



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



ISO 9001:2015 Certified

AGRICULTURAL INPUTS TRUST FUND (AGITF)

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL AND COMPLIANCE AUDIT FOR THE FINANCIAL
YEAR ENDED 30 JUNE, 2023

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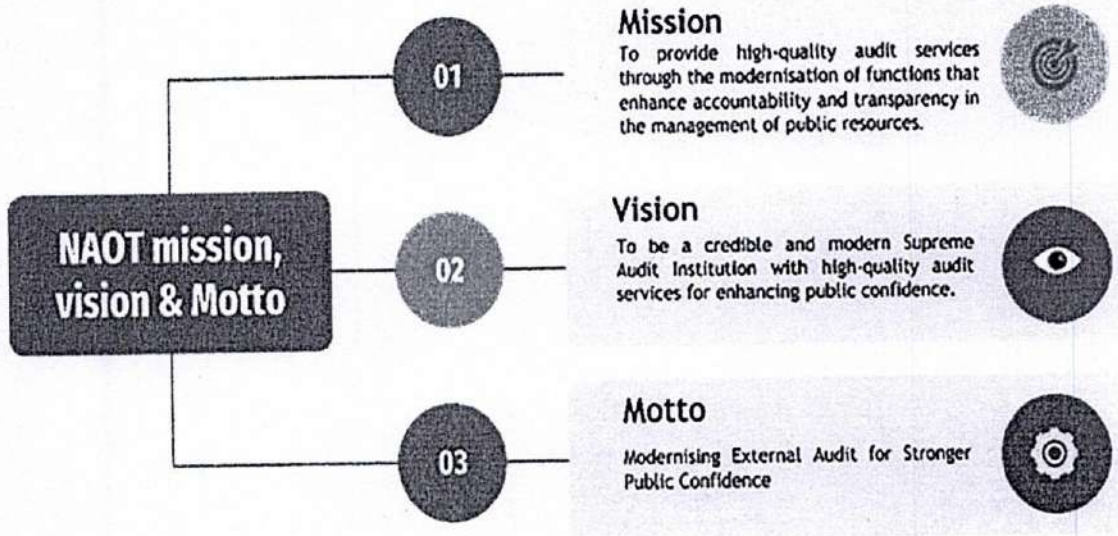
AR/CG/AGITF/2022/23

REPORT OF THE CONTROLLER AND AUDITOR GENERAL

About the National Audit Office

Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10 (1) of the Public Audit Act, Cap.418.



Independence and objectivity

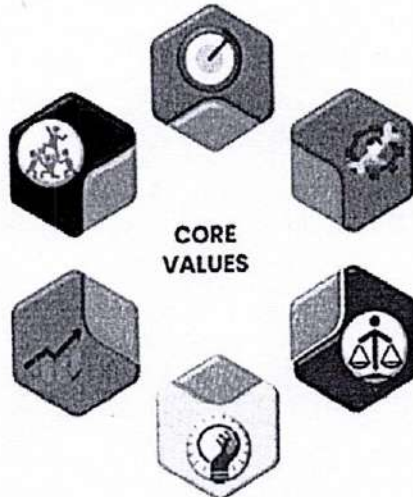
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Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

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



Professional competence

We deliver high-quality audit services based on appropriate professional knowledge, skills, and best practices

Integrity

We observe and maintain high ethical standards and rules of law in the delivery of audit services.

Creativity and Innovation

We encourage, create, and innovate value-adding ideas for the improvement of audit services.

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Abbreviations

AGITF	Agricultural inputs Trust Fund
B/F	Brought Forward
BOT	Bank of Tanzania
CAG	Controller and Auditor General
DIB	Deposit Insurance Bond
GE	Government Entities
GPSA	Government Procurement Service
HRAM	Human Resource and Administration Manager
ISSAIs	International Standard of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
LGAs	Local Government Authorities
MUSE	Mfumo wa Malipo Serikalini
NBAA	National Board of Accountants and Auditors
NHIF	National Health Insurance Fund
OC	Other Charges
PAA	Public Audit Act No.11 of 2008
PAR	Public Audit Regulation, 2009
PAC	Public Accounts Committee
PE	Personal Emoluments
PMU	Procurement Management Unit
PSSSF	Public Service Social Security Fund
SCCULT	Saving and Credit Cooperative Union of Tanzania
PFR	Public Finance Regulations, 2009
PPA	Public Procurement Act, 2011 (as amended in 2016)
PPR	Public Procurement Regulations, 2013 (as amended in 2016)
TR	Treasury Registrar
TZS	Tanzania Shillings
WCF	Workers Compensation Fund

