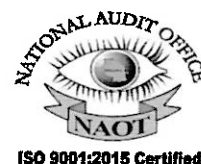




**THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE**



TANZANIA EDUCATION AUTHORITY

**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
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March 2026

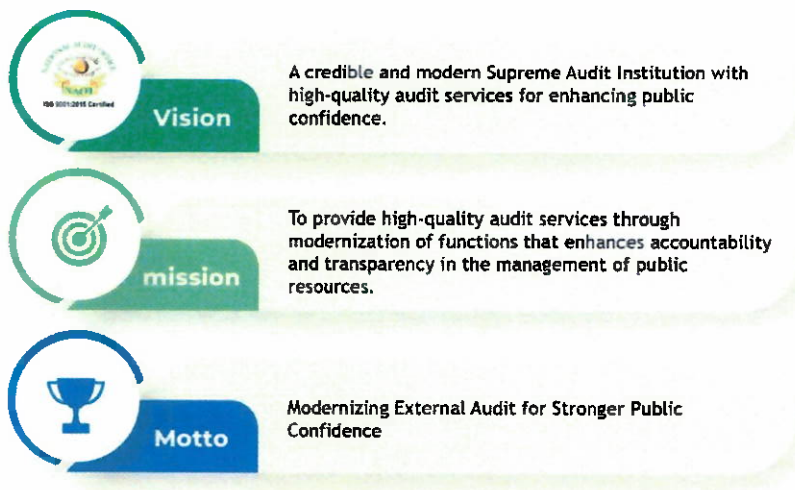
AR/PA/TEA/2024/25

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

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Abbreviations

AIDS	Acquired Immunodeficiency Syndrome
ALAT	Association of Local Authorities in Tanzania
BOT	Bank of Tanzania
CAG	Controller and Auditor General
CPA	Certified Public Accountant
CSR	Corporate Social Responsibility
EWRMF	Entity Wide Risk Management Framework
FCCA	Fellow Member of Association of Chartered Certified Accountants
FFARS	Facility Financial Accounting System
FY	Financial year
GPSA	Government Procurement Service Agency
HCMIS	Human Capital Management Information System
HIV	Human Immunodeficiency Virus
ICT	Information Communication Technology
	International Ethics Standards Board of Accountants' Code of Ethics for
IESBA	Professional Accountants
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
MBA	Master of Business Administration
MEC	Masters of Economics
MoEST	Ministry of Education, Science and Technology
MSc	Master of Science
MTEF	Medium Term Expenditure Framework
MUSE	Mfumo wa Ulipaji Serikali
NBAA	National Board of Accountants and Auditors
NHIF	National Health Insurance Fund
PST	Present in the Meetings
SDF	Skills Development Fund
TEA	Tanzania Education Authority
TZS	Tanzania Shillings

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board,
Board of Directors,
Tanzania Education Authority (TEA),
P.O. Box 2516,
Dodoma, Tanzania

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Tanzania Education Authority which comprise the statement of financial position as at 30 June 2025, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Tanzania Education Authority (TEA) 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 Education Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

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

Other Information

Management is responsible for the other information. The other information comprises the background information of the Project, statement of management responsibility, 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 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 Education Authority for the year ended 30 June 2025 as per the Public Procurement Act, 2023 the Public Procurement Regulations, 2024, and related directives. I examined each phase of the procurement life cycle, including advertising of tenders, evaluation of bids, award of contracts and contract management, to confirm that the entity issued competitive solicitations, applied approved evaluation criteria, secured authorizations before award and maintained complete transaction records.

Conclusion

Based on the audit procedures performed, I conclude that, except for the matters described below, Tanzania Education Authority generally complies, in all material respects, with the requirements of the Public Procurement laws in Tanzania.

Delay in approval and publication of Annual Procurement Plan (APP) TZS 1.13 billion

Section 38(1)(l) of the Public Procurement Act (PPA), 2023 requires the Accounting Officer to publish the Annual Procurement Plan upon its approval by the budget approving authority. Likewise, Regulation 80 of the Public Procurement Regulations (PPR), 2024 requires procuring entities to prepare and publish the Annual Procurement Plan (APP) through the electronic public procurement system (NeST) within fourteen days after the completion of the budgeting process.

