

THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS OF TANZANIA COMMISSION FOR
UNIVERSITIES FOR THE YEAR ENDED
30TH JUNE, 2016

The Controller and Auditor General
National Audit Office
16 Samora Machel Avenue
P. O. Box 9080
11101 Dar es Salaam, Tanzania.

Telegram: "Ukaguzi"
Telephone: 255 22 2115157/8
Fax: 255 22 2117527
E-mail: ocag@nao.go.tz
Website: www.nao.go.tz

January, 2017

AR/ TCU/2016

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION
FOR THE YEAR ENDED 30TH JUNE 2016

TANZANIA COMMISSION FOR UNIVERSITIES

REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2016

<u>Contents</u>	<u>Page No.</u>
NAO Background information	1
Definition of Terms and Abbreviations	2
Background and General Information	3 - 4
Report of the Commission	5 - 17
Report of the auditors	18 - 19
Declaration by Head of Accounting and Finance	20
Financial statements:	
Statement of financial position	21
Statement of financial performance	22
Statement of changes in equity	23
Statement of cash flows	24
Statement of comparison of budget and actual amount	25
Notes to the financial statements	26-53

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION FOR THE YEAR ENDED 30TH JUNE 2016

Office of the Controller and Auditor General,
National Audit Office,
The United Republic of Tanzania

The statutory duties and responsibilities of the Controller and Auditor General are given under Article 143 of the Constitution of the URT of 1977 (revised 2005) and further elaborated under Sect. 10 (1) of the Public Audit Act No 11 of 2008.

Introduction

I have audited the financial statements of Tanzania Commission for Universities for the year ended 30th June, 2016. Audit findings and recommendations arising from examination of the accounting records, appraisal of Tanzania Commission for Universities activities as well as evaluation of the internal control system which requires management attention and action are set out in a management letter issued separately to the Accounting Officer.

Vision

To be a Centre of excellence in public sector auditing.

Mission

To provide efficient audit services in order to enhance accountability and value for money in the collection and use of public resources.

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

- ✓ **Objectivity:** We are an impartial organization, offering services to our clients in an objectives and unbiased manner;
- ✓ **Excellence:** We are professionals providing high quality audit services based on best practices;
- ✓ **Integrity:** We observe and maintain high standards of ethical behavior and the rule of law;
- ✓ **People focus:** We focus on stake holders needs by building a culture of good customer care and having competent and motivated work force;
- ✓ **Innovation:** We are creative organization that constantly promotes a culture of developing and accepting new ideas from inside and outside the organization; and
- ✓ **Best resource utilization:** We are an organization that values and uses public resources entrusted to it in efficient, economic and effective manner.

We do this by:-

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

Audit Objectives

The main objective of conducting this audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION FOR THE YEAR ENDED 30TH JUNE 2016

fraud or error, thereby enabling me to express an opinion on whether the financial statements are prepared, in all material respects, in accordance with an applicable financial reporting framework; and whether laws and regulations have been complied with.

Audit Methodology

My audit approach included tests of the accounting records and other procedures in order to satisfy the audit objectives. My audit procedures included the following:

- Identify and assess risks of material misstatement, whether due to fraud or error, based on an understanding of the entity and its environment, including the entity's internal controls.
- Obtain sufficient appropriate audit evidence about whether material misstatements exist, through designing and implementing appropriate responses to the assessed risks.
- Form an opinion on the financial statements based on conclusions drawn from the audit evidence obtained.
- Follow up on the implementation of the previous year's audit findings and recommendations and directives issued PAC to ensure that proper action has been taken in respect of all matters raised.

Audit Scope

The audit was carried out in accordance with the International Standards of Supreme Audit Institutions (ISSAIs) and other audit procedures as were deemed appropriate under the circumstances. This covered the evaluation of the effectiveness of the financial accounting system and internal control over various activities of the Tanzania Commission for Universities.

The audit was conducted on a sample basis; therefore the findings are confined to the extent that records, documents and information requested for the purpose of the audit were made available to me.

As auditor, I am not required to specifically search for fraud and errors, therefore, my audit cannot be relied upon to disclose all such matters. However my audit was planned in such a way that I would have reasonable expectations of detecting material errors and misstatements in the financial statements resulting from irregularities including fraud. The responsibility for detection, prevention of irregularities and the maintenance of an effective and adequate system of internal control rests with the management of the Tanzania Commission for Universities.

© This audit report is intended to be used by Tanzania Commission for Universities. However, upon receipt of the report by the Speaker and once tabled in Parliament, the report becomes a matter of public record and its distribution may not be limited.

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION FOR THE YEAR ENDED 30TH JUNE 2016

DEFINITION OF TERMS AND ABBREVIATIONS

Definition of Terms

Financial Statements: mean a complete set of financial statements comprising of the following:

- Statement of Financial Position
- Statement of Financial Performance
- Statement of Changes in Equity
- Statement of Cash flows
- Statement of Comparison of budget and actual amount
- Notes to the Financial Statements

Abbreviations

AR	-	Audit Report
CAG	-	Controller and Auditor General
G.N	-	Government Notice
HESLB	-	Higher Education Students' Loans Board
IAS	-	International Accounting Standards
IASB	-	International Accounting Standards Board
IFRS	-	International Financial Reporting Standards
INTOSAI	-	International Organization of Supreme Audit Institutions
IPSAS	-	International Public Sector Accounting Standards
ISA	-	International Standards on Auditing
MDAs	-	Ministries, Departments and Agencies
NHIF	-	National Health Insurance Fund
NIC	-	National Insurance Corporation of Tanzania Limited
NSSF	-	National Social Security Fund
PAA	-	Public Audit Act of 2008
PAYE	-	Pay As You Earn
PFA	-	Public Finance Act (2001)
PFR	-	Public Finance Regulations
PMU	-	Procurement Management Unit
PPA	-	Public Procurement Act No. 7 OF 2011
PPF	-	Parastatal Pension Fund
PPR	-	Public Procurement Regulations of 2013
PSPF	-	Public Service Pension Fund
Reg.	-	Regulations
Sect.	-	Section
SSSS	-	Staff Salary Superannuation Scheme
TCU	-	Tanzania Commission for Universities
TFRS	-	Tanzania Financial Reporting Standards
UDSM	-	University of Dar Es Salaam
URT	-	United Republic of Tanzania

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION FOR THE YEAR ENDED 30TH JUNE 2016

1.1 In compliance with the Universities Act Cap 346, of the Laws of Tanzania, and the Tanzania Financial Reporting Standard No. 1 on Directors Report, the Commissioners submit their Report and Financial Statements of Tanzania Commission for Universities for the year ended 30th June, 2016

1.2 CORPORATE OUTLOOK

VISION

To be a world-class higher education regulatory agency supporting systematic growth and excellence of university education in Tanzania.

MISSION

To promote accessible, equitable and harmonized quality university education systems that produce nationally and globally competitive outputs.

CORE VALUES AND PHILOSOPHY

Transparency, efficiency, integrity, tolerance, accountability and creativity.

TCU Motto

Universities for Prosperity

1.3 PRINCIPAL MANDATES

The principal mandates of the Commission are:

a) Regulatory:

Conducts periodic evaluation of universities, their systems and programs so as to regulate the quality assurance systems at new and established universities and in the process institutions are registered and accredited to operate in Tanzania. TCU also validate programmes to ensure their credibility and evaluates for recognition university qualifications attained from local and foreign institutions for use in Tanzania.

b) Advisory:

Advises the government and the general public on matters related to higher education in Tanzania as well as international issues pertaining to higher education, including advice on program and policy formulation and other best practices.

c) Supportive:

Ensures the orderly conduct of university operations and management adherence to set standards and benchmarks, by providing support to universities in terms of coordinating the admission of students, offering training and other sensitization interventions in key areas like quality assurance, university leadership and management, fund raising and resources mobilization, entrepreneurial skills and gender mainstreaming.

1.4 Composition of the Commissioners

The composition and its committees are as shown in item 2.3.

1.5 Commissioners' Remuneration

The Commissioners' remuneration for services rendered as directors of the Commission for the year was TZS 400,000 and TZS 300,000 per sitting paid as business

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION FOR THE YEAR ENDED 30TH JUNE 2016

allowance to Chairman and each member respectively before December 2015. After December 2015 the Commission Directors' fee was set to be TZS 250,000 as directed by the Government.

1.6 Corporate Governance

The Commission consists of seventeen (17) members. Apart from the Executive Secretary, no other Member holds executive position in the Entity. The Commission takes overall responsibility for the Entity, including responsibility for identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Commission is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles.

The Commission delegates the day to day management of the business to the Executive Secretary assisted by Deputy Executive Secretary and other senior management team. Senior Management team is invited to attend Commission meetings and facilitates the effective control of all the Commission's operational activities, acting as a medium of communication and coordination between all the various business units.

The Commission is committed to the principles of effective corporate governance. The Commissioners also recognize the importance of integrity, transparency and accountability. As one of its several strategies of fostering a high standard of good corporate governance the Commission appointed five (5) committees comprising number of members as shown in the bracket, namely,

- The Accreditation and Quality assurance Committee (9)
- The Admission Committee (9)
- The Grants Committee (6)
- Staff Appointment and Development Committee (6)
- The Audit Committee. (4)

Within those committees, members possess various expertises and are well-versed in the technical operational requirements of TCU. Together, all these members bring to the Commission a wealth of knowledge and experience requisite for the Commission's governance.