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board,
Agricultural Inputs Trust Fund,
P. O. Box 2382,
DODOMA, TANZANIA.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Agricultural Inputs Trust Fund (AGITF) which comprise the statement of financial position as at 30 June 2023, 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 Agricultural Inputs Trust Fund as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below with the title "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Agricultural Inputs Trust Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Emphasis of Matter

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

- (i) I draw attention to Note 71 to the financial statements, which discloses that as at 30 June 2023, the Agricultural Inputs Trust Fund (AGITF) had a total loan balance of TZS 25,427,419,240 disbursed to various beneficiaries; out of the total loan portfolio, TZS 20,439,245,824 is the total impairment of loan receivables as at the year end (30 June 2023). This situation has significantly affected the AGITF's ability to issue loans to beneficiaries since a significant amount of funds were not collected when they fell due. Further, I noted that, out of the amount reported as loan loss provision, TZS 19,839,755,134.02 was provided at 100%.
- (ii) In addition, in the statement of Financial Performance, the Fund reported a deficit of TZS 30 million as at 30 June 2023 (2022: deficit of TZS 2.36 billion). These conditions indicate the existence of material uncertainty that may cast significant doubt on the Fund's ability to continue as a going concern.

Key Audit Matters

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

Other Information

Management is responsible for the other information. The other information comprises the Report by those charged with Governance, Statement of Directors responsibilities and Declaration by the Head of Finance but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

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

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

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap.418 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

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

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

Subject matter: Compliance audit on procurement of works, goods, and services

I performed a compliance audit on the procurement of works, goods, and services in the Agricultural Inputs Trust Fund for the financial year 2022/23 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that, except for the matters described below, procurement of goods, works and services of Agricultural Inputs Trust Fund is generally in compliance with the requirements of the Public Procurement laws.

(i) Contract awarded beyond the budgeted amount TZS 11,380,000

Reg. 16 (2) (e) of the Public Procurement Regulations 2013 requires a procurement entity to reject a tender that exceeds the budgetary resources available.

(ii) My review of the Annual Procurement Plan of AGITF for the financial year 2022/23 has revealed that AGITF had set aside a budget of TZS 31,100,000 for the procurement of provision of security services. However, my further review of contracts No AE/062/2022/2023/HQ/N/09 noted that the Fund managed to award contracts for the provision of security services to M/S SUMA JKT Guard Limited at contract prices of TZS 42,480,000, which exceed the budgeted fund by TZS 11,380,000 contrary to the above Regulation 16 (2) (e).

(iii) Slow Pace in the Construction of Office Building

AGITF entered into a contract with SumaJKT Construction Company Limited on 28 February 2023 for TZS 6,247,029,025.94 VAT inclusive, to construct an office building at Iyumbu New Town Centre, with a completion date of February 28, 2024. As of the period of audit on September 1, 2023, the contractor had not received any payment and had completed 14% of the work, significantly behind the scheduled progress of 65%. This 51% is a slippage of work in progress; the fact that 50% of the contract time had elapsed suggests that the project is unlikely to meet the agreed completion date.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

1.2.2.1 Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in the Agricultural Inputs Trust Fund for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

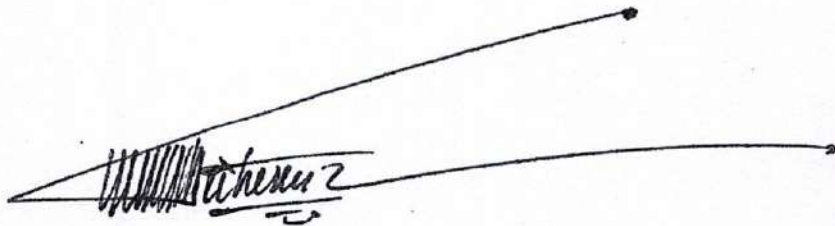
Conclusion

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

Significant shortfall in own source Revenue collection TZS 3,675,429,625

Sect. 44(3) of the Budget Act, 2015 requires the Accounting Officer to commit the Budget in accordance with the annual cash flow plan.