However, I noted that the Authority had an Annual Procurement Plan (APP) amounting to TZS 1,134,557,597 for the financial year 2024/25, which was approved on 11 October 2024 during the 81st Ordinary Board Meeting instead of shortly after the budgeting process was completed in June 2024. Consequently, the APP was not published in NeST within the required 14-day period, resulted in a three months delay in initiating and executing planned procurements such as tenders for the provision of security services and food and refreshments.

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 Education Authority for the year ended 30 June 2025 as per the Budget Act, Cap. 439, and the Budget Guidelines issued by the Ministry of Finance. I reviewed budget submissions, approval memoranda, commitment registers, ledger entries and variance analyses to confirm that the entity prepared estimates in the prescribed format, obtained timely authorizations before incurring obligations, recorded transactions accurately and reported variances as required.

Conclusion

Based on the audit procedures performed, I conclude that, Tanzania Education Authority generally 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 RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

It is the solemn duty of those charged with governance to prepare the financial statements of the Authority. These statements are mandated to present a true and fair view, adhering strictly to applicable standards, rules, regulations, and legal provisions. This responsibility encompasses the entirety of the financial year, commencing from its initiation until the date of approval of the audited financial statements by those charged with governance. The obligation extends to all individuals who assumed the role of those charged with governance at any point during the period covered by the financial statements.

The Public Corporations Act, 1992, requires those Charged with Governance to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Authority at the end of the financial year. It also requires those Charged with Governance to ensure that the Authority keeps proper accounting records that disclose, with reasonable accuracy, the financial position of Authority. They are also responsible for safeguarding the assets of the Authority and hence taking reasonable steps for the prevention and detection of fraud, error, and other irregularities.

Those Charged with Governance further accept responsibility for the financial statements herein, 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) as issued by the International Public Sector Accounting Standards Board (IPSASB) and a manner required by the Public Corporations Act, 1992, The Public Finance Act, Cap 348, NBAA's Pronouncements and the Education Fund Act, Cap 412.

Those Charged with Governance are of the opinion that the financial statements give a true and fair view of the Authority's state of the financial affairs and of its operating results for the year ended 30 June, 2025. 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 Authority'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. Nothing has come to the attention of the Directors to indicate that the Authority will not remain a going concern for at least twelve months from the date of this statement.

Signature.....
Name: Mr. Elirehema Mollel
Acting Board Chairman
Date: 16-03-2026

Signature.....
Name: Dr. Erasmus Fabian Kipsha
Director General
Date: 16-03-2026

4.0 DECLARATION OF THE HEAD OF FINANCE FOR THE YEAR ENDED 30 JUNE 2025

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. 7 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 Authority to discharge the responsibility of preparing Financial Statements of an entity showing a true and fair view of the entity's financial position and performance in accordance with applicable International Public Sector Accounting Standards (IPSASs) and statutory financial reporting requirements.

Full legal responsibility for the preparation of Financial Statements rests with the Authority's Board as stated in the Statement of Directors' Responsibilities under section 22.0 of this report.

I, CPA Tadei Z. Mwita, being the Head of Finance/Accounting of Tanzania Education Authority hereby acknowledge my responsibility of ensuring that the 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 comply with applicable accounting standards and statutory requirements as at that date and that they have been prepared based on properly maintained financial records.



.....

CPA Tadei Z. Mwita

Position: Acting Finance and Accounts Manager.

NBAA Membership No.: ACPA 3585

Date: 16-03-2026

5.0 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

ASSETS		2024/25	2023/24
	NOTE	TZS	TZS
Current Asset			
Cash and Cash Equivalents	16	3,484,937,235	2,569,654,743
Inventories	19	3,449,750	13,338,755
Prepayments	18	20,687,094	100,316,300
Receivables	17	230,301,483	239,079,650
Total Current Assets		3,739,375,562	2,922,389,448
Non-Current Assets			
Property, Plant and Equipment	30	5,247,121,339	5,379,204,692
Total Non-Current Asset		5,247,121,339	5,379,204,792
TOTAL ASSETS		8,986,496,901	8,301,594,140
LIABILITIES			
Current Liabilities			
Deferred Income	21	2,411,801,357	1,516,899,427
Deposits	22	72,499,213	71,162,976
Payables and Accruals	20	179,212,170	163,629,550
Total Current Liabilities		2,663,512,740	1,751,691,953
TOTAL LIABILITIES		2,663,512,740	1,751,691,953
Net Assets		<u>6,322,984,161</u>	<u>6,549,902,187</u>
NET ASSETS/EQUITY			
Capital Contributed by:			
Taxpayers Fund		2,881,574,727	2,881,574,727
Accumulated Surpluses / Deficits		3,441,409,434	3,668,327,460
TOTAL NET ASSETS/EQUITY		<u>6,322,984,161</u>	<u>6,549,902,187</u>