During the year, membership to the Commission and its various Committees was as follows:-

(a) The names of Members who served the Commission during the year under review until when it was dissolved by the government in mid May 2016 were as follows:

S/N	Name	Academic Qualification	Position	Nationality	Appointment	Age
1.	Prof. Awadhi S. Mawenya	PhD, MSc., BSc. (Engineering)	Chairman	Tanzanian	30/09/2013	76
2.	Prof. Penina Mlama(UDSM)	PhD(FPA), MA(Theatre), BAEd	Member	Tanzanian	30/09/2013	68
3.	Prof. Honoratha M. K. Mushi (OUT)	PhD(Adult Education and Distance Education)	Member	Tanzanian	30/09/2013	62

TANZANIA COMMISSION FOR UNIVERSITIES

**REPORT OF THE COMMISSION
FOR THE YEAR ENDED 30TH JUNE 2016**

4.	Prof. Idris Kikula (UDOM)	PhD, MSc.(Natural Resource Management)	Member	Tanzanian	30/09/2013	66
5.	Prof. Nicholas Bangu (Uol) - Deceased	PhD, MSc.(Biochemistry), BSc.(Chemistry)	Member	Tanzanian	30/09/2013	73
6.	Ms. Aida Juma (MEZ)	Master of Education, LLB, Diploma in Education	Member	Tanzanian	30/09/2013	45
7.	Prof. Idris Ahmad Rai (SUZA)	PhD (Computer Science & Networking), MSc., BSc. (Electrical and Electronics Engineering)	Member	Tanzanian	30/09/2013	46
8.	Prof. Sylvia Temu (MoEVT)	PhD (Business Management), MSc. (Business Management), B.Com. (Accounting) Hons	Member	Tanzanian	30/09/2013	55
9.	Mr. Kamana Stanley (MLCA)	LLB Hons	Member	Tanzanian	30/09/2013	37
10.	Dr. Primus Nkwera (NACTE)	PhD(Timber Structures), MSc.(Structures)	Member	Tanzanian	30/09/2013	48
11.	Dr. Gideon Kaunda (TPSF)	PhD (Air & Space), LLM, LLB, DPL	Member	Tanzanian	30/09/2013	74
12.	Prof. Ephata Kaaya (CVCPT)	PhD, MSc., MD, FCP(SA), FC Path (ECSA)	Member	Tanzanian	30/09/2013	62
13.	Mr. John Cheyo (MoF)	MSc.(Finance), BACC(Accounting & Finance)	Member	Tanzanian	30/09/2013	55
14.	Mr. Stanslaus Peter Kadugalize(TAHLISO- Main Land)	Student - National Institute of Ttransport	Member	Tanzanian	30/09/2015	29
15.	Ms. Asha Khamis Mussa(TAHLISO ZNZ)	Student - Zanzibar Institute of Finance Management	Member	Tanzanian	30/09/2013	26
16.	Mr. George W. Nyatega (HESLB)	MSc.(Finance)	Member	Tanzanian	13/10/2010	64
17.	Prof. Yunus D. Mgaya - Executive Secretary	PhD (Mariculture), M.Sc(Fisheries) B.Sc (Marine Biology &Zoology)	Ex-official	Tanzanian	18/11/2014	59

The Commission is required to meet on quarterly basis per year. During the year ended 30th June 2016 the Commission held 3 ordinary meetings and 3 special meetings.

During those meetings, matters that were deliberated upon included the following:

- i. Confirmation of previous minutes and follow-up of previous deliberations.
- ii. Approval of various programmes (Curricula).
- iii. Accreditation of the university institutions.
- iv. Admission of students into higher education institutions.
- v. Transfers of students to various institutions.
- vi. Approval of the TCU budget and progress reports.
- vii. Directives on Accreditation and Quality Assurance of institutions.
- viii. Revoked the registration of St. Joseph University in Tanzania colleges in Songea and Arusha.
- ix. Approval of other administrative matters as brought in by the Management.
- x. Approval of Audit Report for Financial Year 2014/2015.
- xi. Approval of appointment of new employees.
- xii. Approval of revised Quality assurance fees chargeable to registered students in universities.
- xiii. Advising the Minister of various Issues relating to Higher Education.

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION FOR THE YEAR ENDED 30TH JUNE 2016

(b) Subcommittees of the Commission are as follows:

(i) Accreditation and Quality Assurance Committee

No.	Name	Position	Nationality
1.	Prof. PeninaMlama	Chairperson	Tanzanian
2.	Prof. Idris A. Rai	Member	Tanzanian
3.	Prof. EphataKaaya	Member	Tanzanian
4.	Prof. David Mfinanga	Member	Tanzanian
5.	Prof. Paschal Rugarabamu	Member	Tanzanian
6.	Mr. Stanslaus P.Kadugalize	Member	Tanzanian
7.	Prof. Yunus D. Mgaya (ES)	Member	Tanzanian
8.	Prof. MagishiMgasa (DES)	Member	Tanzanian
9.	Dr. SavinusMaronga	Secretary	Tanzanian

The Committee report to the Commission and is required to meet on quarterly basis per year. During the year ended 30th June 2016 the Committee held 2 meetings and 2 special meetings.

During those meetings, matters that were deliberated upon included the following:

- i. Confirming of previous minutes and follow-up of previous deliberations.
- ii. Institutional accreditations.
- iii. Validation of programmes, courses and administrative tools for institutions.
- iv. Evaluation of academic awards.
- v. Reporting on quality assurance matters.

(ii) Admission Committee

No.	Name	Position	Nationality
1.	Prof. Nicholas Bangu (deceased)	Chairperson	Tanzanian
2.	Prof. Honoratha Mushi	Member	Tanzanian
3.	Prof. Sylvia Temu	Member	Tanzanian
4.	Dr. Primus Nkwera	Member	Tanzanian
5.	Mr. George Nyatega	Member	Tanzanian
6.	MS. Salha M. Mwinjuma	Member	Tanzanian
7.	Prof. Yunus D. Mgaya (ES)	Member	Tanzanian
8.	Prof. Magishi Mgasa (DES)	Member	Tanzanian
9.	Ms. Rose Kiishweko	Secretary	Tanzanian

The Committee report to the Commission and is required to meet on quarterly basis per year or as circumstances may necessitate. During the year ended 30th June 2016 the Committee held 2 meetings and one Joint Admission Meeting.

During those meetings, matters that were deliberated upon included the following:

- i. Confirming of previous minutes and follow-up of previous deliberations.
- ii. Report on the 2015/16 admission cycle through Central Admission System (CAS).

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION FOR THE YEAR ENDED 30TH JUNE 2016

- iii. Report on applicants selected by individual institutions.
- iv. List of multiple allocations through CAS and individual institutions.
- v. Clarification on minimum criteria and requirements to join various degree programmes.
- vi. Report on transfer procedures.
- vii. Guidelines the application under Recognition of Prior Learning (RPL).

(iii) Grants Committee

No.	Name	Position	Nationality
1.	Prof. Idris Kikula	Chairperson	Tanzanian
2.	Mr. John M. Cheyo	Member	Tanzanian
3.	Prof. Yunus D. Mgaya (ES)	Member	Tanzanian
4.	Prof. Magishi Mgasa (DES)	Member	Tanzanian
5.	Mr. Yusuf R. Idd- (Ag. DFA)	Secretary	Tanzanian
6.	Mr. Mabula G. Mabula - (DFA)	Secretary	Tanzanian

The Committee report to the Commission and is required to meet on quarterly basis per year. During the year ended 30th June 2016 the Committee held 2 meetings.

During those meetings, matters that were deliberated upon included the following:

- i. Confirmation of previous minutes and follow-up of previous deliberations.
- ii. Recommendation for approval of the annual report of income and expenditure for the financial year 2014/15.
- iii. Recommendation for approval of Annual Budget for Financial year 2015/2016.
- iv. Recommendation for approval of Financial Quarterly Reports for Financial year 2015/2016.
- v. Recommendation for approval of TCU Rolling Strategic Plan for 2015/2016-2019/2020.
- vi. Recommendation for approval of Quarterly Procurement Reports for 2015/2016-2019/2020.
- vii. Recommendation for approval of reviewed Quality Assurance fees charged to universities.

(iv) Staff Appointment and Development Committee

No.	Name	Position	Nationality
1.	Dr. Gideon Kaunda	Member	Tanzanian
2.	Hamisa M. Makame	Member	Tanzanian
3.	Ms. Aida Juma	Member	Tanzanian
4.	Mr. Ulimbakisya R. Masomelu	Member	Tanzanian
5.	Prof. Yunus D. Mgaya (ES)	Member	Tanzanian
6.	Prof. Magishi Mgasa (DES)	Member	Tanzanian
7.	Mr. Yusuf R. Iddi - (Acting DFA)	Secretary	Tanzanian

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION FOR THE YEAR ENDED 30TH JUNE 2016

The Committee report to the Commission and is required to meet on semiannually basis per year. During the year ended 30th June 2016, the Committee held one meeting. During the meetings, matters that were deliberated upon included the following:

- i. Confirmation of previous minutes and follow-up of previous deliberations.
- ii. Recommendation for employment of new staff.
- iii. Recommendation for confirmation of new staff after the completion of probation period.

