



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



AGRICULTURAL SEED AGENCY

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL
ON THE FINANCIAL AND COMPLIANCE AUDIT FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025**

Controller and Auditor General
National Audit Office
Ukaguzi House
Mahakama Road, Tambukareli
P.O. Box 950
41104 Dodoma, Tanzania
Tel: +255 (026) 2161200-9
Email: ocag@nao.go.tz
Website: www.nao.go.tz

March 2026

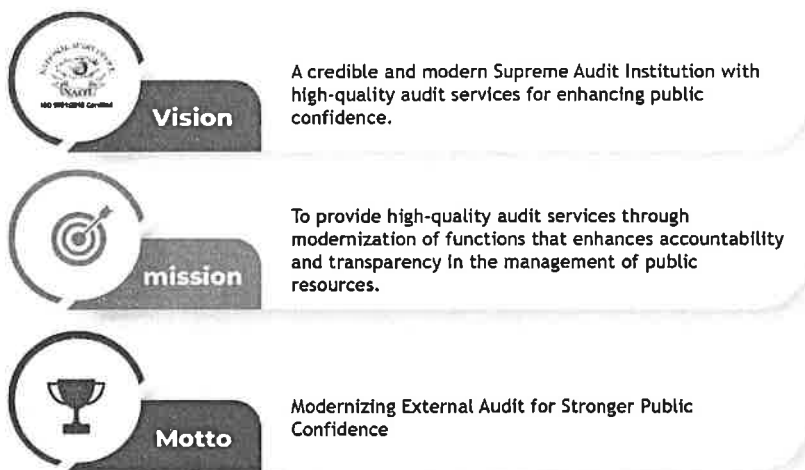
AR/CG/ASA/2024/25

About the National Audit Office

Mandate

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

NAOT Vision, Mission & Motto



Core Values



© This audit report is intended to be used by the Agricultural Seed Agency and may form part of the annual general report, which, once tabled in the National Assembly, becomes a public document; hence, its distribution may not be limited.



TABLE OF CONTENTS

Abbreviations	iii
1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL	1
1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS	1
1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS	4
2.0 FINANCIAL STATEMENTS	6



Abbreviations

AFDP	Agriculture and Fisheries Development Programme
ASDP II	Agricultural Sector Development Programme Phase Two
CEO	Chief Executive Officer
EIA	Environmental Impact Assessments
ESG	Environmental Social Governance
ESIA	Environmental and Social Impact Assessments
FYDP II	Five-Year National Development Plan, Phase Two
MBA	Master of Business Administration
NHIF	National Health Insurance Fund
PSSSF	Public Service Social Security Fund
SDGs	Sustainable Development Goals
TAISP	Tanzania Agricultural Inputs Support Programme
TDV	Tanzania Development Vision 2025
TFSRP	Tanzania Food System Resilience Programme



1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board,
Agricultural Seed Agency,
P.O. Box 364,
MOROGORO,
TANZANIA.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Agricultural Seed Agency, which comprise the statement of financial position as at 30 June 2025, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agricultural Seed Agency as at 30 June 2025, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting, as issued by the International Public Sector Accounting Standards Board (IPSASB) and in the manner required by the Public Finance Act, Cap. 348.

Basis for Opinion

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

I believe the audit evidence I have obtained is sufficient and appropriate to support my opinion.



Key Audit Matters

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

Other Information

Management is responsible for the other information. The other information comprises the Introduction, Governance Information, Strategies and Achievements, Sustainability and Climate-Related Disclosure, Statement of Management Responsibility, Declaration by the Head of Finance and Accounts Unit, and the Commentary on the Financial Statements but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS as issued by the International Public Sector Accounting Standard Board (IPSASB) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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



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

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

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

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



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

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

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

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

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I conducted a compliance audit of the procurement of works, goods, and services at the Agricultural Seed Agency for the year ended 30 June 2025, in accordance with the Public Procurement Act, 2023, the Public Procurement Regulations, 2024, and related directives. I examined each phase of the procurement life cycle, including advertising of tenders, evaluation of bids, award of contracts and contract management, to confirm that the entity issued competitive solicitations, applied approved evaluation criteria, secured authorizations before award and maintained complete transaction records.

Based on the audit procedures performed, I conclude that, except for the matter described below, Agricultural Seed Agency generally complies, in all material respects, with the requirements of the Public Procurement laws in Tanzania.

Project Delays due to Contract Management TZS 64.7 million ASA entered into a contract with ALAF Limited (Contract No. TR103/2024/2025/G/85) for the supply of roofing materials to the ASA Njombe Centre at a contract sum of TZS 64,683,373 (VAT inclusive). The contract commenced on 10 April 2025 and was expected to be completed on 09 May 2025.