My review of financial statements and annual performance report of the fund for the year ended 30 June 2023 noted a collection from its own source revenue of TZS 3,287,000,022 out of TZS 6,962,429,647 that was budgeted for that particular year. This situation leads to the under collection of TZS 3,675,429,625, equivalent to 53% of the budget.



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



March 2024

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THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2023

2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

2.1 INTRODUCTION

Agricultural Inputs Trust Fund was established under section 3 of the Agricultural Inputs Trust Fund Act, as amended by Act No. 2 of 2020; the Fund started its operations in 1995. In compliance with section 11 of the Agricultural Inputs Trust Fund Act CAP 401 RE 2002, as amended by Act No. 2 of 2020, the Board submit their report and financial statements of Agricultural Input Trust Fund, for the year ended 30 June, 2023.

2.2 OBJECTIVES

According to section 4 of Agricultural Inputs Trust Fund Act as amended by Act No. 2 of 2020 the objects for which the Fund is established shall be:-

- a) to make available loans, on such terms and conditions as the Board may determine finances for importation and distribution of agricultural inputs;
- b) to finance consultancy services or any technical assistance in relation to acquisition, distribution and use of agricultural inputs; and
- c) to pay the costs of administering the Fund.

The Strategic Plan is a tool for guiding the operations of the AGITF, in the short-, medium- and long-term perspectives. During the year under review, the Fund was implementing the third year of its five years strategic plan (2020/2021-2024/2025); which consists of five objectives categorized into two areas A and B are cross cutting objectives as per National guideline and C, D and E are strategic which reflects the core mandate of the Fund. The following are the objectives as described in the strategic plan.

- a) Objective A: HIV/AIDs infections reduced and support services improved
- b) Objective B: National anti-corruption strategy enhanced and implemented effectively
- c) Objective C: Loan disbursement and recovery improved
- d) Objective D; Revenue collection and financial management enhanced
- e) Objective E: Fund's capacity to deliver service strengthened

2.3 PRINCIPAL ACTIVITIES

The Fund is engaged in the business of provision of agricultural inputs and machinery loans. It carries on the business of assets and liabilities management through lending to micro, small and medium farmers.

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In the year under review, the Fund estimated to collect and spend a total of TZS 9,488,648,632. On 30 June 2023, the Fund managed to collect TZS 5,985,802,451, which equals to 63% of the approved estimates. In the year under review, the Fund managed to disburse the loans amounted to TZS 1,371,400,000, equal to 32% of the projected amount of TZS 4,321,800,000. Loan repayment was TZS 3,287,000,022. Equal to 47% of the projected amount In of In TZS In. 6,962,1429,647 The above performance was influenced by the interim decision to stop processing the loan and focus on reviewing the business process and reducing NPL.

During the implementation of the approved plan and budget, the Fund has continued facing several challenges including delay in the completion of the digital system by the Ministry of Finance, shortage of funds to cover recovery, credit processing and other operations costs, shortage of skilled human resources to cover the whole country, negative perception towards government funds, lack of national identity to most of the small holder farmers and negative effect of climate change.

2.4 VISION AND MISSION STATEMENTS

2.4.1 Vision

To become the leading provider of choice for affordable agricultural inputs, farm structures and machinery loans to small holder farmers by being responsive to agricultural development needs in Tanzania

2.4.2 Mission

To provide affordable loans to small holder farmers throughout Tanzania for poverty reduction and improved household livelihood as well as national food and nutrition security”

2.4.3 Core values

In order to achieve its Vision, Agricultural Inputs Trust Fund is guided by five core values abbreviated as **AGITS**;

A = Accountability: AGITF staff will be accountable for their actions. They will fulfil their roles and responsibilities to the best of their abilities. They will accept responsibility for their actions, keep others informed and will make and support business decisions through experience and good judgment.