(v) Audit Committee

No.	Name	Position	Nationality
1.	Prof. Honorata M. K. Mushi	Chairperson	Tanzanian
2.	Mr. Kamana Stanley	Member	Tanzanian
3.	One member to be appointed by PS MoEVT (Vacant)	Member	Tanzanian
4.	Mr. Alexander Kamwela	Secretary	Tanzanian

The Committee report to the Commission and is required to meet on quarterly basis per year. During the year ended 30th June 2016 the Audit Committee held two meetings.

During those meetings, matters that were deliberated upon included the following:

- i. Confirmation of previous minutes and follow-up of previous deliberations.
- ii. Deliberations and recommendation for adoption of the audited report and financial statements for the year ended 30th June 2015.
- iii. Recommendations on the draft Financial Statement for Financial Year 2014/2015 and approval for submission to External Auditor approved by CAG to commence audit process.
- iv. Discussion of audit report and letter issued by the statutory auditors as a service to the management.

TENDER BOARD

No	Name	Position	Nationality
1.	Dr. Savinus Maronga	Chairman	Tanzanian
2.	Mr. Mabula G. Mabula	Member	Tanzanian
3.	Ms. Rose Kiishweko	Member	Tanzanian
4.	Dr. Boniphace Nobeji	Member	Tanzanian
5.	Mr. Yusuf I. Rauna	Member	Tanzanian
6.	Mr. Alexander Kamwela	Member	Tanzanian
7.	Dr. Fabian Mahundu	Member	Tanzanian
8.	Mr. Nsubisi Mwansangubo	Secretary	Tanzanian

The Tender Board has worked and maintained an independent working environment and conducted its business and made decisions through both holding of meetings and circularization methods depending on issues requiring the approval of the Tender

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION FOR THE YEAR ENDED 30TH JUNE 2016

Board Committee. During the year ended 30th June 2016 the Tender Board Committee held 4 meetings and made 11 circular resolutions.

During those meetings and circularization, matters that were deliberated upon included the following:

- i. Confirmation of previous minutes and follow-up of previous deliberations.
- ii. Approval of Annual Procurement Plan for Financial Year 2015/2016.
- iii. Approval of various procurements through tender and circular resolutions.
- iv. Approval of advert for quotations and quotation documents for various procurements.
- v. Approval of disposal for unserviceable assets due to wear and tear.

1.7 Capital Structure

The Commission's capital structure for the year under review is shown in the statement of financial position. The source of corporate funding has been through Government annual parliamentary budgetary allocations in respect of Personnel Emoluments and Other Charges. Funding for other charges (OC) remained unfair during the year to run operational activities.

1.8 Management

The Management of the Commission is under the Executive Secretary assisted by the Deputy Executive Secretary and is organized in the following Directorates.

- a) Accreditation and Quality Assurance.
- b) Admission and Documentation.
- c) Grants, Finance, Human Resource and Administration.

Six support services unit report directly to the Executive Secretary and the Deputy Executive Secretary as shown below:

- a) Internal Audit Unit - Administratively reports to the Executive Secretary; functionally reports to the Audit Committee of the Commission;
- b) Procurement Management Unit - reports to the Executive Secretary in line with Public Procurement Act;
- c) Legal Unit - reports to the Executive Secretary for the provision of legal services; and
- d) Public Relations- reports to the Executive Secretary for effective communication with stakeholders
- e) University Services Coordination Unit - reports to the Deputy Executive Secretary
- f) Information, Communication Technology - reports to the Deputy Executive Secretary

1.9 Shareholders of TCU

The Commission is wholly owned by the Government of Tanzania through the Treasury Registrar.

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION
FOR THE YEAR ENDED 30TH JUNE 2016

1.10 Attainment in Physical Terms

Given below are the brief explanations for physical performance of planned operational activities during the year under review;

1.10.1 Accreditation and Admission Performance

During the year under review, the commission registered four institutions in the categories shown below:-

Types of Registration	2015/2016	2014/2015
	Number of Institutions	
Certificate of Accreditation	4	2
Certificate of full registration	0	0
Certificate of Provisional Registration	0	0
TOTAL	4	2

Also the Commission conducted 13 technical visitations (last year 17), validated and approved 94 programme curricula and administrative tools (last year 56) and validated and recognized 1,685 foreign awards (last year 1,323).

As at 30th June, 2016 cumulative list of institutions registered/recognized by the Commission is 49 as outlined below:-

(a) Institution by Level of Registration

Types of Registration	2015/2016	2014/2015
	Number of Institutions	
Certificate of Accreditation	15	15
Certificate of full registration	33	35
Certificate of Provisional Registration	1	3
TOTAL	49	53

- Institutions established by Acts of Parliament, Government Notice, University Act, with certificate of accreditation and certificate of full registration may conduct convocations and graduations.
- Institutions with certificate of provisional registration may run academic and research activities but cannot conduct graduation until they are granted Certificate of Full Registration.
- Institutions with certificate of provisional license can neither run academic and research activities nor can conduct graduation until they are granted Certificate of accreditation

TANZANIA COMMISSION FOR UNIVERSITIES

**REPORT OF THE COMMISSION
FOR THE YEAR ENDED 30TH JUNE 2016**

(b) University level Institutions operating in Tanzania by Status and ownership

	Public		Private		Total	
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15
Fully fledged Universities	12	12	21	25	33	37
Constituent Colleges	2	2	14	14	16	16
Centres and Institutes	5	4	16	20	21	24
TOTAL	19	18	51	59	70	77

During the year the Commission coordinated, harmonized and approved admission of 64,919 students to various universities as listed below: -

	2015/2016	2014/2015
(i) Public Universities	41,474	38,259
(ii) Private Universities	23,445	21,628
TOTAL	<u><u>64,919</u></u>	<u><u>59,887</u></u>

1.10.2 Financial Performance for the year 2015/2016

The Commission recorded a surplus of TZS 921,902,469 during the year ended 30th June 2016 against a surplus of TZS 2,265,603,924 recorded in the year ended 30th June 2015. The decrease in the surplus was due to decrease in revenue and increase in expenditure. The Commission will make exerted efforts to increase revenue and control expenditure.

1.11 Future Development Plans

Tanzania Commission for Universities owns plot No. 59 at Uporoto Street - Ursino and has plans to build a permanent office building. Since 2007/2008 to date the government has been allocating some funds in its development budget for the construction of TCU offices and so far Tzs. 785,700,000 has been received.

During the year under review, the government has not released the development funds that were approved for this purpose. Furthermore, efforts are underway to secure alternative sources of financing the construction of permanent office so that inconveniences relating to renting are avoided including escalation of renting costs. The alternative sources include securing a loan from a bank or entering into PPP arrangements.

1.12 Key Performance Ratios

Inadequate funds received from the Government for recurrent expenditure, development expenditure hampered Commission's activities and it was not possible to efficient execute the Development projects planned activities for the year under review. The Commission operated within the properly approved budget.

The following financial ratios for year 2015/16 were attained compared to the last financial year 2014/15.

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION FOR THE YEAR ENDED 30TH JUNE 2016

	2015/2016	Desired	2014/15
Liquidity Ratios			
Current ratio	14.77:1	2:1	3.94:1
Acid test	14.74:1	1:1	3.93:1
Profitability Ratios			
Return on assets	24%	15%	91%
Return on equity	26%	15%	162%

1.13 Risk Management and Internal Control

The Commission has a risk management policy, which was duly approved by the Commission. Every individual within the Commission is required to appreciate risks inherent at his/her place of work. Risk assessment responsibility rests with Internal Audit Department. Effective internal control is maintained through ensuring that there is segregation of duties and enhancing oversight systems. The Commission's Audit Committee is in charge of the overall risk management.

1.14 Solvency

The Commissioners have reviewed the current financial position of the Commission and the working capital needs. On the basis of this review, the Commissioners are of the opinion that for the Commission to perform effectively and efficiently, it needs additional internal and external sources of financing which include review of current charge rate for services rendered by the Commission. Subsidy from the Government is received unevenly and inadequately. In order to enable the Commission to carry out its operations effectively, the Commissioners have been highly recommending/demanding injection of more funds from the Government to execute effectively its role as per given mandates. The annual operating results are as shown in the financial statements attached to this report.

1.15 Resources

The major resource that the Commission possesses is the human capital. It has well-trained personnel in all relevant disciplines.

The other resource which forms part of corporate funding has been through Government annual parliamentary budgetary allocations and government funds collected and retained for its operations as quality assurance income received from registered university students and admission income received from candidates aspiring to join universities to pursue undergraduate degree programs.

1.16 Principal Risks and Uncertainties

These constitute, among others the principal risks and uncertainties

- a) Funding of development projects;
- b) Cost control under technical consultancy services;
- c) Recruitment and retention scheme of the human capital; and

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION FOR THE YEAR ENDED 30TH JUNE 2016

- d) Operations in the day to day activities - in terms of operational challenges and working capital needs.