Notes form part of financial statements

Signature.....
Name: Mr. Elirehema Mollel
Acting Board Chairman

Date: 16-03-2026

Signature.....
Name: Dr. Erasmus Fabian Kipsha
Director General

Date: 16-03-2026

TANZANIA EDUCATION AUTHORITY (TEA)

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

				2024/25	2023/24
				TZS	TZS
REVENUE	NOTE				
Revenue from Non-Exchange Transactions	6			12,410,671,774	15,394,773,383
Revenue from Exchange Transactions	7			259,136,330	290,805,203
ECL Reversal	8			-	40,062,111
Gain on Disposal	30			1,981,240	-
Impairment Reversal	30			57,630,566	-
TOTAL REVENUE				12,729,419,910	15,725,640,697
EXPENSES AND TRANSFERS					
Expenses					
Depreciation of Property, Plant and Equipment	30			260,804,658	197,288,583
Expected Credit Loss	12			70,489,612	-
Obsolete Inventories Expenses	13			-	46,814,800
Maintenance Expenses	11			78,577,169	100,888,828
Other Expenses	14			221,392,513	142,419,459
Use of Goods and Service	10			1,815,377,745	1,290,527,182
Wages, Salaries and Employee Benefits	9			3,697,418,072	3,648,003,561
Total Expenses				6,144,059,769	5,425,942,413
Transfers					
Grants Subsidies and Transfers	15			6,812,278,167	9,078,027,179
TOTAL EXPENSES AND TRANSFERS				12,956,337,936	14,503,969,592
Surplus for the year				(226,918,026)	1,221,671,705

Notes form part of financial statements

Signature.....
Name: Mr. Elirehema Mollel
Acting Board Chairman

Date: 16-03-2026

Signature.....
Name: Dr. Erasmus Fabian Kipsha
Director General

Date: 16-03-2026

Controller and Auditor General

TANZANIA EDUCATION AUTHORITY (TEA)

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

	TAXPAYERS' FUND	ACCUMULATE D SURPLUS	TOTAL
PARTICULARS	TZS	TZS	TZS
Opening Balance as at 01 Jul 2024	2,881,574,727	3,668,327,460	6,549,902,187
Deficit for the Year	-	(226,918,026)	(226,918,026)
Closing Balance as at 30 June 2025	2,881,574,727	3,441,409,434	6,322,984,161
Opening Balance as at 01 Jul 2023	2,881,574,727	2,446,656,355	5,328,231,082
Surplus for the Year		1,221,671,105	1,221,671,105
Closing Balance as at 30 June 2024	2,881,574,727	3,668,327,460	6,549,902,187

Notes form part of financial statements

Signature 
Name: Mr. Elirehema Mollel
Acting Board Chairman
Date: 16-03-2026

Signature 
Name: Dr. Erasmus Fabian Kipsha
Director General
Date: 16-03-2026

TANZANIA EDUCATION AUTHORITY (TEA)

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

CASH FLOW FROM OPERATING ACTIVITIES		2024/25	2023/24
RECEIPTS	NOTE	TZS	TZS
Subvention from other Government entities and Revenue Grants	23	13,244,273,704	14,266,470,857
Increase in Deposits	25	1,336,237	1,424,933
Financing Income	26	114,773,789	197,993,199
Fees, Fines, Penalties and Forfeits	27	16,553,459	29,522,135
Loan repayments	24	57,319,471	302,750,211
Total Receipts		13,434,256,660	14,798,161,335
PAYMENTS			
Wages, Salaries and Employee Benefits	28	3,697,918,072	3,648,741,161
Use of Goods and Service	29	1,639,698,747	1,434,777,611
Grants and Transfers	15	6,812,278,167	9,078,027,179
Other Expenses	14	221,392,513	142,419,459
Maintenance Expenses	11	78,577,169	100,888,828
Total Payments		12,449,864,668	14,404,854,238
NET CASH FROM OPERATING ACTIVITIES		984,391,992	393,307,097
CASH FLOW FROM INVESTING ACTIVITIES			
Investing Activities			
Acquisition of Property, Plant and Equipment	30	(73,939,500)	(915,853,898)
Proceeds from Disposal of Non-Current Assets		4,830,000	-
NET CASH FLOW USED IN INVESTING ACTIVITIES		(69,109,500)	(915,853,898)
Net Change Cash and cash equivalent		915,282,492	(522,546,801)
Cash and cash equivalent at beginning of period		2,570,208,688	3,092,755,489
Cash and cash equivalent at end of period		3,485,491,180	2,570,208,688

