



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



CAPITAL MARKETS AND SECURITIES AUTHORITY (CMSA)
REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL AND COMPLIANCE AUDIT FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2025

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March 2026

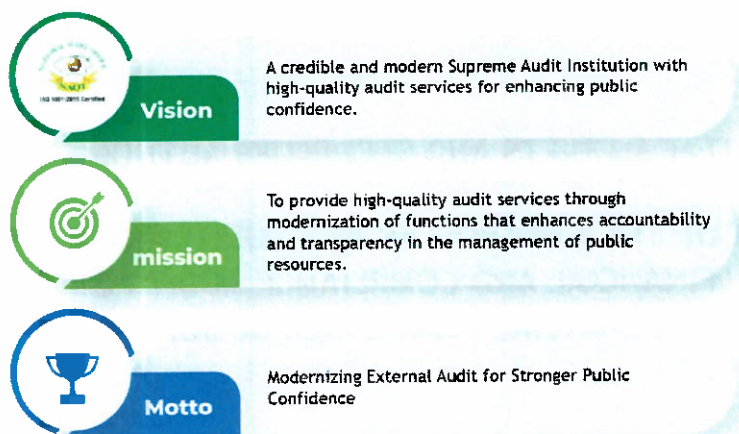
AR/PA/CMSA/2024/25

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 Capital Markets and Securities Authority and may form part of the annual general report which once tabled to National Assembly, becomes a public document hence, its distribution may not be limited.



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Abbreviations

BOT	Bank of Tanzania
CAG	Controller and Auditor General
CIS	Collective Investment Scheme
CMSA	Capital Markets and Securities Authority
CRDB	CRDB Bank Plc
DSE	Dar es Salaam Stock Exchange
EGM	Enterprises Growth Market Segment to be launched at DSE
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
NBAA	National Board of Accountants and Auditors
NBC	NBC Bank Ltd
NMB	NMB Bank Plc
PAC	Public Accounts Committee
PAR	Public Audit Regulation
PAMG	Public Assets Management Guideline
PPR	Public Procurement Regulations
TCB	Tanzania Commercial Bank
TMX	Tanzania Mercantile Exchange
TZS	The currency of Tanzania - Tanzanian Shilling



CAPITAL MARKETS AND SECURITIES AUTHORITY (CMSA)

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

The Chairman of the Board,
Capital Markets and Securities Authority,
P.O. Box 75713,
DAR ES SALAAM.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Capital Markets and Securities Authority, 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 the financial position of the Capital Markets and Securities Authority 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 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 Capital Markets and Securities Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

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

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



CAPITAL MARKETS AND SECURITIES AUTHORITY (CMSA)

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;



CAPITAL MARKETS AND SECURITIES AUTHORITY (CMSA)

- 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 Capital Markets and Securities Authority for the year ended 30 June 2025 as per 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.

Conclusion

Based on the audit procedures performed, I conclude that Capital Markets and Securities Authority complies, in all material respects, with the requirements of the Public Procurement laws in Tanzania.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I conducted a compliance audit of budget formulation and execution at Capital Markets and Securities Authority for the year ended 30 June 2025 as per 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 authorizations before incurring obligations, recorded transactions accurately and reported variances as required.

Conclusion

Based on the audit procedures performed, I conclude that Capital Markets and Securities Authority 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.



CAPITAL MARKETS AND SECURITIES AUTHORITY (CMSA)

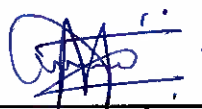
3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The Capital Markets and Securities Act "CMS Act" requires directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Authority as at the end of the financial year and of its surplus or deficit for the year. It also requires the directors to ensure that the CMSA keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the CMSA. They are also responsible for safeguarding the assets of the CMSA and hence taking reasonable steps for the prevention and detection of fraud, error, and other irregularities.

The directors accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSAS) and the requirements of the CMS Act. The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the CMSA and of its surplus in accordance with International Public Sector Accounting Standards (IPSAS). The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Nothing has come to the attention of the directors to indicate that the Authority will not remain a going concern for at least twelve months from the date of this statement.

Signed on behalf of the Board of Directors by;



MR. LUCAS A. MWIMO
CHAIRMAN

12/03/2026
DATE



CPA: NICODEMUS D. MKAMA
CHIEF EXECUTIVE OFFICER

4.0 DECLARATION BY THE HEAD OF FINANCE

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 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 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 as under Directors Responsibility statement on an earlier page.

