



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



ENGINEERS REGISTRATION BOARD

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS AND COMPLIANCE AUDIT FOR THE FINANCIAL
YEAR ENDED 30 JUNE 2022**

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AR/PA/ERB/2021/22

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.

Vision

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

Mission

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

Motto: "Modernizing External Audit for Stronger Public Confidence"

Core values

In providing quality services, NAO is guided by the following Core Values:

- i. Independence and objectivity
- ii. Professional competence
- iii. Integrity
- iv. Creativity and Innovation
- v. Results-Oriented
- vi. Teamwork Spirit

We do this by:

- ✓ Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- ✓ Helping to improve the quality of public services by supporting innovation on the use of public resources;
- ✓ Providing technical advice to our clients on operational gaps in their operating systems;
- ✓ Systematically involve our clients in the audit process and audit cycles; and
- ✓ Providing audit staff with adequate working tools and facilities that promote independence.

© This audit report is intended to be used by Engineers Registration 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.

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Abbreviations

ACET	Association of Consulting Engineers Tanzania
AED	Annual Engineers Day
ERB	Engineers Registration Board
ESPJ	Education and Skills for Productive Jobs Program
EXCO	Executive Committee
GAMIS	Government Assets management Information System
IPSAS	International Public Sector Accounting Standard
MIS	Management Information System
NACTE	National Council of Technical Education
NHIF	National Health Insurance Fund
PDAC	Professional Development Affairs Committee
ReTAC	Registration and Technical Affairs Committee
SACCOS	Savings and Credit Co-operative Society
SEAP	Structured Engineers Apprenticeship Programme
TAMICO	Tanzania Mines, Energy, Construction and Allied Workers Union
TZS	Tanzania Shillings
TCU	Tanzania Commission for University

ENGINEERS REGISTRATION BOARD

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Registrar,
Engineers Registration Board,
P.O. Box 14942,
Dar es Salaam.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Engineers Registration Board, which comprise the statement of financial position as at 30 June 2022, and the statement of financial performance, statement of changes in net assets and 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 Engineers Registration Board as at 30 June 2022, 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 Engineers Registration 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 Reports 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 which I obtained prior to the date of this auditor's report.

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.

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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.

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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 procurement of works, goods and services in Engineers Registration Board for the financial year 2021/22 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that procurement of goods, works and services of Engineers Registration Board is generally in compliance 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 performed a compliance audit on budget formulation and execution in Engineers Registration Board for the financial year 2021/22 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that Budget formulation and execution of Engineers Registration Board is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.


Charles E. Kichei
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March 2023



2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022

The Directors hereby submit their report together with the financial statements for the year ended 30 June 2022 which disclose the state of affairs of the Engineers Registration Board (ERB).

2.1 COMPLIANCE WITH FINANCIAL ACCOUNTING STANDARDS

This report of Directors complies with the Tanzania Financial Reporting Standards (TFRS) No. 1 on the Report by Those Charged with Governance.

2.2 ESTABLISHMENT AND OBJECTIVES OF ENGINEERS REGISTRATION BOARD

The ERB is a statutory body established by an Act of Parliament, No. 15 of 1997 and Engineers registration Amendment Act No. 24 of 2007. This Act repealed and replaced the Engineers (Registration) Act, No. 49 of 1968. The Act has given the Board the responsibility of regulating the engineer's activities, conduct of engineers and engineering consulting firms as well as capacity building for Engineers and Engineering Consulting firms.

2.3 VISION

The Vision of the Engineers Registration Board is "A world-class entity that regulates engineering practitioners for quality services delivery to the public".

2.4 MISSION

The Mission of the Board is "To regulate engineering practice in Tanzania Mainland and promotion of engineering excellence among engineering practitioners through enhancing their innovativeness, competitiveness and professionalism".

2.5 ACTIVITIES

The main activities of the Board are to regulate the practice of Engineers in Tanzania through registration of individual engineers and engineering consulting firms and to monitor their conduct. The Board also promotes engineer's excellence among local engineering consulting firms with a view of enhancing their competitiveness and professionalism in the practice. The functions of the Board are outlined in Section 4 of the Engineers Registration Act of 1997.

2.6 BOARD OF DIRECTORS

The members of the Board of Directors were appointed on 1 April 2019 and ended its tenure on 31 March 2022 . The Board Members were:

ENGINEERS REGISTRATION BOARD

Table 1: List of Board of Directors who served the Board throughout the financial year 2021/22

S/N	Name	Title	Age	Qualification/Discipline	Organization	Nationality
1.	Eng. Prof. Ninatubu M. Lema	Chairperson	65	PhD in Engineering Project Management	University of Dar es Salaam/ Higher Learning Institutions	Tanzanian
2.	Eng. Paul F. Basondole	Vice Chairman	57	MSc in Construction Management	Member from Institution of Engineers (IET)	Tanzanian
3.	Eng. Peter Ulanga	Member	51	MSc and Masters of Business Administration (MBA)	Government Institutions Tanzania Communication Regulatory Authority (TCRA)	Tanzanian
4.	Eng. Adv. Menye D. Manga	Member	63	MSc in Design and Production, BSc Mechanical Engineering, LLB (Adv)	Member from Association of Consulting Engineers of Tanzania (ACET)	Tanzanian
5.	Ms. Evelyn Makala	Member	49	LLM (Business, Corporate and Maritime Law).	AG Chambers	Tanzanian
6.	Eng. Gladys N. Jephtha	Member	43	MSc in International Construction Management	Tanzania Building Agency	Tanzanian
7.	Eng. Othmani S. Khatib	Member	63	MSc in Telecommunication Engineering	Tanzania Communication Regulatory Authority	Tanzanian
8.	Qs. Samuel Marwa	Member	63	Master of Business Administration	Allied Profession from Other Institutions.	Tanzanian
9.	Eng. Prof. Preksedis M. Ndomba	Member	54	PhD in Engineering (Water Resources)	Member from Higher Learning Institutions	Tanzanian
10	Eng. Patrick K. Barozi*	Secretary to the Board and Registrar	53	MBA, BSc in Engineering	ERB	Tanzanian

*Eng. Patrick K. Barozi the Registrar who was also the Secretary to the Board of Directors was replaced by Eng. Bernard B. Kavishe from 24 June 2022 through appointment made by the Minister for Works and Transport and implemented by Presidents Office Public Service Management.

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Table 2: Attendance of Board of Directors

S/N	Member's Name	Total Number of Meetings Attended				
		1 st	2 nd	3 rd	4 th	Totals
1	Eng. Prof. N.M. Lema	P	P	P	P	4
2	Eng. P. Basondole	AP	P	P	P	3
3	Eng. P. Ulanga	P	P	AP	P	3
4	Eng. O. Khatib	P	P	P	P	4
5	Eng. Gladys Jefta	P	P	AP	P	3
6	Ms. E. Makala	P	P	P	P	4
7	Eng. Prof. P. Ndomba	AP	p	AP	p	2
8	Qs. Samuel Marwa	P	AP	P	P	3
9	Eng. M. Manga	P	P	P	P	4
10	Eng. P. Barozi	P	P	P	P	4

P = Present

AP = Apology

SB=Special Board

1st Meeting - 99th Board Meeting

2nd Meeting - 100th Board Meeting

3rd Meeting - 101st Board Meeting

4th Meeting - 64th Special Board Meeting

2.7 COMMITTEES OF THE BOARD

The Board has four committees, each with different functions. These are:-

- (ii) Executive Committee (EXCO);
- (iii) Registration and Technical Affairs Committee (ReTAC);
- (iv) Professional Development Affairs Committee (PDAC); and
- (v) Audit Committee (AC).

When the situation demands, the Board forms Ad hoc Committees.

2.7.1 Executive Committee (EXCO)

The Executive Committee (EXCO) is chaired by the Board Chairman and serviced by the Registrar. During the financial year the Executive Committee conveyed 3 meetings and the members attendance was satisfactory. The following is a summary of the EXCO Members who served the Board up to 31 March, 2022:

Table 3: List of EXCO members during the year

S/n	Name	Age	Position	Qualification/Discipline	Nationality
1.	Eng. Prof. Ninatubu M. Lema	65	Chairman	PhD in Engineering Project Management	Tanzanian
2.	Eng. Paul F. Basondole	57	V/ Chairman	MSc in Construction Management	Tanzanian
3.	Ms. Evelyn Makalla	49	Member	LLM (Business, Corporate and Maritime Law).	Tanzanian

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S/n	Name	Age	Position	Qualification/Discipline	Nationality
4.	Eng. Othman S. Khatib	63	Member	MSc in Telecommunication Engineering	Tanzanian
5	Eng. Adv. Menye D. Manga	63	Member	MSc in Design and Production, BSc Mechanical Engineering, LLB (Adv)	Tanzanian

Here are the detailed terms of reference are: -

- Handling urgent and emergency issues on behalf of the Board;
- Linking with other Boards and professional institutions within and outside Tanzania;
- Linking with the Government Ministries and Departments;
- Overseeing the finance and administration affairs of the Board;
- Developing, reviewing or updating by-laws and regulations; and
- Scrutinizing policy issues before transmitting them to the Board for decision.

