



TBS The Home of Standards



TANZANIA BUREAU OF STANDARDS

ANNUAL REPORT & ACCOUNTS

2019/2020

Dar es Salaam, June 2020

ACRONYMS

ARSO	-	African Organization for Standardization
BoD	-	Board of Directors
CDCF	-	Constituency Development Catalyst Fund
CoCs	-	Certificates of Conformity
DEAS	-	Draft East African Standard
EAC	-	East Africa Community
FAO	-	Food and Agriculture Organization
GDP	-	Gross Domestic Product
HACCP	-	Hazards Analysis Critical Control Point
ICT	-	Information and Communication Technology
IEC	-	International Electro Technical Commission
ISO	-	International Organization for Standardization
i-SQMT	-	integrated - Standardization, Quality Assurance, Metrology
MIT	-	Ministry of Industries and Trade
MSMEs	-	Micro, Small & Medium Enterprises
NGOs	-	Non-Governmental Organizations
NHIF	-	National Health Insurance Fund
OPAC	-	Online Public Access Catalogue
PVoC	-	Pre-Shipment Verification of Conformity to Standards
QUALIMIS	-	Quality Management Information System
SADC	-	Southern African Development Community
SMEs	-	Small and Medium Enterprises
SQMT	-	Standardization, Quality Assurance, Metrology and Testing
TBS	-	Tanzania Bureau of Standards
TBTs	-	Technical Barriers to Trade
TFDA	-	Tanzania Food and Drugs Authority
TMEA	-	Trade Mark East Africa
ToR	-	Terms of Reference
TRF	-	Trade Related Facility
TZS	-	Tanzania Shilling
WHO	-	World Health Organization
WTO	-	World Trade Organization

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TBS BOARD OF DIRECTORS

The Bureau had no Board of Directors during the period under review as the previous Board had expired and the new Board was yet to be appointed.

LETTER OF TRANSMITTAL



Hon. Innocent Lugha Bashungwa (MP)
Minister for Industry and Trade
P O Box 2996
Dodoma

Honorable Minister,

Tanzania Bureau of Standards is the national standards body under the Ministry of Industry and Trade responsible for development of standards, promoting standardization and undertaking measures on quality and safety control of products. For the financial year 2019/2020, the Bureau implemented plans as reflected in the Five-Year Strategic Plan from 2016/2017 – 2020/2021, the Annual Budget and Action Plan, the Performance Contract signed between the Board of Directors and Treasury Registrar, Ruling party Manifesto and other Government directives. Aforesaid, I hereby submit the annual report on the performance of TBS for the financial year 2019/2020 as mandated by the Standards Act No. 2 of 2009 and amendments on the Finance Act No. 8 of 2019. This report combines both the Director General’s report on corporate business and the Audited Annual Accounts of the Bureau for the period ended 30th June, 2020.

A handwritten signature in black ink, appearing to read 'Riziki Shemdoe'. The signature is fluid and cursive.

.....
Prof. Riziki Silas Shemdoe
Permanent Secretary, Ministry of Industry and Trade (MIT)

TBS MANAGEMENT



Dr. Athuman Y Ngenya
Director General



Eng. Johanes Maganga
Director of Testing and Metrology



Mr. David Ndibalema
Director of Standards Development



Mr. Lazaro Msasalaga
Director of Quality Management



Mr. Joseph Makene
Testing Manager



Mr. Yona Afrika
Standards Manager



CPA Shaaban Kambwili
Chief Accountant



Mr. Jabir Saleh Abdi
Documentation and ICT Manager



Mr. Hamisi Sudi
Research, Training and Market Surveillance Manager



CPA Chihimba P Nyenela
Chief Internal Auditor



Dr. Athuman Y Ngenya
Director General

CHAIRPERSON'S STATEMENT

According to the Standards Act Cap.130, Tanzania Bureau of Standards (TBS) is the custodian and overseer of the observance and implementation of standards in Tanzania through Standardization, Quality Assurance, Metrology and Testing (SQMT) services with the aim of providing supportive infrastructure for growth of industries and commerce within the country.

During the period under review, the Bureau continued to represent Tanzania's interests in regional and international standards bodies such as East African Standards Committee (EAC), Southern African Development Community (SADC) and African Regional Organization for Standardization (ARSO). Others include International Organization for Standardization (ISO), International Electrotechnical Commission (IEC) and the FAO/WHO Codex Alimentarius Commission.

The Bureau's major sources of income continued to be the Government, development partners and TBS own internal sources. The Bureau enjoyed tremendous support from development partners such as TMEA and SADC. Despite the achievements, the Bureau encountered some challenges including limited space in the laboratories, shortage of modern equipment for testing of samples in the laboratories, existence of unofficial ports/routes and shortage of personnel (human resources).

In order to ensure its services are accessible to many Tanzanians, the Bureau in collaboration with the Government is implementing a number of strategies, including finalizing the construction of a Test House — a six-storey building in Dar es Salaam aimed at overcoming the challenge of limited space in the laboratories. On the issue of equipment, the Bureau sets funds each year for the purchase of modern equipment and the renovation of existing facilities. In addition, some equipment have been acquired through development partners including the European Union through Trademark East Africa and SADC Trade Related Facility (TRF). In order to curb the influx of substandard products, TBS will open more border offices. Moreover, the Bureau will strengthen cooperation with other stakeholders especially TRA, FCC, ZBS, TPA, GS1, TFDA, EWURA, TCRA and the police so as to reduce entrance of products through unofficial ports/routes. On the issue of human resources, TBS through the Ministry of Industry and Trade has continued to communicate with the President's Office, Public Service Management and Good Governance to request for grant of employment permits in every financial year. TBS has presented an establishment of 750 personnel by June, 2021 and has continued to request and been granted employment permits in every financial year. Furthermore, TBS continued to communicate with the President's Office, Public Service Management and Good Governance concerning the approval of new salary structure that fits the Bureau's needs.

Lastly, TBS has informed higher authorities on the absence of the Board of Directors as in the meantime all issues that required Board endorsement are being forwarded to the Permanent Secretary of the Ministry of Industry and Trade.

To sum up, in lieu of the TBS Board of Directors, I wish to express my appreciation to Management and the entire staff of the Bureau for their indulgence and tireless efforts which have made this year successful.

.....
Dr. Athuman Y Ngenya
TBS Director General
In lieu of the Chairperson,
TBS Board of Directors

DIRECTOR GENERAL'S REPORT

1. BACKGROUND

1.1. Establishment

Tanzania Bureau of Standards was established by the Standards Act. No. 3 of 1975 under the name of the National Standards Institute. The Institute became operational on 16th April, 1976 vide Government Notice No. 173 of 1976. Its name was changed to the present one of Tanzania Bureau of Standards under Act No. 1 of 1977. In March 2009, the Standards Act No. 3 of 1975 was repealed and replaced by the Standards Act No. 2 of 2009 which came to be operational in June 2009, aiming at giving TBS more powers to oversee the implementation of standards. Also following the amendments of the Financial Act No. 8 2019 of, TBS has been given new responsibilities concerning food and cosmetics safety.

These activities were previously under the former Tanzania Food and Drugs Authority (TFDA). TBS is a parastatal organization under the Ministry of Industry and Trade and the sole National Standards Body for Tanzania.

1.2. Core Functions

The Bureau's mandate is to promote standardization and quality assurance in industry and commerce sectors. The major functions of TBS are as enumerated hereunder: -

a) Formulation and promulgation of Tanzania Standards in all sectors of the country's economy.

b) Implementation of promulgated standards through third party certification schemes including the Standards Mark Scheme.

c) Improvement of quality of industrial products both for export and local consumption through various certification schemes like pre-export inspection and testing, batch certification scheme, tested product certification scheme and quality system registration.

d) Promotion of standardization and quality assurance services in industry and commerce through training of personnel on company standardization, quality management, quality assurance, laboratory techniques, accreditation, packaging technology and Hazard Analysis Critical Control Points (HACCP).

e) Undertaking testing of product samples in the course of implementing standards, as requested by manufacturers, to verify consumer complaints or for proficiency testing.

f) Undertaking calibration of industrial and commercial measuring equipment and instruments as the custodian of national measurement standards.

g) Provision of quality assurance services in foreign countries through Pre-Shipment Verification of Conformity to standards (PVoC).

h) Registration of food, food products and cosmetics.

i) Registration of food and cosmetics premises.

1.3. TBS Information Centre

TBS has a well-equipped library which caters for standards and standards associated information needs of industrialists, researchers, academicians and the business community. It keeps abreast of latest developments in standards, standard-type documents, standards catalogues, monographs, technical journals, technical regulations/directives, etc. The library is accountable for identification, gathering and dissemination of information on national, foreign, regional and international standards and on all matters related to standardization and quality assurance.

The library offers up-to-date information and documentation services to its clients with the support of modern and traditional technologies, which include the use of Online Public Access Catalogue (OPAC).

The standards catalogue can be searched either directly from the TBS website through the internet or manually from the standard catalogue found in the library.

TBS library serves as the focal point through which local and other interested parties can purchase national, regional, and international standards. The agreement between National Standards Bodies and the International Organization for Standardization (ISO) recognizes Tanzania Bureau of Standards as the sole sales agent of foreign standards in Tanzania, to local clients including but not limited to manufacturers, importers, industrialist, educationists, and Non-Governmental Organizations (NGOs).

The library provides inquiry and information services on numerous issues concerning standards and quality assurance. The library staff responds to written, telephone, fax, e-mail and walk-in requests for information. It offers information on standards and standards related materials to TBS staff, industrialists, business community, academia, researchers, and consumers. Searches are made using various hard copy documents, CD-ROMs, flash disks, the internet and by consulting professionals and standards-developing personnel. The library preserves Tanzania national standards, foreign national standards, international standards like ISO, IEC, Codex Alimentarius standards, laws and regulations.

Tanzania Bureau of Standards is the TBT National Enquiry Point for Tanzania. The Enquiry Point enables enterprises to find out the requirements for access to market of WTO members so that they can make preparations to comply with these requirements. It also carries out the following:

- Responding to enquiries on technical regulations, standards and conformity assessment procedures;
- Obtaining, compiling and disseminating notifications on TBT that are issued by WTO Secretariat to stakeholders in Tanzania; and Obtaining, compiling and processing notifications on TBS that are issued by TBT regulators to WTO members through WTO Secretariat.

The services offered by the TBT National Enquiry Point to business enterprises are:

- Identification of technical requirements (technical regulations, standards and conformity assessment procedures) for market access for business enterprises.
- Obtaining technical requirements for business enterprises from WTO members.
- Provision of notifications on proposed technical regulations and conformity assessment procedures issued by WTO Secretariat.
- Obtaining information from National Enquiry Point of WTO members; and
- Obtaining relevant TBT documents from WTO Secretariat for stakeholders.