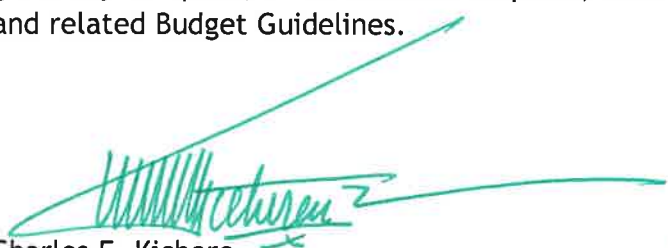
Clause No. 25(iii) stipulates that 100% of the contract price shall be paid to the supplier within 30 days after the date of the acceptance certificate issued by the Procuring Entity. However, as of the audit in September 2025, it was noted that the roofing materials had not been delivered, despite the contract period having lapsed for four months.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I conducted a compliance audit of budget formulation and execution at the Agricultural Seed Agency for the year ended 30 June 2025, in accordance with the Budget Act, Cap. 439 and the Budget Guidelines issued by the Ministry of Finance. I reviewed budget submissions, approval memoranda, commitment registers, ledger entries and variance analyses to confirm that the entity prepared estimates in the prescribed format, obtained timely authorisations before incurring obligations, recorded transactions accurately and reported variances as required.

Based on the audit procedures performed, I conclude that the Agricultural Seed Agency generally complies, in all material respects, with the requirements of the Budget Act and related Budget Guidelines.


Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March 2026



THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF AGRICULTURE
AGRICULTURAL SEED AGENCY

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR THE YEAR ENDED 30 JUNE 2025

Sect. 53(D) of the Public Finance Act No. Cap. 212 [R.E 2024] requires the Agency to prepare financial statements of the entity for each financial year at the end of the financial period that gives a true and fair view of the state of affairs of the entity for that period.

The Management confirms that suitable accounting policies have been applied consistently and that reasonable and prudent judgments and estimates have been made to prepare the financial statements for the year ended 30th June 2025. The management also confirms that the International Public Sector Accounting Standards (IPSAS) accrual basis has been applied and that the financial statements have been prepared on a going-concern basis.

The Management is responsible for maintaining proper accounting records that, at any time, disclose, with reasonable accuracy, the financial position of the Entity and enable them to ensure that the financial statements comply with the Public Finance Act, Cap. 348 [R.E 2024]. They are also responsible for safeguarding the Entity's assets and, accordingly, for taking reasonable steps to prevent and detect fraud, errors, and other irregularities.

This responsibility includes designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Procurement of goods, works, consultancy, and non-consultancy services to the extent that they are reflected in these financial statements has been done in accordance with the Public Procurement Act No. 7 of 2011 and its Regulations, 2013, as amended in 2023.

In our opinion, the financial statements present fairly all material aspects of the entity's operations and will remain a going concern for the next twelve months from the date of these statements.



Mr Leo M. Mavika

Chief Executive Officer



Date

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF AGRICULTURE
AGRICULTURAL SEED AGENCY

**STATEMENT OF DECLARATION OF THE HEAD OF FINANCE AND ACCOUNTS UNIT OF
AGRICULTURAL SEED AGENCY.**

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Accountants and Auditors (Registration) Act. No. 286 of 2023 requires financial statements to be accompanied by a declaration issued by the Head of Finance and 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 a true and fair view of the entity's position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the Board of Directors/Governing Body, as stated in the Directors' Responsibility statement on an earlier page.

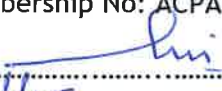
I, CPA David Johnson, being the Accountant of the Agricultural Seed Agency (ASA), hereby acknowledge my responsibility of ensuring that financial statements of the entity for the year ended 30 June 2025 have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) and statutory requirements.

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

Signed by: David Johnson M.

Position: Ag. Chief Accountant

NBAA Membership No: ACPA 5188

Signature: 

Date: 30th January 2026.

