b>TOTAL ASSETS</b>		<u>226,857,115</u>	<u>275,491,828</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Provisions	13B	26,400,000	26,400,000
Payables	13A	155,792,109	155,297,236
<b>TOTAL CURRENT LIABILITIES</b>		<u>182,192,109</u>	<u>181,697,236</u>
<b>NET ASSET/EQUITY</b>		<u>44,665,006</u>	<u>93,794,592</u>
<b>FINANCED BY</b>			
Tax Payer's Fund	14	260,875,773	260,875,773
Accumulated Surplus/Loss	SCN	(216,210,767)	(167,081,181)
<b>TOTAL NET EQUITY</b>		<u>44,665,006</u>	<u>93,794,592</u>



Hon. Bahati M. Ndeserua  
ACCOUNTING OFFICER



Date



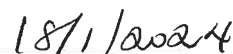
THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF FINANCE  
TAX REVENUE APPEALS BOARD

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

		2022/23	2021/22
	Notes	TZS	TZS
<b>Revenue</b>			
<b>Revenue from non-exchange</b>			
Government Grants	15	2,934,410,065	2,949,043,390
		<u>2,934,410,065</u>	<u>2,949,043,390</u>
<b>Revenue from exchange transaction</b>			
Other Revenue	16	97,531,000	85,270,004
<b>Total Revenue</b>		<u>3,031,941,065</u>	<u>3,034,313,394</u>
<b>Operating Expenses</b>			
Depreciation	9	85,682,188	41,920,804
Wages, Salaries and Staff Benefits	17	1,457,412,335	1,413,833,058
Administrative Expenses	18	706,256,781	242,351,628
Supplies and Consumables used	19	61,769,348	20,238,090
Board sitting allowances	20	769,950,000	1,192,236,000
<b>Total Operating Expenses</b>		<u>3,081,070,651</u>	<u>2,910,579,580</u>
<b>(Deficit)/Surplus for the year</b>		<u>(49,129,586)</u>	<u>123,733,814</u>



Hon. Bahati M. Ndeserua  
ACCOUNTING OFFICER



Date

THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF FINANCE  
TAX REVENUE APPEALS BOARD

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

	Taxpayer's Fund (TZS)	Accumulated Surplus/ (Loss) (TZS)	Total (TZS)
At 01 July 2022	260,875,773	(167,080,442)	93,794,592
Surplus for the year	-	(49,129,586)	(49,129,586)
As at 30 June 2023	260,875,773	(216,210,767)	44,665,006
As at July 2021	-	(69,306,888)	(69,306,888)
Prior year's adjustment	-	64,264,996	64,264,996
Prior year's adjustment	-	(147,691,948)	(147,691,948.00)
Capital Grant reclassification	138,080,416	(138,080,416)	-
Reclassification	122,794,618	-	122,794,618
Surplus for the year	-	123,733,814	123,733,814
As at 30 June 2022	260,875,773	(167,081,181)	93,794,592



Hon. Bahati M. Ndeserua  
ACCOUNTING OFFICER


18/1/2024

Date

THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF FINANCE  
TAX REVENUE APPEALS BOARD

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2023

Notes	2022/23 TZS	2021/22 TZS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Receipts</b>		
Exchequers from other Gov't entities	2,894,283,585	2,950,354,530
Other Revenue	97,531,000	85,270,004
	<u>2,991,814,585</u>	<u>3,035,624,534</u>
<b>Expenditures</b>		
Wages, salaries and employee benefits	(1,462,159,479)	(1,412,637,910)
Payments to supplier	(723,150,665)	(287,485,552)
Board Sitting Allowance	(769,950,000)	(1,192,236,000)
<b>Net Cash Flows from Operating Activities</b>	<u>36,554,441</u>	<u>143,265,072</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(159,208,369)	(22,192,304)
<b>Net cash flows from Investing Activities</b>	<u>(159,208,369)</u>	<u>(22,192,304)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>Net cash flow from Financing Activities</b>	<u>-</u>	<u>-</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>(122,653,928)</u>	<u>121,072,768</u>
Cash and Cash Equivalent at beginning of the period	124,372,928	3,300,928
<b>Cash and cash equivalents at end of period</b>	<u>1,719,000</u>	<u>124,372,928</u>

  
Hon. Bahati M. Ndeserua  
ACCOUNTING OFFICER

18/1/2024  
Date

THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF FINANCE  
TAX REVENUE APPEALS BOARD