I, **James T. Nyanda**, being the head of finance of Capital Markets and Securities Authority (CMSA) hereby acknowledge my responsibility of ensuring that financial statements of the year ended 30 June 2025 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 Capital Markets and Securities Authority (CMSA) as on that date and that they have been prepared based on properly maintained financial records.

Signed by: _____

Position: _____

NBAA Membership No: _____

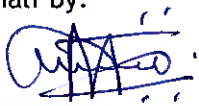
Date: _____

5.0 FINANCIAL STATEMENTS

5.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	<u>Notes</u>	<u>2024/25</u>	<u>2023/24</u>
		<u>TZS'000</u>	<u>TZS'000</u>
ASSETS			
Current assets			
Receivable from exchange transactions	14	3,528,724	3,604,817
Receivable from non-exchange transactions	14	694,256	815,009
Prepayments	14	10,041	134,125
Cash and cash equivalents	15	306,419	261,061
Total current assets		4,539,440	4,815,012
Non-current assets			
Property and equipment	11	989,330	640,042
Intangible assets	12	111,625	116,204
Leasehold land	13	989,755	1,014,440
Receivable from non-exchange transaction	14	586,268	596,491
Total non-current assets		2,676,978	2,367,177
TOTAL ASSETS		7,216,418	7,182,189
LIABILITIES			
Current liabilities			
Payables and accrued charges	16	808,043	195,074
Total Current Liabilities		808,043	195,074
TOTAL LIABILITIES		808,043	195,074
NET CURRENT ASSETS		3,731,397	4,619,938
NET TOTAL ASSETS		6,408,375	6,987,115
FUNDS AND RESERVES			
Special funds	10	4,405,144	4,623,133
Accumulated Surplus		2,003,231	2,363,982
TOTAL FUNDS AND RESERVES		6,408,375	6,987,115

The financial statements were approved for issue by the Board of Directors and were signed on its behalf by:


 MR. LUCAS A. MWIMO
 CHAIRMAN

12/03/2026
 DATE


 CPA. NICODEMUS D. MKAMA
 CHIEF EXECUTIVE OFFICER

CAPITAL MARKETS AND SECURITIES AUTHORITY (CMSA)

5.2 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

		2024/25	2023/24
REVENUE	Note	TZS'000	TZS'000
Revenue from non-exchange transactions			
Support from BOT	4	708,750	708,750
Other non-exchange transactions	4	2,434,340	1,997,768
		<u>3,143,090</u>	<u>2,706,518</u>
Revenue from exchange transactions			
Fees	5	5,107,217	5,017,267
Other Income	5	26,960	102,896
			<u>5,120,163</u>
		5,134,177	
TOTAL REVENUE		<u>8,277,267</u>	<u>7,826,681</u>
EXPENSES			
Staff costs	6	2,587,875	2,317,141
Administrative expenses	8	1,725,314	1,656,933
Market development, cooperation, and training expenses	9	2,915,279	2,981,046
Depreciation and amortization	11,12,13	288,304	208,720
Other operating expenses	7	325,992	361,289
Provision for Expected Credit Loss	18c	11,646	10,979
TOTAL EXPENSES		<u>7,854,410</u>	<u>7,536,108</u>
Surplus from operational activities		<u>422,857</u>	<u>290,573</u>
Net gain/(loss) on foreign exchange	17	<u>(691)</u>	<u>3,687</u>
Surplus for the year		<u>422,166</u>	<u>294,260</u>

The financial statements were approved for issue by the Board of Directors and were signed on its behalf by:


 MR. LUCAS A. MWIMO
 CHAIRMAN

12/03/2026
 DATE


 CPA. NICODEMUS D. MKAMA
 CHIEF EXECUTIVE OFFICER

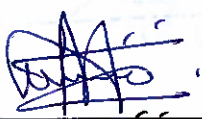
CAPITAL MARKETS AND SECURITIES AUTHORITY (CMSA)