1.4. Organizational Structure

The current organizational structure of TBS is hinged upon a typical scientific institutional structure with policy-cum-functional powers vested in the Board of Directors to which the Director General is answerable. The organizational structure of the Bureau is made up of four directorates namely standards development, quality management, testing and metrology as well as human resources and administration.

Operationally, an elaborate committee system exists, through which national standards are processed and approved. The committee system includes technical committees responsible for initial scrutiny of drafts presented by the TBS secretariats, the divisional committees responsible for setting out priorities for standardization projects and endorsing drafts scrutinized by the technical committees and the Board of Directors of TBS which is responsible for setting out policy and for approval of finalized draft standards into national standards. The implementation of standards is done by direct interaction with industry and commerce through various schemes and testing services provided to manufacturers.

2. ACTIVITIES REPORT

2.1. Introduction

Economic Overview

According to African Development Bank Group overview of Tanzania Economic Outlook, growth slowed to 2.1% in 2020 from 6.8% in 2019 because of COVID-19. The growth was driven mainly by construction and manufacturing on the supply side and investments on the demand side. Monetary policy was accommodative to support credit and economic growth. Inflation fell to 3.3% in 2020 from 3.5% in 2019, due to a steady decline in food prices. Exchange rates remained stable, partly due to the Bank of Tanzania's interventions to ensure stability in the foreign exchange market. The government's fiscal consolidation helped to reduce recurrent expenditures, but the adverse effect of COVID-19 on revenues increased the fiscal deficit slightly from 2.0% of GDP in 2019 to 2.3% of GDP in 2020—which still is lower than the government target of 5%.

The deficit was financed largely by domestic borrowing. The current account deficit improved slightly to 3.2% of GDP from 3.4% in 2019 due to better export performance,

particularly gold exports. The non-performing loans ratio increased from 9.8% in December 2019 to 11.0% in April 2020, mainly because of liquidity constraints in the private sector, in part due to COVID-19. The number of Tanzanians living below the poverty line increased as the pandemic caused weakness in sectors with high employment potential, notably agriculture and manufacturing. It was estimated that the pandemic could push an additional 500,000 Tanzanians below the poverty line. Inequality is also likely to have widened further during the pandemic.

Outlook and risks

The economic outlook is positive, with real GDP projected to grow 4.1% in 2021 and 5.8% in 2022, due to improved performance of the tourism sector and the reopening of trade corridors. Energy and fuel price increases are expected to persist in 2021, raising overall inflation to 3.9% in 2021 and 3.4% in 2022. Spending on large infrastructure projects and depressed revenue performance are expected to widen the fiscal deficit to 3.2% of GDP in both 2021 and 2022, financed mainly by external borrowing. The current account deficit is projected to grow to 3.9% of GDP in 2021, due to the lingering effects of COVID-19 on merchandise exports and increased imports of capital goods for large infrastructure projects. It is expected to narrow to 3.3% of GDP in 2022. The major downside risks to the outlook include business regulatory bottlenecks that constrain private sector activity and uncertainties regarding the pandemic. Poverty and unemployment are expected to remain high due to depressed private sector activity.

2.2. Standards Preparation

2.2.1. Finalized standards

During the year 2019/2020, the standards development directorate finalized a total of 555 standards compared to 456 standards in the previous year. The standards were developed under its various sector-based sections.

Some of the standards finalized under the General Techniques Section include standards on requirements for good financial grant practice, requirements for tourist information and reception services and related services, recommendations for beach operation, requirements and recommendations for adventure tourism good practices for sustainability, specification for garbage bags,

specification for aluminum foil, guidelines for the selection of quality management system consultants and use of their services, guidelines for the quality management in projects, and requirements for the operation of various types of bodies performing inspection and risk management guidance for the implementation of ISO 31000.

Standards finalized in the Food and Agriculture Section were general guidance for measuring odor, specification for stingless bee honey, determination of tryptophan content in animal feeding stuffs, specification for butter, specification for compounded fish feeds, specification for ghee, specification for compounded pig feeds, specification for fortified milled maize (corn) products, specification for finger millet grains, specification for whole sorghum grains, specification for composite flour, specification for edible full fat soya flour, specification for fortified wheat flour, specification for compounded poultry feeds, determination of vitamin A by high performance liquid chromatography, determination of mercury by flameless atomic absorption spectrophotometric method, specification for jams, jellies and marmalade, specification for vinegar from natural sources and pickles.



Testing of plastic pipes in the Building and Construction Laboratory

Standards finalized in the Mechanical Engineering Section were general requirements for fire resistance tests for door and shutter assemblies, general requirements for atmospheric corrosion testing in metals and alloys, general requirements for industrial safety helmets, content and structure for vehicle identification number (VIN),

general-purpose collapsible water hose, specification for cold rolled steel sections, requirements for gas volume meters, general technical delivery conditions for hot-rolled products, technical delivery conditions for fine grain structural steels, general principles for weld ability of metallic materials, vocabulary for gas welding equipment, qualification testing of welders steels and sowing equipment and test methods for single seed drills (precision drills).

Standards finalized in the Building & Construction Section were determination of creep of concrete cylinders in compression, test methods for infiltration rate in pervious concrete, test methods for density and void content in pervious concrete, specification for copper/chromium/arsenic composition for the preservation of timber, specification for wood preservation by means of pressure creosoting, specification for wood poles and blocks for power and telecommunication lines, specification for preservative-treated timber, specifically hardwood furniture timber; and specification for resilient floor coverings expanded(cushioned) poly (vinylchloride) floor covering.

Standards finalized in the Electrical Engineering Section include specification for bayonet lamp holders, generic specification for multicore and symmetrical pair/quad cables for digital communications, capacity evaluation method for photovoltaic system performance, capacity evaluation method for optical fibre cables, basic optical cable test procedures, rating and performance of design guidelines and recommendations for rotating electrical machines, particular requirements for electric irons for household and similar uses, general requirements for switches for household and similar fixed electrical installations, and general requirements and methods of test for terrestrial photovoltaic (pv) modules design qualification and type approval.

Standards finalized in the Chemical Section include specification for automotive gasoline (premium motor spirit), specification for automotive gas oil (automotive diesel), specification for thermal paper rolls, specification for diary books, specification for paper used for printing maps and architectural drawings, specification for liquefied petroleum gases (LPG), specification for scholastic exercise books, specification for varnishes for interior surfaces, specification for constituent material and mixtures, solvent-based paint remover, specification for road marking paints and specification for hot applied thermoplastic road marking paint.

Standards finalized in the Mining Section include rock drilling equipment - hollow drill steels in bar form hexagonal and round, guidelines for the systematic evaluation of coal resources and coal reserves, geological exploration for water reservoir sites – code of practice, mineral processing terminology comminution, solid mineral fuels evaluation of the measurement performance of on-line analyzers, determination of copper content in copper sulfide using concentrates titrimetric methods, mining and earth-moving machinery, vocabulary for rock drill rigs and rock reinforcement rigs.

Standards finalized in the Environmental Section were such as specifications for performance, design and test apparatus for industrial gamma radiography, manual determination of mass concentration of particulate matters in stationary source emissions, design principles and considerations for the choice of appropriate materials in neutron radiation protection shielding, design principles and considerations for the choice of appropriate materials in neutron radiation protection shielding and determination of mass concentration of sulphur dioxide in stationary source emissions using hydrogen peroxide/barium perchlorate/thorin method.



TBS Director General Dr. Athuman Y. Ngenya (centre, seated) poses with winners of the 7th Essay Competition for Students of Higher Learning Institutions during the commemoration of African Standardization Day in 2020.

Standards finalized in the Textile and Leather Section were such as determination for mass per unit area in nonwovens, determination of bending length in nonwovens, determination of drapability including drape coefficient in nonwovens, demand absorbency in nonwovens, cover-stock wetback in nonwovens and determination of water penetration (spray impact) in nonwovens.

The total number of national standards finalized during the year 2019/2020 in various sectors is 555 as indicated in Table 1.

Table 1: Standards finalized per sector in 2019/2020

S/N	Sector /	Number of Standards		
	Sub-sector	Target	Actual	%
1	Agriculture and food	100	184	184.0
2	Chemical and chemical products	50	53	106.0
3	Textiles	50	55	110.0
4	Environment	40	29	72.5
5	Mechanical engineering	45	69	153.3
6	Electrical engineering	45	60	133.3
7	Building & construction	40	40	100.0
8	General techniques	40	29	72.5
9	Mining engineering	40	36	90.0
TOTAL		450	555	123.3

2.2.2. Meetings

A total of 157 meetings were convened by the standards development directorate during the period under review. These included 17 divisional committee meetings, 94 technical committee meetings, 20 national consultative meetings and 26 working group meetings. The standardization projects deliberated upon by various meetings included those in the following areas:

a) Food and Agriculture

- i) Roasted macadamia kernel -Specification
- ii) Sesame - Specification
- iii) Chia seeds - Specification
- iv) Cheese - Specification
- v) Infant formula - Specification
- vi) Monitoring and sampling of fortified foods - Guideline
- vii) Dried banana -Specification
- viii) Amaranth flour -Specification
- ix) Desiccated coconut - Specification
- x) Paratha (chapati) dough - Specification
- xi) Bakery and biscuit manufacturing units - Code of hygiene
- xii) Foodstuffs - Determination of fumonisin B1 and B2 in maize based foods using immunoaffinity column clean-up and HPLC method with fluorescence detection.

b) Chemicals

- i) Surgical sutures - Specification - Part 1: Absorbable
- ii) Surgical sutures - Specification - Part 2: Non-absorbable
- iii) Light kaolin - Specification
- iv) Sodium bicarbonate - Specification
- v) Sulphuric acid - Code of safety
- vi) Household laundry detergent bars - Specification
- vii) Thermal paper rolls – Specification
- viii) Mosquito repellent soap – Specification
- ix) Neem herbal soap – Specification (revision TZS 883: 2005)
- x) Mosquito repellent soap – Specification

c) Textile

- i) Re usable sanitary towels – Specification
- ii) Footwear – Test methods for uppers and lining – Water vapour permeability and absorption
- iii) Footwear – Test methods for outsoles – Compression energy
- iv) A-twill bag – Specification
- v) Flexible intermediate bulk containers for non-dangerous goods
- vi) B-twill jute cloth – Specification
- vii) General labelling of all products manufactured from textiles
- viii) General labelling of all products manufactured from textiles
- ix) Menstrual tampon – Specification
- x) Disposable panty liner – Specification

d) Environment

- i) Guidelines for planning the samples of atmosphere and location of monitoring stations
- ii) Stationary source emissions – Manual determination of mass concentration of particulate matters
- iii) Stationary source emissions – Determination of mass concentration of nitrogen oxides: Naphthyl ethylene diamine photometric method
- iv) Stationary source emissions – Manual determination of mass concentration of particulate matters
- v) Guidelines for planning the samples of atmosphere and location of monitoring stations
- vi) Air quality – Vehicular exhaust emission limits international/regional participation/voting/balloting



Destruction of used undergarments in Ruvuma.