1.17 Relationships with Stakeholders

The Commission's operations cut across several stakeholders' interests. The Commission enjoys good and cooperative support from almost all stakeholders. Key to this relationship has been prompt and informed communication system.

1.18 Financial Position and Cash Flows

The annual financial position, operating results, changes in equity and cash flows are as shown in the set of financial statements attached to this report.

1.19 Seriously Prejudicial Matters

There was no any seriously prejudicial matter during the year 2015/16 to warrant disclosure through this report.

1.20 Management and Employees' Relationship

There were continued good relations between employees and management for the year 2015/16. There were no unresolved complaints received by Management from the employees during the year. A healthy relationship continues to exist between management and employees. The Commission is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribe, religion and disability which does not impair ability to discharge duties.

1.21 Training Facilities

The Commission continued to provide training for its employees as need arose. Opportunities to attend seminars and courses inside and outside the country were also provided. A total of three staffs are pursuing PhD studies as part of staff capacity building. Also members of staff have attended short courses to sharpen their skills and widen their practical knowledge while executing the Commission's daily activities.

1.22 Medical Assistance

The Commission meets the cost of medical consultation and treatment for all employees and their immediate family dependents through contributions made to the National Health Insurance Fund. The Commission joined the Fund since July 2011.

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION FOR THE YEAR ENDED 30TH JUNE 2016

1.23 Financial Assistance to Staff

This is available to all employees depending on the merit of each case as assessed by management as well as liquidity position of the Commission. However, employees are also encouraged to obtain loans or advances from Commercial banks to meet their various needs in as far as finance is concerned.

Currently we have contractual agreements with four commercial banks namely Azania Bank, Tanzania Postal Bank, Bank of Africa and National Micro Finance Bank.

1.24 Persons with Disabilities

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of a member of staff becoming disabled, every effort is made to ensure that his/her employment with the Commission continues and appropriate training is arranged. It is the policy of the Commission that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

1.25 Employee Benefits

Retirement Benefits

The Commission has statutory obligations to contribute to various pension schemes in favor of all the employees employed under permanent and personable terms. The pension scheme in force which the Commission contributes includes the Parastatal Pension Fund (PPF), National Social Security Fund (NSSF) and Local Authority Pension Fund (LAPF). For those employees seconded from the government scheme of Public Service Provident on contract basis the Commission makes contributions to their pension's Fund (PSPF) depending on terms of payment. Contributions to these funds are recognized as an expense in the period the employees render the related services. However, the government has taken responsibility to pay salaries and employers pension contributions.

Short Term Benefits

The cost of all short term employees' benefits such as salaries, employees entitlements to leave pay, medical aids, long service award , other contributions, etc. are recognized during the period in which the employees renders the related services.

Terminal Benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accept voluntary redundancy in exchange of these benefits. The Commission recognizes termination benefits when it is constructively obliged to either terminate the employment of the current employees according to detailed formal plan without possibility or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION FOR THE YEAR ENDED 30TH JUNE 2016

1.26 Gender Policy

The Commission has an equal opportunity employment policy as far as gender issues are concerned. Every effort is made to ensure that the Commission's employment policy maintains gender balance subject to technical and experience considerations.

1.27 Statement of Compliance

The Commission complied with laws, rules and regulations relating to the higher education sector, labour, environmental, and all other laws in the country which affects the Commission during the year.

1.28 HIV/AIDS Awareness Programme

The Commission has an HIV/AIDS awareness programme in operation. The Commission encourages her employees to undergo regular voluntary HIV tests and for those in need of medical assistance such assistance is provided free of charge by the Commission.

1.29 Related Party Transactions

All related party transactions and balances are disclosed in note 27 to these financial statements.

1.30 Political and Charitable Donations

The Commission did not make any political donations during the year. Neither charitable Donation was made.

1.31 Corporate Social Responsibility

The Commission upholds good corporate social responsibility practices. It identifies itself with the community that it works with and maintains good working harmony. The level of responsibility is dependent on the nature of operations within the vicinity. Typically, unskilled labour at the place of operation is reserved to the communities in which the Commission operates.

1.32 Statement of Commissioners' Responsibilities

The TCU Establishment Order requires the Commissioners to prepare financial statements for each financial year that give a true and fair view of the state of

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION
FOR THE YEAR ENDED 30TH JUNE 2016

affairs of the Commission as at the end of the financial year and of its comprehensive income for that year. It also requires the Commissioners to ensure that the Commission maintains proper accounting records that disclose, with reasonable accuracy, the financial position of the Commission. The Commissioners are also responsible for safeguarding the assets of the Commission and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Commissioners accept responsibility for the preparation and presentation of financial statements that are free from material misstatement whether due to fraud or error.

Nothing has come to the attention of the Commissioners to indicate that the Commission will not remain a going concern for the foreseeable future.

1.19 Audit Mandate

The Controller and Auditor General is the statutory auditor of The Tanzania Commission for Universities (TCU) by virtue of Article 143 of the Constitution of the United Republic of Tanzania, amplified in section 30(1) of the Public Audit Act No.11 of 2008. However, in accordance with section 33(1) of Public Audit Act No.11 of 2008, the Controller and Auditor General authorized BAKER TILLY DGP&CO, to carry out the audit of The Tanzania Commission for Universities for the year ended 30th June 2016.

The Commission through the Audit Committee approves the remuneration of the external auditors.

BY ORDER OF THE COMMISSION


.....
CHAIRMAN

29/12/2016
.....
DATE


.....
MEMBER

TANZANIA COMMISSION FOR UNIVERSITIES (TCU)

DECLARATION OF THE HEAD OF FINANCE/ACCOUNTING OF TANZANIA COMMISSION FOR UNIVERSITIES (TCU)

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 Board of Directors/Governing Body/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 **Mabula G. Mabula** being the **Director of Finance and Administration of Tanzania Commission for Universities (TCU)** hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th June 2016 have been prepared in compliance with applicable accounting standards and statutory requirements. I thus confirm that the financial statements give a true and fair view position of **Tanzania Commission for Universities (TCU)** as on that date and that they have been prepared based on properly maintained financial records.

Signed by:

Position: Director of Finance and Administration (DFA)

NBAA Membership No.: **ACPA - 2605**

Date: 29th September 2016

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION
FOR THE YEAR ENDED 30TH JUNE 2016

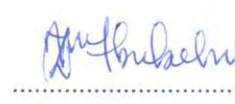
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2016

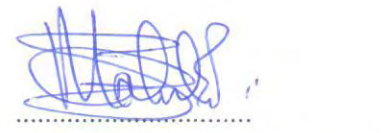
	NOTE	2016 TZS	2015 TZS
ASSETS EMPLOYED			
NON-CURRENT ASSETS			
Property and Equipment (Net)	8(a)	1,674,879,124	1,380,972,501
Capital Works in Progress		126,009,676	126,009,676
Intangible Assets	8(b)	26,405,757	69,169,347
		<u>1,827,294,557</u>	<u>1,576,151,524</u>
CURRENT ASSETS			
Inventories	17	5,059,620	4,340,752
Trade Receivables under exchange transactions	18	1,947,458,026	1,493,485,238
Staff Receivables under exchange transactions	19	31,452,494	42,131,376
Cash and Cash Equivalents	20	389,185,052	377,835,285
TOTAL CURRENT ASSETS		<u>2,373,155,192</u>	<u>1,917,792,651</u>
TOTAL ASSETS		<u>4,200,449,749</u>	<u>3,493,944,175</u>
EQUITY AND LIABILITIES			
EQUITY			
Capital Funds		785,700,000	785,700,000
Revaluation Reserve	24	1,036,573,252	1,036,573,252
Retained Earnings		2,217,512,738	1,185,201,407
Total Equity		<u>4,039,785,990</u>	<u>3,007,474,659</u>
CURRENT LIABILITIES			
Trade payables under exchange transactions	21	77,226,432	174,051,688
Other Payables under exchange transactions	22	65,693,197	269,231,090
Project Funds Payables	23	17,744,130	43,186,738
Total Current Liabilities		<u>160,663,759</u>	<u>486,469,516</u>
TOTAL EQUITY AND LIABILITY		<u>4,200,449,749</u>	<u>3,493,944,175</u>

THE NOTES ON PAGES 26 TO 53 FORM PARTS OF THESE FINANCIAL STATEMENTS.
AUDITORS REPORT ON PAGES 18 TO 19

NAME
POSITION
REG. NO
DATE


.....
CHAIRMAN
N/A 29/12/2016
.....


.....
MEMBER
NA 29/12/2016
.....


.....
DIRECTOR, FA ACPA-2605
29/12/2016
.....