2.7.2 Registration and Technical Affairs Committee (ReTAC)

ReTAC is chaired by a Board Member elected by the Board and assisted by the Assistant Registrar for Registration and Technical Affairs. During the financial year, the Committee convened Three (3) meetings and 100% attendance by the members.

The following is a summary of the ReTAC Members who served the Board up to 31 March 2022:

Table 4: List of ReTAC Members during the year

S/n	Name	Age	Position	Qualification/Discipline	Nationality
1.	Eng. Othman S. Khatib	63	Chairman	MSc in Telecommunication Engineering	Tanzanian
2.	Eng. Prof. Preksedis M. Ndomba	54	Member	PhD in Engineering (Water Resources)	Tanzanian
3.	Eng. Gladys N. Jephtha	43	Member	MSc in International Construction Management	Tanzanian

The detailed terms of reference that guided the Committee include: -

- To process applications for registration;
- To monitor professional activities of engineers and engineering consulting firms;
- To conduct professional interviews for candidates applying for registration;
- To ascertain deployment of registered engineers to perform engineering duties;
- To advise the Board on matters relating to technical affairs of the Board; and
- To ensure compliance of Code of Conduct and Ethics for engineering practice.

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2.7.3 Professional Development Affairs Committee (PDAC)

PDAC is also chaired by a Board Member and serviced by the Assistant Registrar for professional Development Affairs. During the financial year the committee convened 3 out of 6 expected meetings while the attendance of members to those 3 meetings were 100%. The following is a summary of the Members who served the Board up to 31 March 2022:

Table 5: List of PDAC Members during the year

S/n	Name	Age	Position	Qualification	Nationality
1.	Eng. Adv. Menye D. Manga	63	Chairman	MSc in Design and Production, BSc Mechanical Engineering, LLB (Adv)	Tanzanian
2.	Eng. Peter Ulanga	51	Member	MSc and Masters of Business Administration (MBA)	Tanzanian
3.	Qs. Samuel Marwa	63	Member	BSc in Quantity Survey and MBA	Tanzanian

The detailed terms of reference that guided the Committee include:

- To certify academic awards;
- To administer ERB examinations;
- To establish, operationalise and later coordinate the engineer's apprenticeship (internship) for graduates;
- To organize continuing professional development programmes for engineers of all categories;
- To organize seminars, workshops and conferences;
- To coordinate competence building programmes for engineering consulting firms;
- To oversee ERB publications; and
- To advise the Board on matters relating to professional development affairs of the Board.

2.7.4 Audit Committee (AC)

Audit Committee is chaired by a Board Member, During the financial year the Board conveyed two (2) meetings and 100% attendance by the members. The following is a summary of the AC Members who served the Committee during the year.

Table 6: List of AC Members during the year

S/N	Name	Age	Position	Qualification/Discipline	Nationality
1.	Eng. Paul F. Basondole	57	Chairman	MSc in Construction Management.	Tanzanian
2.	CPA. Nuru J. Mhando	53	Member	CPA(T), CPSP and MBA.	Tanzanian
3.	Eng. Peter Ulanga	51	Member	MSc and Masters of Business Administration	Tanzanian

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S/N	Name	Age	Position	Qualification/Discipline (MBA)	Nationality

The detailed terms of reference of the Committee include assisting the Board in discharging its oversight responsibilities related to control framework, Financial Reporting, Compliance, Internal and External Audit, and Risk Management. Specific Oversight functions are related to: -

- The integrity of the financial reporting process of the Board;
- The system of internal controls;
- The independence, qualifications and performance of the internal auditor;
- The Board's process of monitoring compliance with laws, regulations and code of conduct; and
- Reviewing whether Management has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of Board's financial and business risks including fraud.

2.8 RESULTS OF OPERATIONS

During the year 2021/22, the Board recorded an operating net surplus of TZS 628,787,047 (2020/21: TZS 429,689,306) indicating a increase of 46.3% compared to the previous year. The operating net surplus for the year ended 30 June, 2022 has been earmarked for strengthening establishment of the ERB Development Fund.

2.8.1 PERFORMANCE REVIEW FOR FINANCIAL YEAR 2021/22

In 2021/22 the projected revenue was TZS 8.6 billion and approved expenditure was TZS 8.6 billion. However as at 30 June 2022, revenue earned was TZS 7.2 billion (83.8%) and actual expenses stood at TZS 6.6 billion (76.5%).

2.8.2 PLANNED ACTIVITIES VERSUS OUTPUT

In 2021/22 the Board set a number of specific targets to be achieved. The following table shows the planned activities against the output.

Table 7: List of Planned Activities and the achievement up to 30 June, 2022

Planned Targets for the Financial Year 2021/22	Output
(i) Registering 2,743 engineers and 300 Engineering Technicians.	Registered 2,347 engineers which is 85.6% and 272 Engineering Technicians which is 90.7%.
(ii) Registering 23 Engineering Consulting Firms; and 7 Engineering Material Testing Lab.	Registered 16 Engineering Consulting firms which is 69.6% and 3 Engineering Material Testing Lab which is 43%.
(iii) Enrolment of 1200 new SEAP beneficiaries.	Enrolled 873 SEAP trainees or 72.8% of the target.

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Planned Targets for the Financial Year 2021/22	Output																																																								
PLANNED TARGETS 2021/22 Conducting monitoring to 27 regions of Tanzania mainland for the purpose of monitoring engineering activities of Engineers and Engineering Consulting Firms and Engineering Organizations/Projects; Specifically, the following Projects will be monitored; National Strategic Projects (5). Building Works (100), Road works (20), Water projects (10), Other projects like Ports (2), Railway (2), Airports (2), and Electrical projects (5), Irrigation (1), Industries (30), Mines (2) and Other engineering projects (10); and registering 600 construction projects.	<p>The Board registered 656 out of 600 projects that were targeted. The Board also conducted monitoring activity as follows:</p> <table><tr><th>S/N</th><th>Monitoring Activity</th><th>Performed</th><th>Target</th></tr><tr><td>1</td><td>Building Works</td><td>43</td><td>100</td></tr><tr><td>2</td><td>Road-works</td><td>24</td><td>20</td></tr><tr><td>3</td><td>Water-works</td><td>5</td><td>10</td></tr><tr><td>4</td><td>Industries and Mines</td><td>14</td><td>30</td></tr><tr><td>5</td><td>Other Infrastructural Projects (irrigation - 1, Railways - 2, Ports - 2, Airports - 2)</td><td>7</td><td>7</td></tr><tr><td>6</td><td>Telecoms</td><td>0</td><td>2</td></tr><tr><td>7</td><td>Electrical Projects</td><td>14</td><td>5</td></tr><tr><td>8</td><td>Engineering Organizations (LGAs, Ministries, Parastatals)</td><td>36</td><td>40</td></tr><tr><td>9</td><td>Engineering Consulting Firms</td><td>19</td><td>60</td></tr><tr><td>10</td><td>Building Works</td><td>43</td><td>100</td></tr><tr><td>11</td><td>Issues of Professional Ethics (PCEC ,Police, Board of Inquiry, court cases)</td><td>6</td><td>10</td></tr><tr><td>12</td><td>Projects Registration</td><td>656</td><td>600</td></tr><tr><td>13</td><td>National Strategic Project</td><td>5</td><td>5</td></tr></table>	S/N	Monitoring Activity	Performed	Target	1	Building Works	43	100	2	Road-works	24	20	3	Water-works	5	10	4	Industries and Mines	14	30	5	Other Infrastructural Projects (irrigation - 1, Railways - 2, Ports - 2, Airports - 2)	7	7	6	Telecoms	0	2	7	Electrical Projects	14	5	8	Engineering Organizations (LGAs, Ministries, Parastatals)	36	40	9	Engineering Consulting Firms	19	60	10	Building Works	43	100	11	Issues of Professional Ethics (PCEC ,Police, Board of Inquiry, court cases)	6	10	12	Projects Registration	656	600	13	National Strategic Project	5	5
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13	National Strategic Project	5	5																																																						
(iv) To facilitate 20 Short courses, CPD Workshops, and CPD Training	The Board facilitated 58 short courses, CPD Workshops and CPD Training Programs																																																								
(v) Publication of 2 issues of ERB News brief and other documents	Two (02) Engineers e-magazine has been published and one (01) AED Proceeding and one (01) SEAP PID Report has been published, Awards Report, AED Proceeding and RNE Success story Special.																																																								
(vi) Strengthening ERB Secretariat working environment by procuring various working tools, furniture, training and other facilities	<p>The Board has completed its buiding namely Mhandisi Annex at its plot in Dodoma and the building is used as the ERB Head quarters.</p> <ul style="list-style-type: none">• Various working tools like computers, laptops, ipads, TV screen etc.• Various Furnitures at ERB New Building• MIS construction phase II has been con implementation.• New transferred staff have been engaged.																																																								