e) Electrical Engineering

- i) Household and similar electrical appliances – Safety – Part 2-3: Particular requirements for electric irons (TZA 448-2-8:2013 (Rev))
- ii) Switches for household and similar fixed installations – Part 2- 2: Electromagnetic remote-control switches (RCS)
- iii) Codes of practice for electrical installation
- iv) Edison screw lamp holders
- v) Uninterruptable power systems (UPS)-Part 2: Electromagnetic compatibility (EMC) requirements (IEC 62040-2:2016)
- vi) Photovoltaic inverters – Data sheet and name plate
- vii) High-voltage fuses – Part 1: current-limiting fuses
- viii) Low-voltage switchgear and control gear – Part 2: Circuit-breakers

f) General techniques

- i) Blow moulded polyolefin containers – Part 1: Up to 5 litres capacity
- ii) Blow moulded polyolefin containers – Part 3: Over 60 litres up to and including 200 litres capacity
- iii) Tourism and related services – Sustainability management system for accommodation establishments – Requirements {ISO 21401:2018}
- iv) Adventure tourism – Good practices for sustainability – Requirements and recommendations {ISO 20611:2018}
- v) Flexible plastic packages – Specification
- vi) Blow moulded polyolefin containers – Part 3: Over 60 litres up to and including 200 litres capacity
- vii) Quality management system – Guidelines for the quality management in projects
- viii) Quality management – Guidelines for quality plans
- ix) Conformity assessment – Vocabulary and general principles
- x) Guidelines for quality management system documentation

g) Building and construction

- i) Drinking water supply and wastewater systems
- ii) Road vehicles – Vehicle identification number (VIN) – Content and structure
- iii) Density and void content
- iv) Infiltration rate
- v) Density and void content
- vi) Specification for plain and decorative linoleum
- vii) Determination of creep of concrete cylinders in compression
- viii) Ceramic tiles – Guidelines for installation – Part 2: Installation of thin ceramic wall and floor tiles and panels
- ix) Window and door frames for external use – Part 1: PVC-U profiles for window and door frames
- x) Window and door frames for external use - Part 2: Windows with frames made from PVC-U profiles



TBS Inspector inspects steel bars during a market surveillance inspection in Morogoro

h) Mining

- i) Coal reserves and resources estimation
- ii) Ventilation in underground mines – Part 1: Air quality requirement
- iii) Rock drilling equipment – Hollow drill steels in bar form hexagonal and round
- iv) Rock drilling equipment – Forged collared shanks and corresponding chuck bushings for hollow hexagonal drill steels
- v) Solid mineral fuels – Determination of phosphorus content – Reduced molybdophosphate photometric method
- vi) Coal – Determination of bulk density for the use in charging of coke ovens
- vii) Mineral processing terminology – Part 1: Comminution

- viii) Mineral processing terminology – Part 2: Concentration
- ix) Copper sulphide concentrates – Determination of copper – Electro gravimetric method.
- x) Ventilation in underground mines – Part 2 : General guidelines

i) Mechanical Engineering

- i) Road vehicles – World manufacturer
- ii) Stainless steel cooking utensils – Specification
- iii) Petroleum and natural gas industries – Pipeline transportation systems – Design, construction and maintenance of steel cased pipelines
- iv) Safety requirements for bicycles – Part 1: Terms and definitions
- v) Retro-reflective number plate for vehicles
- vi) Hot-rolled steel sheet of structural quality
- vi) Hot-rolled steel sheet of structural quality
- vii) Cycles – Safety requirements for bicycles – Part 5: Braking test methods
- viii) Steel tubes and fittings – Symbols for use in specifications – Part 2: Square and rectangular hollow sections
- ix) Rubber hoses and hose assemblies – Wire or \ textile-reinforced single-pressure types for hydraulic applications – Specification (rev: TZS 1636:2013)
- x) Materials and articles in contact with foodstuffs
Cutlery and table hollowware – Part 7 – Requirements for table cutlery made of silver, other precious metals and their alloys

2.2.3. New Standardization Projects Initiated

During the year 2019/2020, the Bureau initiated a total of 243 new standardization projects. New standardization projects initiated during the year include household and similar electrical appliances – Safety – Part 2-3: Particular requirements for electric irons, low-voltage switchgear and control gear assemblies – Part 2: Power switchgear and control gear assemblies, specification and test methods (ISO 7701:1994), code of practice for the prevention and reduction of dioxin-like PCBs and non-dioxin-like PCBs in food and feed, guidelines for the selection of quality management system consultants and use of their service (ISO 10019:2005), determination of silver and gold contents – Fire assay and flame atomic absorption spectrometric method using scarification or cupellation, requirements and test methods and jointing materials for gypsum plasterboards – definitions.

Other projects initiated were dried peaches – specification and test methods ISO 7703:1995, microbiology of the food chain – carcass sampling for microbiological analysis, production and handling of cassava – good agricultural practices, dried lemon grass leaves – specification, meat and meat products – measurement of pH – reference method, Livingstone potato (numbu/ming’oko) – specification and steel for the reinforcement of concrete – part 4: ribbed bars – low grade steel.



Equipment calibration in the TBS Metrology Laboratory



TBS Director General Dr. Athuman Y. Ngenya officially opens a stakeholders’ conference on steel bars at TBS headquarters in Dar es Salaam.

2.2.4. Regional and International Standards Work

TBS participated in both regional and international standardization activities during the period under review. Various meetings were held in the country, region and across the continent.

TBS attended ISO Working Group meeting on Data Management and Interchange (ISO/IEC JTC 1/SC 32/WG 03) which was conducted in Arusha. The meeting was attended by the delegation from America, Asia and Europe from 2019-09-23 to 2019-09-27. TBS, through standards directorate also attended ISO TC 82 meeting in Stockholm, Sweden from 2019-09-22 to 2019-09-27.

From 2019-11-05 to 2019-11-08, TBS through the Textile and Leather Section participated in ARSO THC 07 – Textile and leather products harmonization meeting and the following standards were discussed:

- a) FD-ARS 653:2019, Textiles – Disposable sanitary towels – Specification
- b) FD-ARS 1575:2019, Textiles – Reusable sanitary towels – Specification
- c) FD-ARS 1572:2019, Textiles – Disposable adult diapers – Specification
- d) FD-ARS 658-1:2019, Textiles – Socks – Part 1: Men's and women's socks – Specification
- e) FD-ARS 658-2:2019, Textiles – Socks – Part 2: Sports socks – Specification

- f) FD-ARS 1569:2019, Labelling and marking of textiles and household textile articles
- g) FD-ARS 1570:2019, Printed labels for textiles
- h) FD-ARS 1571:2019, Textiles – Woven sacks for packing cement
- i) FD-ARS 1573:2019, Textiles – Woven cotton and similar household fabrics and articles
- j) FD-ARS 1574:2019, General requirements for woven textile piece goods and household articles

On 2019-12-16, the Food and Agriculture Section circulated the following 6 draft East African Standards under EASC /TC025 Processed fruits, vegetables and tubers to partner states secretaries for national consultation:

- a) CD/025/xx:2019 Processed cultivated edible mushroom
- b) CD/025/xx:2019 Pumpkin flour – Specification
- c) CD/025/xx:2019 Canned mixed vegetable – Specification
- d) CD/025/xx:2019 Canned fruit cocktail – Specification
- e) CD/025/xx:2019 Dried edible fungus – Specification
- f) EAS 66 Part 4 revision



The Minister for Industry and Trade, Hon. Innocent Bashungwa (gesturing) chats with the TBS Director General (second right) after inspecting the construction of the TBS Test House at TBS headquarters in Dar es Salaam.

From 13/01/2020 to 17/01/2020 TBS through the Mechanical Engineering Section conducted editing meeting under EASC/TC 041 Transportation of dangerous goods. The following standards were discussed:

- a) DEAS 949:2019 Transport of dangerous goods -Identification and classification of dangerous goods for road and rail transport
- b) DEAS 950:2019 Transport of dangerous goods -Operational requirements for road vehicles
- c) DEAS 951:2019 Transport of dangerous goods -Packaging and large packaging for road and rail transport
- d) DEAS 952-1:2019 Transport of dangerous goods -Emergency information systems – Part 1: Emergency information system for road transport
- e) DEAS 952-4:2019 Transport of dangerous goods -Emergency information systems – Part 4: Transport emergency card

From 19th to 25th January, 2020, TBS through the Building and Construction Section attended regional editing meeting under EASC/TC 043 Road, rail, air and water transport in Rwanda. The following East African draft standards were edited and finalized:

- a) FEAS 981:2019 Hydraulic road binders – Specification
- b) FEAS 982-1: 2019 Bitumen and bituminous binders – Part 1: Penetration grade bitumen – Specification
- c) FEAS 982-2: 2019 Bitumen and bituminous binders – Part 2: Cutback bitumen – Specification
- d) FEAS 982-3: 2019 Bitumen and bituminous binders – Part 3: Anionic bitumen emulsion – Specification
- e) FEAS 982-4: 2019 Bitumen and bituminous binders – Part 4: Cationic bitumen emulsions – Specification
- f) FEAS 982-5:2019 Bitumen and bituminous binders – Part 5: Performance graded bitumen –Specification

In additional, Bureau attended the 8th SMC meeting held on 27th April, 2020 through zoom, the meeting among others, approved new work items of technical committees to progress, considered the Regional Standardization Plan for consideration by the EASC and handled over to new SMC leadership (Uganda – Chairperson and Tanzania – Secretary). Moreover, TBS coordinated and attended the SADCTBT expert group meeting held on 21st April via Video Conferencing from Julius Nyerere Conference (JNICC), Dar es Salaam. Eleven (11) SADC member states attended the meeting. It was an annual meeting, which deliberated on a number of issues regarding the Standardization, Quality Assurance and Metrology (SQAM).

2.3. Standards Implementation

2.3.1. Certification

Throughout the year 2019/2020, TBS granted 534 standards mark licences/tested product certificates/licence extensions. The performance was 148.3 percent compared to the annual target of 360 standards mark licences/tested product certificates/licence extensions during the year.

2.3.2 Technical assistance to exporters

For the duration of the Financial Year 2019/2020, the Bureau continued to provide services to Tanzanian exporters. In total, 58 pre-export certificates were issued to exporters of various products. The performance was 322.2 percent compared to the annual target of 18 certificates.

2.3.3.Imports

During the period under review, a total of batch certificates issued under PVoC were 32,259 CoCs. This is equivalent to 84.9 percent compared to the annual target of 38,000 CoCs.

On the other hand, 41,616 vehicles were inspected during the year 2019/2020 compared to the annual target of 41,000 vehicles, which is equivalent to 101.5 percent.

2.3.4.Quality Control Training

For the period of the Financial Year 2019/2020, the number of training seminars in quality assurance/management amounted to 100 against the projected figure of 90 equivalents to 111.1 percent.

2.4. Testing and Calibration

The Testing and Calibration Directorate continued to provide testing and calibration services to Tanzanian industrialists.

