



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



TANZANIA AGRICULTURAL RESEARCH INSTITUTE (TARI)

**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
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AR/CG/TARI/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



Vision

A credible and modern Supreme Audit Institution with high-quality audit services for enhancing public confidence.



mission

To provide high-quality audit services through modernization of functions that enhances accountability and transparency in the management of public resources.



Motto

Modernizing External Audit for Stronger Public Confidence



Core Values



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



Professional competence: We deliver high quality audit services based on appropriate professional knowledge, skills, and best practices.



Integrity: We observe and maintain high ethical standards and rules of law in the delivery of audit services.



Creativity and Innovation: We encourage, create and innovate value-adding ideas for the improvement of audit services.



Results-Oriented: We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.



Team Work Spirit: We value and work together with internal and external stakeholders.

© This audit report is intended to be used by Tanzania Agricultural Research Institute 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

AfDP	Agricultural and Fisheries Development Program
AG	Accountant General
ASA	Agricultural Seeds Agency
BOT	Bank of Tanzania
CAG	Controller and Auditor General
CPA	Certified Public Accountant
DG	Director General
EAD	Exposure at Default
ECL	Expected Credit Loss
FVTSD	Fair Value through Surplus/Deficit
IPSASs	with International Public Sector Accounting Standards
LGD	Loss Given Default
MUSE	Mfumo wa Uhasibu Serikalini
NFRA	National Food Reserve Agency
PD	Probability at Default
PMU	Procurement Management Unit
PPE	Property Plant and Equipment
NHIF	National Health Insurance Fund
TANESCO	Tanzania Electric Supply Company Limited
TARI	Tanzania Agricultural Research Institute
TEMESA	Tanzania Electrical, Mechanical and Electronics Services Agency
TFRS	Tanzania Financial Reporting Standards
TOSCI	Tanzania Official Seeds Certification Institute
TRA	Tanzania Revenue Authority
TZS	Tanzania Shillings
URT	United Republic Tanzania
USD	United State of America Dollar
WCF	Workers Compensation Funds
WIP	Work in Progress

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board,
Tanzania Agricultural Research Institute,
P.O. Box 1571,
DODOMA, TANZANIA.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

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

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

Key Audit Matters

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



Other Information

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

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

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

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

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

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

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

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance



with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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



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

In addition, Section 10 (2) of the Public Audit Act, Cap. 418 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 Tanzania Agricultural Research Institute 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, except for the matter described below, Tanzania Agricultural Research Institute generally complies, in all material respects, with the requirements of the Public Procurement laws in Tanzania.

1. Procurement of HP Laser Toner Outside GPSA Without Evidence of Non-Availability

During the audit of procurement transactions for the financial year 2024/2025, it was noted that the Tanzania Agricultural Research Institute (TARI) procured HP laser toner worth TZS 2,625,000 from MAC AGENCY (T) LIMITED, instead of procuring the same items through the Government Procurement Services Agency (GPSA), as required by Regulation 124(1) & (2) of the Public Procurement Regulation, 2024. There was no evidence presented to support that TARI first attempted to source the toner through GPSA or received a formal non-availability notice from GPSA before purchasing from an alternative supplier.

2. Lack of Technical Expertise in the Inspection and Acceptance Committee for ICT Supplied TZS 22.2 million I

On 21/06/2025, TARI procured a camera and Computers worth TZS 22,225,600 vide PV No. T2410000V2501398 paid to Sound and Vision LTD. However, upon reviewing the Inspection and Acceptance Committee's report, it was observed that the appointed team lacked the necessary technical expertise for the task. The members selected for the assignment primarily possess backgrounds in procurement and human resources, rather than technical knowledge relevant to the procured goods contrary to Regulation 313A (1) and (2) of Public Procurement Regulation, 2024.

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 Tanzania Agricultural Research Institute for the year ended 30 June 2025 as per the Public Finance Act (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.

Based on the audit procedures performed, I conclude that, except for the matters described below, Tanzania Agricultural Research Institute generally complies, in all material respects, with the requirements of the Budget Act and related Budget Guidelines.

Allocation of funds done without participation of the budget committee, TZS 520.466 million

My review of budget committee minutes, noted that during the financial year 2024/25, the TARI budget committee allocated funds amounting to TZS 520,465,833 without taking into consideration the appointed budget committee, contrary to Regulation 17(3)(b) of Budget Regulation, 2015.


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



MINISTRY OF AGRICULTURE
TANZANIA AGRICULTURAL RESEARCH INSTITUTE
(TARI)

2.2.55 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

It is the Governing Board's responsibility to cause and to keep proper books of accounts and at the end of each financial year to produce financial statements, which reflect a true and fair view of the state of affairs and the results of operations of the Institute.

The Governing Board confirms that suitable policies have been used and applied consistently and reasonably, and prudent judgments and estimates have been made in the preparation of TARI's financial statements for the year ended 30th June 2025.