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

Account Description Budget prepared on cash basis	Original Budget (TZS)	Adjustments (TZS)	Final Budget (TZS)	Actual Amount (TZS)
A	B	C	D=B+C	E
<b>Receipts</b>				
Subvention from the Ministry of Finance (OC)	1,646,763,000	582,820,000	2,229,583,000	2,229,583,000
Personal			664,700,585	
Emolument	664,700,585	-		664,700,585
Other Revenue	100,000,000	-	100,000,000	97,531,000
<b>Total Revenue</b>	<b><u>2,411,463,000</u></b>	<b><u>582,820,000</u></b>	<b><u>2,994,283,000</u></b>	<b><u>2,991,814,585</u></b>
<b>Expenditures</b>				
Wages, salaries and employee benefits	(1,335,777,657)	(126,381,822)	(1,462,159,479)	(1,462,159,479)
Board sitting allowance	(441,600,000)	(328,350,000)	(769,950,000)	(769,950,000)
Administrative Expenses	(418,000,000)	(249,005,491)	(667,005,491)	(706,256,781)
Supplies and consumables used	(58,190,000)	(3,579,348)	(61,769,348)	(61,769,348)
<b>Total Expenditures</b>	<b><u>1,588,867,072</u></b>	<b><u>(701,692,487)</u></b>	<b><u>(2,290,559,599)</u></b>	<b><u>(2,954,541,144)</u></b>
Purchase of PPE	(157,895,928)	2,031,441	(159,927,369)	(159,927,369)
<b>Total Expenditure</b>	<b><u>1,746,763,000</u></b>	<b><u>703,723,928</u></b>	<b><u>(2,449,767,927)</u></b>	<b><u>(3,114,468,513)</u></b>
Cash and cash equivalents at beginning of period	-	-	<u>124,372,928</u>	<u>124,372,928</u>
Cash and cash equivalents at end of period	-	-	<u>1,719,000</u>	<u>1,719,000</u>

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF FINANCE  
TAX REVENUE APPEALS BOARD**

**GENERAL INFORMATION**

The general information about the reporting entity

**PRINCIPAL PLACE OF BUSINESS**

**NMB BANK HOUSE,  
SAMORA AVENUE,  
P.O BOX 9721,  
DAR-ES SALAAM-TANZANIA.**

**BANKERS**

**NMB PLC,  
BANK HOUSE BRANCH,  
SAMORA AVENUE,  
P.O.BOX 9031,  
DAR ES SALAAM - TANZANIA.**

**BANK OF TANZANIA,  
2 MIRAMBO STREET,  
P.O. BOX 2939,  
1 1884 DAR ES SALAAM - TANZANIA.**

**RESPONSIBILITY FOR TRAB**

**SECRETARY,  
TAX REVENUE APPEALS BOARD,  
P.O.BOX 9721,  
DAR ES SALAAM- TANZANIA.**

**ATTORNIES**

**ATTORNEY GENERAL,  
ATTORNEY GENERAL'S CHAMBER,  
20 KIVUKONI STREET,  
P.O BOX 9050,  
11466 DAR-ES-SALAAM, TANZANIA.**

**AUDITORS**

**CONTROLLER AND AUDITOR GENERAL,  
THE NATIONAL AUDIT OFFICE,  
4 UKAGUZI HOUSE,  
P.O.BOX 950,  
41104 Tambukareli,  
DODOMA-TANZANIA.**

**CRDB BANK PLC,  
LAPF BRANCH,  
P.O.BOX 342,  
DODOMA.**

**NATIONAL MICROFINANCE BANK PLC,  
KAMBARAGE BRANCH,  
P.O. BOX 9213,  
DODOMA.**

THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF FINANCE  
TAX REVENUE APPEALS BOARD  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

**1.0 INTRODUCTION**

The requirements of IPSAS 1 Presentation of Financial Statements and IPSAS 3 Accounting policies, Changes in Accounting Estimates and Errors, the numbering of the notes in the financial statements should be consistent. The Management has ensured that the number of these notes in these financial statements are consistent. It starts with Note 1 to 26.

**3.0 BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE**

**A. BASIS OF PREPARATION**

These Financial Statements have been prepared on a going concern basis and accrual basis of accounting; the measurement bases applied is historical cost. The accounting policies have been applied consistently throughout the period.