During the Financial year 2019/2020, the Bureau tested a total of 25,339 samples equivalent to 110.2 percent of the annual target of testing 23,000 samples. Likewise, a total of 9,125 equipment were calibrated which is equal to 121.7 percent of the annual target of calibrating 7,500 equipment. This sums up to a total of 34,464 samples tested and equipment calibrated in the year under review, which is equivalent to 113.0 percent of annual target of the testing and calibration of 30,500 samples and equipment.



Table 2: Quality Assurance/Management Seminars 2010/2011 – 2019/2020

FISCAL YEAR	SEMINARS CONDUCTED	INDUSTRIAL PERSONNEL TRAINED	PARTICIPANTS TRAINED		
			TOP	MIDDLE	SHOP FLOOR
2010/2011	26	776	-	776	-
2011/2012	22	1,131	-	1,131	-
2012/2013	14	533	-	533	-
2013/2014	22	329	-	329	-
2014/2015	20	453	-	453	-
2015/2016	25	1,251	-	1,251	-
2016/2017	32	2,770	-	2,770	-
2017/2018	43	3,765	-	3,765	-
2018/2019	74	4,639	-	4,639	-
2019/2020	100	7,842	-	7,842	-

Table 3: Number of samples tested for the period of 2015/2016 to 2019/2020

FY	Packaging		Building & Construction		Electrical		Chemistry		Mechanical		Textile		Food & Microbiology		Metrology Services	
	Targ	Actu	Targ	Actu	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
2015/2016	80	128	1900	769	160	470	1200	1315	600	1213	760	699	1800	2236	7000	6323
2016/2017	500	533	1000	1195	2100	2336	2500	2841	2500	3099	3000	3384	3400	3747	6000	5774
2017/2018	600	582	1200	1068	2900	2935	3000	3107	3000	3357	3500	3717	3800	3941	6500	5628
2018/2019	700	921	1300	1046	3900	2813	3200	3164	3200	3507	4400	4215	4300	4609	7000	7848
2019/2020	800	1926	1400	1155	4400	3361	3400	4028	3500	4491	4700	4455	4800	5923	7500	9125
TOTAL	2680	4090	6800	5233	13460	11915	13300	14455	12800	15667	16360	16470	18100	20456	34000	34698

Figure 1: Samples tested for the period of 2015/2016 – 2019/2020

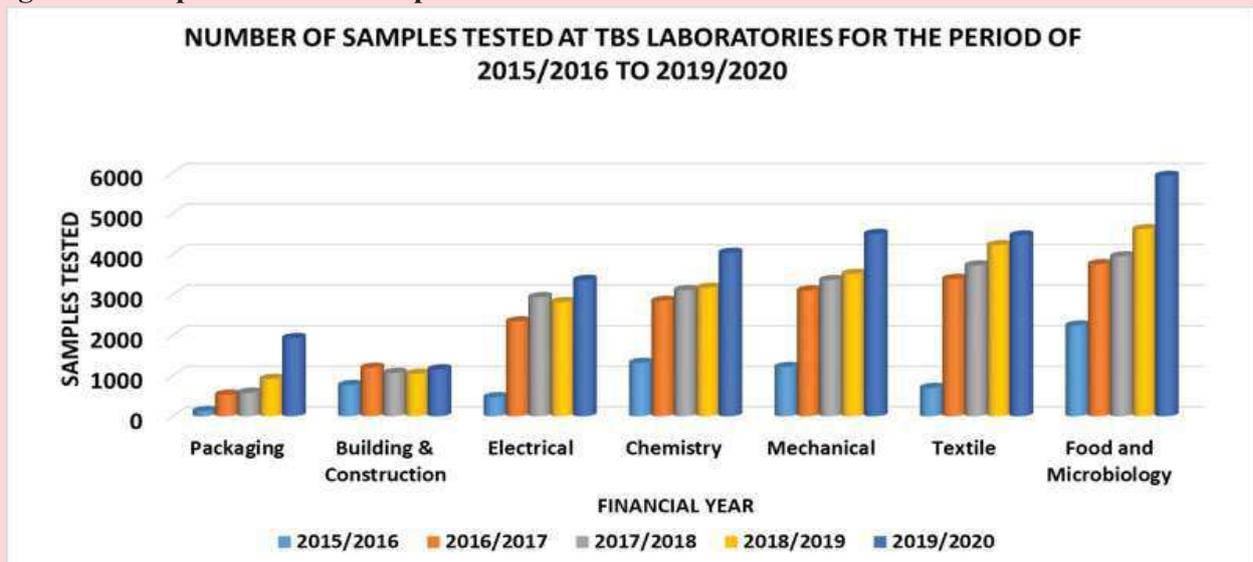


Figure 2: Equipment calibrated for the period of 2015/2016 – 2019/2020

NUMBER OF EQUIPMENT CALIBRATED AT TBS LABORATORY FROM 2015/2017 TO 2019/2020





TBS Director General Dr. Athuman Y. Ngenya (in glasses) and members of the TBS Management converse with a manufacturer (right) during a grant of licence ceremony held at TBS headquarters.

2.5. Information Centre

During the period under review a total of 325 finalized Tanzania standards were edited, formatted and documented. Other activities performed include editing contents of TBS website and other official documents (i.e. outgoing letters), duplication, binding and lamination of various office documents, securing and maintaining TBS ICT infrastructure i.e. server rooms, internet links, internal networks, remote connectivity, and security data and systems at TBS headquarters, import inspection at zone and border offices, managing the on-going TBS ICT projects i.e. development of i-SQMT system, TBS e-learning portal, development of online application system (OAS), server rooms upgrading and web store system (online sales of standards). The other activities were provision of technical specifications when acquiring ICT software and hardware, supervised installation of the call centre system under the contracted firm (SIHEBS Company Limited), and internet backup link at TBS headquarters office and imports inspection office, supervision of user acceptance test (UAT) of TBS online application system (OAS), managing existing management information system (MIS) i.e. online application system (OAS), and quality management information system (Qualimis), safari portal, TBS electronic payment system (ePS), Microsoft Dynamics NAVISION, domain controllers (active directory), e-SCAN antivirus, NVR system for CCTV cameras, TBS online forum for TBS Board of Directors (e-Board), attendance register system (biometric machines), backup system, content management system (CMS) for TBS website and government mailing system (GMS). Others were processing and sending notifications of new national standards to World Trade Organization (WTO) through national notification agency (NNA),

Ministry of Industry and Trade, receiving and processing inquiries on standards and standards related information; selling national standards and international standards to manufacturers, importers, regulators and researchers. During the year under review, TBS sold a total of 1,483 standards whereby 1,436 were national standards and 47 international standards.

2.6. Financial Performance

2.6.1. Long Term Liability

As at 30th June 2020, TBS had no long-term liability.

2.6.2. Balance sheet

During the financial year 2019/2020, TBS net current assets decreased by 52.8 percent from TZS 16,058.3 million in 2018/2019 to TZS 7,577.10 million. Likewise, during the year under review TBS net worth increased by 3.3 percent from TZS 72,290.2 million recorded in 2018/2019 to TZS 74,705.2 million as at 30th June 2020.

Table 3: Summary of assets and liabilities (TZS mil.) as at 30th June 2020

YEAR	CURRENT ASSETS	CURRENT LIABILITIES	NET CURRENT ASSETS	NET WORTH
1998/1999	174.4	176.0	(1.6)	329.3
1999/2000	133.5	87.0	46.5	656.3
2000/2001	414.0	76.7	337.3	916.4
2001/2002	521.7	67.9	453.7	1,089.7
2002/2003	542.4	72.4	470.0	1,095.1
2003/2004	734.6	114.1	620.5	1,473.3
2004/2005	1,136.5	16.7	1,119.4	2,150.8
2005/2006	1,389.5	39.4	1,350.1	2,687.7
2006/2007	1,982.5	171.6	1,810.9	3,189.2
2007/2008	2,292.5	267.7	2,024.9	7,997.8
2008/2009	3,482.6	670.1	2,812.5	8,813.5
2009/2010	3,676.8	429.5	3,247.3	9,431.0
2010/2011	6,906.6	219.2	6,687.3	12,401.9
2011/2012	8,814.9	735.6	8,079.3	33,348.4
2012/2013	9,218.5	512.9	8,705.6	34,867.5
2013/2014	10,068.6	858.6	9,210	39,684.1
2014/2015	12,256.3	933.3	11,323	42,634.5
2015/2016	18,379.4	698.4	17,681.1	61,876.3
2016/2017	19,608.7	2,551.2	17,057.6	64,204.2
2017/2018	19,703.9	1,722.7	17,981.2	67,515.6
2018/2019	21,795.2	5,736.9	16,058.3	72,290.2
2019/2020	16,484.0	8,906.9	7,577.10	74,705.2

2.6.3. Surplus/deficit

During the financial year ended 30th June 2020, TBS recorded a net surplus of TZS 3,811.1 million compared to net surplus of 4,620.5 million recorded in the previous year. Hence, an accumulated surplus in 2019/2020 was TZS 74,673.4 million compared to the accumulated surplus of TZS 72,258.4 million recorded during the year 2018/2019. The increase in accumulated surplus was due to the Accountant General's directives through Circular No.2 of 2018 that all non-current assets of public institutions' accounts of revaluation reserve should be closed and the running balance be transferred to accumulated surplus.

2.6.4. Income

The major sources of TBS income during the year under review continued to be internally generated income, Government subvention and support from Development Partners.

2.6.4.1. Government subvention

Government subvention increased by 36.9 percent from TZS 8,667.0 million in 2018/2019 to TZS 11,387 million in 2019/2020. The increase in government subvention was mainly due to increased number of new staff through recruitment and transfers from other public institutions.

Government subvention accounted for 18.5 percent of TBS total income, and was used for personnel emoluments.

2.6.4.2. Internally generated funds

During the year under review, TBS internally generated income increased by 0.9 percent, from TZS 46,401.0 million in 2018/2019 to TZS 46,822.9 million in 2019/2020, accounting for 76.3 percent of total income.

2.6.4.3. Development Partners

The value of products and services acquired by the Bureau through TMEA project is TZS 2,047.4 million.

2.6.5. Operating costs

The operating costs increased from TZS 35,534.3 million in 2018/2019 to TZS 37,590.6 million in 2019/2020. The amounts do not include 15 percent remittance of internal revenues to the government during the respective financial years. An operating surplus of TZS 10,475.5 million was recorded in 2019/2020 compared to TZS 12,585.6 million which was recorded in 2018/2019. The figures were recorded before 70 percent appropriation of annual surplus for remittance to the government.

2.6.6. Remittance to the Government

During the year under review, TBS remitted to the government a total of TZS 7,023.1 million as 15 percent of internal revenues. From the annual/operating surplus, a total of TZS 6,664.3 equivalent to 70 percent of the annual surplus was transferred by the Bureau to the government as excess capital. Hence, the net operating surplus was TZS 3,811.1.