The Governing Board further confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going-concern basis. The Board has reasonable expectations that the Institute has adequate resources to continue in operation for the foreseeable future.

BY ORDER OF THE GOVERNING BOARD

Mr Andrew Massawe

Chairman



DATE

20-02-2026

MINISTRY OF AGRICULTURE
TANZANIA AGRICULTURAL RESEARCH INSTITUTE
(TARI)

2.2.56 DECLARATION OF THE HEAD OF FINANCE OF THE INSTITUTE

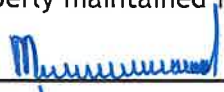
The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Accountants and Auditors (Registration) Act, CAP 286 R.E 2002, requires Financial Statements be accompanied with a declaration issued by the Head of Finance/Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors 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 made on an earlier page.

I, **CPA Margareth R. Ndebelamatwi** being the Chief Accountant of the Tanzania Agricultural Research Institute hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th 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 the Tanzania Agricultural Research Institute as on that date and that they have been prepared based on properly maintained financial records.

Signed by: 

Date: 20/02/2026

Position: Chief Accountant

NBAA Membership No: ACPA 2

**MINISTRY OF AGRICULTURE
TANZANIA AGRICULTURAL RESEARCH INSTITUTE (TARI)**

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

		2024/25	2023/24
	Note	TZS	TZS
ASSETS			
Current Asset			
Cash and Cash Equivalents	2	5,059,049,539	3,666,477,824
Inventories	3	47,295,965	27,560,621
Prepayments	4	666,484,722	161,203,762
Receivables	5	1,088,121,174	1,127,857,124
Total Current Asset		6,860,951,401	4,983,099,331
Non-Current Asset			
Biological Assets	6	13,345,320,361	14,101,320,361
Property, Plant and Equipment	7	122,399,921,126	124,066,552,833
Work In Progress	8	31,714,756,201	17,538,520,560
Total Non-Current Asset		167,459,997,688	155,706,393,754
TOTAL ASSETS		174,320,949,089	160,689,493,088
LIABILITIES			
Current Liabilities			
Deferred Income	9	3,490,807,465	1,929,586,298
Deposits	10	44,581,802	28,506,734
Payables and Accruals	11	7,104,555,875	6,482,689,512
Total Current Liabilities		10,639,945,143	8,440,782,544
TOTAL LIABILITIES		10,639,945,143	8,440,782,544
Net Assets		163,681,003,947	152,248,710,544
NET ASSETS/EQUITY			
Capital Contributed by:			
Taxpayers/Share Capital		143,755,615,979	143,755,615,979
Accumulated Surpluses / Deficits		19,925,387,968	8,493,094,565
TOTAL NET ASSETS/EQUITY		163,681,003,947	152,248,710,544



Andrew W. Massawe

BOARD CHAIRMAN

20-02-2026

DATE



Dr. Thomas N. Bwana

DIRECTOR GENERAL

DATE 20/2/2026

**MINISTRY OF AGRICULTURE
TANZANIA AGRICULTURAL RESEARCH INSTITUTE-(TARI)**

STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30 JUNE 2025

	Note	2024/25 TZS	2023/24 TZS
REVENUE			
Subvention from other Government entities	12	41,512,593,365	30,175,754,842
Revenue from Exchange Transactions	13	5,102,505,700	2,928,794,680
Revenue Grants	14	-	107,867,513
Research revenue	15	13,948,193,735	13,537,990,913
TOTAL REVENUE		60,563,292,800	46,750,407,948
EXPENSES AND TRANSFERS			
Expenses			
Depreciation of Property, Plant and Equipment	16	2,959,510,113	1,575,219,242
Expected Credit Loss	17	145,049,546	23,242,679
Impairment of Property, Plant and Equipment	18	756,000,000	1,060,500,000
Maintenance Expenses	19	624,972,117	356,139,511
Other Expenses	20	378,508,541	352,459,889
Use of Goods and Service	21	15,673,502,190	11,714,519,625
Wages,Salaries and Employee Benefits	22	28,563,456,890	27,008,877,983
Total Expenses		49,100,999,397	42,090,958,929
Transfer			
Other Transfers	23	30,000,000	-
Total Transfer		30,000,000	-
TOTAL EXPENSES AND TRANSFERS		49,130,999,397	42,090,958,929
Surplus for the period		11,432,293,403	4,659,449,019