G = Good governance: AGITF will ensure the highest standards for Good Governance by complying with rules, regulations and laws; by planning and making decisions in a transparent and participatory manner. AGITF will also closely monitor and evaluate the functioning of its departments and units.

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I = Integrity: AGITF staff will deal with each other and all stakeholders with honesty and sincerity. They will not accept or offer gifts or bribes of any value during the rendering of services.

T = Team work: AGITF will make use of the different skills and competencies of her staff. It will appreciate and utilize the diverse competencies of her staff and promote team spirit.

S = Social and customer responsiveness: AGITF will ensure that its products are designed towards addressing social needs surrounding its main stakeholders and general public. In particular, AGITF products will address current and future demand of our stakeholders.

2.5 CORPORATE GOVERNANCE

2.5.1 Board of Trustees

The Board of Trustees is the highest decision-making organ established under section 6 of the Agricultural Inputs Trust Fund Act. The Board is composed of Chairperson appointed by the President of United Republic of Tanzania and six (6) other members appointed by Minister responsible for Agriculture; the Executive Director of the Fund is the Secretary to the Board See Table I. During the year under review, the Board conducted four ordinary meetings and one extra ordinary meeting.

Table 1: Members of the Board of Trustees

No.	Name	Position	Duration	Qualification	Age	Nationality
1	Eng. Omar J. Bakari	Chairperson	23.08.22-22.08.2025	Bsc Agric Eng, MBA	52 yrs	Tanzanian
2	Mr. David M. Mwaka	Member	21.03.22-20.03.2025	Advance Diploma in Business Administration	56 yrs	Tanzanian
3	Mr. Ipyana A. Mlilo	Member	21.03.22-20.03.2025	Masters of Laws (LLM) major in Oil and Gas Laws.	36 yrs	Tanzanian
4	Mr. Aristides Mbwasi	Member	21.03.22-20.03.2025	Msc. Management, Economics and Consumer Studies (Development Economics)	44 yrs	Tanzanian
5	Mr. Isaac Masusu	Member	21.03.22-20.03.2025	MBA (Finance and Banking)	51yrs	Tanzanian
6	Mr. Japhet Justin	Member	21.03.22-20.03.2025	Master of Philosophy in Development Finance	39 yrs	Tanzanian
7	Mr. Gungu Mibavu	Member	21.03.22-20.03.2025	Masters in International Trade	56 yrs	Tanzanian
8	*Mr. Festo Mhimba	Secretary	21.03.22-20.03.2025	Masters of Agricultural Economics	57 yrs	Tanzanian

2.6 Board Committee

The Board has appointed among its members two committees for better carrying out the functions of the Board, namely the Audit and Risk Committee and Credit and

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Operation Committee, both established under section 7 subsection b(7) of the Act, During the year under review, all committees conducted three ordinary meetings. See Table 2 and Table 3.

Table 2: Members of the Board Audit and Risk Management Committee

No.	Name	Position	Status
1	Mr. Aristides Mbwasi	Chairperson	Appointed on October 2022
2	Mr. David M. Mwaka	Member	Appointed on October 2022
3	Mr. Japhet Justin	Member	Appointed on October 2022
4	*Mr. Festo M. Mhimba	Secretary	Executive Director

Table 3: Member of the Board Credit and Operations Committee

No.	Name	Position	Status
1	Mr. Isaac Masusu	Chairperson	Appointed on October 2022
2	Mr. Gungu Mibavu	Member	Appointed on October 2022
3	Mr. Ipyana A. Mlilo	Member	Appointed on October 2022
4	*Mr. Festo M. Mhimba	Secretary	Executive Director

*At the time of signing this report, Secretary of the Board is *M/s Mwanahiba Mzee*

2.7 Management Team

There is a Management team of the Fund, which is responsible to the Board for the day to day management pursuant to section 9 of Agricultural Inputs Trust Fund Act. The team consist of the Executive Director who is the Chief Executive Officer and head of management; the Executive Director is assisted by four departments and four units namely the Operations department, Human Resources and Administration department, Finance department, Planning department, Internal Audit Unit, Legal Unit, Procurement Management Unit and Information Communication Technology Unit.