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Planned Targets for the Financial Year 2021/22	Output
(vii) Organizing the 18 th Annual Engineers' Day whereby 3,800 participants were expected; Engineers Capacity Building Forums	The Board organized the 18 th Annual Engineers Day on 3 and 4 September 2021. A total of 3,800 or 100% attended the event .
(viii) Holding 6 Board Meetings, 6 EXCO Meetings, 6 ReTAC Meeting, 6 PDAC and 4 AC Meetings.	Held 4 Board Meetings, 3 EXCO Meetings, 3 ReTAC Meetings, 2 PDAC Meetings; and 2 AC Meetings.
(ix) Participation in 3 regionally and 2 internationally organized events.	One staff attended Engineers Forum in Mombasa Kenya Two Staff attended GAMA in Nigeria/Ghana . One staff travelled to Nairobi, Kenya At least one staff travelled to Uganda
(x) Links with regulatory Bodies in the sub-region and internationally be maintained.	Links has been maintained with Regulatory Boards and other stakeholders.eg Engineers Board of Kenya, Engineers Registration Board in Uganda, Burundi, Rwanda, and South Africa, Egyptian Syndicate of Engineers.
(xi) Conducting 10 accreditation visits jointly with TCU and NACTE.	The Board accredited more than 40 courses for various institutions including ACET, IET, TANROADS, and many local firms.
(xii) Office building and facilities improved and transfer to Dodoma.	<ul style="list-style-type: none"> Mhandisi House construction at ERB's plot in Dodoma was completed and handed over in April , 2022. However some of the facilities were yet to accomplished at the end of the Year. Number of staff who moved to Dodoma were 6 making a (13) as as of 30 June 2022. More staff were expected to move to Dodoma in the next Financial year.

2.9 FUTURE PLANS

The future plans of the Board are set to regulate and monitor engineering practice in Tanzania through promotion of engineering excellence among local engineers, engineering technicians and engineering consulting firms with a view to enhance their competitiveness and professionalism in the engineering practice. The Board will effectively utilize the amendment of the Act No. 24 of 2007 and regulations along with the principal Act No. 15 of 1997 during the financial year 2021/22. The Board has earmarked the need of reviewing the said Act and the Secretariat has already started the task which is expected to take the Board to higher stages in oversight issues. The Board continued developing its plot in Dodoma during the Financial Year 2020/21 as per Government directive which required all Government Institutions to shift to Dodoma. The Board shifted to Dodoma in February 2022 and officially made the Head office to be in Dodoma. The Board also has earmarked another Plot in Kizota Dodoma with 24,000SQM and paid an advance payment of TZS 70,000,000 as fees of to Dodoma Municipal Council.

2.10 MANAGEMENT INFORMATION SYSTEM

The Board has managed to develop its own Management Information System which caters for various activities of the Board including application online, application processing online, evaluation online, project registration, payments online and the same system will host the Government Gateway facility, as per Government directives. Phase I of the System was commissioned in June 2021. Meanwhile Phase II of the MIS Project has started in the Financial year 2021/22 and is expected to be accomplished towards the end December 2023.

2.11 MHANDISI HOUSE ANNEX PROJECT ON ERB PLOT NO.13 BLOCK A AT NCC AREA IN DODOMA

The Board accomplished the construction of both Phase I and Phase II of Mhandisi Annex in the Financial year 2021/22 with some snags which were being attended within one year of defect liability period. Suma JKT Construction Company Ltd was the contractor for both phases. There are a number of side works like external works and partitioning which are still ongoing and they are expected to be accomplished towards end of financial year 2022/23.

2.12 MANAGEMENT

According to Engineers Registration Act, No. 15 of 1997 the day to day management activities of the Board is vested to the Registrar assisted by the Four Heads of Department as shown below. Along with Heads of Departments there are 3 Units which reports directly to the Registrar and these are Internal Audit Unit, Procurement Unit and Legal Unit.

The four departments are mentioned below;

- (i) Registration and Technical Affairs Department;
- (ii) Professional Development Affairs;
- (iii) Enforcement Department; and
- (iv) Finance and Administration Department.

The Table showing the Management composition for the Financial year 2021/22

S/N	Full names	Age	Qualification	Title	Period served the Management
1.	Eng. Bernard B. Kavishe	53yrs	MBA, BSc(Eng), PEng(T)	Registrar	June 2022 to date
2.	Eng. Patrick K. Barozi	53yrs	MBA, BSc(Eng), PEng(T)	Registrar	June 2017-June 2022
3.	Eng. Fares L. Washa	59yrs	MBA, BSc(Eng), PEng(T)	Asst. Registrar-Enforcement	March 2011 to date
4.	Eng. Veronica F. Ninalwo	50yrs	PgDip, ADV.Dip(Eng). PEng(T)	Asst. Registrar-Prof. Development	Jan.2019 to date
5.	CPA. Odemari N. Rushita	54yrs	MBA, ADA,	Asst.	Feb. 2008 to date

ENGINEERS REGISTRATION BOARD

S/N	Full names	Age	Qualification	Title	Period served the Management
			CPA(T)	Registrar-Fin. and Admin.	
6.	Adv. Mercy G. Jilala	43yrs	MPA, LLB, PGD-LMA, PGD-ED,ADV	Ag. Head of Legal Unit	June 2022 to date
7.	Mr. Martin Rugarabamu	43yrs	MSc, ADV.Dip	Ag. Head of Human Resources and Admin.	May 2022 to date
8.	Ms. Gati T. Max	40yrs	MBA, ADV.Dip, CPSTB	Ag. Head of Procurement Unit	Sept 2013 to date
9.	CPA. Vicentus V. Byarugaba	38yrs	MBA, ADA, ACPA(T)	Ag. Head of Internal Audit Unit	March 2013 to date
10.	Eng. Jamhuri J. Msabila	50yrs	BSc(Eng), PEng. (T)	Ag. Asst. Registrar-Registration and Technical Affairs	July 2022 to date

2.13 FUNDING

Currently the Board has three sources of funds

- (i) Government subventions - that cater for personnel emolument and other charges;
- (ii) Internally generated fund - through various fees charged to the members and sale of ERB stickers; and
- (iii) Donor funds - for financing female Engineers.

2.14 Solvency of the Board

The Directors have reviewed the current statement of financial position of the Board. On the basis of the review, the Directors are of the opinion that the Board's financial standing is sound enough to meet all of the maturing financial obligations and to continue as a going concern entity.

2.15 Dividend and Contribution to the Government

The Board was able to contribute to the Consolidated Fund an amount of TZS 50,000,000 through Treasury Registrar. (2020/21: TZS 30,000,000 was contributed). This amount has been included in Note 17 of this report (Contributions and Donations).

2.16 EMPLOYEE WELFARE

2.16.1 Management/employees relationship

The total number of staffs of the Board during the year under review were Forty (40) (2020/21: same number, 40) out of which twenty-three (26) employees were on Permanent basis while five (5) were on a contract basis and Nine (9) were trainees. The relationship between employees and management was good and there were no unresolved complaints received by management from the employees during the year.

2.16.2 Staff turnover

The Board's staff turnover has been 8% and still faces a challenge of obtaining permits from the President's Office Public Service Management. Currently the Board has filled the Assistant Registrar for Registration Department (Acting), Principal Legal Officer I, Principal Human Resources Officer II and Senior Enforcement Officer. The vacancies have been filled by way of transfer from other Public Institutions. Meanwhile the Acting Assistant Registrar has been appointed from within.

2.16.3 Risk Management

The Board established and is maintaining the Risk Register to address the number of risks that the Board is facing currently and those anticipated risks that the Board may face in the future.

