



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



AGRICULTURAL SEED AGENCY (ASA)

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL
ON THE FINANCIAL AND COMPLIANCE AUDIT FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2024**

Controller and Auditor General,
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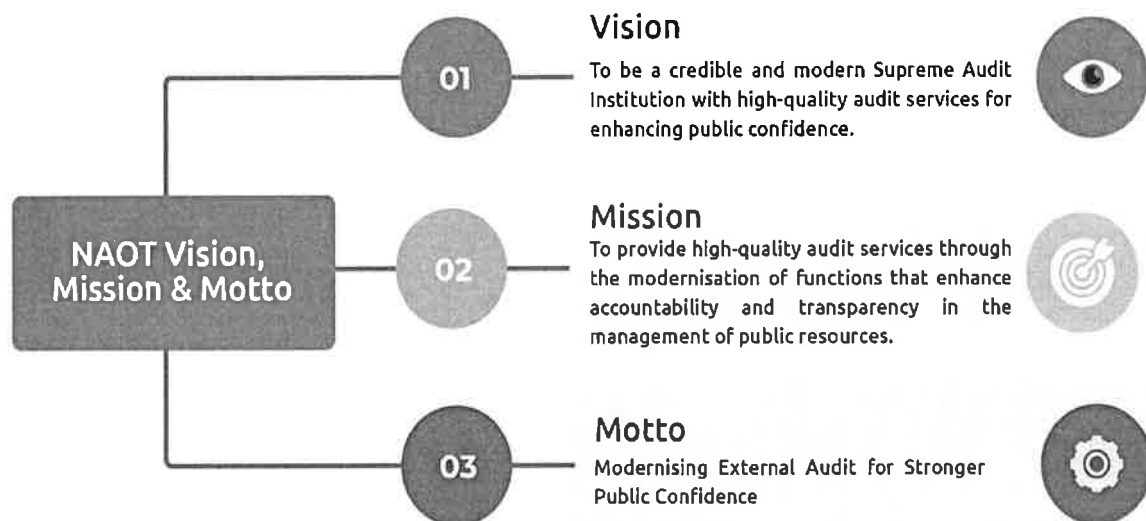
March 2025

AR/CG/ASA/2023/24

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.



Independence and objectivity

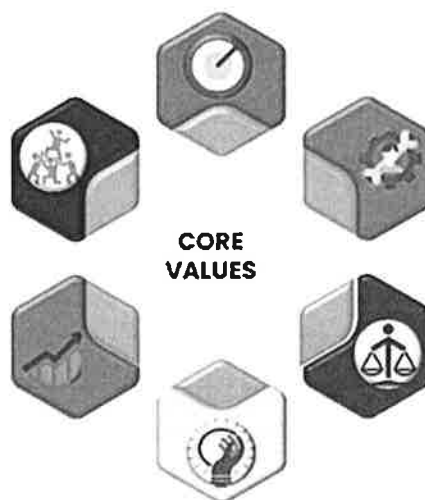
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.



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.

© This audit report is intended to be used by Agricultural Seed Agency 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 Programme
ASA	Agricultural Seed Agency
ASDP II	Agricultural Sector Development Programme Phase Two
CEO	Chief Executive Officer
FYDP II	Five Year National Development Plan Phase Two
GoT	Government of Tanzania
IPSAS	International Public Sector Accounting Standards
MoA	Ministry of Agriculture
MT	Metric Tons
NHIF	National Health Insurance Fund
PSSSF	Public Service Social Security Fund
SDGs	Sustainable Development Goals
TDV	Tanzania Development Vision 2025

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board,
Agriculture 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 2024, 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 Agricultural Seed Agency as at 30 June 2024, 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 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 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 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 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 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.