5.3 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025

	Special funds TZS'000	Accumulated Surplus/(Deficit) TZS'000	Total TZS'000
At 01 July, 2024	4,623,133	2,363,982	6,987,115
Surplus for the year	-	422,166	422,166
Deposit for license (Note 10 (A))	2,100	-	2,100
Transfer to Consolidated Fund*(Note 10 (B))	-	(399,501)	(399,501)
Assets recovery (Note 11, 12)	-	92,708	92,708
Tax Liability (Note 10 (B))	-	(476,124)	(476,124)
Decrease in Tribunal Funds (Note 10 (A))	(220,089)		(220,089)
At 30 June 2025	4,405,144	2,003,231	6,408,375
Year ended 30 June 2024			
At 01 July, 2023	4,261,367	2,301,009	6,562,376
Surplus for the year	-	294,260	294,260
Deposit for license	1,800	-	1,800
Transfer to Consolidated Fund*	-	(326,486)	(326,486)
Increase in Other Special Funds	3,750		3,750
Assets recovery	-	95,199	95,199
Increase in CMT Funds	356,216	-	356,216
At 30 June 2024	4,623,133	2,363,982	6,987,115

*Transfer of funds to the Government consolidated fund was made from the previous year reserves.

The financial statements were approved for issue by the Board of Directors and were signed on its behalf by:


 MR. LUCAS A. MWIMO
 CHAIRMAN

12/03/2026
 DATE


 CPA. NICODEMUS D. MKAMA
 CHIEF EXECUTIVE OFFICER

CAPITAL MARKETS AND SECURITIES AUTHORITY (CMSA)

5.4 CASH FLOWS STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2024/25 TZS'000	2023/24 TZS'000
Operating activities			
Cash (utilized)/generated from operations	23	1,070,417	(1,428,107)
Net cash used in operating activities		1,070,417	(1,428,107)
Investing activities			
Purchase of plant and equipment	11 & 12	(515,622)	(255,161)
Net cash (used in)/from investing activities		(515,622)	(255,161)
Financing activities			
Increase in special funds	10(A)	(217,989)	367,766
Contribution to Government-Consolidated Fund	10(B)	(211,403)	(345,697)
Remittance to Taxpayers Fund	10(B)	(79,354)	-
Net cash used in financing activities		(508,746)	16,069
Net increase/(decrease) in cash and cash equivalent		46,049	(1,667,199)
Effect of exchange rate fluctuation		(691)	3,687
Cash and cash equivalent at the beginning		261,061	1,924,573
Net Increase/ (decrease) in cash and cash equivalent		45,358	(1,663,512)
Cash and cash equivalent at the end		306,419	261,061

The financial statements were approved for issue by the Board of Directors and were signed on its behalf by:


 MR. LUCAS A. MWIMO
 CHAIRMAN

12/03/2026
 DATE


 CPA. NICODEMUS D. MKAMA
 CHIEF EXECUTIVE OFFICER

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

Budget line item	Budget amount	Actual performance	Variance	Variance
	TZS' 000	TZS' 000	TZS' 000	%
Revenue				
Support from BOT	708,750	708,750	-	0.0%
Development Partners	1,918,169	1,918,169	-	0.0%
Other Revenue	5,000,069	4,558,172	(441,897)	-8.84%
Total Revenue	7,626,988	7,185,091	(441,897)	-5.79%
Expenses				
Staff Costs	(2,602,528)	(2,513,847)	119,704	3.41%
Administrative expenses	(1,795,459)	(1,664,166)	65,489	7.31%
Market development, Cooperation & training	(2,957,455)	(2,900,279)	97,177	1.93%
Other operating expenses	(271,546)	(252,992)	48,554	6.83%
Total expenses	(7,626,988)	(7,331,284)	330,924	3.88%
Deficit as per actual cash collected	-	(146,193)		

A reconciliation of the deficit between actual cash collected and statement of financial performance has been presented in note 4.6 (a) Variance Reconciliation

The financial statements were approved for issue by the Board of Directors and were signed on its behalf by:

<u>MR. LUCAS A. MWIMO</u>	<u>DATE</u>	<u>CPA. NICODEMUS D. MKAMA</u>
CHAIRMAN		CHIEF EXECUTIVE OFFICER

Controller and Auditor General

AR/PA/CMSA/2024/25

5.6 (a) VARIANCE RECONCILIATION

The original budget is the same as the approved budget, which is why only one column of the budget has been included.

All variances are attributed to accruals, amortization and depreciation as explained by reconciliation below;

		<u>TZS '000'</u>
Surplus/(Deficit) as per actual cash collected		(146,193)
ADD		
Other Income accrued	23(B)	1,092,176
Net gain on Call account		(691)
Total accrued revenue		<u>1,091,485</u>
LESS		
Depreciation and amortisation	11,12&14	(288,304)
Accrued Expenses	23(C)	(223,176)
Provision for Impairment	18	(11,646)
Total accrued expenses and depreciation		<u>(523,126)</u>
Surplus for the year		<u>422,166</u>