The Financial Statements are presented in Tanzania Shillings (TZS) not rounded at a thousand figures.

**B. STATEMENT OF COMPLIANCE**

The TRAB's Financial Statements have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) under accrual basis as issued by the International Public Sector Accounting Standards Board (IPSASB) and the requirements of the:

- (a) Public Finance Act CAP. 348 (R.E 2020);
- (b) Public Procurement Act CAP 410 (R.E 2022);
- (c) Treasury Circulars and Guidelines issued from time to time; and
- (d) TFRS No1: The Report by Those Charged with Governance.

**4.0 REPORTING ENTITY**

The Reporting entity of these Financial Statements is the Tax Revenue Appeals Board

**5.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these financial statements are consistent with those followed in the previous financial year as shown below:

**5.1 Cash and Cash Equivalents**

Cash and bank balances in the Statement of Financial Position comprises cash as at 30 June 2023.

**5.2 Employment benefits**

Employee benefits include salaries, pensions and other related - employment costs. Employee benefits are recognized on accrual basis as guided by IPSAS 25 on Employees' Benefits which requires an entity to disclose in the Financial Statements the amount of expenses paid to the Defined Contribution Plan for the Key Management Personnel.

**THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF FINANCE  
TAX REVENUE APPEALS BOARD  
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023**

The Government operates a Defined Benefit Plans. Different plans and contribution rates for employer and employees are detailed below:

No.	Name of the Fund	Employer Contribution	Employee Contribution
1	NHIF	3%	3%
2	PSSSF	15%	5%

Additionally, the Government operate insured (Health Benefit) Plan where contributions are made by the Employer and Employee, each contributing 3% of gross salary of the respective employee. Moreover, according

to the Workers Compensation Act 2008, Public Sector employers are required to contribute 0.5% of each employee's wages on a monthly basis to the Workers Compensation Fund (WCF).

### **5.3 Accounts Payables**

Accounts payables are financial liabilities in respect of goods or services that have been received by the Board, it includes salary arrears which approval for payment already done but not yet paid and goods and service received from suppliers and service providers and these are non-interest bearing and are stated at their nominal value

### **5.4 Property, Plant and Equipment**

Property, Plant and Equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of any replacement parts in accordance with the related recognition criteria.

### **5.5 Depreciation**

The TRAB 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 the Public Assets Management Guideline of 2019 and the accounting policies applicable.

The depreciable amount of an asset shall be allocated on a systematic basis over its estimated useful life. The prevailing International Standard for depreciation shall be applied over the useful life of the assets. In accordance with the Generally Acceptable Valuation Principles (GAVP), depreciation for valuation purposes shall be the adjustment made to the replacement cost to reflect physical deterioration, functional and economic obsolescence. For this year under review the TRAB reviews the accumulated depreciation to reflect the real cost of the assets, this was done to rectify the mistakes done in the previous years.

THE UNITED REPUBLIC OF TANZANIA  
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 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

**5.6 Estimated Useful Life (EUL)**

Assets ran an economic life peculiar to themselves depending on make, constant handling and operational use. Some assets are continued in use much beyond the EUL due to periodical maintenance and repairs. Assets expected life are projected in ranges as follows:

<u>Description</u>	<u>Years</u>
<b>Administration assets</b>	
Furniture, fixture and equipment's	5
Office Equipment	5
Computer (Desktops and Laptops)	4
Motor vehicles	5

**5.6 Functional and presentations currency**

Items included in the Financial Statements of the Institute are measured using the currency of the primary economic environment in which the Institute operates ("the functional currency"). The Financial Statements are presented in Tanzanian Shilling, which is the Institute's functional and presentation currency.

**5.7 Revenue recognition**

**I. Revenue from non-exchange transactions**

**Transfers from other Government entities**

Revenues from non-exchange transactions with other Government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services, and property) if the transfer is free from conditions, but if there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

**II. Revenue from exchange transaction**

The Board recognizes revenues from exchange transactions when the event occurs and the asset recognition criteria are met.

a) Comparative figures

Where necessary, the comparative figures have been reclassified to conform to changes in presentation in the current year.

**5.8 Provisions**

The TRAB policy is to recognize Provisions when the following conditions are met: -

- It has a present obligation (legal or constructive) as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- Reliable estimate can be made of the amount of the obligation.