Further, Section 48(3) of the Public Procurement Act, Cap. 410 requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

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 performed a compliance audit on the procurement of works, goods, and services in the Agricultural Seed Agency for the financial year 2023/24 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that, procurement of goods, works and services of Agricultural Seed Agency is generally in compliance with the requirements of the Public Procurement laws.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in Agricultural Seed Agency for the financial year 2023/24 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that, except for the matters described below, the Budget formulation and execution of Agricultural Seed Agency is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

Under collection of budgeted revenue TZS 6.15 billion

Section 58(b) of the Budget Act 2015 requires a person vested with authority for public revenue collection to be accountable for efficient collection, accounting, and reporting based on applicable law and taking precautions to prevent mismanagement of the revenue.

However, my audit of budget implementation for the financial year 2023/24 found that, ASA budgeted to collect TZS 10,385,179,879 from its own sources. However, the actual revenue collected during the year amounted to TZS 4,238,721,781 equivalent to 41%. In this regard, the agency failed to collect TZS 6,146,458,098 equivalent to 59%.



Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March 2025



THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF AGRICULTURE
AGRICULTURAL SEED AGENCY

18.0 Acknowledgment and appreciation

Agricultural Seed Agency would like to extend special appreciation to the Ministry of Agriculture and Ministerial Advisory Board (MAB) for their constant inspiration, support, and guidance. The Agency is also recognizing a great contribution made by development partners and various stakeholders in the seed industry in Tanzania.



Mr. Leo M. Mavika
CHIEF EXECUTIVE OFFICER

03/02/2025

Date

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF AGRICULTURE
AGRICULTURAL SEED AGENCY

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR THE YEAR ENDED 30 JUNE
2024

Sect. 25(4) of the Public Finance Act No. Cap. 348 [R.E 2020] 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 used and applied consistently, and reasonable and prudent judgments and estimates have been made to prepare the financial statements for the year ended 30th June 2024. The management also confirms that the International Public Sector Accounting Standards (IPSAS) accrual basis has been followed and that the financial statements have been prepared on a going concern basis.

The Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Entity and which enable them to ensure that the financial statements comply with the Public Finance Act, Cap. 348 [R.E 2020] they are also responsible for safeguarding the assets of the Entity and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

This responsibility includes 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, 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 have been done in accordance with the Public Procurement Act No. 7 of 2011 and its Regulations, 2013, as amended in 2016.

In our opinion, management has not been aware that the financial statements do not fairly present all material aspects of the entity's operations and will not remain a going concern for the next twelve months from the date of these statements.



Mr. Leo M. Mavika
Chief Executive Officer

03/02/2025

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 Auditor and Accountants (Registration) Act. No. 33 of 2022, as requires financial statements to be accompanied with 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 Profession Accountant to assist the Board of Directors/Governing Body/Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements.

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

I, **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 2024 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 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: Head of Finance and Accounts Unit

NBAA Membership No: ACPA 5188

Signature: 

Date: 03/02/2025

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

		2023/24	RESTATED 2022/23
ASSETS	Note	TZS	TZS
Current Asset			
Cash and Cash Equivalents	62	1,505,843,049	1,270,787,812
Receivables	67	89,740,100	85,077,000
Inventories	70	718,837,435	1,882,543,950
Total Current Asset		<u>2,314,420,584</u>	<u>3,238,408,762</u>
Non-Current Asset			
Property, Plant and Equipment	77	25,387,214,845	23,060,164,945
Work In Progress	77	11,866,444,043	6,430,957,189
Total Non-Current Asset		<u>37,253,658,888</u>	<u>29,390,573,240</u>
TOTAL ASSETS		<u>39,568,079,472</u>	<u>32,729,530,897</u>
LIABILITIES			
Current Liabilities			
Payables and Accruals	89	1,975,476,250	2,290,702,150
Deferred Income	93	1,424,386,865	1,048,255,507
Deposits	94	37,498,797	-
TOTAL LIABILITIES		<u>3,437,361,912</u>	<u>3,338,957,657</u>
Net Assets		<u>36,130,717,560</u>	<u>29,390,573,240</u>
NET ASSETS			
Capital Contributed by:			
Taxpayers Funds		10,113,939,000	10,113,939,000
Accumulated Surpluses		26,016,778,560	19,276,634,240
TOTAL NET ASSETS		<u>36,130,717,560</u>	<u>29,390,573,240</u>