TANZANIA COMMISSION FOR UNIVERSITIES


REPORT OF THE COMMISSION
FOR THE YEAR ENDED 30TH JUNE 2016


STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2016

	NOTE	2016 TZS	2015 TZS
Revenue from non-exchange transactions	9	3,849,281,835	3,510,629,203
Revenue from exchange transactions	10	3,667,681,439	4,143,776,165
TOTAL REVENUE		7,516,963,274	7,654,405,368
Personnel Expenses	12	2,377,076,929	2,273,065,345
Accreditation, Admission and Grants Expenses	11	1,562,748,123	1,221,173,113
Administrative Expenses	13	1,922,865,997	1,502,809,424
Other Expenses	15	276,659,534	106,397,687
Financial Expenses	16	7,504,207	18,562,739
Depreciation and Amortization	14	448,206,015	266,793,136
TOTAL EXPENSES		6,595,060,805	5,388,801,444
Surplus(Deficit) for the Year		921,902,469	2,265,603,924

THE NOTES ON PAGES 26 TO 53 FORM PARTS OF THESE FINANCIAL STATEMENTS.
AUDITORS REPORT ON PAGES 18 TO 19

NAME 
 POSITION **CHAIRMAN**
 REG. NO N/A
 DATE 29/12/2016


 MEMBER
 N/A
29/12/2016


 DIRECTOR, FA *AcPA-2605*
29/12/2016

TANZANIA COMMISSION FOR UNIVERSITIES

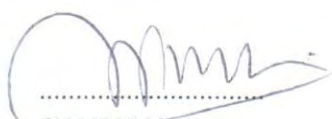
REPORT OF THE COMMISSION
FOR THE YEAR ENDED 30TH JUNE 2016

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE 2016


	Capital Fund	Revaluation Reserves	Retained Earnings	Total
	TZS	TZS	TZS	TZS
2015-2016				
At start of year	785,700,000	1,036,573,252	1,185,201,407	3,007,474,659
Adjustments			110,408,862	110,408,862
Profit for the year	0	0	921,902,469	921,902,469
As at 30 June 2016	<u>785,700,000</u>	<u>1,036,573,252</u>	<u>2,217,512,738</u>	<u>4,039,785,990</u>
2014-2015				
At start of year	785,700,000	82,647,956	(1,080,402,517)	(212,054,561)
Profit for the year	-	-	2,265,603,924	2,265,603,924
Adjustments		953,925,296		953,925,296
As at 30 June 2015	<u>785,700,000</u>	<u>1,036,573,252</u>	<u>1,185,201,407</u>	<u>3,007,474,656</u>

THE NOTES ON PAGES 25 TO 53 FORM PARTS OF THESE FINANCIAL STATEMENTS.
AUDITORS REPORT ON PAGES 18 TO 19

NAME
POSITION
REG. NO
DATE


.....
CHAIRMAN
N/A 29/12/2016
.....


.....
MEMBER
N/A 29/12/2016
.....


.....
DIRECTOR, FA ACPA-2605
29/12/2016
.....

TANZANIA COMMISSION FOR UNIVERSITIES

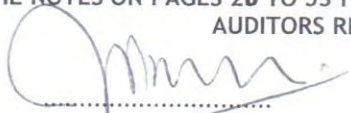
REPORT OF THE COMMISSION
FOR THE YEAR ENDED 30TH JUNE 2016

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016.

	Notes	2016	2015
		TZS	TZS
Cash generated/(used in) from operating Activities			
Receipts			
Government Subvention		1,691,591,729	1,340,978,966
Admission Fees		2,315,763,483	1,956,812,021
Quality Assurance Fees		1,941,943,020	1,584,025,000
Other income		798,622,575	1,018,987,165
Total Receipts		<u>6,747,920,807</u>	<u>5,900,803,152</u>
Payments			
Personnel Expenses		(2,377,076,929)	(2,331,244,945)
Accreditation, Admission and Grants Expenses		(1,562,748,123)	(1,221,173,114)
Administrative Expenses		(1,800,601,031)	(1,520,719,090)
Other Expenses		(289,290,655)	(172,346,687)
Financial Expenses		(7,504,207)	(18,562,739)
Total Payments		<u>(6,037,220,946)</u>	<u>(5,264,046,575)</u>
Net Cash generated/(used in) from operating Activities		<u>710,699,863</u>	<u>636,756,577</u>
Cash flow from Investing Activities			
Cash paid for purchase of Property, plant and equipment		(695,930,225)	(10,380,000)
Net Cash flow used in Investing Activities		<u>(695,930,225)</u>	<u>(10,380,000)</u>
Cash flow used in Financing Activities			
(Decrease)/Increase in Bank Overdraft		0	(610,890,926)
Foreign Exchange Gain/Loss		(3,419,871)	
Net Cash flow used in Financing Activities		<u>(3,419,871)</u>	<u>(610,890,926)</u>
Net Increase/(Decrease) in cash and cash equivalent		11,349,767	15,485,651
Cash and cash equivalent at start of year		377,835,285	362,349,634
Cash and cash equivalent at end of year20		<u>389,185,052</u>	<u>377,835,285</u>

THE NOTES ON PAGES 25 TO 53 FORM PARTS OF THESE FINANCIAL STATEMENTS.
AUDITORS REPORT ON PAGES 18 TO 19

NAME
POSITION
REG. NO
DATE


CHAIRMAN
N/A
29/12/2016

MEMBER

N/A
29/12/2016

DIRECTOR, FA ACPA-2605

29/12/2016

TANZANIA COMMISSION FOR UNIVERSITIES

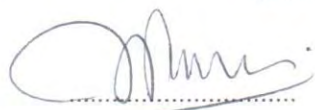
REPORT OF THE COMMISSION
FOR THE YEAR ENDED 30TH JUNE 2016

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE FINANCIAL YEAR
2015/2016

	Original/Final Budget	Actual Comparable Basis	Performance Difference
	2015/2016		
	TZS		
Government Subvention	3,832,229,600	1,691,591,729	(2,140,637,871)
Admission Fees	1,700,000,000	2,315,763,483	615,763,483
QA Fees	2,700,000,000	1,941,943,020	(758,056,980)
Other Income	860,000,000	798,622,575	(61,377,425)
TOTAL REVENUE	9,092,229,600	6,747,920,807	(2,344,308,793)
Personnel Expenses	2,809,729,600	2,377,076,929	(432,652,671)
Accreditation, Admission and Grants Expenses	1,570,897,000	1,562,748,123	8,148,877
Administrative Expenses	2,582,393,000	1,800,601,031	(781,791,969)
Other Expenses	359,210,000	289,290,655	(69,919,345)
Financial Expenses	10,000,000	7,504,207	(2,495,793)
Capital Expenditure	1,760,000,000	695,930,225	(1,064,069,775)
TOTAL EXPENSES	9,092,229,600	6,733,151,170	-2,359,078,430
Surplus(Deficit) for the Year	-	14,769,637	14,769,637

THE NOTES ON PAGES 26 TO 53 FORM PARTS OF THESE FINANCIAL STATEMENTS.
AUDITORS REPORT ON PAGES 18 TO 19

NAME
POSITION
REG. NO
DATE



CHAIRMAN

N/A
29/12/2016



MEMBER

29/12/2016



DIRECTOR, FA ACPA-2605

29/12/2016

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION
FOR THE YEAR ENDED 30TH JUNE 2016

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 COMMISSION'S INFORMATION

Tanzania Commission for Universities (TCU) was established under the Universities Act Cap 346, 2005 with a noble aim of regulating and promoting the quality of the higher education in the country through setting of minimum benchmarks with which the universities are required to comply. Tanzania Commission for Universities discharges its functions under the Ministry of Education and Vocational Training.

The principal mandates of the Commission are:

a) **Regulatory:**

Conducts periodic evaluation of universities, their systems and programs so as to regulate the quality assurance systems at new and established universities and in the process institutions are registered and accredited to operate in Tanzania. TCU also validate programmes to ensure their credibility and evaluates for recognition university qualifications attained from local and foreign institutions for use in Tanzania.

b) **Advisory:**

Advises the government and the general public on matters related to higher education in Tanzania as well as international issues pertaining to higher education, including advice on program and policy formulation and other best practices

c) **Supportive:**

Ensures the orderly conduct of university operations and management adherence to set standards and benchmarks, by providing support to universities in terms of coordinating the admission of students, offering training and other sensitization interventions in key areas like quality assurance, university leadership and management, fund raising and resources mobilization, entrepreneurial skills and gender mainstreaming.

Tanzania Commission for Universities is incorporated in Tanzania. Its registered office and address of its principal place of business is:

Garden Road

P. O. Box 6562, Dar es Salaam-Tanzania

Tel: +255-22 277 2657

Fax: +255-22 277 2891

Email: es@tcu.go.tz

Website: www.tcu.go.tz

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION
FOR THE YEAR ENDED 30TH JUNE 2016

NOTE 2 BASIS OF PREPARATION

The financial statements have been prepared on a historical cost convention except for investment properties, certain items of property, plant and equipment and financial instruments that have been measured at fair value.

The financial statements are presented in Tanzanian Shillings (TZS) and all values are stated in whole except when otherwise indicated.

Statement of compliance

The financial statements of the Commission have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board (IPSASB) and comply with the Universities Act Cap 346, of the law of Tanzania, Public Finance Act (2001), Public Procurement Act (2011) and Tanzania Financial Reporting Standards (TFRS 1: Directors Report).

NOTE 3 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The financial statements of the Commission have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) as directed by the government through Circular No EB/AG/FNA/14/VOL IV/78 dated 9th January 2015-which are in line with Public finance Act 2001. Before this directive, the Commission was using International Financial Reporting Standards (IFRS).

The financial statements have been prepared under the historical cost convention.