2.6.7. Prospects

TBS continues to strengthen service provision to ensure customer satisfaction. Internal revenue collection mechanism has improved to enable the Bureau to invest in the state-of-the-art equipment.

The financial year 2019/2020 marked a bright future in the Bureau as amendments on the Finance Act of 2019 provided TBS with the responsibility of regulating quality and safety of food and cosmetic products and their premises.

From the external side, TBS continues to maintain stable relationship with development partners. The Bureau has acquired laboratory equipment and ICT infrastructure through projects sponsored by development partners.

2.7. Human Resources Development and Staff Welfare

During the period under review, nine (9) senior officers were appointed to head directorates and departments as per the new organization structure of November 2018. A total number of fifteen (15) contract employees (previously recruited by TFDA) reported to TBS whereby fourteen (14) employees were allocated to the Directorate of Quality Management (DQM) and one (1) employee was allocated to the Directorate of Testing and Metrology (DTM). The Bureau received thirty-nine (39) employees transferred from other government institutions to TBS as replacement of employees who left the Bureau for various reasons. 88 employees were transferred from TMDA for the implementation of changes introduced under the Finance Act of 2019, four (4) TBS employees were transferred to other Government institutions (SUA, TPA & NIT); and internal transfers were done to 20 TBS employees, transferred from one directorate, section or zone to another.

During the period under review, the Bureau continued to enhance human resource development through provision of short courses and long courses in line with the training needs collected from directorates. Hence, the Bureau offered and supported a total of 30 different short courses to 107 employees sponsored by the Bureau and other donors; a total number of twenty-eight (28) different long-term training to TBS employees sponsored by the Bureau; a total number of eleven (11) different long-term training to TBS employees sponsored by development partners; and a total number of eight (8) different long-term training to TBS employees with self-sponsorship.

With regard to staff welfare, the Bureau continued to provide for subsidized meals (paid lunch and tea) to all employees during working days and medical facilities in compliance with the NHIF Act No. 8 of 1999 (Cap 395 R.E 2002). All staff are members of the National Health Insurance Fund (NHIF) where medical costs are covered under this scheme. Only health services which are not covered by NHIF are covered by the Bureau. The Bureau's safety management system delivers a safe working environment by continuous and effective assessment. Additionally, the relationship between the Bureau and its employees continued to stabilize.

2.8. PLANNED ACTIVITIES

During the period under review, the Bureau's planned activities which were drawn from the 2016/17 – 2020/21 Strategic Plan, Standards Act No. 2 of 2009, National Plan and Budget Guidelines, Vision 2025, FYDP II and Sector Policies (SMEs, Trade, Industrial) included continuation of standards formulation; strengthening metrology and calibration services especially in medical equipment and infrastructure equipment (e.g. roads equipment); strengthening product and system certification services; reviving the solar pickle laboratory, and taking advantage to pursue solar equipment testing to boost the Bureau's revenue; construction of Viwango House in Dodoma; expanding TBS services through construction of zonal laboratories; and purchasing equipment for expansion of scopes and maintenance of accreditation.

TBS is among the key institutions contributing to trade facilitation in Tanzania. As one of the country's regulatory bodies, the Bureau has to prioritize advance of efficiency in service delivery in order to encourage favorable business environment.

Furthermore, TBS will continue with efforts to strengthen international cooperation on standardization, quality assurance and metrology services. Through increased number of standards harmonization, the scope of regional and international trade will be increased.

Also, TBS will stimulate the development of demand driven standards. New products are introduced in the market, thus the Bureau will ensure that appropriate standards for all local products are developed. Capacity building to MSMEs in domestic and international markets on standards will be promoted.



The Director of Testing and Metrology, Eng. Johanes Maganga (right) receives the key of the new TBS Test House building from Mr. Dhires Buchesha, the representative of the main contractor, after completion of the construction work.

REPORTS OF THE AUDITORS

4.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

The Chairman of the Board,
Tanzania Bureau of Standards,
P. O. Box 9524,
DAR ES SALAAM.

4.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

I have audited the financial statements of Tanzania Bureau of Standards, which comprise the statement of financial position as at 30th June, 2020, 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 Tanzania Bureau of Standards as at 30th June, 2020, 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 in the manner required by the Public Finance Act, 2001 (Revised 2004).

Basis for Opinion

I conducted my audit in accordance with International Standards of Supreme Audit Institutions (ISSAI). My responsibilities under those standards are further described in the sections below entitled “Responsibilities of the Controller and Auditor General for the audit of the Audit of the financial statements”. I am independent of Tanzania Bureau of Standards in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Emphasis of Matter

I draw attention to the matter below. My opinion is not modified in respect of this matter.

Note 18 to the financial statements indicates that TBS has three pending undecided legal cases that claim compensation from TBS. The ultimate outcome of the cases

cannot presently be determined, and no provision for any liability that may result has been made in the financial statements. Further, the initial estimates have increased from TZS 2.673 billion which were disclosed in 2018/19 to TZS 7.259 billion in the current year which may be payable if the cases will be ruled in favour of the plaintiffs.

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 Director's Report and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon.

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 ISSAI 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 ISSAI, 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.
- 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 benefits of such communication.

In addition, Section 10 (2) of the Public Audit Act, 2008 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, 2011 (as amended in 2016) 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.

4.2 REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Compliance with the Public Procurement Act, No.7 of 2011 (as amended in 2016)

In view of my responsibility on the procurement legislation and taking into consideration the procurement transactions and processes I have reviewed as part of this audit, I state that, Tanzania Bureau of Standards procurement transactions and processes have generally complied with the requirements of the Public Procurement Act No.7 of 2011 (as amended in 2016) and its underlying Regulations of 2013 (as amended in 2016).


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



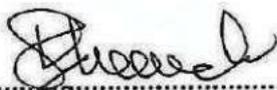
March, 2021

5.0 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2020

ASSETS	NOTES	30.06.2020	Restated 30.06.2019
		TZS	TZS
CURRENT ASSETS			
Cash and Cash Equivalents	2	9,984,535,482	16,307,385,602
Receivables	3	4,399,233,094	4,829,730,332
Inventories	4	167,545,345	90,588,654
Prepayments & Deposits	5	1,932,690,038	251,306,454
TOTAL CURRENT ASSETS		16,484,003,959	21,479,011,042
NON CURRENT ASSETS			
Capital Work In Progress	6	20,409,516,618	10,702,709,781
Property, Plant and Equipment	7(i)	46,702,093,555	45,844,738,151
Intangible Assets	7(ii)	16,547,472	48,335,686
TOTAL NON CURRENT ASSETS		67,128,157,645	56,595,783,618
TOTAL ASSETS		83,612,161,604	78,074,794,660
LIABILITIES			
CURRENT LIABILITIES			
Payables from Exchange Transactions	8(i)	4,399,241,872	2,351,393,368
Payables from Non- Exchange Transactions	8(ii)	4,507,685,667	4,829,310,713
TOTAL CURRENT LIABILITIES		8,906,927,539	7,180,704,081
NET ASSETS		74,705,234,065	70,894,090,579
NON- CURRENT LIABILITIES			
Capital Fund		31,796,000	31,796,000
Accumulated Surplus/(deficit)		74,673,438,065	70,862,294,579
TOTAL NET ASSET/EQUITY		74,705,234,065	70,894,090,579

Notes form part of the financial statements which were approved and signed on behalf of the Board of Directors by;



Prof. Riziki S. Shemdoe
PERMANENT SECRETARY
MINISTRY OF INDUSTRY AND TRADE

DATE: 28.03.2021



Dr. Athuman Y. Ngenya
DIRECTOR GENERAL

DATE: 2021-03-28

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE, 2020

		2019/2020	Restated 2018/2019
		TZS	TZS
REVENUE	NOTES		
Revenue from Non Exchange Transactions	9	16,926,137,505	23,041,861,561
Revenue from Exchange Transactions	10	41,284,720,239	32,193,725,249
		<u>58,210,857,744</u>	<u>55,235,586,810</u>
LESS: EXPENSES			
Operating expenses	11	5,400,874,509	5,293,466,725
Human Resource Management Expenses	12	22,669,486,781	18,927,575,774
Administrative Expenses	13	9,520,328,234	7,450,897,049
Audit Fees		107,696,245	152,303,755
Board of Directors' Fees		-	85,617,647
Board of Directors Meeting Expenses		-	144,829,381
Depreciation and Amortization	7(i) & 7(ii)	3,013,774,770	3,644,121,302
Remittance to GVT 15%	14(i)	7,023,160,913	6,948,174,213
Total Expenses		<u>47,735,321,452</u>	<u>42,646,985,846</u>
SURPLUS/(DEFICIT) FOR THE YEAR		10,475,536,292	12,588,600,964
Remittance to Central GVT Excess Capital	14(ii)	(6,664,392,806)	(7,835,607,194)
Net Surplus for the Year		3,811,143,486	4,752,993,770

Notes form part of the financial statements.

CASHFLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2020

		30 th June, 2020 TZS	30 th June, 2019 TZS
CASHFLOW FROM OPERATING ACTIVITIES			
Receipts			
Cash Receipts from GOVT & Customers	15(i)	57,485,530,225	53,820,007,496
Certification fees Received in Advance		1,181,187,532	1,139,553,659
Payments			
Cash Payments	15(ii)	(47,015,019,552)	(38,866,687,081)
CASH GENERATED FROM OPERATIONS	(A)	11,651,698,206	16,092,874,074
CASHFLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	7(i)	(3,406,502,657)	(3,311,035,258)
Purchase of Intangible Assets	7(ii)	(15,859,700)	(33,268,500)
Proceeds from disposal of fixed assets	15(iv)	-	5,172,700
Capital W.I.P	15(v)	(8,052,186,469)	(6,874,604,319)
NET CASHFLOW USED IN INVESTING ACTIVITIES	(B)	(11,474,548,326)	(10,213,735,377)
CASHFLOW FROM FINANCING ACTIVITIES			
Grants Received for Project Implementation			
Appropriation Transferred to Treasury Registrar	14(ii)	(6,500,000,000)	(5,000,000,000)
NET CASH OUTFLOW TO FINANCING	(C)	(6,500,000,000)	(5,000,000,000)
INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS.		(6,322,850,120)	879,138,697
Cash and Cash equivalents at the Beginning of the year		16,307,385,602	15,428,246,905
Cash and Cash equivalents at the End of the year		9,984,535,482	16,307,385,602

Notes form part of the financial statements.