2.16.4 Training facilities

The Board during the year under review continued to implement the Rolled over Approved Training program which is subject for review to suit the current needs of the training needs. The Training covered all training needs indicated during Training Needs Assessment and those which may arise in future. Overseas training will be pursued only in a limited number of cases where relevant training is not available locally. The training will basically dwell in Professional acquirement for young employees and management skills for the senior staff. The training will also be aiming at an automatic succession plan at the Board. Meanwhile the Board is preparing the comprehensive Training Programme which is subject to the newly expected training policy and revised training needs assessment. During the current year, the Board spent TZS 105,355,900 (2021: TZS 107,535,000) for Staff training and Board Development.

2.16.5 Medical facilities

The Board has joined the medical scheme through National Health Insurance Fund (NHIF) whereby the employee pays 3% and the employer contributes 3% of the basic salary for each individual staff. During the current year, the Board spent TZS 9,432,500 (2021: TZS 10,157,200) as the Medical cost for Board's staff.

2.16.6 Disabled persons

The Board has a policy of giving opportunity to disabled persons to fill those vacancies they are able to fill or to sub-contract part or whole assignments to either individual disabled persons or in groups if they have the required skills.

2.16.7 Financial assistance

This is available to all confirmed permanent employees and those on contract terms depending on the assessment by management of the needs and circumstances and employee's ability to make repayment. The Board's staffs have formed a Savings and Credit Co-operative Society namely Wahandisi SACCOS Limited in order to solve employees' regular financial needs. In 2022/21, the SACCOS continued supporting the ERB staff access loan facility and the SACCOS dished out TZS 250 million for that purpose. Such initiatives should be supported by the Board whenever possible. The Board will continue to support the staff's initiatives to make their SACCOS grow to ensure its sustainability. On the other hand, the Board will continue giving a priority to the remittances of Members contributions and loan deductions. The Board invites and SACCOS economic idea that the Board may venture in to make sure that the SACCOS is economically strong. Meanwhile the Board has entered a Memorandum of Understanding with the Management of the SACCOS whereby the two will work together and harmonize some of the terms and Conditions especially to Staff who are not in Permanent and Pensionable Terms of Employment.

2.17 RELATED PARTY TRANSACTIONS

According to IPSAS 20, the Board had transactions related to key staff remunerations and directors' expenses to the tune of TZS 609,202,315 (2020/21: TZS 634,685,576) as indicated under note 22 to the financial statements.

2.18 CORPORATE GOVERNANCE

The Board is committed to the highest standards of corporate governance. Its governance structure is flexible enough to adopt changes in the internal and external environment and the Board strives to regularly review its processes, rules and regulations and structure with a view to ensuring the best performance and overall management of its operations.

The Board adheres to global standards and practices of good corporate governance. The Board has established and maintains an Internal Audit Unit, Audit Committee, Tender Board and Procurement Management Unit. The Board also introduced the Board's charter, Customer Service Charter and performance contract to the Board level. The Performance contract for the Board Members will be measured after the Board's tenure of three years.

2.19 ERB ESTABLISHMENT AND STRATEGIC PLAN

The Board has been able to develop new Strategic Plan for 2021-2026 and it was approved by the Board during its 98th Board Meeting held on 29 June 2021. The Board also developed the Board Establishment which shows current and future direction of the Board. In the new establishment a number of Units including EDF, Research and Documentation, Public Relations have been established. Also some of titles have been reviewed to suit the roles

ENGINEERS REGISTRATION BOARD

and functions of the Board. The New Board Establishment was discussed by the high level Meeting of Pre-PIC on 28 February 2022. Once the New Establishment is approved will make a big difference within the Board in implementation of the Board's functions.

2.20 HIV/AIDS IN PLACE OF WORK

The Board has a policy of sensitizing its management and staff on the risks of HIV/ AIDS spread and how to avoid infection through seminars and workshops. During the year the Board conducted full day seminar which included voluntary testing to majority of staff. The Seminar took on board other topics like hepatitis A-C and other Non-Communicable diseases. The Board also conducted the seminar on Good health and well being by sensitizing good eating habit and physical exercise for all staff.

2.21 AUDITORS

The Controller and Auditor General is the statutory auditor of the Board by virtue of Article 143 of the Constitution of the United Republic of Tanzania, and as per the Public Audit Act, Cap 418. However, in accordance with Section 33(1) of the Act M/s Probs Associate were authorized to carry out the audit of the Board for the year ended 30 June, 2022 on behalf of Controller and Auditor General.

BY ORDER OF THE BOARD



Ag. CHAIRPERSON

27th March 2023

DATE



REGISTRAR

ENGINEERS REGISTRATION BOARD

3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The Board are directors are responsible for the preparation and fair presentation of the financial statements, comprising the Statement of Financial Position as at 30 June 2022 and the Statement of Financial Performance, the statement of changes in Net Assets, Cash flows Statement, Comparison of budget and actual amount for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Public Sector Accounting Standards (IPSAS) accrual.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these 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.

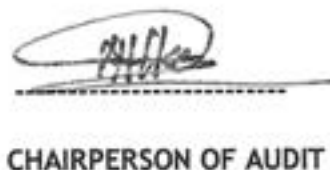
The directors have assessed the Board's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the financial year ahead.

Approval of the financial statements

The financial statements of the Board, as indicated above, were approved by the Board of Directors on 27th March 2023.



Ag. CHAIRPERSON



CHAIRPERSON OF AUDIT COMMITTEE

ENGINEERS REGISTRATION BOARD

4.0 DECLARATION OF THE ASSISTANT REGISTRAR RESPONSIBLE FOR 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/ Management to discharge the responsibility of preparing financial statements of a 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, Odemari Nitunga Rushita, the Assistant Registrar responsible for Finance and Administration at Engineers Registration Board hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2022 have been prepared in compliance with International Public Sector Accounting Standards and statutory requirements.

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



CPA. Odemari N. Rushita

NBAA Membership GA.9043

ASSISTANT REGISTRAR RESPONSIBLE FOR FINANCE AND ADMINISTRATION

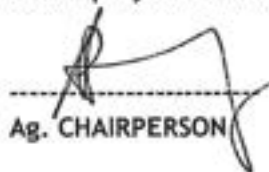
Date: 24th March 2023

ENGINEERS REGISTRATION BOARD

5.0 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	NOTE	2021/22 TZS	2020/21 TZS
Assets			
Non-current assets			
Property, Plant and Equipments	5	1,988,377,809	1,036,048,314
Intangible Assets	6	107,455,865	141,875,865
Total Non Current Assets		2,095,833,674	1,177,924,179
Current assets			
Cash and Cash Equivalent	7	2,472,947,048	1,929,694,491
Trade Receivables	8	1,136,583,530	613,093,747
Inventories	9	50,146,526	46,511,011
Prepayments	12(A)	252,762,578	-
Total Current Assets		3,912,439,682	2,589,299,249
Total Assets		6,008,273,356	3,767,223,428
LIABILITIES			
Current Liabilities			
Deferred Income (Revenue)	29	1,443,000,000	-
Payables and Accruals	10	388,528,234	151,679,703
Total Current Liabilities		1,831,528,234	151,679,703
Non-current liabilities			
Deferred Income (Restricted fund)	25	8,820,016	76,405,666
Total Non Current Liabilities		8,820,016	76,405,666
Total Liabilities		1,840,348,250	228,085,369
Equity			
Engineers Development Facility		269,869,224	269,869,224
Accumulated Surplus		3,898,055,882	3,269,268,835
Total Equity		4,167,925,106	3,539,138,059
Total Equity and Liabilities		6,008,273,356	3,767,223,428


Ag. CHAIRPERSON

27th March 2013
DATE


REGISTRAR

ENGINEERS REGISTRATION BOARD

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

		2021/22	2020/21
Revenue	NOTE	TZS	TZS
Revenue from Exchange transactions	13(a)	5,251,328,843	4,453,885,376
Revenue from Non-exchange transactions			
Government Sub. and Transfers	13(d)	859,871,400	1,588,812,259
Grant for Women Engineers	13(e)	67,380,730	567,886,598
Engineering Development Facility	13(f)	846,441,713	783,169,355
Total Revenue from Non-Exchange Transaction		1,773,693,843	2,939,868,212
Fines and Penalties	13(b)	144,307,180	172,904,740
Other Income	13(c)	62,395,000	70,041,646
Total Revenue		7,231,724,866	7,636,699,974
Expenses			
Wages, Salaries Employees benefits	14	1,364,770,889	1,390,939,264
Supplies and Consumables	15	3,290,520,416	3,581,770,277
Board committee expenses	16	572,483,572	711,758,500
Other expenses	17	1,160,635,006	1,296,990,262
Directors Fee	22	60,000,000	51,850,000
Audit Fees Expenses		59,560,000	58,460,000
Depreciation Expenses	5	60,547,936	78,724,432
Amortization Expenses	6	34,420,000	36,517,933
Total Expenses		6,602,937,819	7,207,010,668
Surplus for the Year		628,787,047	429,689,306

Notes form part of these financial statements.