NOTE 4 NEW AND AMMENDED STANDARDS

IPSAS 34: Separate Financial Statements	Effective for annual financial statements covering periods beginning on or after 1 January 2017.
IPSAS 35: Consolidated Financial Statements	Effective for annual financial statements covering periods beginning on or after 1 January 2017.
IPSAS 36: Investments In Associates and Joint Venture	Effective for annual financial statements covering periods beginning on or after 1 January 2017.
IPSAS 37: Joint Arrangements	Effective for annual financial statements covering periods beginning on or after 1 January 2017.

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION FOR THE YEAR ENDED 30TH JUNE 2016

IPSAS 38: Disclosure
of interest in other
entities

Effective for annual financial statements covering
periods beginning on or after 1 January 2017.

The above new and revised IPSAS and Amendments were issued but not yet effective and therefore have not been applied in these financial statements. The Commission has not yet assessed the impact of these changes on the financial statements.

NOTE 5 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Standards issued but not yet effective at the date of issuance of the Commission's financial statements shall be applicable at a future date. The Commission intends to adopt those applicable standards when they become effective.

NOTE 6 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES

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

6.1 Foreign Currency Translation

Functional and Presentation Currency

The financial statements are presented in Tanzanian Shillings (TZS), which is the Commission's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Profit or Loss and Other Comprehensive Income.

6.2 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Commission and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and Value Added Tax or duty. The Commission assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Commission has concluded that it is acting as a principal in all of its revenue arrangements.

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION FOR THE YEAR ENDED 30TH JUNE 2016

The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue is recognized when significant risks and rewards of ownership of goods have passed to the buyer, usually on delivery of the goods.

Rendering of services

Revenue from the rendering of services is recognized by reference to the stage of completion. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be measured reliably, revenue is recognized only to the extent that the expenses incurred are eligible to be recovered.

Interest income

For all financial instruments measured at amortized cost and interest bearing financial assets classified as available-for-sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of comprehensive income.

Dividends

Dividend revenue is recognized when the Commission's right to receive the payment is established.

6.3 Property, Plant and Equipment

Plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced in intervals, the Commission recognizes such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the income statement as incurred. The present value of the expected cost for the

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION FOR THE YEAR ENDED 30TH JUNE 2016

decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognized after the date of the revaluation. Valuations are performed frequently to ensure that the fair value of a re-valued asset does not differ materially from its carrying amount.

Any revaluation surplus is credited to the assets revaluation surplus included in the equity section of the statement of financial position, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the income statement, in which case the increase is recognized in the income statement. A revaluation deficit is recognized in the income statement, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the re-valued carrying amount of the assets and depreciation based on the assets original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the re-valued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets. The annual depreciation rates which have been consistently applied are:

No.	Class	Rate
1	Leasehold Land	NIL
2	Building	4%
3	Plant and Machinery	10%
5	Computers	25%
6	Office Equipment	15%
7	Office Furniture	15%
8	Motor Vehicles	25%
10	Intangible Assets	25%
11	Fixture and Fittings-Partitions	50%

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION
FOR THE YEAR ENDED 30TH JUNE 2016

disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

Fixture and fittings-Partitions is recognized as assets when costs are incurred and shall be depreciated depending on the duration of lease agreement.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted retrospectively, if appropriate.

6.4 Intangible assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets are not capitalized and expenditure is reflected in the statement of comprehensive income in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be finite. Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The annual rate of amortization applied is 25%.

The amortization period and the amortization method for an intangible asset are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the Amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the statement of comprehensive income. Gains or losses arising from derecognizing of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is derecognized.

6.5 Leases

a) TCU as a lessee

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Commission. Operating lease payments are recognized as an operating expense in the statement of financial performance on a straight-line basis over the lease term.

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION
FOR THE YEAR ENDED 30TH JUNE 2016

b) TCU as a lessor

Leases in which the Commission does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term.

Rent received from an operating lease is recognized as income on a straight-line basis over the lease term.

Contingent rents are recognized as revenue in the period in which they are earned.

6.6 Impairment of Non-Financial Assets

The Commission assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Commission makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups 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. Impairment losses of continuing operations are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired 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 previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION
FOR THE YEAR ENDED 30TH JUNE 2016

6.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. The Commission capitalizes borrowing costs for all eligible assets where construction was commenced on or after 1 January 2009.

Where the Commission receives non-monetary grants, the asset and the grant are recorded at nominal amounts and released to the income statement over the expected useful life of the relevant asset by equal annual installments.

6.8 Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups of assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

6.9 Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset.

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION
FOR THE YEAR ENDED 30TH JUNE 2016

6.10 Financial assets

Initial recognition and measurement

Financial assets within the scope of IAS 39 are classified as financial assets at fair value through comprehensive income statement, loans and receivables, held-to-maturity investments or available-for-sale financial assets as appropriate.

The Commission determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus, in the case of investments not at fair value through comprehensive income statement, directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Commission commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

The Commission's financial assets include cash and short-term deposits, trade and other receivables, loan and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through comprehensive income statement

Financial assets at fair value through comprehensive income statement include financial assets held for trading and financial assets designated upon initial recognition as at fair value through comprehensive income statement.

Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Authority has the positive intention and ability to hold to maturity.

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION FOR THE YEAR ENDED 30TH JUNE 2016

After initial measurement held-to-Maturity investments are measured at amortized cost using the effective interest method. Gains and losses are recognized in comprehensive income statement when the investments are derecognized or impaired, as well as through the amortization process.

Cash and cash equivalents

Cash and bank balances in the statement of financial position comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement loans and receivables are carried at amortized cost using the effective interest method less any allowance for impairment. Gains and losses are recognized in the statement of comprehensive income when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Fair value

The fair value of investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the financial year end date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument which is substantially the same; discounted cash flow analysis or other valuation models.

Amortized cost

Held-to-maturity investments and loans and receivables are measured at amortized cost. This is computed using the effective interest method less any allowance for impairment.

The calculation takes into account any premium or discount on acquisition and includes transaction costs and fees that are an integral part of the effective interest rate.

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION FOR THE YEAR ENDED 30TH JUNE 2016

Impairment of financial assets

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

Financial assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognized in comprehensive income statement. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in statement of comprehensive income.

In relation to trade receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Commission will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of allowance/provisions of 25% total amount identified trade debtors. Impaired debts are derecognized when they are assessed as uncollectible.

Available-for-sale financial investments

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in comprehensive income statement, is transferred from equity to comprehensive income statement. Reversals in respect of equity instruments classified as available-for-sale are not recognized in comprehensive income statement. Reversals of impairment losses on debt instruments are reversed through comprehensive income statement; if the increase in fair value of the

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION FOR THE YEAR ENDED 30TH JUNE 2016

instrument can be objectively related to an event occurring after the impairment loss was recognized in comprehensive income statement.

Derecognizing of financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired;
- The Commission has transferred its rights to receive cash flows from the asset or has assumed obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either
 - (a) The Commission has transferred substantially all the risks and rewards of the asset, or
 - (b) The Commission has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Commission has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Commission's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Commission could be required to repay.

6.11 Financial liabilities

Initial recognition and measurement

Financial liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through comprehensive income statement, or loans and borrowings as appropriate. The Commission determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs.

The Commission's financial liabilities include trade and other payables, bank overdraft, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

- Financial liabilities at fair value through comprehensive income statement includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through comprehensive income statement. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term.
- Gains or losses on liabilities held for trading are recognized in the statement of comprehensive income.

Interest bearing loans and borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in comprehensive income statement when the liabilities are derecognized as well as through the amortization process.

Derecognizing of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognizing of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

6.12 Provisions

Provisions are recognized when the Commission 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 will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Commission expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in statement of comprehensive income 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, where appropriate, the risks specific to the liability. Where discounting is used,

the increase in the provision due to the passage of time is recognized as a finance cost.

6.13 Employment benefits

Short term benefits

These include salaries and wages, annual leave and other short term benefits. Liabilities related to annual leave at the end of the financial year are accrued in the financial statements.

Post-employment benefits

The Commission operates defined contribution plans only at the moment.

Defined contribution plan

The Commission's employees are members of state-owned pension schemes, namely the Parastatal Pension Fund (PPF), Public Service Pension Fund (PSPF) and National Social Security Fund (NSSF). The Commission and the employees contribute 15% or 10% and 5% or 10% respectively, of the employee's gross salary. The Commission's contributions to the funds are charged to the statement of comprehensive income in the year to which they relate.

Other long-term employment benefits

These include gratuity for contract staff which are paid at the end of the contract terms.

Termination benefits

Termination benefits are payable when employment is terminated by the Commission before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Commission recognizes termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after financial year end date are discounted to present value.

6.14 Taxes

Income Tax

The Tanzania Commission for Universities is a Government agency, thus is not liable to pay tax. The Commission is exempted under Second Schedule of Income Tax Act, 2004.

Value added tax

Revenues, expenses and assets are recognized net of the amount of value added tax except:

- where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

NOTE 7 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparations of financial statements in conformity with IPSAS require the use of certain accounting estimates. It also requires management to exercise its judgment in the process of applying the Commission's accounting estimates.