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30TH JUNE, 2020

Descriptions	Original Budget {A}	Adjustments {B}	Final Budget {C= A-B}	Actual Amount on Accrual Basis {D}	Accrued Amount {E}	Actual Amount on Comparable Basis {F= D-E}	Variance {C-F}	%	Reasons for variance
Receipts	TZS	TZS	TZS	TZS	TZS	TZS	TZS		Notes
Transfers from the Government	12,759,130,000	-	12,759,130,000	11,387,932,985	-	11,387,932,985	1,371,197,015	11	(a)
Revenues from Exchange Transactions	46,443,760,000	-	46,443,760,000	46,694,065,832	1,595,987,991	45,098,077,841	1,345,682,159	3	
Total Payments	59,202,890,000	-	59,202,890,000	58,081,998,816	1,595,987,991	56,486,010,825	2,716,879,175		
Operating expenses	6,912,408,000	311,456,000	7,223,864,000	5,400,874,509	-	5,400,874,509	1,822,989,491	25	(b)
Administrative Expenses	3,327,411,000	298,000,000	3,625,411,000	9,520,328,234	4,403,165,372	5,117,162,862	(1,491,751,862)	(41)	(c)
Human Resource Management Expenses	31,149,334,000	(609,456,000)	30,539,878,000	22,669,486,781	103,488,177	22,565,998,604	7,973,879,396	26	(d)
Audit Fees	130,000,000	-	130,000,000	107,696,245	107,696,245	-	130,000,000	100	(e)
Board of Directors Fees	122,000,000	-	122,000,000	-	-	-	122,000,000	100	(f)
Board of Directors Meeting Expenses	44,560,000	-	44,560,000	-	-	-	44,560,000	100	(g)
Total Payments	41,685,713,000	-	41,685,713,000	37,698,385,769	4,614,349,794	33,084,035,974	8,601,677,026		
Net Receipts/Payments	17,517,177,000	-	17,517,177,000	20,383,613,048	(3,018,361,803)	23,401,974,851	5,884,797,851		
Remittance to Central GVT 15%	-7,835,964,000	-	(7,835,964,000)	(7,023,160,923)	(1,222,549,763)	(5,800,611,151)	(2,035,352,849)	26	(h)
Remittance to Central GVT (Appropriation)	-	-	-	(6,664,392,806)	-	-	-		
Net receipts/Payment after Remittance	9,681,213,000	-	9,681,213,000	6,696,059,328	(4,240,911,566)	17,601,363,700	(7,920,150,700)		

Notes form part of the financial statements.

NOTES TO THE VARIANCES ON STATEMENT OF COMPARISON OF BUDGET AND
ACTUAL AMOUNTS

- (a) Variation of 11% refers to undisbursed amount relating to salaries and pension contributions for non-issued expected employment permit during the financial year ended 30th June, 2020.
- (b) The budget line spent below the expectation by 25% due to the fact that, during the COVID 19 pandemic some of the activities were seized as measure of preventing spread of Covid-19.
- (c) The budget item spent above the target during the year under review by 41 % for the reason the expenditure included amount used to procure Covid -19 spread prevention items/facilities.
- (d) Variation of 26% refers to unpaid amount relating to salaries and pension contributions for new expected employees. Also partial implementation of new organization structure contributed to the variance for unpaid entitlements. It is to be noted during the financial year ended 30th June, 2020 there was no new recruits but the Bureau received 111 employees who were transferred from other Government institutions.
- (e) The amount of audit fee will be paid in the financial year ending 30th June, 2021, 100% amount committed.
- (f) The 100% variation of is due non- existence of Board of Directors during the Financial year under review.
- (g) The 100% budget variation is due non- existence of Board of Directors meetings during the Financial year under review.
- (h) The variance of 26% contribution to GVT consolidated fund is due to variance on amount collected from own source being less than budgeted amount following outbreak of Covid-19.

NOTES TO ACCOUNTS

NOTES TO THE FINANCIAL STATEMENTS

1.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

GENERAL INFORMATION

Headquarters Office,
P.O BOX 9524,
Sam Nujoma Road/Morogoro Road
Ubungo, Dar es Salaam

1.1 Basis of preparation

The financial statements of the Bureau have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) Accrual Basis and its interpretations adopted by the International Public Sector Accounting Board (IPSAB). The financial statements have been prepared under the historical cost convention except where otherwise stated in the accounting policies below.

The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are separately disclosed in a Note to Financial Statement.

1.2 Revenue Recognition

Revenue comprises of the fair value of subvention and assistances received from the Central Government and other Donors, fees charged on various services rendered to the customers (which include certification, testing, quality control, consultancy etc. as well as rent and interest net of withholding tax and discounts.

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Bureau and the revenue can be reliably measured.

(a) Subvention and Assistances

Subvention and assistances received from the Government and other Donors are recognized when earned by the Bureau.

(b) Fees on Services Rendered

Fees on services rendered to the customers are recognized in the accounting period in which the services are rendered, by reference to the completion of the specific transaction, assessed on the basis of actual service provided.

(c) Rent Income

Rent income is mainly from the rented properties to the third party such as cellular towers. Rent income is recognized on time proportion basis when earned and accounted in the respective accounting period.

1.3 Property, Plant and Equipment (PPE)

Plant, Property, and Equipment are initially recorded at historical cost which includes expenditure that is directly attributable to the acquisition of the item. Subsequently, Plant Property, and Equipment were reviewed and are shown at reviewed amounts, less accumulated depreciation. 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 or service potential associated with the item will flow to the Bureau and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of financial performance during the financial year in which they are incurred.

All PPEs which are under progress such as construction are disclosed separately under name of Capital Work in Progress in the statement of financial position.

Increases in the useful life arising on reviewing the useful life of plant, property, and Equipment resulting into decrease in depreciation charge and finally affect shareholders' equity through Surplus. Decrease in useful life of an item of PPE would result into increase in depreciation charges which are to be charged to the statement of financial performance and has negative impact to the financial statements.

(a) Depreciation

Land is not depreciated. Depreciation on plant, property, and Equipment is calculated on the following basis.

Depreciation is calculated to write off the cost/value of plant, property and equipment over their expected used life time on a straight line basis. Depreciation rates applied during the year.

Category of PPE	Rate %
Land Development	-
Buildings	2
Motor vehicles	20
Motor Cycle	14
Office and Residential Equipment's	20
Office and Residential Furniture	20
Computers	25
EDP software	33
Electrical Generator and water pump	6.75
Loose tools	50

Depreciation is charged on assets from the year when they are first put into use and stop on the date when the asset is derecognized or disposed of by the Bureau.

(b) Major renovations

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner.

(c) An Asset's Carrying Amount and Residual Value

An asset's carrying amount is written down immediately to its recoverable amount when there is strong evidence the carrying amount is greater than its estimated recoverable amount. Likewise, the asset's residual values and useful lives are reviewed only when the condition to warrant the review exist at the balance sheet date.

(d) Gains and Losses on Disposal

Gains and Losses on disposal can be determined when the carrying value of an asset is below or above the net realizable value.

1.4 Inventories

Inventories are valued at the lower of cost and Current replacement cost.

Deposits, prepayments and receivables are recognized initially at fair value and subsequently measured at amortized cost net of provision for impairment.

1.5 Provision for Impairment

Provision for impairment of receivables when there is objective evidence that the Bureau will not be able to collect all amounts due according to the original terms of the specific receivables. The loss is recognized through the statement of financial performance.

1.6 Foreign Currency Translations

(a) Functional and Presentation

Item included in the financial statements of the Bureau are measured using Tanzanian Shilling (TZS), which is the currency of the primary economic environment in which the Bureau operates (**Presentation Currency**).

(b) Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities at the year ended expressed in foreign currencies are translated into functional currency using the exchange rates prevailing at the end of the financial

year; 30th, June each year using the BOT mid-rate. Translation losses/ (gains) of loans used to finance capital construction projects are capitalized as part of construction work in progress. All other exchange gains and losses are reflected in the statement of financial performance.

1.7 Cash and Cash Equivalent

Cash and cash equivalent are carried out in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalent comprise cash in hand and cash at bank.

1.8 Capital Fund

Capital Fund is made up of the Government contribution to the establishment of the Bureau.

1.9 Amortization of Grants

It is the Bureau's policy to recognize capital grant at once (Income Method) as per IPSAS 23 and continue to charge depreciation based on the respective plant, property, and equipment over the expected useful life of the asset.

1.10 Trade and other payables

Payables are recognized at fair value. Other payables are recognized when incurred through either enjoyment of services on credit and /or receiving of goods supplied on credit.

1.11 Financial Risk Management

The overall risk management focuses on the unpredictable financial markets and it aimed at minimizing potential adverse effects on the Bureau's financial performance. The role of the Bureau's risk management is primarily vested in the Accounts Section under the guidance of the Board of Directors. The specific risk management policies of the Bureau are as follows:

(a) Liquidity Risk

The Bureau had a prudent liquidity risk management through maintaining sufficient cash to cover committed credit facilities and working capital requirements.

(b) Credit Risk Management

The potential credit risk involves receivables which are managed as short term credit. The Bureau deposits her short term cash surpluses with Bank of Tanzania (BOT).

(c) Receivables

Customers subjected to use services of the Bureau are required to pay in cash for services rendered to them. Some customers assessed to be credit worth are given short term credit facilities which they are required to settle through normal business transactions by raising invoices as per receivable policy of 2018.

(d) Foreign currency Risk

Foreign currency risk is managed at an operational level and it is monitored by Accounts Section. Losses arising from foreign currency liabilities are managed through timely payment of outstanding liabilities.

(e) Employee Benefits

Apart from monthly salaries, risk allowance, and other fringe benefits as provided in the staff and administrative regulations; the Bureau have a defined contribution plans to cater for pension obligations for her employees by paying on monthly basis the agreed contributions to the Pension Funds. Since staff salaries are paid by the Treasury Such employer pension contributions part are being paid by the Ministry of Finance and Planning (the Treasury) directly to pension fund on monthly basis.

(f) Gratuity/Bonus Scheme

TBS employees who are on contract terms are entitled to gratuity at the rate specified in their contract and this is paid on satisfactory payable in accordance with the terms completion of the contract or leaving the service under circumstances in which gratuity is paid as 25% of the basic salaries for the total of the contract Employees on permanent terms who qualify for bonus of complete years served for the Bureau. Average basic salary in the last four years is used in calculating the bonus. Employees who are terminated on disciplinary.

1.12 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimate and judgements are continually evaluated and are based on historical experience and in the process of applying the Bureau's accounting policies, Management has to make judgements in determining whether assets are being impaired or not.