Dr. Ashura Luzi - Kihupi

Chairperson

03/02/2025

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 2024

		TZS 2023/24	TZS RESTATED 2022/23
REVENUE	Note		
Revenue			
Revenue from Exchange Transactions	17	3,571,408,688	6,543,833,180
Other Revenue	31	14,275,999	148,229,214
Subvention from other Government entities	32	22,986,849,811	19,134,890,294
Reversal of ECL Receivable	90	931,923,844	-
TOTAL REVENUE		27,504,458,342	25,826,952,688
EXPENSES AND TRANSFERS			
Expenses			
Wages, Salaries and Employee Benefits	34	4,848,534,843	2,623,078,526
Use of Goods and Service	35	13,370,019,133	11,300,141,474
Maintenance Expenses	36	1,722,568,080	2,333,027,469
Other Expenses	52	162,308,185	538,334,399
ECL Expenses	53	5,985,109	2,666,361,485
Depreciation of PPE	77	634,898,672	168,981,061
Total Expenses		20,744,314,022	19,629,924,413
Transfer			
Other Transfers	60	20,000,000	-
Total Transfer		20,000,000	-
TOTAL EXPENSES AND TRANSFERS		20,764,314,022	19,629,924,413
Surplus		6,740,144,320	6,197,028,275


Dr. Ashura Luzi - Kihupi
Chairperson

23/02/2025
Date

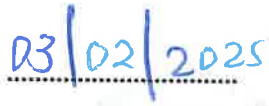

Mr. Leo M. Mavika
Chief Executive Officer

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

STATEMENT OF CHANGES IN NET ASSET AND EQUITY FOR THE PERIOD ENDED 30 JUNE 2024

	Taxpayer's Fund	Accum. Surplus/(Deficit) TZS	Total TZS
Opening Balance as at 01 Jul 2023	10,113,939,000	19,276,634,240	29,390,775,240
Surplus/ Deficit for the Year	-	6,740,144,320	6,740,144,320
Closing Balance as at 30 Jun 2024	10,113,939,000	26,016,778,560	36,130,717,560
Opening Balance as at 01 Jul 2022	10,113,939,000	13,079,605,965	23,193,544,961
Surplus/ Deficit for the Year	-	6,197,028,275	6,197,028,275
Closing Balance as at 30 Jun 2023- Restated	10,113,939,000	19,276,634,240	29,390,573,240


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Dr. Ashura Luzi -
Kihupi
Chairperson



.....
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 2024**

	Note	2023/24 TZS	2022/23 TZS
CASH FLOW FROM OPERATING ACTIVITIES			
RECEIPTS			
Subvention from other Government entities	32	20,022,335,305	18,869,817,386
Revenue from Exchange Transactions	17	4,498,669,432	5,410,124,430
Other Revenue	31	14,275,999	148,229,214
Increase in Deposit	94	37,498,797	-
Total Receipts		24,572,779,533	24,428,171,030
PAYMENTS			
Wages, Salaries and Employee Benefits	34	2,073,393,843	2,623,078,526
Use of Goods and Service	35	12,521,538,518	12,286,414,853
Other Transfers	60	20,000,000	-
Other Expenses	52	162,308,185	538,334,399
Maintenance Expenses	36	1,722,568,080	2,333,027,469
Total Payments		16,499,808,626	17,780,855,247
NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES		8,072,970,908	6,647,315,783
CASH FLOW FROM INVESTING ACTIVITIES			
Investing Activities			
Payment for Work in Progress	77	5,571,143,929	(5,529,230,172)
Acquisition of Property, Plant and Equipment	77	(2,260,786,633)	(124,708,857)
Total Investing Activities		(7,831,930,562)	(5,653,939,029)
NET CASH FLOW (USED IN) INVESTING ACTIVITIES		(7,831,930,562)	(5,653,939,029)
Net cash Increase		241,040,346	993,376,754
 Cash and Cash Equivalent at Beginning of Period		 1,273,982,702	 280,605,948
Cash and Cash Equivalent at End of Period		1,515,023,048	1,273,982,702