Andrew W. Massawe
BOARD CHAIRMAN
20-02-2026

DATE



Dr. Thomas N. Bwana
DIRECTOR GENERAL

DATE 20/2/2026

**MINISTRY OF AGRICULTURE
TANZANIA AGRICULTURAL RESEARCH INSTITUTE-(TARI)**

STATEMENT OF CHANGES IN NET ASSETSS AND EQUITY

FOR THE PERIOD ENDED 30 JUNE, 2025

	Tax Payer's Fund TZS	Accumulated Surplus/(Deficit) TZS	Total TZS
Opening Balance as at 1st July 2024	143,755,615,979	8,493,094,565	152,248,710,544
Capital Fund	-	-	-
Adjustment	-	-	-
Surplus/ Deficit for the Year	-	11,432,293,403	11,432,293,403
Closing Balance as at 30th June 2025	143,755,615,979	19,925,387,968	163,681,003,947
Opening Balance as at 1st July 2023	143,755,615,979	3,833,645,546	147,589,261,525
Capital Fund	-	-	-
Adjustment	-	-	-
Surplus/ Deficit for the Year	-	4,659,449,019	4,659,449,019
Closing Balance as at 30th June 2024	143,755,615,979	8,493,094,565	152,248,710,544



Andrew W. Massawe
BOARD CHAIRMAN
20-02-2026

DATE



Dr. Thomas N. Bwana
DIRECTOR GENERAL

DATE



**MINISTRY OF AGRICULTURE
TANZANIA AGRICULTURAL RESEARCH INSTITUTE-(TARI)**

CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE, 2025

		2024/25	2023/24
CASH FLOW FROM OPERATING ACTIVITIES	Note	TZS	TZS
RECEIPTS			
Subvention from other Government entities	24	43,073,814,532	31,597,399,725
Revenue from Exchange Transactions	25	4,526,184,437	2,970,528,040
Research revenue	26	13,948,193,735	13,537,990,913
Deposits	29	16,075,068	-
Total Receipts		61,564,267,772	48,105,918,678
PAYMENTS			
Wages, Salaries and Employee Benefits	27	29,631,313,868	26,527,230,453
Use of Goods and Service	28	13,489,544,860	11,523,978,453
Other Transfers	23	30,000,000	-
Other Expenses	20	378,508,541	352,459,889
Maintenance Expenses	19	624,972,117	356,139,511
Deposits	29	-	48,366,043
Total Payments		44,154,339,386	38,808,174,349
NET CASH FLOW FROM OPERATING ACTIVITIES		17,409,928,387	9,297,744,329
CASH FLOW FROM INVESTING ACTIVITIES			
Investing Activities			
Payment for Work in Progress	30	(14,923,990,129)	(4,909,814,033)
Advance Payment for Acquisition of Property, Plant and Equipment	31	(544,218,900)	-
Acquisition of Property, Plant and Equipment	32	(545,123,915)	(1,448,098,000)
Total Investing Activities		(16,013,332,944)	(6,357,912,033)
NET CASH FLOW FROM INVESTING ACTIVITIES		(16,013,332,944)	(6,357,912,033)
Net Cash Increase/Decrease		1,396,595,442	2,939,832,296
Cash and cash equivalents at the beginning of the period		3,667,707,397	727,875,101
Cash and cash equivalents at the end of the period		5,064,302,839	3,667,707,397



Andrew W. Massawe
BOARD CHAIRMAN

20-02-2026

DATE



Dr. Thomas N. Bwana
DIRECTOR GENERAL

DATE 20/2/2026

**MINISTRY OF AGRICULTURE
TANZANIA AGRICULTURAL RESEARCH INSTITUTE-(TARI)**

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

RECEIPTS AND PAYMENTS	Original Budget	Reallocation/ Adjustment	Final Budget (A)	Actual Amount (B)	Difference (A-B)
RECEIPTS					
Revenue from Exchange Transactions	25,069,382,340	5,696,736,307	30,766,118,647	18,490,453,240	12,275,665,407
Subvention from other Government entities	60,036,366,301	-	60,036,366,301	43,073,814,532	16,962,551,769
Total Receipts	85,105,748,641	5,696,736,307	90,802,484,948	61,564,267,772	29,238,217,176
PAYMENTS					
Grant and transfers	1,200,000,000	-	1,200,000,000	30,000,000	1,170,000,000
Maintenance Expenses	508,000,000	119,999,759	627,999,759	624,972,117	3,027,642
Other Expenses	372,056,776	4,000,001	380,056,777	378,508,541	1,548,236
Use of Goods and Service	13,125,953,472	3,993,675,400	17,119,628,872	13,489,544,860	3,630,084,012
Wages, Salaries and Employee Benefits	28,625,497,000	999,469,645	29,635,966,645	29,631,313,868	4,652,777
Acquisition of Property, Plant and Equipment	41,274,241,393	579,591,502	41,838,832,895	16,013,332,944	25,825,499,951
Total Payments	85,105,748,641	5,696,736,307	90,802,484,948	60,167,672,330	30,634,812,618
Net Receipts/ Payments	-	-	-	1,396,595,442	(1,396,595,442)



Andrew W. Massawe
BOARD CHAIRMAN

20-02-2026
DATE



Dr. Thomas N. Bwana
DIRECTOR GENERAL

20/2/2026
DATE