2.0 CASH AND CASH EQUIVALENTS

	2019/20	2018/19
	TZS.	TZS.
Cash at Bank	9,984,535,482	16,307,385,602
TOTAL CASH AND CASH EQUIVALENT	9,984,535,482	16,307,385,602

	30.06.2020	30.06.2019
	TZS.	TZS.
Analysis of Cash & Cash Equivalent		
National Microfinance Bank (NMB) a/c 083	100,000	199,776,573
NBC Ltd Ubungo Branch TZS a/c no.554	96,300,346	191,108,043
NBC Ltd Ubungo Branch TZS a/c no.542	88,798,212	-28,299,047
NBC Ltd Corporate Branch USD a/c no.3505	28,224,244	-16,684,132
CRDB Bank PLC- Vijana Branch TZS a/c 01	91,186,285	331,764,481
CRDB Bank PLC- Ubungo Branch USD a/c	49,258,644	16,181,284
BOT USD a/c	7,884,493,007	9,560,864,517
BOT TZS a/c	1,728,072,187	6,046,065,413
NMB - Mbeya	5,091,779	1,289,000
NMB - Mtwara	2,520,030	79,800
NMB - Mwanza	7,013,142	3,044,170
NMB - Dodoma	28,906	208,400
NMB - Arusha	3,448,700	1,987,100
TOTAL CASH AND CASH EQUIVALENT	9,984,535,482	16,307,385,602

3.0 RECEIVABLES

	2019/20	2018/19
	TZS	TZS
Receivable from exchange Transactions	4,830,841,567	5,078,751,185
Staff Receivables & Other Receivables	364,402,954	313,988,577
Ministry of Industry Trade and Marketing	99,299,100	99,299,100
Zanzibar Bureau of standards	15,000,000	15,000,000
Total	5,309,543,621	5,507,038,862
Less: Provision for Bad and Doubtful Debts	(910,310,527)	(677,308,530)
TOTAL	4,399,233,094	4,829,730,332

4.0 INVENTORIES

	2019/20	2018/19
	TZS	TZS.
Stationery	101,630,314	61,818,532
Chemicals	2,665,141	2,027,759
Other Materials	68,644,850	32,137,323
Total	172,940,305	95,983,614
Less: Provision For obsolete Inventories	(5,394,960)	(5,394,960)
TOTAL	167,545,345	90,588,654

5.0 PREPAYMENTS

	2019/2020	2018/2019
	TZS	TZS
Prepayments and Deposits	1,856,003,357	251,306,454
Rent Prepaid	14,386,560	0
Electricity	62,300,121	0
TOTAL	1,932,690,038	251,306,454

6.0 WORK IN PROGRESS (W.I.P)

	2019/2020	2018/2019
	TZS	TZS
Opening balance	10,702,709,781	-
Addition during the year	9,994,928,012	10,702,709,781
Transfer from Capital W.I.P (Note 7)	(288,121,175)	-
TOTAL	20,409,516,618	10,702,709,781

7.0 (i) PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	WIP	OFFICE BUILDINGS	MOTOR VEHICLES	MOTOR CYCLE	OFFICE EQUIPMENT	OFFICE FURNITURES	COMPUTERS	LAND	ELECTRICAL GENERATORS AND WATER PUMPS	LOOSE TOOLS	TOTAL
DEPRECIATION RATES		25%	20%	14%	20%	20%	25%	0	6.75%	50%	
COST / VALUATION											
COST VALUATIONS AS AT 01.07.2019	10,702,709,781	8,193,422,804	4,873,907,838	3,800,000	15,789,886,647	980,012,191	2,012,864,745	32,863,596,891	709,908,679	8,470,000	65,435,869,795
TRANSFER FROM CAPITAL W.I.P	-288,121,175	288,121,175	-	-	-	-	-	-	-	-	-
ADDITIONS DURING THE YEAR 2019/20	9,994,928,012	-	1,898,535,049	-	1,107,245,271	142,241,376	258,480,961	-	-	-	3,406,502,657
ADJUSTMENT DURING THE YEAR 2019/2020	-	-	-	-	-	-	65,222,908	-	-	-	65,222,908
ADDITIONAL DURING THE YEAR (NON CASH)	-	-	-	-	128,858,927	-	-	-	-	-	128,858,927
COST VALUATIONS AS AT 30.06.2019	20,409,516,618	8,481,543,979	6,772,442,888	3,800,000	17,025,990,845	1,122,253,567	2,336,568,615	32,863,596,891	709,908,679	8,470,000	69,036,454,288
ACCUMULATED DEPRECIATION											
BALANCE AT 01.07.2019	-	-	-	-	-	-	-	-	-	-	-
ADJUSTMENT	2,499,500,332	2,499,500,332	4,532,883,174	1,075,400	9,749,355,791	799,481,029	1,866,031,297	-	199,564,530	8,463,000	19,656,354,552
DISPOSAL DURING THE YEAR 2019/2020	-	-	-	-	-	-	-	-	-	-	-
CHARGE FOR THE YEAR 2019/20 (CURRENT)	-	-	-	-	-	-	-	-	-	-	-
ACC DEPRECIATION 30.06.2020	-	169,530,880	236,454,575	543,400	2,318,409,107	97,164,884	95,929,954	-	47,994,555	-	2,966,127,356
NET BOOK VALUE AS AT 30.06.2020	2,669,131,211	2,669,131,211	4,769,337,749	1,618,800	12,067,764,898	896,645,913	1,961,961,251	32,863,596,891	462,349,593	8,463,000	22,622,481,908
NET BOOK VALUE AS AT 30.06.2020	5,812,412,768	5,812,412,768	2,003,105,138	2,181,200	4,958,225,947	225,607,654	374,607,363	32,863,596,891	462,349,593	7,000	46,702,093,555
NET BOOK VALUE AS AT 30.06.2019	5,693,922,472	5,693,922,472	341,024,664	2,724,600	6,040,530,857	180,531,162	212,056,357	32,863,596,891	510,344,149	7,000	45,844,738,151

7(ii) INTANGIBLE ASSETS (SOFTWARE)

PARTICULARS	2019/20 (TZS)
Amortization Rates	33%
Cost/valuations as at 01.07.2019	361,790,233
Additions during the Year 2019/20	15,859,200
Grants Received (Non-Cash)	-
Cost/valuations as at 30.06.2020	377,649,433
Amortization 01.07.2019	313,454,547
Charge for the year 2019/2020	47,647,414
Total amortization as at 30.06.2020	361,101,961
Net book value as at 30.06.2020	16,547,472
Net book value as at 30.06.2019	48,335,687

7 (iii) NON CURRENT ASSETS FULLY DEPRECIATED BUT STILL IN USE

Category of Asset	Cost	Acc. Depreciation	Net Book Value
Computers	1,737,412,601	(1,736,288,616)	1,123,985
Loose Tools	8,470,000	(8,463,000)	7,000
Motor Vehicles	4,001,436,341	(4,001,408,341)	28,000
Equipment	6,203,350,310	(6,202,134,310)	1,216,000
Furniture	591,483,996	(589,682,996)	1,801,000
Software	281,275,466	(281,230,466)	45,000
TOTAL	12,823,428,714	(12,819,207,729)	4,220,985

8.0 (i) PAYABLES FROM EXCHANGE TRANSACTIONS

Particulars	2019/20 TZS	2018/19 TZS
Accounts Payables	3,029,813,231	981,294,855
Bid Security Suspense A/c	73,241,110	78,241,100
Provision for Audit Fees	115,000,000	152,303,755
Certification fees Received in Advance	1,181,187,532	1,139,553,659
TOTAL	4,399,241,872	2,351,393,368

8 (ii) PAYABLES FROM NON-EXCHANGE TRANSACTIONS

	2019/20 TZS	2018/19 TZS
Provision for Staff Bonus		13,633,500
JM Maswe	50,000,000	50,000,000
POPS Implementation Project	0	8,945,244
NMB Group Loan	106,097	0
Provision for Contribution 15% to Central GVT (Note 14(i))	1,222,549,763	1,833,315,699
Excess Capital (Note 14 (ii))	3,000,000,000	2,835,607,194
PAYE	15,395,100	5,509,200
Withholding Tax	81,960,282	28,128,675
TFDA Staff Loan Repayment	18,410,119	0
Provision for Sabasaba Exhibitions	18,931,000	(4,000)

NHIF	26,013,480	41,400
Azania Bancorp	207,581	0
PSSSF	43,355,800	0
Viwango Saccos	226,244	0
OSHA Recurrent Expenditure A/c	3,760,000	3,760,000
RAAWU	55,201	1
Burial Suspense A/c	26,715,000	50,373,800
Total	4,507,685,667	4,829,310,713
TOTAL (i and ii)	8,906,927,539	7,180,704,081

9.0 REVENUE FROM NON EXCHANGE TRANSACTIONS

	2019/20	2018/19
Transfers from the Government	11,387,932,985	8,667,026,267
Penalty for uninspected Consignments	5,409,345,593	13,814,706,096
Grant Income	0	483,682,741
Liquidated damage Income	128,858,927	76,446,457
Total	16,926,137,505	23,041,861,561

10.0 REVENUE FROM EXCHANGE TRANSACTIONS

	2019/ 20	2018/19
	TZS	TZS
Certification and Quality Control	4,096,684,070	3,492,225,770
Product Registration	1,093,550,333	-
Premise Registration	475,356,875	-
Batch Certification Fees	27,698,744,511	22,380,663,908
Metrology & Calibration Fees	952,204,604	1,149,472,842
Packaging Technology Centre	423,040,100	202,091,500
Material Testing Fees	2,538,050,086	1,861,356,500
Textile Laboratory testing Fees	831,216,065	787,087,330
Chemicals Laboratory testing Fees	1,493,940,590	1,069,441,000
Food Laboratory testing Fees	1,574,183,366	951,844,500
Proficiency Test	1,546,820	-
Foreign Exchange Gain/(Loss)	(112,587,829)	(31,203,612)
House and Office rent	14,648,266	26,331,734
Proceeds on Disposal of NCA	226,000	3,419,818
Sale of Standards	54,554,440	62,968,385
Canteen services to outsiders	1,626,000	14,690,500
Consultancy Income	11,040,000	-
Training Fees Received	72,627,000	159,418,000
Technical Assistance to Exporters	36,303,650	25,988,125
Tender Fees	27,765,292	37,928,948
Total	41,284,720,239	32,193,725,249

11.0 OPERATING EXPENSES

	2019/20	2018/19
Committee & Conf. Expenses	2,722,268,935	2,425,038,118
Chemicals & Glassware Expenses	519,751,806	352,549,825
Certification Expenses	183,349,877	190,196,600
Inspection Expenses	1,481,194,862	1,771,369,116
Metrology & Testing Expenses	494,309,029	554,313,065
Sub Total	5,400,874,509	5,293,466,725

12.0 HUMAN RESOURCE MANAGEMENT EXPENSES

	2019/20	2018/19
	TZS	TZS
Salaries & Wages	9,651,486,890	7,540,048,990
Risk Allowances	7,416,183,257	6,225,318,849
Parastatal pension Scheme	1,857,057,267	1,593,579,009
Bonus to retired staff Expenses	74,427,699	131,748,525
Medical Expenses	43,800,100	16,107,679
Transfers Expenses	298,135,342	398,667,032
Staff training Expenses	1,240,209,219	1,384,597,281
Local Leave Travelling Expenses	159,263,122	84,272,698
Staff Welfare	215,395,533	258,869,312
Staff Uniforms	16,102,000	8,450,500
Canteen Running	1,015,266,104	741,264,483
Workers Compensation Expenses	0	216,000
NHIF Contributions	564,550,248	478,703,072
Burial Expenses	18,853,000	31,050,344
Workers Council Expenses	98,757,000	34,682,000
Total	22,669,486,781	18,927,575,774

