



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



TANZANIA COFFEE BOARD (TCB)

**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

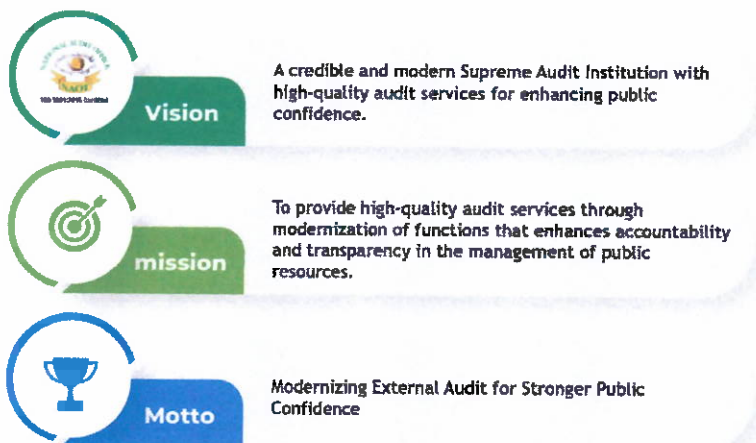
AR/PA/TCB/2024/25

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 Tanzania Coffee Board (TCB) 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.



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 THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2025.....	6
3.0 STATEMENT RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE.....	51
4.0 DECLARATION OF THE DIRECTOR OF FINANCE AND ADMINISTRATION.....	52
5.0 FINANCIAL STATEMENTS	53



ABBREVIATIONS

ACPA	Associate Certified Public Accountant
AIDS	Acquired Immune Deficiency Syndrome
AR	Audit Report
BoD	Board of Directors
CMA	Commission for Mediation and Arbitration
CPA(T)	Certified Public Accountant - Tanzania
CRU	Coffee Roasting Unit
CSP	Corporate Strategic Plan
CSR	Corporate Social Responsibility
DCDO	Director of Coffee Development and Operations
DCQP	Director of Coffee Quality and Promotion
DFA	Director of Finance
DG	Director General
EAFCFA	East African Fine Coffee Association
ECL	Expected Credit Loss
GDP	Gross Domestic Product
HIV	Human Immunodeficiency Virus
HTU	Head of Technical Unit
IACO	Inter African Coffee Organization
ICO	International Coffee Organization
ICT	Information and Communication Technology
IPSAS	International Public Sector Accounting Standards
ISO	International Organization for Standardization
ISSAI	International Standards of Supreme Audit Institutions
NBAA	National Board of Accountants and Auditors
NBS	National Bureau of Statistics
NeST	National e-Procurement System
NHIF	National Health Insurance Fund
PA	Public Authorities
POS	Point of Sales
PSSSF	Public Service Social Security Fund
QMS	Quality Management System
R. E	Revised Edition
TaCRI	Tanzania Coffee Research Institute
TCB	Tanzania Coffee Board
TR	Treasury Registrar
TZS	Tanzania Shillings
USD	United States Dollar



1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board,
Tanzania Coffee Board,
P.O. Box 732,
Kilimanjaro,
Tanzania

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Tanzania Coffee Board, 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 Coffee Board 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/the Local Government Finances Act, Cap. 290.

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 Tanzania Coffee Board 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 Responsibility by those charged with Governance, 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 with the knowledge I obtained during the audit, or otherwise appears to be materially misstated.

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 Coffee Board 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 Coffee Board generally complies, in all material respects, with the requirements of the Public Procurement laws in Tanzania.

Delays in the project implementation for Tender No. TR64/2024/2025/W/18 worth TZS 578.2 million for Hydrological survey, borehole drilling, supply and installation of solar pump, and construction of water tanks

On 21 May 2025, TCB entered into Contract No. TR64/2024/2025/W/18 with M/s NINQEEL COMPANY Limited for hydrological survey, borehole drilling, supply and installation of a solar pump, and construction of water tanks at a contract sum of TZS 578,200,000 (VAT inclusive). The contract stipulates that the project be completed within 120 days (4 months) of signing, with the expected completion date of 20 September 2025.

During site verification on 16 January 2026, I observed that the contractor had not commenced execution of Component 4 (construction of water tanks). The delay is attributed to management's failure to establish appropriate technical specifications for Component 4 and to poor road accessibility during drilling. Considering the expected completion date, this indicates a delay of 118 days (approximately 4 months) as of the audit date. The delay exposes the Board to the risk of cost overruns due to potential price fluctuations and may hinder the timely achievement of strategic objectives.