Notes form part of financial statements

Signature 
Name: Mr. Elirehema Mollel
Acting Board Chairman

Date: 16-03-2026

Signature 
Name: Dr. Erasmus Fabian Kipsha
Director General

Date: 16-03-2026

TANZANIA EDUCATION AUTHORITY (TEA)

STATEMENT OF BUDGET VS ACTUAL FOR THE YEAR ENDED 30 JUNE 2025

DETAILS	ORIGINAL BUDGET	REALLOCATION/ADJUSTMENT	FINAL BUDGET (B)	ACTUAL AMOUNT ON COMPARISON BASIS (A)	DIFFERENT FINAL BUDGET & ACTUAL (B-A)	VARIANCE
	TZS	TZS	TZS	TZS	TZS	
RECEIPTS						
Fees, Fines, Penalties and Forfeits	188,800,000	-	188,800,000	16,553,459	(172,246,541)	Underperformance was due to noncompliance by loaned institutions to repayment schedules
Financing Income	200,000,000	-	200,000,000	114,773,789	(85,226,211)	Underperformance was due to noncompliance by loaned institutions to repayment schedules
Other Revenue	5,989,500	-	5,989,500	4,830,000.00	(1,159,500)	
Principal Loans Collection	664,200,000	-	664,200,000	57,319,471	(606,880,530)	Underperformance was due to noncompliance by loaned institutions to repayment schedules
Subvention from other Government entities and Revenue Grants	22,938,428,893	14,120,000,000	37,052,439,393	13,244,273,704	(23,808,315,688)	Unfavorable Variance was due delayed flow of government subvention
Increase in Deposits		-	-	1,336,237	513,605	Deposits were not budgeted for.
Total Receipts	23,997,418,393	14,120,000,000	38,111,428,893	13,439,086,660	(24,673,314,865)	
PAYMENTS						
Maintenance Expenses	158,313,381	0	158,313,381	78,577,169	79,736,212	Favorable variance was due to effective control of expenditure
Other Expenses	273,278,610.00	(5,989,500)	267,289,110	221,392,513	45,896,597	Favorable variance was due to effective control of expenditure
Other Transfers	16,699,647,375	13,555,200,000	30,254,847,375	6,812,278,167	23,442,569,208	Favorable variance was due delayed implementation of construction projects as a result of delayed flow of collections

TANZANIA EDUCATION AUTHORITY (TEA)

DETAILS	ORIGINAL BUDGET	REALLOCATION/ADJUSTMENT	FINAL BUDGET (B)	ACTUAL AMOUNT ON COMPARISON BASIS (A)	DIFFERENT FINAL BUDGET & ACTUAL (B-A)	VARIANCE
	TZS	TZS	TZS	TZS		
Use of Goods and Service	2,468,237,551	564,800,000	3,033,037,551	1,639,698,747	1,394,161,436	Favorable variance was due to effective control of expenditure
Wages, Salaries and Employee Benefits	4,346,051,298	0	4,346,051,298	3,697,918,072	648,133,226	Favorable variance was a result of vacancy in some posts including Management positions
Acquisition of Property, Plant and Equipment	51,890,178	0	51,890,178	73,939,500	(22,049,322)	Unfavorable variance from resulted capitalization of major repair of a motor vehicle.
Total Payment	23,997,418,393	14,114,010,500	38,111,428,893	12,523,804,168	25,588,447,357	
Surplus/Deficit			-	915,282,492		

Notes form part of financial statements

Signature.....
Name: Mr. Elirehema Mollel
Acting Board Chairman
Date: 18-03-2026

Signature.....
Name: Dr. Erasmus Fabian Kipasha
Director General
Date: 16-03-2026