The Commission makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next period. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

Impairment of non-financial assets

The Commission assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Revaluation of property, plant and equipment and investment properties

The Commission carries its investment properties at fair value, with changes in fair value being recognized in the comprehensive income statement. In addition, it measures land and buildings at re-valued amounts with changes

in fair value being recognized in other comprehensive income. The Commission engaged independent valuation specialists to determine fair value as at 30th June, 2015 and the results are applicable to the financial position related to the current reporting period.

Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

TANZANIA COMMISSION FOR UNIVERSITIES
REPORT OF THE COMMISSION
FOR THE YEAR ENDED 30TH JUNE 2016

NOTE 8(a) PROPERTIES, PLANT AND EQUIPMENT

Description	Leasehold Land	Buildings	Computers	Office Equipment	Furniture & Fittings	Motor Vehicles	Fixture and Fittings- Partitions	Total
	Tzs	Tzs	Tzs	Tzs	Tzs	Tzs	Tzs	Tzs
% Rates	0	0.04	0.25	0.15	0.15	0.25	0.5	
Costs and revaluation								
Cost - As at 01.07.2015	477,000,000	77,000,000	124,422,251	94,578,500	60,759,000	548,000,000	-	1,381,759,751
Additions - current year	-	-	60,932,604	45,441,315	132,969,120	-	456,586,388	695,929,427
Carrying Amount at costs as at 30.06.2016	477,000,000	77,000,000	185,354,855	140,019,815	193,728,120	548,000,000	456,586,388	2,077,689,178
Accumulated as at 01.7.2016	-	-	-	-	787,500	-	-	787,500
Depreciation	-	3,080,000	39,387,037	12,191,489	22,035,565	137,000,000	152,195,463	365,889,554
Impairment	-	-	5,350,000	22,407,500	8,375,500	-	-	36,133,000
Total Accumulated Depreciation and Impairment	-	3,080,000	44,737,037	34,598,989	31,198,565	137,000,000	152,195,463	402,810,054
Net Assets as at 30.06.2016	477,000,000	73,920,000	140,617,818	105,420,826	162,529,555	411,000,000	304,390,925	1,674,879,124

TANZANIA COMMISSION FOR UNIVERSITIES
REPORT OF THE COMMISSION
FOR THE YEAR ENDED 30TH JUNE 2016

NOTE 8(b) INTANGIBLE ASSETS

Software	Date of Effective Usage	Cost/Valuation	25% Amortization				
			As at 30.06.2015	Carrying for the year	As at 30.06.2015	Carrying Amount 30.06.2016	Carrying Amount 30.06.2015
Central Admission System	Mar-13	121,495,000	70,872,083	30,373,750	101,245,833	20,249,167	50,622,917
Aruti Software (Payroll Module)	Apr-13	5,600,000	3,150,000	1,400,000	4,550,000	1,050,000	2,450,000
Programme Management System (PMS)	Apr-13	14,500,000	8,156,250	3,625,000	11,781,250	2,718,750	6,343,750
Asset Management Enterprises Software	Jul-12	8,058,000	6,043,500	2,015,000	8,058,000	-	2,014,500
Documents Management System	Jul-12	11,850,000	8,887,500	2,962,500	11,850,000	-	2,962,500
Sage Pastel Version 11.2	Jul-13	9,551,360	4,775,680	2,387,840	7,163,520	2,387,840	4,775,680
TOTAL		171,054,360	101,885,013	42,763,590	144,648,603	26,405,757	69,169,347

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION

FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015
NOTE 9 REVENUE FROM NON EXCHANGE TRANSACTIONS		
Government Subvention	1,627,868,352	1,459,467,182
Admission Fee (CAS)	2,221,413,483	2,051,162,021
TOTAL	3,849,281,835	3,510,629,203
NOTE 10 OTHER INCOME FROM EXCHANGE TRANSACTIONS		
Institutional Fees	480,304,114	522,809,910
Grants, Donation and Contributions	373,173,214	250,962,721
Quality Assurance Fees	2,533,552,000	3,114,789,000
Miscellaneous Income	280,652,111	255,214,534
TOTAL	3,667,681,439	4,143,776,165
NOTE 11 ACCREDITATION, ADMISSION AND GRANTS		
Visitation and Evaluation Expenses(Local)	174,889,296	166,086,256
Admission Expenses	70,463,000	63,863,250
Certificate Evaluation Expenses	-	4,500,000
Grants Expenses	104,825,000	90,849,001
Programme Evaluation Expenses	432,917,280	205,349,700
Task Force Expenses	71,542,000	9,800,000
Quality Assurance Expenses	243,663,100	123,971,787
Science and Tech. Higher Ed. Project (WB)	305,500	12,961,593
Human Resource Capacity Billing	2,275,000	-
Central Admission System (CAS)	263,770,170	292,620,672
Data Management Information System	645,000	5,637,500
NICHE Project	17,214,812	27,566,677
Higher Education Forum	160,162,965	197,592,289
DAAD Scholarship	16,550,000	10,417,580
Printing expenses	3,525,000	9,956,808
TOTAL	1,562,748,123	1,221,173,113
NOTE 12 STAFF COSTS(BENEFITS)		
Salaries and Wages	1,557,249,112	1,345,617,335
Housing Allowance	279,995,300	220,216,150
Transport/Fuel Allowance	10,850,000	6,750,000
Hospitality Allowance	35,506,000	10,684,500
Overtime Allowance	58,762,000	55,811,593
Staff Welfare	31,716,450	23,624,400
Medical Expenses/NHIF	-	100,000
Pension Contribution Employer/Gratuity	55,756,101	41,256,237
Staff Insurance	927,281	11,999,117
Other Allowances	75,050,786	90,562,000
Responsibility Allowance	81,004,467	63,555,325

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION

FOR THE YEAR ENDED 30TH JUNE 2016

2015	2016
56,550,000	68,278,100
11,645,800	46,364,800
1,188,000	-
-	-
333,504,888	75,616,532
<u>2,273,065,345</u>	<u>2,377,076,929</u>

Leave Travel Allowance
Short term Training (Local)
Short-term Training (Foreign)
Long-term Training (Local)
Long-term Training (Foreign)
TOTAL

NOTE 13 ADMINISTRATION EXPENSES

63,904,490	80,055,754	Traveling on Duty (local)
133,114,114	100,016,989	Traveling on Duty (Foreign)
36,864,500	80,314,720	Recruitment and Transport
31,182,791	94,692,942	Stationery and Office Supplies
31,671,867	34,773,107	Telephone, Fax and Internet
37,359,682	60,960,083	Electricity
1,474,000	-	Water
2,453,000	3,784,000	Postage and Telegrams
4,616,030	3,320,150	Property Insurance
-	15,380,000	Consultancy and Honoraria
2,332,000	10,170,000	Printing of Office Stationery
-	800,000	Legal Matters
18,600,500	20,690,190	Office general Cleanliness
-	3,565,000	Land Rent and Taxes
57,578,384	72,966,513	General Expenses
1,306,000	6,048,899	Maintenance and Repair of Computer
647,820	14,786,820	System Development and Acquisition
171,000	2,189,500	Computer Accessories
43,848,201	41,145,608	Fuel and Oil
36,408,010	50,685,009	Maintenance of Motor Vehicles
26,656,104	19,739,803	Motor Vehicle Insurance
11,425,000	14,187,600	Tyres and Tubes
7,410,500	77,824,808	Repair of Offices
8,142,752	16,257,740	Repair of Office Equipment & Furniture
284,286,418	668,500,656	Rental Expenses
129,550,850	96,885,000	Commission Expenses
112,904,410	92,821,800	Commission Committee Expenses
9,200,000	30,450,000	Commission Members Fees
17,910,000	8,120,000	Tender Board Committee Expenses
4,000,000	4,240,000	Audit Committee Expenses
-	7,525,000	HIV/AIDS/PCCB Sensitization
5,100,000	1,750,000	Workers Council and annual staff Retreats
382,691,000	188,218,306	Bad and Doubtful Debts
<u>1,502,809,424</u>	<u>1,922,865,997</u>	TOTAL

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION

FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015
NOTE 14 DEPRECIATION/AMORTIZATION EXPENSES	365,889,554	224,029,546
Depreciation Expenses	42,763,590	42,763,590
Amortization of Intangibles	36,133,000	-
Impairment	3,419,871	-
Foreign Exchange Loss	448,206,015	266,793,136
TOTAL	448,206,015	266,793,136
NOTE 15 OTHER EXPENSES	30,973,878	35,880,462
Advertising and Publicity	15,141,844	9,851,610
Newsletters, Newspapers and Periodicals	8,700,000	-
Research/Evaluation and Consultancy Expenses	1,000,000	3,205,100
Annual fees, Contributions and Events	29,212,864	19,039,890
Audit Fees	-	5,880,000
Annual Events and Celebration	191,630,948	32,540,625
Exhibition Expenses	276,659,534	106,397,687
TOTAL	276,659,534	106,397,687
NOTE 16 FINANCE EXPENSES	-	10,886,155
Bank interest Expenses	-	10,886,155
Bank Charges	7,504,207	7,676,584
TOTAL	7,504,207	18,562,739
NOTE 17 INVENTORIES	5,059,620	4,340,752
Stationeries:	5,059,620	4,340,752
TOTAL	5,059,620	4,340,752
NOTE 18 TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS	17,990,000	-
Catholic University of Health and Allied Sciences	12,000	-
Jomo Kenyatta University	186,872,000	108,900,000
St. Augustine University	460,000	306,980,000
Abdul Raman Al Sumait Memorial Univ	329,516,000	11,000,000
University of Dodoma	-	272,600,000
Sokoine University of Agriculture	239,452,000	11,000,000
University of Dar es Salaam	20,320,000	81,989,680
Arch Bishop James University College	87,093,680	4,000,000
Ardhi University	17,800,000	27,960,000
KCMC College	28,496,000	20,820,000
Archbishop Mihayo Univ College Tabora	21,640,000	20,820,000
Stephano Moshi M. College	20,820,000	20,820,000
CRDB Bank Ltd	20,820,000	20,820,000