THE UNITED REPUBLIC OF TANZANIA  
 MINISTRY OF FINANCE  
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 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

The expense relating to any provision is presented in the statement of financial performance net of any reimbursement. The Table below indicates the total provision during the year.

Descriptions	2023 (TZS)	2022 (TZS)
Provision for audit fees	26,400,000	-
<b>Total provision</b>	<b>26,400,000</b>	<b>-</b>

#### 6.0 RISKS MANAGEMENT

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

##### Operational Risks

Operational risks are those risks that may arise from inadequate or failed of internal processes, people and systems or from external events. The TRAB has adequate Operational risks policies and framework that cater for mitigation of these risks.

#### 7.0 ORIGINAL AND FINAL APPROVED BUDGET AND COMPOSITION OF ACTUAL AND BUDGET AMOUNTS

##### 7.1 Comparable Basis IPSAS 24.47

The TRAB budget and financial statements are prepared using different accounting basis. The statement of Financial Position, Statement of Financial Performance and statement of changes in Net Assets are prepared on a full Accrual basis, whereas the Cash flow statement and comparison of Budget and Actual amounts are prepared on a cash basis.

As required by IPSAS 24, the actual amounts presented on comparable basis to the budget shall, where the financial statement and the budget are not prepared on comparable basis. Be reconciled to the actual amounts presented in the financial statements, identifying separately any basis and, timing differences. There may also be differences in formats and classification schemes adopted for presentation of financial statements and the budget.

The comparison of budget and actual amounts has been presented in the statement of comparison of budget and Actual amount page 35.

##### 7.2 Classification basis adopted in the approved budget IPSAS 24.39

In the Financial year 2022/23, the TRAB adopted service delivery, capacity building and personal emoluments classification basis to prepare the budget. The National Assembly approved the budget by considering the mentioned classification.

S/N	Description	Amounts (TZS)
1	Service delivery	2,057,583,00
2	Capacity Building	172,000,000

THE UNITED REPUBLIC OF TANZANIA  
 MINISTRY OF FINANCE  
 TAX REVENUE APPEALS BOARD  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

S/N	Description	Amounts (TZS)
3	Personal Emoluments	549,769,800
<b>Total Budget</b>		<b>2,779,352,800</b>

**8.0 Employment Benefits**

During the year under review a total of TZS 98,958,564 was paid as expenses for the Defined Contribution Plan to the following Social Security Funds and National Health Insurance Fund as compared to TZS 73,924,668 which was paid during the year 2021/22.

<b>Social Security Fund</b>	<b>Contribution 2022/23 (TZS)</b>	<b>Contribution 2021/22 (TZS)</b>
Public Sector Social Security Fund	82,465,470	61,603,890
National Health Insurance Fund	16,493,094	12,320,778
<b>Total Contribution</b>	<b>98,958,564</b>	<b>73,924,668</b>

Para 58 of IPSAS 25 on Employees' Benefits requires an entity to disclose in the Financial Statements the amount of expenses paid to the Defined Contribution Plan for the Key Management Personnel.

THE UNITED REPUBLIC OF TANZANIA  
 MINISTRY OF FINANCE  
 TAX REVENUE APPEALS BOARD  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

9.0 PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles	Office Equipment	Computer Equipment's	Furniture & Fittings	Total
	(TZS)	(TZS)	(TZS)	(TZS)	(TZS)
<b>Year Ended 30 June 2023</b>					
<b>Cost</b>					
At the start of the year	193,127,785	17,816,246	60,036,663	61,891,856	332,872,550
Additions	-	14,113,000	50,142,000	94,953,369.02	159,208,369
Addition non-monetary	-	40,126,480	-	-	40,126,480
Transfer adjustment	-	110,178,663	-110,178,663		
At the end of the year	193,127,785	182,234,389	-	156,845,225.02	532,207,399
<b>Accumulated Depreciation</b>					
At the start of the year	116,002,762	11,500,017	51,231,018	49,189,892	227,923,689
Charge for the year	19,952,764	11,588,545	25,170,819	28,970,060	85,682,188
Transfer Adjustment	-	76,401,836	-76,401,836	-	-
At the end of the year	135,955,525.37	99,490,398	-	78,159,953	313,605,877
<b>Carrying Value 30 June 2023</b>	<b>57,172,260</b>	<b>82,743,991</b>	<b>-</b>	<b>78,685,272</b>	<b>218,601,522</b>
	Motor Vehicles	Office Equipment	Computer Equipment's	Furniture & Fittings	Total
<b>Year Ended 30 June 2022</b>					
<b>Cost</b>					
At the start of the year	158,048,465	12,565,246	50,795,359	61,891,856	283,300,926
Adjustment	27,379,320				27,379,320
Additions	7,700,000	5,251,000	9,241,304	0	22,192,304
At the end of the year	193,127,785	17,816,246	60,036,663	61,891,856	332,872,550
<b>Accumulated Depreciation</b>					
At the start of the year	131,503,732	9,368,575	41,461,453	40,554,801	222,888,561
Adjustment	-36,885,676	0	0	0	-36,885,676
Charge for the year	21,384,706	2,131,442	9,769,565	8,635,091	41,920,804
At the end of the year	116,002,762	11,500,017	51,231,018	49,189,892	227,923,689
<b>Carrying Value 30 June 2022</b>	<b>77,125,023</b>	<b>6,316,229</b>	<b>8,805,645</b>	<b>12,701,964</b>	<b>104,948,861</b>

