



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



TANZANIA DAIRY BOARD (TDB)

**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

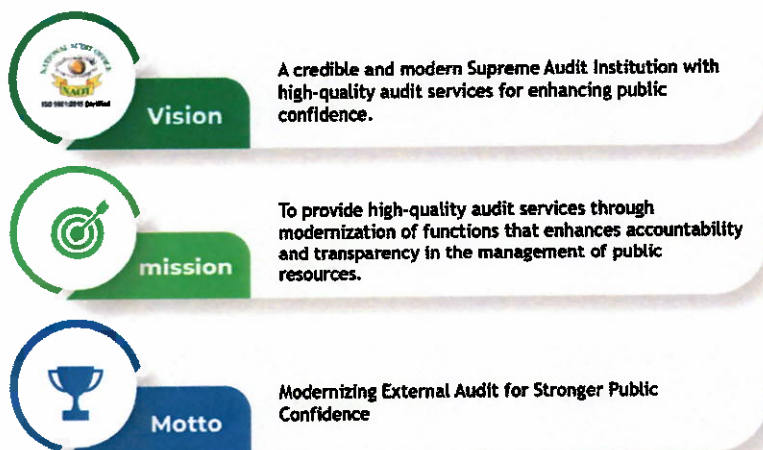
AR/PA/TDB/2024/25

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 Dairy Board 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

1.0	INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL.....	1
2.0	THE REPORT BY THE PERMANENT SECRETARY FOR YEAR ENDED 30 JUNE 2025	6
3.0	STATEMENT OF RESPONSIBILITIES BY THE PERMANENT SECRETARY	21
4.0	DECLARATION OF HEAD OF FINANCE AND ACCOUNTS	22
5.0	FINANCIAL STATEMENT	23

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

The Permanent Secretary,
Ministry of Livestock & Fisheries,
P.O. Box 17029,
40487 DODOMA, TANZANIA

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Tanzania Dairy 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 Dairy 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.

Basis of 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 Dairy 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.

Emphasis of Matter

I draw attention to the matters below. My opinion is not modified in respect of these matters.

1. Material Uncertainty on Board's Going Concern

Merging of Tanzania Dairy Board (TDB) with Tanzania Meat Board (TMB)

Following economic reforms undertaken by the Government on its Public Institutions, the Office of the Treasury Registrar, via letter No. CEA.195/289/01/24 dated 14 February 2024, notified management that Tanzania Dairy Board will be merged with Tanzania Meat Board to form one entity that will deal with Livestock Products and Infrastructures Development. Consequently, the TDB Board of Directors handed over its powers and responsibilities to the Permanent Secretary of the Parent Ministry on 9 May 2024. Although the merging of the two Institutions was not done within the planned period, the Government decision has not been rescinded and might be concluded within the succeeding twelve months from the end of the current financial year. Therefore, the Dairy Board's continuity in carrying out its establishment duties in the near future is uncertain.

2. Inadequate Control over Imprests

I noted that Imprests amounting to TZS 125,249,722 remained unretired as of the end of the financial year, Contrary to Regulation 103 (1) of the Public Finance Regulations 2001, which requires imprests to be retired as soon as the necessity for them ceases to exist and not later than the end of the Financial Year.

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 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.

The Permanent Secretary for the Ministry of Livestock and Fisheries is responsible for overseeing the entity's financial reporting process.

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

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

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional 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 Dairy 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, Tanzania Dairy Board 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 Tanzania Dairy Board 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.

Conclusion

Based on the audit procedures performed, I conclude that, Tanzania Dairy Board 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



3.0 STATEMENT OF RESPONSIBILITIES BY THE PERMANENT SECRETARY FOR THE YEAR ENDED 30 JUNE 2025

The Permanent Secretary (PS) for the Parent Ministry is responsible for ensuring that the TDB prepares Financial Statements that provide a true and fair view of the state of affairs as at the end of the financial year. The PS is also responsible for safeguarding the assets of the Dairy Board.

The PS accepts the responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with the requirements of the International Public Sector Accounting Standards (IPSAS).