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 Coffee Board 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, except for the matters described below, Tanzania Coffee Board generally complies, in all material respects, with the requirements of the Budget Act and related Budget Guidelines.

Non-implementation of the Carryover Fund activities by 24.17% within the required period

During the audit, I noted that a carryover fund request amounting to TZS 952,566,311.28 for the financial year 2023/24 was submitted to the Treasury Registrar through letter Ref. No. CAB.86/289/01/33 dated 26 June 2024. However, by the end of the first quarter of the 2024/25 financial year, carryover fund activities valued at TZS 230,255,357 (24.17%) had not been implemented within the required period.

Further review noted that no extension request had been submitted regarding the under-implementation of the carryover funds in the first quarter, contrary to the requirements of Regulation 21(3)(a) of the Budget Regulations (Amendment), 2019. This was attributed to management's lack of awareness of the requirement to request an extension and delays in signing contracts between the Board and suppliers. The observed anomaly may expose the Board to the risk of funds being misused, left idle, or diverted to unplanned activities, thereby undermining the efficiency of budget implementation.



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



TANZANIA COFFEE BOARD

3.0 STATEMENT RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

Pursuant to Section 39(1) of the Coffee Industry Act No. 23 of 2001, the Board is required to keep proper books of account and maintain proper records of its operations. Those Charged with Governance accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the financial statements. Those Charged with Governance understand that the Board's system of internal control is effective to provide reasonable, but not absolute, assurance that the transactions recorded in the books of account, which were used to prepare these financial statements, are free from material misstatement.

Those Charged with Governance further 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 the International Public Sector Accounting Standards (IPSAS), The Public Finance Act, No. 6 of 2001 (Revised 2004), NBAA's Pronouncements and in the manner required by the Tanzania Coffee Industry Act No 23. In addition, Those Charged with Governance are of the opinion that the financial statements give a true and fair view of the Board's state of the financial affairs and of its operating results for the year ended 30 June 2025.

Nothing has come to the attention of Those Charged with Governance to indicate that the Government of the United Republic of Tanzania shall wind up the operations of the Board, thus, not to remain a going concern for at least the next twelve months from the date of this statement.

This statement was approved and authorized for issue by the Board of Directors and signed on its behalf by:

Name: Prof. Aurelia Kamuzora

Chairperson of the Board

Signature: 25th March 2026

Date: [Signature]

Name: Primus O. Kimaro

Director General of the Board

Signature: [Signature]

Date: 25th March 2026

TANZANIA COFFEE BOARD

4.0 DECLARATION OF THE DIRECTOR OF FINANCE AND ADMINISTRATION

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 under Directors Responsibility Statement on the earlier page.

I, **Peter John Mollel**, Director of Finance and Administration (DFA) of the Tanzania Coffee Board hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2025 have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) and the requirements of Tanzania Coffee Industry Act of 2001 and Public Finance Act. No 6 of 2001 (Revised 2004)

I thus confirm that the financial statements give a true and fair view position of Tanzania Coffee Board as on that date and that they have been prepared based on properly maintained financial records.

Signed by:

.....

NBAA Membership No.

ACPA 2175

Date:

.....

TANZANIA COFFEE BOARD

5.0 FINANCIAL STATEMENTS

5.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Notes	30 JUNE 2025 TZS "000"	30 JUNE 2024 TZS "000"
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	3,416,294	17,205,973
Trade and Other Receivables	6	6,341,800	10,434,129
Inventories	7	579,299	213,063
Total Current Assets		10,337,393	27,853,165
Non-Current Assets			
Investment Property	8	12,213,491	12,497,594
Property, Plant and Equipment	9	22,390,476	21,666,623
Intangible Asset	10	12,659	30,819
Total Non-Current Assets		34,616,626	34,195,036
Total Assets		44,954,019	62,048,201
LIABILITIES			
Current Liabilities			
Trade and Other Payables	11	5,352,869	23,674,301
Provisions	12	70,000	66,000
Total liabilities		5,422,869	23,740,301
Net Assets		39,531,150	38,307,900
NET ASSETS			
Taxpayers' Fund	13	311,332	311,332
Accumulated surplus		39,219,818	37,996,568
Net assets		39,531,150	38,307,900