THE UNITED REPUBLIC OF TANZANIA  
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 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

**10. Amortization of Capital Grant**

There was no amortization of capital grant which were made in this Financial as the balance of unamortized amount were reclassified to Tax payer's Fund.

	2022/23 TZS	2021/22 TZS
<b>11. Cash and Cash Equivalents</b>		
Cash balance with Central Bank	470,000	-
Cash balances with private Banks	249,000	124,372,928
Cash on hand	1,000,000	-
	<u>1,719,000</u>	<u>124,372,928</u>
<b>12. Trade and Other Receivables</b>		
Prepayment	6,406,795	7,963,981
Asset Prepayment	-	3,320,770
Withholding Tax Receivable	129,798	-
Staff Imprest receivable	-	27,250,000
Government Grant Receivable		155,327,235
Adjustment for grant receivables		-147,691,948
	<u>6,536,593</u>	<u>46,170,039</u>
<b>13.(A) Trade and Other Payables</b>		
Salaries arrears	150,550,092	155,297,236
Withholding Tax	269,517	-
Supply of Goods and service	4,972,501	-
<b>Sub Total</b>	<u>155,792,109</u>	<u>155,297,236</u>
<b>13.(B) Provision</b>		
Provision for Audit fee	26,400,000	26,400,000
<b>Grand Total</b>	<u>182,192,109</u>	<u>181,697,236</u>

**14. Taxpayer's funds**

The Board's Taxpayer Fund of **TZS 260,875,773** was resulted from reclassification of accumulated surplus and balance of Capital grants following accounting circular no of 2017/18 which require presentation and disclosure of the amount of Tax

THE UNITED REPUBLIC OF TANZANIA  
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

payer's fund, the amortised amount of TZS 138,080,416 capital grant from 2017/18 to 2020/21 and the balance of unamortised amount of TZS 122,794,618 were all classified as Tax payer's fund.

	2022/23 TZS	2021/22 TZS
<b>15. Government Grants</b>		
Other Charges	2,229,583,000	2,464,788,500
Personal Emoluments	664,700,585	484,254,890
Other Revenue (Non-Monetary)	40,126,480	-
<b>Total</b>	<b>2,934,410,065</b>	<b>2,949,043,390</b>
<b>16. Other Revenue</b>		
Fees	97,531,000	85,270,004
<b>Total</b>	<b>97,531,000</b>	<b>85,270,004</b>
<b>Total Revenue</b>	<b>3,031,941,065</b>	<b>3,034,313,394</b>
<b>17. Salaries and Staff Benefits</b>		
Basic Salaries	562,970,202	410,962,600
Employer Contributions	101,707,431	73,562,290
Employment Allowance	792,734,720	929,308,168
<b>Total</b>	<b>1,457,412,335</b>	<b>1,413,833,058</b>
<b>18. Administrative Expenses</b>		
Audit fees paid to CAG	2,000,000	2,400,000
Audi fees paid to private entity	24,432,000	24,000,000
Air Conditional maintenance	4,183,690	1,777,050
Newspapers and Magazine	3,532,100	3,586,520
Contribution to Consolidation Fund	-	5,700,000
Upkeep allowance	16,625,206	-
Per Diem - Domestic	344,480,500	38,910,000
Ground Transport	11,793,000	8,115,000
Membership subscription fee	2,308,750	5,520,000
Water Charges	360,316	260,565
Panel and Body Shop repair	1,625,000	42,979,436
Diesel	96,857,366	40,579,107
Air Travel Ticket (Foreign)	5,585,124	-
Air Travel Ticket (Domestic)	10,585,740	1,031,000
Computer, Printer, scanner and other computer related	1,050,000	-
Computer Supplies and Accessories	3,767,707	26,866,308
Computer software	14,262,513	-