13.0 ADMINISTRATIVE EXPENSES

	2019/20	2018/19
	TZS	TZS
Audit Expenses	487,862,716	580,101,420
Estate Maintenance and Fumigation	110,598,060	286,414,292
Office refreshments	31,203,500	23,385,000
House and Office Rent	584,856,984	377,973,308
Electricity and Water	832,762,066	386,304,647
Telephones, Postages, and internet	752,241,239	608,916,412
Printing, Stationery and Office Materials	1,202,850,687	849,586,357
Extra duty Allowance	1,767,396,000	1,181,740,100
Repair and Maintenance	370,250,742	430,181,836
Motor Vehicle expenses	554,504,681	434,794,287

Travel Expenses	660,415,027	653,605,301
Public Awareness Creation Charges	699,957,171	640,397,930
Insurance	268,881,965	195,951,430
Security Services	158,517,149	167,024,667
Cleaning & Sanitary Materials	111,043,664	81,485,403
Consultancy, Legal and Professional Fees Expenses	52,828,200	98,378,422
Subscriptions and Donations	193,757,468	160,173,765
Bad debts	233,001,997	30,987,108
Debts Collections fee	3,224,224	0
Membership contribution - ISO, BIPM and ARSO	111,688,201	57,210,540
Books Magazine & periodicals	57,243,585	53,788,047
Bank charges and Cash Escort	85,944,298	81,230,950
Loss on disposal of Fixed Assets	0	6,017,241
Land Rent and Property Taxes	24,670,685	24,349,711
Accreditation Expenses	164,627,925	40,898,875
Sub Total	9,520,328,234	7,450,897,049

14.0 GOVERNMENT TRANSFER

14(i) ANALYSIS OF REMITTANCES TO GOVT AS PER REGULATIONS 2018/2019

	2019/20	2018/19
	TZS	TZS
Opening Outstanding Balance	1,833,315,699	0
15% Remittance on Internal Generated Revenue	7,023,160,913	6,948,174,213
Total Amount	8,856,476,612	6,948,174,213
Actual Amount Paid	(7,633,926,849)*	(5,114,858,514)**
Out Standing Balance (Underpayment)	1,222,549,763	1,833,315,699

*Amount consists of TZS 1,689,072,342 as cash payment for outstanding balance and TZS 5,944,854,507 as cash payment for 15% contribution for the current Year.

**Amount consists TZS 5,031,523,515 as cash payment and TZS 83,335,000 as balance adjustment for the year 2018/2019.

14(ii) ANALYSIS OF APPROPRIATION AS PER REGULATIONS

	2019/20	2018/19
Internal Generated Revenue	46,821,072,759	46,321,161,418
Permissible Expenditure excluding salary from GVT	(35,678,018,956)	(35,127,436,856)
Surplus for the period	11,143,053,803	11,193,724,562
70% Appropriation for Remittance to GVT	7,800,137,662	7,835,607,194
Commitments 2019/2020	11,293,581,791	0
Amount to be paid	6,664,392,806	0
Actual Amount Paid	(3,664,392,806)	(5,000,000,000)
Excess Capital Payable		
Amount Not Paid	3,000,000,000	2,835,607,194

Net Amount not Paid Accounted for in Payables From Non-Exchange Transactions	3,000,000,000	2,835,607,194
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Total appropriation paid during the year is TZS 6,500,000,000 including TZS 2,835,607,194 being outstanding balance for the year 2018/19 as presented in the Cash flow statement.

15.0 (i) ANALYSIS OF CASH REVENUE RECEIVED

	2019/20	2018/19
	TZS	TZS
Opening Balance Receivables	4,829,730,332	3,866,630,148
Total Revenues from Customers	58,210,857,744	55,235,586,809
Foreign Exchange rate Effect	112,587,829	31,203,612
Grant Income (Non-Cash)	0	(483,682,741)
Advance Income 2018/2019	(1,139,553,659)	0
Liquidated Damage Revenue	(128,858,927)	0
Total cash to be Collected	61,884,763,319	58,649,737,828
Closing balance receivables	(4,399,233,093)	(4,829,730,332)
Cash Received	57,485,530,225	53,820,007,496

15 (ii) ANALYSIS OF CASH EXPENSES PAID

	2019/20	2018/19
	TZS	TZS
Opening Balance Payables	3,288,898,298	1,722,755,142
Adjustment of Payable	29,232,761	539,575,414
Sub total	3,318,131,059	2,262,330,556
Expense as per Performance	47,735,321,452	42,646,985,846
Depreciation expenses	(2,966,127,356)	(3,611,676,527)
Amortization expenses	(47,647,414)	(32,444,776)
Loss on Disposal	-	(6,017,241)
Bad debts written off	-	(30,987,108)
Pension Scheme adjustment	-	(60,312,074)
Training Expenses (Grant Non-Cash)	-	(151,846,956)
Sub Total	44,721,546,682	38,753,701,164
Total to be Paid	48,039,677,741	41,016,031,720
Closing Balance payables	(5,906,927,539)	(3,288,898,298)
Payable for Differed Income	1,181,187,532	1,139,553,659
Payable deducted on Cash paid for WIP	1,942,741,543	-
Increase on Inventory, Deposit and Prepayments	1,758,340,275	-
Cash Paid	47,015,019,552	38,866,687,081

15(iii) CASHFLOW STATEMENT RECONCILIATION

Cash flow from operating activities		
Net Surplus		3,811,143,486
		3,811,143,486
Item not involving movement of cash		
Depreciation and Amortization	3,013,774,770	
Foreign Exchange rate loss	112,587,830	
Bad Debt	233,001,997	
Total		3,359,364,597
Movement in Working Capital		
Increase in Inventory	(76,956,691)	
Increase in Prepayment	(1,681,383,584)	
Decrease in Receivable	430,497,239	
Payable involved cash receiving		
191,003,919	191,003,919	
Increase in payable	5,618,029,241	
Total		4,481,190,123
Net Cash flow from operating Activities		11,651,698,206

15 (iv) ANALYSIS OF CASH PROCEEDS FROM DISPOSAL

	2019/20	2018/19
	TZS	TZS
Disposal of Various Items	0	5,172,700
TOTAL	0	5,172,700

15(v) COMPUTATION OF NET CHANGE OF CAPITAL W.I.P FOR CASH FLOW

	Test House, Fence and Internal Roads	Fence Construction	Chemistry Laboratory	Total
Balance 1/7/2019	10,423,652,390	169,085,351	109,972,040	10,702,709,781
Additions during the year	9,994,928,012	-	-	9,994,928,012
Sub Total	20,418,580,402	169,085,351	109,972,040	20,697,637,793
Adjustment Demurrage				-
Charges in Respect of Delay in Completion				
Transferred to Buildings	(9,063,784)	(169,085,351)	(109,972,040)	(288,121,175)
Total WIP	20,409,516,618	-	-	20,409,516,618
Amount to be paid	9,994,928,012	-	-	9,994,928,012
Payable due to additional WIP	(1,942,741,543)			(1,942,741,543)
Net cash paid during the year	8,052,186,469			8,052,186,469

16.0 PRIOR YEAR ADJUSTMENT

- (a) TZS 1,056,198,589 was overpaid to Treasury Registrar (TR) in respect of Excess capital, hence reduced the 15% contribution payable to Treasury Registrar. In writing Treasury Registrar directed the Bureau to recognize the amount as Corporate Social Responsibility to Government where by prior year adjustment has been done affecting Payables and accumulated surplus.
- (b) TZS 20,500,000 which was erroneously double charged on BoD's fee in Financial Statements of 2018/2019 which created payable adjustment and so affected payable and accumulated surplus.
- (c) TZS 14,860,266 double invoice on revenue following system error. Adjustment was done and so affected receivables and accumulated surplus.
- (d) TZS 301,289,625 Double recognition of revenue through Invoice and receipts. Correction of error has done affecting Revenue, Receivable and surplus.
- (e) TZS 65,222,908 double charge for Computer depreciation, prior year adjustment has been done affecting PPE (Computer) and Accumulated surplus.

ACCUMULATED SURPLUS PRIOR YEAR ADJUSTMENT

Overpaid Excess capital	(1,056,198,589)
Overcharged Computer depreciation	65,222,908
	(990,975,681)

NET SURPLUS PRIOR YEAR ADJUSTMENT

BoD's Fee double charged	20,500,000
Revenue due to Double invoice	(14,860,267)
Adjustment of double recognized revenue	(301,289,625)
	295,649,891

17.0 RELATED PARTY TRANSACTIONS

As per requirement of IPSAS 20 related party disclosure the Bureau discloses the following;

During the year under review, the Bureau incurred expenditure amounting to TZS 632,718,000 in respect of related party details of which are given below;

Salaries and Allowances to Management	632,718,000	581,239,000
Board of Directors Meeting Expenses	0	144,829,381
Board Members' Fees	0	106,117,647
TOTAL	632,718,000	832,186,028

18.0 CONTINGENT LIABILITIES

As at 30th June, 2019 The Bureau had a contingent liability as follows;

	2019/2020	2018/2019
Joseph Marema & others (High court case no 170/2006)	0	51,710,000
East Coast & Fats Ltd - Claims against TBS for compensation & damages on alleged erroneous test report.	7,110,153,126	2,621,722,526
Benedict Mahela-Claim against TBS for unfair Termination	99,000,000	0
Beatrice Kinawiro - Claim for working for TBS 6 years without recognition	50,000,000	0
Total	7,259,153,126	2,673,432,526

19.0 SOCIAL SECURITY EXPENSES

The Bureau has defined contribution plans to cater for pension obligations for her employees. The Government through Treasury pays mandatory contributions to the Public Service Social Security Fund which operates a defined benefit plans. The contribution rates for employer and employee are as given below;

Name of the Fund	Employer Contribution	Employee contribution
Public Service Social Security Fund	15%	5%

20.0 CAPITAL COMMITMENTS

The Bureau had contractual commitments as at 30th June, 2020 for various services as per details below;

	32019/2020	32018/2019
Supply of Glassware and Apparatus	523,331,861	431,720,715
Supply of Furniture	793,970,476	108,011,300
Construction of fence, car parking & DG house renovation	834,657,972	0
Consultancy,	555,000,000	0
Fuel for Motor vehicle & Generator	45,000,000	0
Test House Construction		9,163,662,520
Supply of Laboratory Equipment	7,767,916,847	3,218,521,520
Supply of Office Equipment	90,657,728	133,227,180
Supply of ICT Items	632,769,915	254,773,206
Spare parts and Accessories	50,276,992	13,536,519
TOTAL	11,293,581,791	13,323,452,960

21.0 ULTIMATE OWNER OF THE BUREAU

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

22.0 CURRENCY

The financial statements are presented in Tanzania Shillings.