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF AGRICULTURE
AGRICULTURAL SEED AGENCY

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

		2024/2025	2023/2024
ASSETS	Not e	TZS	TZS
Current Asset			
Cash and Cash Equivalents	62	834,330,750	1,505,843,049
Receivables	67	366,108,546	89,740,100
Prepayments	69	538,567,500	0
Inventories	70	516,041,300	718,837,435
Total Current Asset		2,255,048,096	2,314,420,584
Non-Current Asset			
Property, Plant and Equipment	77	27,317,344,701	25,387,214,845
Work In Progress	82	12,936,633,809	11,866,444,043
Total Non-Current Asset		40,253,978,510	37,253,658,888
TOTAL ASSETS		42,509,026,606	39,568,079,472
LIABILITIES			
Current Liabilities			
Payables and Accruals	89	2,380,984,264	1,975,476,250
Deferred Income	93	303,936,939	1,424,386,865
Deposits	94	176,914,072	37,498,797
TOTAL LIABILITIES		2,861,835,275	3,437,361,912
NET ASSETS		39,647,191,331	36,130,717,560
NET ASSETS			
Capital Contributed by:			
Taxpayers Funds		10,113,939,000	10,113,939,000
Accumulated Surpluses		29,533,252,331	26,016,778,560
TOTAL NET ASSETS		39,647,191,331	36,130,717,560


.....
Ms. Mary Evarist Kipeja
Board Chairperson

30 Jan, 2026
.....
Date


.....
Mr. Leo M. Mavika
Chief Executive Officer

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF AGRICULTURE
AGRICULTURAL SEED AGENCY**

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

		TZS 2024/2025	TZS 2023/2024
REVENUE	Note		
Revenue			
Revenue from Exchange Transactions	17	8,439,866,266	3,571,408,688
Other Revenue	31	478,693,100	14,275,999
Subvention from other Government entities	32	17,434,251,456	22,986,849,811
Reversal of ECL Receivable	24	0	931,923,844
TOTAL REVENUE		26,352,810,822	27,504,458,342
EXPENSES AND TRANSFERS			
Expenses			
Wages, Salaries and Employee Benefits	34	5,273,219,751	4,848,534,843
Use of Goods and Service	35	14,946,675,368	13,370,019,133
Maintenance Expenses	36	601,744,385	1,722,568,080
Other Expenses	52	285,692,591	162,308,185
ECL Expenses	53	240,976,183	5,985,109
Depreciation of PPE	77	1,388,028,773	634,898,672
Total Expenses		22,736,337,051	20,744,314,022
Transfer			
Other Transfers	60	100,000,000	20,000,000
Total Transfer		100,000,000	20,000,000
TOTAL EXPENSES AND TRANSFERS		22,836,337,051	20,764,314,022
Surplus		3,516,473,771	6,740,144,320



 Ms. Mary Evarist Kipeja
 Board Chairperson

30 Jan, 2026 

 Mr. Leo M. Mavika
 Date Chief Executive Officer

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF AGRICULTURE
AGRICULTURAL SEED AGENCY

STATEMENT OF CHANGES IN NET ASSETS AND EQUITY FOR THE PERIOD ENDED 30 JUNE 2025

	Taxpayer's Fund	Accum. Surplus/(Deficit)	Total
		TZS	TZS
Opening Balance as at 01 Jul 2024	10,113,939,000	26,016,778,560	36,130,717,560
Surplus/ Deficit for the Year	0	3,516,473,771	3,516,473,771
Transfer of payable	0	0	0
Closing Balance as at 30 Jun 2025	10,113,939,000	29,533,252,331	39,647,191,331
Opening Balance as at 01 Jul 2023	10,113,939,000	19,276,634,240	29,390,775,240
Surplus/ Deficit for the Year	0	6,740,144,320	6,740,144,320
Closing Balance as at 30 Jun 2024- Restated	10,113,939,000	26,016,778,560	36,130,717,560

Ms Mary Evarist Kipeja

Board Chairperson

30 Jan, 2026

Date

Mr Leo M. Mavika

Chief Executive Officer

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF AGRICULTURE
AGRICULTURAL SEED AGENCY**

CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Note	2024/2025 TZS	2023/2024 TZS
CASH FLOW FROM OPERATING ACTIVITIES			
RECEIPTS			
Subvention from other Government entities	32	10,965,772,831	20,022,335,305
Revenue from Exchange Transactions	17	8,065,875,145	4,498,669,432
Other Revenue	31	478,693,100	14,275,999
Increase in Deposit	94	139,415,276	37,498,797
Total Receipts		19,649,756,352	24,572,779,533
PAYMENTS			
Wages, Salaries and Employee Benefits	34	1,958,157,452	2,073,393,843
Use of Goods and Services	35	15,762,491,224	12,521,538,518
Other Transfers	60	100,000,000	20,000,000
Other Expenses	52	285,692,591	162,308,185
Maintenance Expenses	36	601,744,385	1,722,568,080
Total Payments		18,708,085,652	16,499,808,626
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES		941,670,700	8,072,970,908
CASH FLOW FROM INVESTING ACTIVITIES			
Investing Activities			
Payment for Work in Progress	77	(1,070,189,766)	(5,571,143,929)
Acquisition of Property, Plant and Equipment	77	(538,567,500)	(2,260,786,633)
Total Investing Activities		(1,608,757,266)	(7,831,930,562)
NET CASH FLOW (USED IN) INVESTING ACTIVITIES		(1,608,757,266)	(7,831,930,562)
Net cash Increase		(667,086,566)	241,040,346
Cash and Cash Equivalent at Beginning of Period		1,515,023,043	1,273,982,702
Cash and Cash Equivalent at End of Period		847,936,477	1,515,023,048