THE UNITED REPUBLIC OF TANZANIA  
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 TAX REVENUE APPEALS BOARD  
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

	2022/23 TZS	2021/22 TZS
Electricity Charges	15,410,000	9,900,000
Telephone Charges	293,171	529,267
Internet and Email connection	2,896,500	464,000
Food & Refreshment	44,932,700	19,334,225
Uniforms	-	1,060,000
Burial Expenses	1,000,000	7,050,000
Advertising and Publication	-	1,289,150
Tuition Fees	13,845,000	-
Conference	17,305,000	-
Remuneration of instructor	2,500,000	-
Outsource Maintenance contract services	9,446,587	-
Outsource contract including cleaning and security	6,230,100	-
Motor vehicle and water craft	32,108,433	-
Exhibition, festival and cerebration	5,435,000	-
Tuition fee foreign	1,399,429	-
Post and telegraphs	265,800	-
Gift and Prizes	-	1,000,000
Moving expenses	3,130,000	-
Tyre and betry	6,610,000	-
<b>Total</b>	<b>706,256,781</b>	<b>242,351,628</b>
<b>19. SUPPLIES AND CONSUMABLES</b>		
Small tools and implements	-	2,845,000
Office Consumables (Papers, Pens etc)	59,037,576	16,639,620
Printing and photocopy paper	2,731,772	753,470
<b>Total</b>	<b>61,769,348</b>	<b>20,238,090</b>
<b>20. Board Sitting Allowance</b>		
Board Members & Secretary	477,050,000	855,786,000
Staff Secretariat	169,550,000	174,000,000
Staff Assistants	123,350,000	162,450,000
<b>Total</b>	<b>769,950,000</b>	<b>1,192,236,000</b>
<b>21. Amortization &amp; Depreciation</b>		
Depreciation on PPE	85,682,188	41,920,804
Amortization of Intangible Assets	0	0
<b>Total</b>	<b>85,682,188</b>	<b>41,920,804</b>

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**22 EVENTS AFTER THE REPORTING PERIOD**

There are no material events, adjusting or non-adjusting, which have occurred between the reporting date and the date when Financial Statements are authorized for issue.

**23 RELATED PARTY TRANSACTIONS**

The entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the entity, or vice versa. Members of Board and Key Management Personnel are regarded as related parties. The key management personnel comprise of the Secretary.

Key management short term benefits which were paid included salaries, Secretary Allowances and members sitting allowances as follows

Descriptions	30.06.2023	30.06.2022
	(TZS)	(TZS)
<b>Key Management's Remuneration</b>		
Salaries	418,885,000	161,060,000
Allowances:		
Housing Allowance	44,000,000	38,400,000
Electricity Allowances	16,815,000	12,480,000
Telephone Allowances	17,295,000	13,920,000
Court Attire allowances	7,500,000	7,500,000
Furniture allowance	32,000,000	32,000,000
<b>Sub Total</b>	<b>117,610,000</b>	<b>265,360,000</b>
Sitting allowances	477,050,000	1,097,890,000
<b>Sub Total</b>	<b>477,050,000</b>	<b>1,097,890,000</b>
<b>Grand Total</b>	<b>1,013,545,000</b>	<b>1,457,596,000</b>

**24. ASSETS PLEDGED AS SECURITY FOR LIABILITIES**

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

**25. COMMITMENTS**

**Capital expenditure**

There was no any commitment of capital expenditure during the year under review

**26. CONTINGENT LIABILITIES**

At the balance sheet date, there were no any event i.e., legal issues, case that is possible or probable effect to the firm. Accordingly, no provision for any liability has been made in these Financial Statements that has impacted on the result for the year.