ENGINEERS REGISTRATION BOARD

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Development Fund TZS	Accumulated Fund TZS	Total TZS
DETAILS				
Balance as at 01 July, 2020		269,869,224	2,839,579,529	3,109,448,753
Surplus for the year		-	429,689,306	429,689,306
Balance as at 30 June, 2021		269,869,224	3,269,268,835	3,539,138,059
Balance as at 01 July, 2021		269,869,224	3,269,268,835	3,539,138,059
Surplus for the year		-	628,787,047	628,787,047
Balance as at 30 June, 2022		269,869,224	3,898,055,882	4,167,925,106

Notes form part of these financial statements.

ENGINEERS REGISTRATION BOARD

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

		2021/22 TZS	2020/21 TZS
Cash flow from operating activities	Notes		
Receipts			
Annual registration and other fees	13(a)	5,251,328,843	4,453,885,376
Government transfers subvention	13(d)	859,871,400	1,588,812,259
Fees, Fines and Penalties	13(b)	144,307,180	172,904,740
Other income	13(c)	62,395,000	70,041,646
Grant from Royal Norwegian Government for Women Engineers	25	67,380,730	567,886,598
Engineering Development Facility	13(f)	846,441,713	783,169,355
Other Receipts	27	<u>851,924,567</u>	<u>286,884,882</u>
Total Receipts		8,083,649,433	7,923,584,856
Payments			
Wages and employment benefits	14	(1,364,770,889)	(1,390,939,264)
Supplies and Consumables	15	(3,290,520,416)	(3,581,770,277)
Board and Other Committees	16	(572,483,572)	(711,758,500)
Other Expenses	17	(1,160,635,006)	(1,296,990,262)
Directors Fees	22	(60,000,000)	(51,850,000)
Audit Fees Expenses		(59,560,000)	-
Other Payments	28	<u>(19,549,562)</u>	<u>(16,744,383)</u>
Total Payments		(6,527,519,445)	(7,050,052,686)
Net cash from Operating activities(A)		<u>1,556,129,988</u>	<u>873,532,170</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(1,012,877,431)	(56,153,493)
Net cash used in investing activities (B)		<u>(1,012,877,431)</u>	<u>(56,153,493)</u>
Cash flows from financing activities			
Net cash used in financing activities (C)		-	(28,828,278)
Net change in cash and cash equivalents (A+B+C)		<u>543,252,557</u>	<u>788,550,399</u>
Cash and cash equivalents as at 1 July		1,929,694,491	1,141,144,092
Cash and cash equivalents as at 30 June	7	<u>2,472,947,048</u>	<u>1,929,694,491</u>

Notes form part of these financial statements.

ENGINEERS REGISTRATION BOARD

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	Original Budget	Final Budget	Actual	Difference	Percentage of Change	Explanation for material variance
REVENUES			TZS			
Revenue from Exchange transactions (Annual, Reg, AED, App, Etc)	5,916,451,929	5,916,451,929	5,251,328,843	-665,123,086	-11	Immaterial
Revenue from Exchange transactions (PE, OC Subv, Govt and Transfers)	1,172,574,732	1,172,574,732	859,871,400	-312,703,332	-27	Less Other charges received from the Government During this year, a lot of Fines and Penalties were charged to Engineers for non compliance on Projects registration, Projects initiation without permits, construction without stickers etc
Fines and Penalties	39,600,000	39,600,000	144,307,180	104,707,180	264	The project was completed, hence no Budget was set aside.
Grant for Women Engineers	0	0	67,380,730	67,380,730	100	Immaterial
Other Income	50,000,000	50,000,000	62,395,000	12,395,000	25	Less number of Engineers, during the year, who to voluntarily paid to the Board.
Engineering Development Facility	1,451,090,915	1,451,090,915	846,441,713	-604,649,202	-42	
Total Revenue	8,629,717,576	8,629,717,576	7,231,724,866	1,397,992,710	-16	
EXPENDITURES						
Wages, Salaries and Employees benefits	2,176,539,232	2,176,539,232	1,364,770,889	-811,768,343	-37	The Board put higher budget expected more increase of the staff.
Supplies and Consumables	3,998,978,344	3,998,978,344	3,290,520,416	-708,457,928	-18	Immaterial
Board and other committee expenses	529,500,000	529,500,000	328,778,213	-200,721,787	-38	Some Board Meeting and Committee Meetings could not happen as The Board members finished their 3-years tenure in March 2022, while the budget was for entire year up to 30 June 2022
Other Committee Expenses	399,900,000	399,900,000	243,710,359	-156,189,641	-39	The Board members finished their 3-years tenure in March 2022 as the other committee meetings also were done inline with Board committees.
Capital and Other expenses	1,404,800,000	1,404,800,000	1,160,635,006	-244,164,994	-17	
Directors Fee	60,000,000	60,000,000	60,000,000	0	0	
Audit Expenses	60,000,000	60,000,000	59,560,000	-440,000	-1	
Total Expenditures	8,629,717,576	8,629,717,576	6,507,974,883	2,121,742,693	-25	
Surplus/Deficit	0	0	723,749,983	723,749,983	100	

The difference between surplus as per Statement of Financial Performance (TZS 628,787,047) and the above table (TZS 723,749,983) is due to annual depreciation charge and amortization that all together totaling to TZS 94,962,936.

NOTES TO THE ACCOUNTS

1. LEGAL STATUS AND OBJECTIVES

The Engineers Registration Board was established to register engineers, and regulate engineering practice in Tanzania and promote engineering excellence among local engineers and engineering consulting firms with a view to enhancing their competitiveness and professionalism in the engineering practice. The functions of the Board are outlined in Section 4 of the Engineers Registration Act. No. 15 of 1997 as amended by the Engineers Registration Amendment Act No. 24 of 2007.

2. PRINCIPAL ACCOUNTING POLICIES

2.1 Basis of accounting

The financial statements are prepared on a going concern basis and in compliance with the International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and in the manner required by the Public Finance Act, Cap 348. The measurement basis used is the historical cost basis except where otherwise stated in the accounting policies below. Budget is prepared on cash basis.

2.2 New and revised standards

a) Adoption of International Public Sector Accounting Standards

Following the Accountant General Circular No. 11 and 12 issued in January 2015, since adoption of IPSAS the Board has maintained preparation and reporting basing IPSAS. Despite the challenges encountered, the Financial Statements have been prepared and met the deadline as required by the law.

IPSAS 1 (Amendment) - Presentation of financial statements: The Board has made all efforts to present all its Financial Statements as per this IPSAS requirement.

The adoption of the amendments has had no material effect on the Board's accounting policies or disclosures.

2.3 Property, plant and equipment

Recognition

Property, plant and equipment are initially recorded at cost and subsequently measured at cost less accumulated depreciation. Historical cost includes; Expenditure that is directly attributable to the acquisition (purchase or construction) of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item can be measured reliably. All other repairs and maintenance are

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charged to the statement of financial performance for the year in which they are incurred.

Depreciation

Depreciation of property, plant and equipment is calculated on a straight-line method to write off their cost over the expected useful economic lives. Since all assets were 1 to 2 years of life the Board has been extended the useful life time of these assets as follows: -

<u>Description</u>	<u>Life Span</u>
Motor vehicles	Extended for 3 years
Office equipment	Extended for 5 years
Office furniture	Extended for 5 years
Computers	Extended for 3 years
Office partition	Extended for 5 years

Notethat All Assets of the Board have been uploaded into the Government Assets management Information System (GAMIS) the Board has fully adopted fully the Government Policy on Fixed Assets without compromising the IPSAs 17 Requirements of PPE.

3. Financial Instruments

The Board classifies its financial instruments into the following categories:

- i) **Loans and receivables**, which comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and exclude assets which the entity intends to sell immediately or in the near term or those which the entity upon initial recognition designates as at fair value through profit or loss.
- ii) **Financial liabilities**, which comprise all financial liabilities except financial liabilities at fair value through profit or loss.