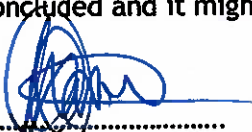
The PS further accepts responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal control. As PS, I am responsible for safeguarding the assets of TDB and hence taking a reasonable step for prevention and detection of fraud, errors and other irregularities.

To the best of his/her knowledge, the system of internal control has operated adequately throughout the reporting period and that the accounts and underlying records provide a reasonable basis for the preparation of the financial statements for the year ended 30 June 2025.

The PS accept responsibility for the integrity of the financial statements, the information they contain, and their compliance with the Public Finance Act, Cap 348 and Dairy Industry Act 2004 and instructions from the Ministry of Livestock and Fisheries.

As reported in the paragraph below; the PS is aware that the entity might not remain a going concern in the next twelve months following the Government decision to merge it with Tanzania Meat Board.

According to a letter with Ref. No. CEA.195/289/01/24 dated 14 February 2024 from the Office of the Treasury Registrar, Tanzania Dairy Board will be merged with Tanzania Meat Board. The merger was planned to take place in 2024/25 but merger modalities are yet to be concluded and it might be made in 2025/26 or the succeeding financial year.


.....
Bi Agnes Kisaka Meena
Permanent Secretary

Date: 27.03.2026


.....
Prof. George M. Msalya
Registrar

Date: 27.03.2026

4.0 DECLARATION OF HEAD OF FINANCE AND ACCOUNTS

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/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/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 as under Directors Responsibility statement on an earlier page.

I, CPA Richard Julius Masini being Acting Head of Finance and Accounts of Tanzania Dairy Board hereby acknowledge my responsibility of ensuring that financial statements for 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 Tanzania Dairy Board as on that date and that they have been prepared based on properly maintained financial records.



.....
CPA Richard Julius Masini
Ag. Head of Finance and Accounts

Date.....27/03/2026.....

NBAA Membership No. ACPA 2811

5.0 FINANCIAL STATEMENT

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	NOTES	30 June 2025 TZS	30 June 2024 TZS
ASSETS			
Current Asset			
Cash and Cash Equivalents	3	19,632,730	11,563,635
Receivables	4	131,479,722	9,422,500
Prepayments	4A	795,409	60,161,079
Inventories	5	<u>3,248,304</u>	<u>888,980</u>
Total Current Asset		<u>155,156,165</u>	<u>82,036,194</u>
Non-Current Asset			
Property and Equipment	6	<u>217,731,504</u>	<u>79,849,625</u>
Total Non-Current Asset		<u>217,731,504</u>	<u>79,849,625</u>
TOTAL ASSETS		<u>372,887,669</u>	<u>161,885,819</u>
LIABILITIES			
Current Liabilities			
Payables and Accruals	7	<u>205,052,896</u>	<u>288,995,283</u>
Total Current Liabilities		<u>205,052,896</u>	<u>288,995,283</u>
NET ASSETS/(LIABILITIES)		<u>167,834,773</u>	<u>(127,109,464)</u>
NET ASSETS			
Taxpayers' Fund	8	-	-
Accumulated Surplus / (Deficit)		<u>167,834,773</u>	<u>(127,109,464)</u>
TOTAL EQUITY/(DEFICIT)		<u>167,834,773</u>	<u>(127,109,464)</u>

Notes 1 to 22 form part of financial statements which were approved for issue and signed on behalf of the Board of Directors by:


 Bi Agnes Kisaka Meena
 Permanent Secretary

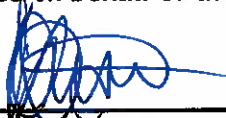

 Prof. George M. Msalya
 Registrar

Date: 27.03.2026

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

REVENUE	NOTES	2024/25 TZS	2023/24 TZS
Revenue from Non-exchange Transactions			
Government Subvention	9	1,199,292,737	1,400,351,254
Revenue Grants from Donors	10	<u>37,940,000</u>	<u>32,590,000</u>
Total Revenue from Non-exchange Transactions		<u>1,237,232,737</u>	<u>1,432,941,254</u>
Revenue Exchange Transactions			
Revenue from Internal Activities	11	664,155,110	481,785,692
Other Revenue			
Fines	12	<u>79,706,705</u>	<u>72,051,647</u>
Total Revenue from Exchange Transactions		<u>743,861,815</u>	<u>553,837,339</u>
TOTAL REVENUE		<u>1,981,094,552</u>	<u>1,986,778,593</u>
LESS: EXPENSES AND TRANSFERS			
Expenses:			
Salaries, Wages and Employees' Benefits	13	1,246,050,789	1,534,360,810
Goods and Services Used	14	342,905,058	344,278,575
Maintenance Expenses	15	5,509,631	13,884,860
Other Expenses	16	64,066,716	85,047,779
Depreciation of Property, Plant and Equipment	6	<u>12,118,121</u>	<u>8,409,458</u>
Total Expenses		<u>1,670,650,315</u>	<u>1,985,981,482</u>
Transfers:	17	<u>15,500,000</u>	<u>15,275,000</u>
TOTAL EXPENSES AND TRANSFERS		<u>1,686,150,315</u>	<u>2,001,256,482</u>
NET SURPLUS/(DEFICIT) FOR THE YEAR		<u>294,944,237</u>	<u>(14,477,889)</u>

Notes 1 to 22 form part of financial statements which were approved for issue and signed on behalf of the Board of Directors by:


 Bi Agnes Kisaka Meena
 Permanent Secretary


 Prof. George M. Msalya
 Registrar

Date: 27.03.2026

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

Particulars	Taxpayers' Fund	Accumulated Surplus/(Deficit	Total
	TZS	TZS	TZS
Opening Balance as at 01 July 2023	-	(112,631,575)	(112,631,575)
Surplus/(Deficit) for the period	-	(14,477,889)	(14,477,889)
Closing Balance as at 30 June 2024	-	(127,109,464)	(127,109,464)
Opening Balance as at 01 July 2024	-	(127,109,464)	(127,109,464)
Surplus/(Deficit) for the period	-	294,944,237	294,944,237
Closing Balance as at 30 June 2025	-	167,834,773	167,834,773

Notes 1 to 22 form part of financial statements which were approved for issue and signed on behalf of the Board of Directors by:


Bi Agnes Kisaka Meena
Permanent Secretary

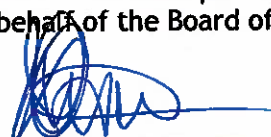

Prof. George M. Msalya
Registrar

Date: 27.03.2026

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 June 2025

CASH FLOW FROM OPERATING ACTIVITIES	NOTE	2024/25	2023/24
RECEIPTS:		TZS	TZS
Receipts from Non-Exchange Transactions			
Government Subvention	19[A] (i)	1,199,292,737	1,396,016,634
Grants from Donors	10	37,940,000	32,590,000
Receipts from Exchange transactions	19[A] (ii)	542,097,888	478,593,192
Receipts from Other Revenue	12	<u>79,706,709</u>	<u>72,051,647</u>
TOTAL RECEIPTS		<u>1,859,037,334</u>	<u>1,979,251,473</u>
Payments:			
Salaries, Wages, and Employees' Benefits	19[B] (i)	1,271,848,492	1,541,410,666
Supplies and Consumables Used	19[B] (ii)	365,204,982	298,271,201
Maintenance Expenses	15	5,509,632	13,884,860
Other Expenses	19[B] (iii)	102,013,823	89,278,570
Grants and other Transfer Payments	17	<u>15,500,000</u>	<u>15,275,000</u>
TOTAL PAYMENTS		<u>1,760,076,929</u>	<u>1,958,120,297</u>
Net Cash from operating Activities		<u>98,960,315</u>	<u>21,131,176</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Advance for purchase of Motor Vehicle	4	(90,634,330)	(21,115,670)
Acquisition of Property, Plant and Equipment	6	<u>-</u>	<u>(2,700,000)</u>
CASH FLOW USED IN INVESTING ACTIVITIES		<u>(90,634,330)</u>	<u>(23,815,670)</u>
Net Cash Increase/(Decrease) during the period		8,325,985	(2,684,494)
Cash and cash equivalent at beginning of period		<u>11,563,635</u>	<u>14,248,129</u>
Cash and cash equivalent at the end of the period		<u>19,889,620</u>	<u>11,563,635</u>