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Dr. Ashura Luzi - Kihupi

Chairperson

03/02/2025
.....

Date


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**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 PERIOD ENDED 30 JUNE 2024

	Original Budget TZS	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	59,878,730,863	0	59,878,730,863	20,022,335,305	39,856,395,558
Revenue from Exchange Transactions	9,606,273,058	0	9,606,273,058	4,498,669,432	5,107,603,626
Other Revenue	909,133,005	0	909,133,005	14,275,999	894,857,006
Increase in Deposit	0	0	0	37,498,797	(37,498,797)
Total Receipts	70,394,136,926	0	70,263,910,742	24,572,779,533	45,811,357,393
PAYMENTS					
Wages, Salaries and Employee Benefits	6,565,993,000	365,782,000	6,931,775,000	2,073,393,843	4,858,381,157
Use of Goods and Service	33,261,963,604	(168,782,000)	33,093,181,604	12,521,538,518	21,337,713,029
Other Transfers	20,000,000	0	20,000,000	20,000,000	0
Other Expenses	3,390,959,488	(60,000,000)	3,330,959,488	162,308,185	3,168,651,303
Maintenance Expenses	4,258,520,500	(137,000,000)	4,121,520,500	1,722,568,080	2,398,952,420
Acquisition of Property, Plant and	22,896,700,334	0	22,896,700,334	7,831,930,562	14,298,699,830
Total Payment	70,394,136,926	0	70,394,136,926	24,331,739,187	43,217,630,188
Net Receipts/Payments	0	0	0	241,040,346	(241,040,346)
<div style="display: flex; justify-content: space-between;"> <div> <p>..... Dr. Ashura Luzi - Kihupi Chairperson</p> </div> <div> <p>..... Mr. Leo M. Mavika Chief Executive Officer</p> </div> </div>					
<div style="display: flex; justify-content: space-between;"> <div> <p>..... Dr. Ashura Luzi - Kihupi Chairperson</p> </div> <div> <p>..... Mr. Leo M. Mavika Chief Executive Officer</p> </div> </div>					

Controller and Auditor General

AR/CG/ASA/2023/24

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

CASH FLOW RECONCILIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2023/24	RESTATED 2022/23
	TZS	TZS
Cash and Cash Equivalent as per		
Cash Flow Statement	1,515,023,048	1,273,982,702
Statement of Financial Position	1,505,843,049	1,270,787,812
Difference	9,179,999	3,194,890
 Reconciliation of Cash Flow from Operating Activities		
Surplus from the period	6,740,144,320	6,197,028,275
Adjustment to reconcile net Surplus to:		
Depreciation of property and equipment	634,898,672	168,981,061
Subvention from other Government Entities	(565,504,864)	(1,330,896,925)
Unapplied Deposit Account	37,498,797	
Deferred Income (Recurrent)	376,131,358	1,048,255,508
Inventories	1,163,706,515	471,945,651
Accounts Payable	(315,225,900)	(1,355,573,522)
Provision for ECL	5,985,109	2,666,361,485
Accounts Receivable	(4,663,100)	(1,218,785,750)
Net Cash Flow/(Cash Used)from Operating Activities	8,072,970,908	6,647,315,783


Dr. Ashura Luzi - Kihupi
Chairperson

03/02/2025
Date


Mr. Leo M. Mavika
Chief Executive Officer