Financial instruments held during the year were classified as follows:

- Other liabilities were classified as financial liabilities.
- Demand and term deposits with banking institutions and trade and other receivables were classified as 'loans and receivables'.

Recognition and measurement

Financial assets

All financial assets are recognised initially using the trade date accounting which is the date the Board commits itself to the purchase or sale. Financial assets carried at fair value through statement of financial performance are initially recognised at fair value and the transaction costs are expensed in the statement of financial performance. All

other categories of financial assets are recorded at the fair value of the consideration given plus the transaction cost.

Subsequently, loans and receivables are carried at amortized cost using the effective interest method.

Amortized cost is the amount at which the financial asset or liability is measured on initial recognition minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount, and minus any reduction for impairment or uncollectability.

3.1. Financial Instruments

The Board assesses at each statement of financial position date whether there is objective evidence that a financial asset is impaired. If any such evidence exists, an impairment loss is recognised. Impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount. In the case of loans and receivables, the recoverable amount is the present value of the expected future cash flows, discounted using the asset's effective interest rate.

Changes in the carrying values and impairment losses of loans and receivables are recognised in the statement of financial performance. Trade and other receivables not collectible are written off against the related provision. Subsequent recoveries of amounts previously written off are credited to the statement of financial performance in the year of recovery.

Financial liabilities

All financial liabilities are recognised initially at fair value of the consideration given plus the transaction cost. Subsequently, all financial liabilities are carried at amortised cost using the effective interest method.

Presentation

Financial assets are classified as non-current except those with maturities of less than 12 months from the statement of financial position date, those which the directors have the express intention of holding for less than 12 months from the statement of financial position date or those that are required to be sold to raise operating capital, in which case they are classified as current assets.

Financial liabilities are classified as non-current except those expected to be settled in the Board's normal operating cycle, those payable or expected to be paid within 12 months of the statement of financial position date and those which the Board does not have an unconditional right to defer settlement for at least 12 months after the statement of financial position date.

Derecognition

ENGINEERS REGISTRATION BOARD

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Board has transferred substantially all risks and rewards of ownership.

Financial liabilities are derecognized only when the obligation specified in the contract is discharged or cancelled or expires.

3.2. Provisions for liabilities

The Board recognizes provisions when it has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

3.3. Revenue recognition

Revenue comprises Revenue from Exchange Transactions and Revenue from Non-Exchange Transactions. It includes the gross inflows of economic benefits or service potential received and receivable by the entity, and these benefits can be measured reliably. Revenue is recognized when it is determined that it will accrue to the board.

Revenue from Exchange Transactions

Revenue from Exchange Transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Non-Exchange Transactions

Revenue from Non-Exchange Transactions includes Government subventions and assistances received from the government and other donors. Grants are accounted for when there is a reasonable assurance that the grants will be received. Revenue recognition is based on an assessment of whether an asset or a liability has been created. For capital grants without conditions attached, revenue is recognized immediately in the statement of financial performance. If conditions are attached, a liability is recognized as capital funds in the statement of financial position and is reduced and revenue recognized as the conditions are satisfied.

3.4. Functional and presentation currency

The financial statements are presented in Tanzania Shillings (TZS), which is the Board's functional and presentation currency.

3.5. Foreign currency translation

Foreign currency transactions are translated into Tanzanian Shillings at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities at the year-end expressed in foreign currencies are translated in Tanzania Shillings at the rates

of exchange ruling at the end of the financial year. The resultant gains/losses on exchange rate translations are dealt with in the statement of financial performance.

3.6. Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances and short-term deposits.

3.7. Inventories

Inventories comprising of consumables are stated at the lower of cost and selling price less costs to sell. Cost is calculated using the first-in, first-out (FIFO) method. Inventories comprises of stationeries and office consumables.

3.8. Impairment of non-financial assets

Non-financial assets that are carried at amortized cost are reviewed at the end of each reporting period for any indication that an asset may be impaired. If any such indication exists, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

3.9. Employees benefits

i) Retirement benefits

The Board has statutory obligations to contribute to various pension schemes in favour of all the employees employed under permanent and pensionable terms. The pension scheme in force to which the Board contributes is the Public Service Social Security Fund (PSSSF). Contributions to the fund are recognized as an expense in the period the employees render the related services.

ii) Short term benefits

The cost of all short-term employee benefits such as salaries, employees' entitlements to leave pay, medical aid, long service awards, other contributions, etc. are recognized during the period in which the employees render the related services to the Board.

3.10. Significant judgments and key sources of estimation uncertainty

In the process of applying the accounting policies adopted by the Board, the directors make certain judgements and estimates that may affect the carrying values of assets and liabilities in the next financial period. Such judgements and estimates are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the current circumstances. The directors evaluate these at each financial reporting date to ensure that they are still reasonable under the prevailing circumstances based on the information available and any revisions to such judgements and estimates are recognized in the year in which the revision is made.

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The directors have recognized income on annual fees and receivables thereon based on the expected collections, establishing from historical trends and the list of active engineers.

4. Risk management objectives and policies

4.1. Financial risk management

Financial risk is the possibility of losing money on an investment or business venture. The Board's activities expose it to a variety of financial risks including credit, liquidity and market risks. The Board does not hedge against any risks.

4.2. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk on financial assets with banking institutions is managed by dealing with institutions with good credit ratings and placing limits on deposits that can be held with each institution.

Financial risk management

i) Credit risk (Continued)

As at year end, the Board had receivables amounting to TZS 1,136,583,530 that were past due but not impaired.

ii) Liquidity risk

Liquidity risk is the risk that the Board will encounter difficulty in meeting obligations associated with financial liabilities. The Board mitigates this risk through government subvention funding to meet its capital requirements and working capital requirements on an annual basis based on annual funding.

(iii) Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market price and comprises three types of risks: currency risk, interest rate risk and other price risk. The Board is only exposed to currency risk.

Currency risk

Currency risk arises on financial instruments that are denominated in foreign currency. The Board only had bank balances as at 30 June 2022 more than TZS 243.6m which are

ENGINEERS REGISTRATION BOARD

denominated in US Dollars. Management consider that an appreciation of the United States Dollar against the Tanzania Shilling of 10% for the year ending 30 June 2022 is reasonably possible. If the United States Dollar is to appreciate against the Tanzania Shilling with all other factors remaining constant, the Surplus for the year and accumulated fund would be higher by TZS 24m. If the currency were to depreciate, the effect would be the opposite.

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NOTES TO THE ACCOUNTS (CONTINUED)

5. Property, plant and equipment for year ended 30 June 2022

	Land	Building Fence	Motor Vehicle	Office Equipment	Office Furniture	Computers	Office Partition	Work In Progress	Total
Cost									
01 July 2021	700,000,000	158,755,593	950,454,111	265,272,963	107,304,449	263,696,108	42,298,579	-	2,487,781,803
Additions	-	-	-	70,290,150	59,974,410	5,776,400	62,243,856	814,592,615	1,012,877,431
Capitalized WIP	-	-	-	-	-	-	-	-	-
Total 30 June 2022	700,000,000	158,755,593	950,454,111	335,563,113	167,278,859	269,472,508	104,542,435	814,592,615	3,500,659,234
Accumulated depreciation									
As at 01 July 2021	-	5,291,853	879,374,790	241,249,514	93,922,347	208,266,922	23,628,065	-	1,451,733,491
Charge during the year	-	5,291,853	15,544,560	2,311,550	6,568,298	28,789,863	2,041,412	-	60,547,936
Total 30 June 2022	-	10,583,706	894,919,750	243,561,064	100,490,645	237,056,785	25,669,477	-	1,512,281,427
Net book value									
As at 30 June 2022	700,000,000	148,171,887	55,534,361	92,002,049	66,788,214	32,415,723	78,872,958	814,592,615	1,988,377,809
As at 30 June 2021	700,000,000	153,463,740	71,079,321	24,023,449	13,382,103	55,429,186	18,670,514	-	1,036,048,314

ENGINEERS REGISTRATION BOARD

NOTES TO THE ACCOUNTS (CONTINUED)