Notes 1 to 22 form part of financial statements which were approved for issue and signed on behalf of the Board of Directors by:


 Bi Agnes Kisaka Meena
 Permanent Secretary


 Prof. George M. Msalya
 Registrar

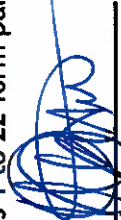
Date: 27.03.2026

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

Particulars	Original Budget	Final Budget	Actual Amounts on comparable basis	Variance		Explanatory Notes
	TZS	TZS	TZS	TZS	%	
REVENUE						
From Non-Exchange Transactions:						
Government Grants:						
Subvention for PE and O/C	1,491,239,499	1,491,239,499	1,199,292,737	(291,946,762)	(20)	A1
Grants from Dairy Stakeholders:						
Donations for Milk Week Exhibition	0	0	37,940,000	37,940,000	100	A2
Total Revenue from Non-exchange Transactions	1,491,239,499	1,491,239,499	1,237,232,737	(254,006,762)	(17)	
Revenue from Exchange Transactions:						
Import Fees	966,000,000	966,000,000	499,039,578	(467,960,422)	(48)	B1
Export Fees	15,000,000	15,000,000	9,600,000	(5,400,000)	(36)	B2
Registration Fees	48,600,000	48,600,000	25,866,310	(22,733,690)	(46)	B3
Project and Dissertation and Supervision	13,800,000	13,800,000	7,580,000	(6,220,000)	(45)	B3
Sale of Publications	9,600,000	9,600,000	6,000	(9,594,000)	(99)	B4
Miscellaneous Revenue	15,000,000	15,000,000	-	(15,000,000)	(100)	C
Other Revenue - (Fines and Penalties)	132,000,000	132,000,000	79,706,705	(52,293,295)	(40)	D
Total Revenue from Exchange Transactions	1,200,000,000	1,200,000,000	621,798,593	579,210,407	(47)	
TOTAL REVENUE (Recurrent)	2,691,239,499	2,691,239,499	1,859,031,330	833,217,169	(31)	
Capital Grant - Local	0	0	0	0	0	
TOTAL REVENUE	2,691,239,499	2,691,239,499	1,859,031,330	833,208,169	(31)	

Particulars	Original Budget	Final Budget	Actual Amount (On Cash Basis)	Variance		Explanatory Notes
	TZS	TZS	TZS	TZS	%	
EXPENSES:						
Wages, Salaries and Employee Benefits	1,762,000,000	1,762,000,000	1,271,848,492	490,151,508	38	F
Supplies and Consumables Used	688,417,499	688,417,499	365,204,882	323,212,617	88	G
Maintenance Expenses	18,622,000	18,622,000	5,509,632	13,112,368	237	H
Other Expenses	61,300,000	61,300,000	102,013,823	(40,713,823)	(39)	I
Transfers	23,000,000	23,000,000	15,500,000	7,500,000	48	
TOTAL PAYMENT (Recurrent)	2,553,339,499	2,553,339,499	1,760,076,829	793,262,670	31	
CAPITAL EXPENDITURE						
Acquisition of Property, Plant and Equipment	137,900,000	137,900,000	90,634,300	47,265,700	34	K
TOTAL EXPENDITURE	2,691,239,499	2,691,239,499	1,850,711,129	840,528,370	31	
SURPLUS/(DEFICIT) FOR THE PERIOD	0	0	8,325,985	0		

Notes 1 to 22 form part of financial statements which were approved for issue and signed on behalf of the Board of Directors by:


 Bi Agnes Kisaka Meena
 Permanent Secretary


 Prof. George M. Msalya
 Registrar

Date: 27.03.2026