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Cash Flow Notes	2022/23 (TZS)	2021/22 (TZS)
<b>RECEIPT</b>		
<b>a) Exchequers from other Government Entities</b>		
Other Charges	2,229,583,000	2,464,788,500
Personal emolument	664,700,585	484,254,890
Opening government grant receivable	7,635,287	8,916,427
Closing government grant receivable	-	-7,635,287
	<b>2,901,918,872</b>	<b>2,950,354,530</b>
<b>b) Fees, fines, penalties and licenses</b>		
Proceedings and Order	-	2,040,000
Income from Witnesses	-	190,000
Annexures	-	23,210,004
Statement of Appeal	62,165,000	48,690,000
Proceedings of Decree/Order	-	2,540,000
Proceedings and Judgement	-	525,000
Application	4,095,000	990,000
Tax Law Reports	-	100,000
Notice of Intention to Appeal	6,400,000	1,500,000
Perusal Fees	-	5,410,000
Proceedings and ruling		75,000
Other bills	24,871,000	-
	<b>97,531,000</b>	<b>85,270,004</b>
<b>PAYMENTS</b>		
<b>c) Wages, salaries and Employment benefits</b>		
Opening Salary Payable	-155,297,236	154,102,088
Employee's cost	664,677,615	484,254,890
Employment Benefits	792,743,720	929,578,168
Closing Salary Payable	150,550,092	-155,297,236
	<b>1,452,674,191</b>	<b>1,412,637,910</b>
<b>d) Payment made to suppliers</b>		
Opening balance payable to suppliers	26,400,000	24,000,000
Opening balance receivables	-38,564,751	-11,268,971



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Cash Flow Notes	2022/23 (TZS)	2021/22 (TZS)
Administrative Expenses	706,256,781	242,351,628
Office suppliers and consumables	61,769,348	20,238,090
Closing balance payables to suppliers	-31,642,017	-26,400,000
Closing balance receivables	6,536,593	38,564,498
	<b>730,755,953</b>	<b>287,485,498</b>
<b>e) Board Sitting Allowance</b>		
Board Members & Secretary	477,050,000	855,786,000
Staff Secretariat	169,550,000	174,000,000
Staff Assistants	123,350,000	162,450,000
	<b>769,950,000</b>	<b>1,192,230,000</b>
<b>Reconciliation of Net Cash Flow from Operating Activities</b>		
<b>Surplus/(Deficit) from ordinary activity</b>	<b>-49,129,586</b>	<b>123,733,814</b>
Non-Cash Movements	-	-
Adjustment for Depreciation	85,682,188	41,920,804
<b>Amortization - Capital Grant</b>	-	-
Non-Cash revenue	-40,126,480	-
<b>Surplus/(Deficit) from ordinary activity</b>	<b>-3,573,878</b>	<b>165,654,618</b>
Working Capital Movement		
Increase/(Decrease) in payables	494,873	-25,984,694
Increase/(Decrease) in Receivables	39,633,446	3,595,148
<b>Net Cash flow from Operating Activities</b>	<b>36,554,441</b>	<b>143,265,072</b>

**27. Adjustment for the items restated**

**a. Correction of error for reported Property Plant and Equipment and Accumulated Depreciation**

In the financial year 2022/23, the Board has noted that there is error for the reported PPE which resulted to understatement by TZS 27,379,320 hence was rectified.

Further, Board has noted error for the depreciation charged in prior years which resulted to overstatement of Accumulated depreciation by TZS 36,885,676.

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In that regard, rectification of the errors of the Property Plant and Equipment and Accumulated Depreciation will impact on the Accumulated surplus/deficit for the year 2022/23 with TZS 64,264,996 as shown in table below; -

SN	Account Description	DR	CR	Reason for Restatement
a.	Property Plant and Equipment	27,379,320		Undervalued price of Motor vehicle acquired in prior years.
b.	Accumulated depreciation	36,885,676		Errors occurred on calculations of Motor vehicle depreciation in prior years.
c.	Accumulated surplus/deficit		64,264,996	Impact of adjustment of errors
	<b>Total</b>	<b>64,264,996</b>	<b>64,264,996</b>	

**b. Correction of error for reported staff arrears as receivables**

In the financial year 2022/23, the Board has noted that there is error for the reported staff arrears of TZS 147,691,948 as expected inflow from Ministry of Finance hence classified as receivables. Therefore, was rectified and impact on the Accumulated surplus/deficit.

SN	Account Description	DR	CR	Reason for Restatement
a.	Accumulated surplus/deficit	147,691,948		Recognition of accrued salary expenses.
b.	Government Grant Receivable		147,691,948	Errors made on recognition of Account receivables.
	<b>Total</b>	<b>147,691,948</b>	<b>147,691,948</b>	