5. Property, plant and equipment for year ended 30 June 2021 (continued)

	Land	Building Fence	Motor Vehicle	Office Equipment	Office Furniture	Computers	Office Partition	Work in Progress	Total
Cost									
01-Jul-20	700,000,000	-	950,454,110	254,727,963	102,762,358	222,629,708	42,298,579	330,855,593	2,603,728,311
Additions	-	158,755,593	1	10,545,000	4,542,091	41,066,400	-	-	214,909,086
Capitalized WIP								-330,855,593	-330,855,593
Total 30 June 2021	700,000,000	158,755,593	950,454,111	265,272,963	107,304,449	263,696,108	42,298,579	-	2,487,781,804
Accumulated depreciation									
As at 01 July 2020	-	-	855,681,683	227,237,789	90,576,822	180,552,329	18,960,435	-	1,373,009,058
Charge during the year	-	5,291,853	23,693,107	14,011,725	3,345,525	27,714,593	4,667,630	-	78,724,432
Total 30 June 2021	-	5,291,853	879,374,790	241,249,514	93,922,347	208,266,922	23,628,065	-	1,451,733,490
Net book value									
As at 30 June 2021	700,000,000	153,463,740	71,079,321	24,023,449	13,382,103	55,429,186	18,670,514	-	1,036,048,314
As at 30 June 2020	700,000,000	-	94,772,427	27,490,174	12,185,536	42,077,379	23,338,144	330,855,593	1,230,719,253

Note:

Total addition considered for Cash Flow Purpose is only TZS 56,153,493 out of the reported amount of TZS 214,909,086. The addition of TZS 158,755,593 under Building Fence was the part of transfer from Work in Progress (WIP) amounted to TZS 330,855,593 as detailed in table below

Details	Amount (in TZS)
Total addition during the year 2020/2021	214,909,086
Less: Non-Cash Transaction (Transfer from Work - in Progress to Building Fence)	(158,755,593)
Total addition involved Cash Movement	56,153,493

ENGINEERS REGISTRATION BOARD

NOTES TO THE ACCOUNTS (CONTINUED)

6.0. Intangible asset	2021/22 TZS	2020/21 TZS
Cost		
At 1 July	204,219,048	32,119,048
Additions	-	172,100,000
Updating of EMS(2020)		
	<u>204,219,048</u>	<u>204,219,048</u>
Accumulated amortization		
At 1 July 2021	(62,343,183)	(25,825,250)
Charge for the year	(34,420,000)	(36,517,933)
	<u>(96,763,183)</u>	<u>(62,343,183)</u>
As at 30 Jun, 2022		
Carrying amount at 30 June 2022	<u>107,455,865</u>	<u>141,875,865</u>

The value for Intangible Asset is for the ERB MIS (Phase I) and ERB Management Event System which was complete as of 30 June 2022. The value will increase by TZS 99m when Phase II of the ERB-MIS is Complete.

7. Cash and cash equivalent	2021/22 TZS	2020/21 TZS
CRDB - project account	8,820,016	76,405,666
NBC bank-Collection	100,000	100,000
CRDB bank - local account-Collection	2,585,750	410,638,884
CRDB- savings account (EDF)	283,692,425	829,708,503
CRDB bank - local account Expenditure	197,361,913	90,588,277
CRDB bank - local account Muse-Expenditure	187,063,462	-
CRDB bank -Forex account Expenditure	1,004,548	5,316,767
NMB bank	20,463,750	8,722,500
NMB bank-Forex	46,738,829	518,010
BoT USD account	195,956,204	245,433,642
BoT TZS account	1,526,618,651	260,625,320
CRDB bank - forex account-Collection	2,541,500	1,636,922
	<u>2,472,947,048</u>	<u>1,929,694,491</u>

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	2021/22 TZS	2020/21 TZS
8. Receivables and Prepayments		
Prepayments (PSSF/NHIF)	-	1,995,366
Staff loan/Imprest	-	2,000,000
Annual fees Receivables	2,134,294,206	1,548,643,526
Less: Provision for Doubtful Debts	(997,710,676)	(939,545,145)
	1,136,583,530	613,093,747
	2021/22	2020/21
	TZS	TZS
9. Inventories		
Stock at 1 July	46,511,011	132,061,892
Additions	179,056,901	336,576,434
Less: Units Consumed	(175,421,386)	(422,127,315)
Balance at 30 June	50,146,526	46,511,011
10. Other payables		
Performance Incentive payable	-	49,318,500
SUMA JKT Company Ltd	204,134,596	-
Professional Interviewers Payable	-	20,781,308
Wahandisi SACCOS Ltd	-	17,433,670
TAMICO	-	952,981
NSSF/PSSSF payable	-	2,036,260
NHIF payable/PSSSF	-	2,696,984
Audit fees payable	59,560,000	58,460,000
Architects and Quantity Surveyors Board	124,833,638	-
	388,528,234	151,679,703
11. Development Fund (Engineering Development Facility)		

During its 79th Ordinary Board Meeting held on 30 August, 2017 the Board directed to set aside TZS 1 billion over a period of 5 years for the Engineering Development Facility (Mhandisi House) in Dodoma. During the year, Members contributions and savings amounting to TZS 1,046,441,713 have been mobilized. The Board intends to make the funds available for the intended purpose depending on its liquidity position. The closing figure was arrived as below: -

ENGINEERS REGISTRATION BOARD

	2021/22 TZS	2020/21 TZS
Opening Balances	829,708,503	977,798,807
Engineers Contributions for the year (2021/22)	846,441,713	783,170,480
Contribution from ERB Savings on AED 2021	200,000,000	200,000,000
Total Funds for the year	1,876,150,216	1,960,969,287
Less: -Funds Spent on Site Development-/Mhandisi Annex Construction and Furnishing the Office	(936,165,972)	(643,720,757)
Consultancy Fees and Project Staff	(202,400,000)	(266,625,472)
Financing ECDF/Young Forum (2020) and Project Management Forums	-	(220,914,555)
SEAP Activities and support	(453,891,819)	
 Balance carried forward end of the year	 <u>283,692,425</u>	 <u>829,708,503</u>

12. Land and Building

The Land cost of TZS 700 million arose on the valuation of an undeveloped land (Plot No. 13 Block 'A' NCC Area in Dodoma Municipality), valued by Ardhi University on February 2018, independent valuers, on the basis of open market value. The valuation forms the basis of the cost of the land where the Board is planning to build the Mhandisi House. The valuation of land was done only to get the Fair value of Land before developing the same and for the purpose booking it as an asset for the Board for it was allocated to the by the Dodoma City Council for a mere ownership processing fees of TZS 5 million or less which was not the real value of the land hence the Board needed to have the fair value. The said plot has been developed whereby Mhandisi Annex a 3-storey which is at final stages has so far consumed TZS 814,592,615 which is shown under Work in Progress. Following the Concrete Wall (Fence) which was completed in the year 2020. Some of services like power (Generator), water and CCTV Cameras are already installed. External and remained partitioning works are expected to be completed in 3rd quarter of the FY 2022/23.

12(A) Prepayments	2021/22 TZS	2020/21 TZS
Amount advanced to GPSA	252,762,578	-
	252,762,578	-

ENGINEERS REGISTRATION BOARD

NOTES TO THE ACCOUNTS (CONTINUED)

13. Revenue		
(a) Exchange transactions	2021/22	2020/21
	TZS	TZS
Annual Registration and Other Fees		
Annual fees	2,269,238,693	1,905,924,954
Registration fees	661,612,765	546,373,140
Annual engineers CPD discourse	1,353,098,525	1,249,765,000
Application fees	249,245,795	186,063,920
Engineers rubber stamps	160,580,200	125,459,010
Practicing license fees	166,252,865	143,680,519
Sale of ERB stickers	391,300,000	296,618,833
	5,251,328,843	4,453,885,376
(b) Fees, Fines and Penalties*		
Fines and penalties	144,307,180	172,904,740
(c) Other income**	62,395,000	70,041,646

*All engineers who are registered under the Board are obliged to pay their annual fees on a yearly basis. For those engineers who delay in payment by 31 March each year are subject to fines and penalties.

**Other income relates to gain on exchange rate fluctuation and income from accreditation of various courses offered by Engineering Associations and Firms.

	2021/22	2020/21
	TZS	TZS
Non-exchange transactions		
(d) Government Subvention and Transfer		
Other charges (for SEAP) *	323,928,000	1,151,101,000
PE Subvention (Salaries)	535,943,400	437,711,259
	859,871,400	1,588,812,259

*The Board is receiving Funds from the Ministry of Education and Ministry of Works to facilitate SEAP Trainees. There was no funds from Ministry of Education this Financial year. However the Board received funds from Ministry of Works was TZS 323,928,000.00

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meant for SEAP.