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION
FOR THE YEAR ENDED 30TH JUNE 2016

AGEING OF TRADE RECEIVABLES

	2016	2015
1 - 6 Months	220,601,070	94,350,000
6 - 9 Months	1,119,720,000	1,563,764,000
9 - 12 Months	-	184,242,238
Over 1 Year	1,182,755,942	38,529,680
TOTAL	2,523,077,012	1,880,885,918

NOTE 19

STAFF RECEIVABLES

Loans		
Sub Total 1	20,727,173	39,480,961
Outstanding Imprest		
Sub Total 2	10,725,321	2,650,415
Grand Total	31,452,494	42,131,376

NOTE 20

CASH AND CASH EQUIVALENTS

General Account CRDB	40,009,651	64,753,215
Revolving Fund CRDB	303,609,591	173,570,349
Carnegie Project CRDB	22,357,217	42,257,742
World Bank Project CRDB	277,739	588,871
CBA Account	1,772,146	23,823,519
CAS Account CRDB	12,668,772	38,902,394
CAS Account NBC	3,311,585	3,319,765
NICHE/TIMBE Project	5,178,351	30,619,431
TOTAL	389,185,052	377,835,285

NOTE 21

TRADE PAYABLES FROM EXCHANGE
TRANSACTIONS

Sundry Creditors	531,000	2,461,989
Tanzania Standard (Newspapers) Ltd	-	1,471,054
MFI Investments	-	10,072,089
Airtel Tanzania Ltd	2,429,944	3,323,260
Tanzania Telecommunication Company	3,314,789	2,424,900
Kanana General Supply	-	23,141,400
Antelope Tours and Travel Services Ltd	-	2,647,300
Zamzam Stationery Supermarket	-	4,200,800
Media Express Ltd	-	83,617,801
MelikiMsuya	-	2,212,500
The Guardian Ltd	-	10,902,616
Reos Insurance Co Ltd	2,747,431	-
Dynatech Solution Ltd	3,858,049	-
Gemini Sam Enterprise	2,310,000	-

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION

FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015
Toyota Tanzania	2,454,572	6,670,367
DTBI	-	6,766,597
Simply Computers Ltd	5,362,700	-
TSN Oil T Ltd	2,053,623	3,120,320
Maxcom African Ltd	-	2,402,000
AbdulahakimAmani	1,244,640	732,000
Mlimani Properties	267,190	-
Tanzania Electric Co. Ltd	5,557,921	2,621,895
New Habari (2006) Ltd	678,500	-
Mwananchi Communication Ltd	790,600	5,262,800
JECCS Contracton and Supplies Ltd	11,237,473	-
Sub total	44,838,432	174,051,688
Advance from customers:		
Aga Khan University	508,000	-
Sokoine University of Agriculture	9,684,000	-
Marian University College	1,332,000	-
Herbert Kairuki Memorial University	2,576,000	-
Mwenge Catholic University	13,440,000	-
United African University	404,000	-
Kampala International University	4,444,000	-
Sub total	32,388,000	-
TOTAL	77,226,432	174,051,688
OTHER PAYABLES UNDER EXCHANGE		
TRANSACTIONS		
Provision for Audit Fees	25,000,000	15,000,000
PAYE	28,150,203	214,075,072
PPF	(173,237)	(173,636)
NSSF	(459,500)	(460,000)
NIC	(327,807)	-
SSSS	4,500,000	4,500,000
UDSM NBC	1,154,838	1,154,838
HESLB	150,400	(188,000)
Withholding Tax/Stamp Duty	-	33,449,117
THTU	7,698,300	1,873,700
	65,693,197	269,231,090
PROJECT FUNDS PAYABLES		
CATS Project Funds	12,567,294	12,567,294
NICHE/TIMBE Project Funds	5,176,836	30,619,444
Total	17,744,130	43,186,738

NOTE 23

NOTE 22

TANZANIA COMMISSION FOR UNIVERSITIES

REPORT OF THE COMMISSION
FOR THE YEAR ENDED 30TH JUNE 2016

	2016	2015
NOTE 24 REVALUATION RESERVE		
Balance at 1 July 2015	1,036,573,252	82,647,956
Valuation during the year	-	953,925,296
Balance at 30 June 2016	<u>1,036,573,252</u>	<u>1,036,573,252</u>

The Commission makes revaluation of its property, plant and equipment with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The revaluation was carried out in June 2015 which resulted into the revaluation surplus of 953,925,296.

NOTE 25 RELATED PARTY TRANSACTIONS AND BALANCES

As defined by IPSAS 20 require disclosure of related party transactions in relation to remuneration received by key management personnel and Commission members. The total remunerations paid to key management personnel and members of commission for period ended June 2016 are shown below:-

	2016	2015
Key Management Employees		
Short-term Employee Benefits	440,187,900	468,483,775
Post-Employment Benefits	-	-
Number of Key Management personnel	5	5
Commissioners' Emoluments		
Commissioners' Annual Fees	30,450,000	9,200,000
Commissioner's meeting Expenses	96,885,000	129,550,850
Number of Commissioners	17	19

NOTE 26 CONTINGENT LIABILITIES

As at 30th June, 2016 the Commission had no contingent liabilities.

NOTE 27 CAPITAL COMMITMENTS

The Commission had no capital commitments as at 30th June, 2016

NOTE 28 NUMBER OF EMPLOYEES

The number of employees at the end of the year was 52 (30th June, 2015: 38)

NOTE 29 CAPITAL MANAGEMENT

The primary objective of the Commission's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Commission manages its capital structure and makes adjustment to it, in light of changes in economic conditions to maintain or adjust the capital structure as it may deem necessary.

No changes were made in the objectives, policies or processes during the year ended 30th June, 2016

NOTE 30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Commission's principal financial instruments comprise project funds and trade payables. The main purpose of these financial instruments is to raise finance for the Commission's operations. The Commission has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations and other government revenue sources.

The main risks arising from the Commission's financial instruments are treasury risk management, interest rate risk, credit risk, liquidity risk, and foreign currency risk. The Commission reviews and agrees policies for managing each of these risks which are summarized below:

a. Treasury risk management
The Commission operates a treasury function to provide competitive funding costs, invest and monitor financial risk. The Commission does not use derivative financial instruments for speculative purposes.

b. Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Commission's exposure to the risk of changes in market interest rates is insignificant as the Corporation has fixed interest rate on borrowings.

c. Credit risk management
Potential concentration of credit risk consists principally of short term cash and trade debtors. The Commission deposits short term cash surpluses only with banks of high credit standing. Trade debtors are presented net of allowance for doubtful debts. For the majority of customers, including export clients, full upfront payment is demanded. With few exceptions, credit customers are secured by guarantees issued by reputable banks. Accordingly, the Commission has no significant concentration of credit risk that has not been adequately provided for.

d. Liquidity risk

The Commission adopts a liquidity policy that addresses acceptable ranges of operational liquidity and a maximum limits on liquidity to borrowings sources. The Commission is ensuring enough liquidity to guarantee the day to day operations costs by employing measures on debts collection and funds mobilization.

e. Foreign currency risk

Foreign exchange risks are quantified by identifying all currently liabilities denominated in foreign currency and identifying contractual future currency transactions. The foreign exchange exposure will exist until settlement or until the exchange rate is fixed. The foreign exchange exposure is determined by aggregating these balances by currency and settlement date and converting to reporting currency i.e. Tanzania Shilling.

NOTE 31 LOSSES FOR OFFICE BREAKING AND STOLEN PROPERTIES

In the financial year 2012/2013 unknown thief/thieves in the mid night did break and enter into the office on 7th March, 2013 and stole some office properties (computers(8), laptops(2) and unserviceable projectors(2)) worth TZS 18,182,800/= The incident was discovered and immediately reported to the Police and filed referenced No. OB/IR/4305/2013 for immediate investigation and possible arrest/recoveries of the properties. According to the assessment, it was established that TCU shall be compensated the amount equal to 16,503,970. Our insurer Ms. Phoenix of Tanzania Assurance Co. Ltd worked on the matter and upon completion of investigation and ruling, TCU will be compensated accordingly. Investigation by Police is still continuing to date.

NOTE 32 COMPARATIVE FIGURES

Previous year's figures have been regrouped whenever appropriate to make them comparable with current year figures.

NOTE 33 EVENTS AFTER THE REPORTING DATE

There were no events after the reporting dates which require adjustments or disclosure in the financial statements.