 Prof Aurelia K. N. Kamuzora
 Chairperson



 Primus O. Kimaryo
 Director General

Date: 25th March 2026

TANZANIA COFFEE BOARD

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

	Notes	30 JUNE 2025 TZS "000"	30 JUNE 2024 TZS "000"
Revenue			
Revenue from Non-Exchange Transactions			
Government Subvention	14	1,763,901	1,704,220
Exporters Contribution	15	6,792,405	3,785,894
Regulatory Revenue	16	155,340	163,072
Coffee Development Fund	17	11,029,314	1,225,040
		19,740,960	6,878,226
Revenue from Exchange Transactions			
Warehouse	18	680,213	799,387
Clearing and forwarding	19	754,065	1,044,534
Rental	20	642,102	642,669
Coffee Roasting Unit (CRU)	21	395,778	242,598
Other Revenue	22	562,450	858,744
		3,034,608	3,587,932
Total Revenue		22,775,568	10,466,158
Expenses			
Administration Expenses	23	18,442,524	8,107,172
Selling and Distribution	24	2,817,520	1,618,834
Finance Charges	25	32,257	30,648
Other Expenses	26	260,017	181,888
Total Expenses		21,552,318	9,938,542
Surplus for the year		1,223,250	527,616



 Prof Aurelia K. N. Kamuzora
 Chairperson



 Primus O. Kimaryo
 Director General

Date: 26th March 2026

TANZANIA COFFEE BOARD

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

	Notes	Taxpayers' Fund TZS "000"	Accumulated Surplus TZS "000"	Total TZS "000"
As at 1 July 2024		311,332	37,996,568	38,307,900
Surplus for the year			1,223,250	1,223,250
Prior year adjustment				
As at 30 June 2025		311,332	39,219,818	39,531,150
As at 1 July 2023		311,332	37,468,952	37,780,284
Surplus for the year			527,616	527,616
Prior year adjustment				
As at 30 June 2024		311,332	37,996,568	38,307,900



 Prof Aurelia K. N. Kamuzora
 Chairperson



 Primus O. Kimaryo
 Director General

Date: 26th March 2026

TANZANIA COFFEE BOARD

5.4 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

		30 JUNE 2025 TZS "000"	30 JUNE 2024 TZS "000"
Cash flows from operating activities			
<i>Gross Receipts</i>			
Government Subvention (PE & OC)	14	1,763,901	1,704,220
Cash received on fees, refunds, licences and commissions	31	13,592,801	3,729,641
Exporters Contribution	15	6,792,405	3,785,894
Cash received from coffee auction	32	289,950,635	223,114,159
Total Receipts		312,099,742	232,333,914
<i>Gross Payments</i>			
Payments for administrative expenses	31	(17,443,355)	(7,295,120)
Payments for selling and distribution expenses	24	(2,817,520)	(1,618,834)
Finance Cost	25	(32,257)	(30,648)
Other expenses	31	(83,750)	(109,000)
Payments for the coffee auction	32	(304,443,602)	(213,884,205)
Total Payments		(324,820,484)	(222,937,807)
Net cash flows from operating activities		(12,720,742)	9,396,107
Cash flows from investing activities			
Acquisition of PPEs	9	(1,014,519)	(363,711)
Net cash outflows in investing activities		(1,014,519)	(363,711)
Net cash outflows in financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(13,735,261)	9,032,396
Cash and Cash equivalents:			
At start of the year		17,404,086	8,371,690
At end of the year	5	3,668,825	17,404,086



 Prof Aurelia K.N. Kamuzora
 Chairperson



 Primus O. Kimaryo
 Director General

Date: 26th March 2026

TANZANIA COFFEE BOARD
5.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2025

	Original TZS'000	Final TZS'000	Actual TZS'000	Variance TZS'000	Variance Change (%)	Remarks (Note 29)
RECEIPTS						
Government subvention (PE, OC & Devo)	1,583,340	1,583,340	1,763,901	180,561	11	A
Own Sources	21,884,425	21,884,425	20,385,205	(1,499,220)	-7	B
Total Receipts	23,467,765	23,467,765	22,149,106	(1,318,659)	-6	
PAYMENTS						
Administration Expenses	18,902,079	18,902,079	17,443,355	1,458,724	8	
Selling and distribution	4,074,106	4,074,106	2,817,520	1,256,586	31	C
Finance Charges	77,131	77,131	32,257	44,874	58	D
Other Expenses	414,449	414,449	83,750	330,699	80	
Total Payments	23,467,765	23,467,765	20,376,882	3,090,883		
Net Receipts			1,772,224	1,772,224		

The accompanying notes are an integral part of the financial statements.

.....
 Prof Aurelia K. N. Kamuzora
 Chairperson


 Primus O. Kimanyo
 Director General

Date: 26th March 2026