Ms. Mary Evarist Kipeja
Board Chairperson

Date

Mr. Leo M. Mavika
Chief Executive Officer

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF AGRICULTURE
AGRICULTURAL SEED AGENCY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30 JUNE 2025

	Original Budget TZS	Budgeted Amount Reallocations/ Adjustments TZS	Final Budget (B) TZS	Actual Amount on Comparison Basis (A) TZS	Different Final Budget & Actual (B-A) TZS
RECEIPTS					
Subvention from Other Government Entities	46,411,307,760	0	46,411,307,760	10,965,772,831	35,445,534,929
Revenue from Exchange Transactions	10,318,115,694	0	10,318,115,694	8,065,875,145	2,252,240,549
Other Revenue	881,884,306	0	881,884,306	478,693,100	403,191,206
Increase in Deposit	0	0	0	139,415,276	(139,415,276)
Total Receipts	57,611,307,760	0	57,611,307,760	19,649,756,352	37,961,551,408
PAYMENTS					
Wages, Salaries and Employee Benefits	7,394,956,700	(71,804,395)	7,323,152,305	1,958,157,452	5,364,994,853
Use of Goods and Service	24,714,670,278	519,616,594	25,234,286,872	15,762,491,224	9,471,795,648
Other Transfers	266,910,375	0	266,910,375	100,000,000	166,910,375
Other Expenses	2,014,284,397	(54,315,999)	1,959,968,398	285,692,591	1,674,275,807
Maintenance Expenses	3,257,522,371	(130,500,000)	3,127,022,371	601,744,385	2,525,277,986
Grants and Transfers	4,076,140	0	4,076,140	0	4,076,140
Payment for Work in Progress	0	0	0	1,070,189,766	(1,070,189,766)
Acquisition of Property, Plant & Equipment	19,958,887,499	(258,092,200)	19,695,891,299	538,567,500	19,157,323,799
Total Payment	57,611,307,760	0	57,611,307,760	20,316,842,918	37,294,464,842
Net Receipts/Payments	0	0	0	(667,086,566)	667,086,566

Explanation of the Significant variances

1. Grants from Government and external assistance was not disbursed in the current year.
2. Own Source collection target was not reached because of low multiplication of seed due to non-release of development funds from the donor.
3. Low sales revenue due to low seed production, which was caused by excessive rain on some Agency farms.
4. The amount of wages and salaries does not include direct salaries paid from the treasury amounting to TZS 3,150,320,000.
5. The use of goods and services expenditure incurred depended on the available resources.
6. Acquisition of PPE was less because the development funds disbursed was not sufficient.

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF AGRICULTURE
AGRICULTURAL SEED AGENCY

CASH FLOW RECONCILIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	RESTATED	
	2024/2025	2023/ 2024
	TZS	TZS
Reconciliation of Cash Flow from Operating Activities		
Surplus from the period	3,516,473,771	6,740,144,320
<i>Adjustment to reconcile net Surplus to:</i>		
Depreciation of property and equipment	1,388,028,773	634,898,672
Subvention from other Government Entities	(3,318,158,625)	(565,504,864)
Unapplied Deposit Account	139,415,276	37,498,797
Deferred Income (Recurrent)	(1,120,449,926)	376,131,358
Inventories	202,796,135	1,163,706,515
Accounts Payable	405,508,014	(315,225,900)
Provision for ECL	4,425,729	5,985,109
Accounts Receivable	(276,368,446)	(4,663,100)
Net Cash Flow/(Cash Used)from Operating Activities	941,670,701	8,072,970,908

**THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF AGRICULTURE
AGRICULTURAL SEED AGENCY**

**THE RECONCILIATION OF ACTUAL AMOUNTS ON A COMPARABLE BASIS BETWEEN
THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS AND THE
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025**

Particular	Amount (TZS)		
	Operating	Investing	Total
Actual amount on a comparable basis as presented in the budget and actual comparative statement	18,708,085,652	1,608,757,266	20,316,842,918
Basis differences	0	0	0
Timing differences	0	0	0
Entity differences	0	0	0
Actual amount in the cash flow statement	18,708,085,652	1,608,757,266	20,316,842,918