	2021/22 TZS	2020/21 TZS
(e) Grant for Women Engineers		
Funds utilized	67,380,730	567,886,598
	67,380,730	567,886,598

The Board runs a project with support from Royal Norwegian Embassy known as Structured Engineers Apprenticeship Programme (SEAP) which has the Development objective of Gender balance in professional training and empowered female engineers who confidently hold and manage professional responsibilities in Government, industry and business. The project had come to an end during the Financial year 2021/22 no signed contract so far. The amount remitted was to fulfil the no cost extension for the trainees who had not completed the program.

	2021/22 TZS	2020/21 TZS
(f) Engineering Development Facility		
Contribution from Firms and Engineers	846,441,713	783,169,355

14. Wages, Salaries and Employees Benefits

Salaries and wages	549,202,315	582,835,576
Housing allowance	59,182,200	59,169,750
Meal allowances/Extra duty and overtime	467,606,974	474,326,438
Entertainment, water and telephone expenses	42,240,000	52,458,000
Leave assistance	2,782,500	1,388,800
Medical cost	9,432,500	10,157,200
Staff training and Board development	105,355,900	107,535,000
Special Allowance	60,268,500	
		49,318,500
Transport expenses to Staff	68,700,000	53,750,000
	1,364,770,889	1,390,939,264

	2021/22 TZS	2020/21 TZS
15. Supplies and Consumables		
Short courses and conferences	47,858,000	37,050,000
Engineers rubber stamps	76,500,000	64,524,150
Consultancy services	58,932,622	59,340,000

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Advertising and publishing	82,853,800	50,374,794
Maintenance of office equipment	40,600,115	24,511,040
Special assignments	102,042,483	96,636,250
Annual engineers CPD discourse	1,125,509,479	946,513,273
SEAP (Internship) expenses	684,371,150	696,243,019
Stationery and photocopying	96,444,634	91,525,844
Norwegian SEAP women engineers support	134,966,380	673,115,982
Bank charges	14,394,189	16,311,432
Website and Database and computers	21,500,200	39,546,008
Transport and travelling	366,771,480	319,392,424
Maintenance of vehicles	179,043,400	181,891,734
Office expenses	53,378,400	43,541,800
Telephone, fax and email	46,671,931	24,314,831
Office rent	100,799,991	173,817,046
Electricity and water	42,104,976	25,247,250
Telegrams and postage	15,777,186	17,873,400
	3,290,520,416	3,581,770,277
	2021/22	2020/21
	TZS	TZS
16. Board and other committee expenses		
Board meeting expenses	71,780,000	108,547,000
Industrial and monitoring visit	163,230,000	188,600,000
Professional interview	28,176,900	36,030,000
Tender board committee and PMU expenses	36,603,459	30,310,000
Adhoc committee	15,700,000	46,826,000
Executive committee meeting expenses	42,108,200	51,650,000
Registration and technical Committee	80,220,000	104,071,000
Professional development affairs committee	43,446,123	62,934,500
Inquiry Expenses	65,025,000	50,495,000
Audit Committee	26,193,890	32,295,000
	572,483,572	711,758,500
17. Other expenses	2021/22	2020/21
	TZS	TZS
Contributions TR	50,000,000	30,000,000
Contribution to other Institutions	100,066,000	38,165,000
Mhandisi House Expense.	786,099,972	957,402,633
Moving Expenses (Transfer of Staff)	71,672,926	-
Honorarium	57,000,000	74,280,960
Provision for doubtful debts	58,165,531	164,955,004
Funeral expenses	4,260,000	20,860,000
Capital Expenses	12,500,000	10,249,665

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Miscellaneous expenses	20,870,577	1,077,000
	1,160,635,006	1,296,990,262

18. Taxation

Engineers Registration Board is a service organization receiving subsidies from the Government of Tanzania. The subsidies income is not taxable under the Income Tax Act, 2004.

19.

Contingent liabilities

The Board had no contingent liabilities as at 30 June 2022.

20.

Capital commitments

Capital expenditure contracted for in relation to Property, Plant and Equipment at 30 June 2022 amounts to TZS 635.9 million (2020/2021: TZS 1.036 billion).

21. Ultimate owner of the Board

The Government of the United Republic of Tanzania is the ultimate owner of the Board.

21(a) Authorization date for issue

These Audited Financial Statements of the Board will be issued for public use after being tables in the Parliament of the URT

22. Related party transactions

According to IPSAS 20, the Board had no other related Party to its business transactions, but the key staff remuneration and directors' expenses;

	2021/22 TZS	2020/21 TZS
Key Staff Remuneration	549,202,315	582,835,576
Directors fee	60,000,000	51,850,000
	609,202,315	634,685,576
23. Depreciation Expense		

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The Board charged depreciation under IPSAS 17 on property, plant and equipment which the Board now adopted. IPSAS 17 require the use of Cost model in charging the depreciation. This is in line with Circular No 6 of 2019/20 as well as Circular No 2 of 2017/18 dated 13 September 2017 from Accountant General) this has necessitated the Board to prolong the life of the Assets in use for 3-5 years due to the fact that the assets of the Board are still in use. Meanwhile valuation conducted during the year will help only in case there is disposal issues.

24. Fair Value Recognition of the Land under PPE

The Board had an idle Land which was provided by the Dodoma City Council several years back. The Board had directed to seek for the Market value of the Land before developing the same. The directive leads to valuation exercise so as to start developing. This Land is currently being developed hence the value of the property will change accordingly. So far the Fence is complete while Mhandisi Annex House is still under construction. Fence construction value has increased the Land and Buildings to the tune of TZS 858.5million. There has been Work in Progress of 814million, this will be fully recognised after obtaining the certificate of occupancy.

25. Grant from Royal Norwegian Government

The Board has been receiving grants from the Norwegian Government since 2010 to support Female Engineering trainees pursuing practical training for the purpose of registration as professional engineers. There is no restriction put to the fund apart from complying to the contract and strictly use the fund for the intended purpose. The amount received or spent by the Board for the programme is disclosed in the respective notes of revenue and expenses. The movement of the Fund for two financial years has been as follows; It should be noted that this was the extension of the contract with no cost.

DETAILS	2021/22 (TZS)	2020/21 (TZS)
Balance as at 01 July	76,405,666	105,233,944
Funds received during the year	67,380,730	567,886,598
Funds Utilized for the year	(134,966,380)	(596,714,876)
Balance carried forward at 30 June 2022	8,820,016	76,405,666

26: Reconciliation of Net Cash Flows from Operating Activities to Surplus/(Deficit)

Reconciliation of Net Cash Flows from Operating Activities to Surplus/(Deficit)		
	2021/22	2020/21
Surplus/(deficit) from ordinary activities	628,787,047	429,689,306
Noncash movements		
Depreciation	60,547,936	78,724,432
Amortization	34,420,000	36,517,933
Increase in provision for doubtful debts	-	939,545,145
Deferred Revenue	1,443,000,000	

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Decrease in Deferred income	(67,585,650)	
Increase/(Decrease) Other Payables	236,848,531	(43,835,264)
(Increase) / Decrease in Inventory	(3,635,515)	85,550,881
(Increase) / Decrease in receivables	(523,489,783)	(652,660,263)
(Increase) / Decrease in prepayments	(252,762,578)	
Net cash flows from operating activities	1,556,129,988	873,532,171

	2021/22 TZS	2020/21 TZS
27 Other Receipts		
Decrease in Accounts Receivables and Prepayments	-	-
(Increase)/Decrease in Accounts Receivables	(523,489,783)	286,884,882
Decrease in Deferred income	(67,585,650)	-
Deferred Revenue (see Note 29)	1,443,000,000	-
	<u>851,924,567</u>	<u>286,884,882</u>
	2021/22 TZS	2020/21 TZS
28 Other Payments		
(Increase) / Decrease in inventory	-	85,550,881
Increase / (Decrease) in Other Payables	236,848,531	-
(Increase)/Decrease in Prepayments	(252,762,578)	-
Increase)/Decrease in inventory	(3,635,515)	-
Increase/(Decrease) Other Payables	-	(102,295,264)
	<u>(19,549,562)</u>	<u>(16,744,383)</u>
	2021/22 TZS	2020/21 TZS
29 Deferred Income		
Balance brought forward	-	-
Revenue received from Ministry of Education for ESPJ	1,443,000,000	-
Funds spent during the year under audit	-	-
Balance brought forward	<u>1,443,000,000</u>	<u>-</u>

This was the funding received from the Ministry of Education for the Education Skills for Productive Jobs Project that is implemented under the Engineers Registration Board. This fund was received at the close of year End (on 27 June 2022), hence ERB could not spend the amount in same year. Further, the Board sought permission from the Ministry so it could carry forward such for use in financial year 2022/23.