2.8 Management Loan Committee

The committee is formed pursuant to the Fund's Credit Policy,2017 (Revised Edition 2022); it consists of a Chairperson, who is the Executive Director of the Fund, and three members who are the Human Resource and Administration Manager, Planning Manager and Corporate Secretary members; the Operation Manager as Secretary to the Committee. -See Table IV

The committee works on behalf of Management in fulfilling the following responsibilities: Implement credit policies, manuals and amendments and ensure compliance; review loan applications and approve all loans that are within its mandate (up to 75 million); and recommend which are outside the mandate. The committee also has the role of reviewing loan products and recommending new product lines. It reviews

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the quality of the loan portfolio and recovery progress and ensures adequate provisions for bad and doubtful debts.

Table 4: Member of Management Loan Committee for 2022/23

No.	Name	Position	Organization	Nationality	Title
1	Mr. Festo Mhimba	Chairperson	AGITF	Tanzanian	Executive Director
2	Mr. Joseph Mhoha	Member	AGITF	Tanzanian	HRAM
3	Mr. Benson Hosea	Member	AGITF	Tanzanian	Legal Officer
4	Ms. Joyce Ndunguru	Member	AGITF	Tanzanian	Planning Manager
5	Ms. Dotto M. Nkonya	Secretary	AGITF	Tanzanian	Operation Manager

2.9 Tender Board

The Tender Board was established pursuant to section 31 of the Public Procurement Act, 2011. The Board is composed of a chairperson and six other members in accordance with the second schedule of PPA,2011-See Table 5. The Head of the Procurement Management Unit (HPMU) is the Secretary to the Tender Board. HPMU is registered by the Procurement and Supplies Professional and Technicians Board (PSPTB) as a Certified Procurement and Supplies Professional (CPSP); he also has experience of more than 10 years in the same profession.

During the year under review, the Board conducted six meetings and other approvals made through 60 circular resolutions; most of the decisions made through circular resolutions emerged from adhoc repairs and maintenance of motor vehicles, which are caused by high wear and tear. Overall organization performance in implementing the APP is 99%.

Table 5: Member of the Tender Board for 2022/23

No.	Name	Position	Organization	Nationality	Duration
1.	Mr. Joseph Mhoha	Chairperson	AGITF	Tanzanian	2/11/2021- 2/11/2024
2.	Ms. Dotto M. Nkonya	Member	AGITF	Tanzanian	2/11/2021- 2/11/2024
3.	CPA. Patricia Msirikale	Member	AGITF	Tanzanian	2/11/2021- 2/11/2024
4.	Ms. Joyce Ndunguru	Member	AGITF	Tanzanian	2/11/2021- 2/11/2024
5.	CPA. Ezekiel Anyosisye	Member	AGITF	Tanzanian	2/11/2021- 2/11/2024
6.	Ms. Safina Biwi	Member	AGITF	Tanzanian	2/11/2021- 2/11/2024
7.	Mr. Joseph Lubiloh	Member	AGITF	Tanzanian	2/11/2021- 2/11/2024
8.	Mr. Kahamba Ng'ombe	Secretary	AGITF	Tanzanian	2/11/2021- 2/11/2024

2.10 STRATEGIES AND ACHIEVEMENTS

AGITF's strategic plan has five strategic objectives for the financial year 2022/2023; the following were achieved in Table 6. Based on the strategic plan, the following is the status of the performance for the financial year 2022/23

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Table 6: Strategies and achievement for 2022/23

Objective	Strategies	Key targets	Key achievements	Challenge
A: Health Services improved and HIV/AIDS infections reduced	Create HIV/AIDS awareness Provide care and supportive services to staff living with HIV/AIDS	One awareness campaign on the spread of HIV/AIDS is conducted annually	38 staff trained on HIV/AIDS and non-communicable diseases and its management. Awareness of HIV/AIDS behaviour change to all AGITF staff increased and further transmission of HIV/AIDS prevented	Lack of data on HIV impact in the respective geographical location of employees
B: National anti-corruption strategy enhanced and implemented effectively	Enhance awareness amongst staff on the National Anti-corruption strategy	One awareness campaign/program was conducted	38 staff trained on National Anti-Corruption strategy	
C: Loan disbursement and recovery improved	Review credit policy Appraise loan application Recovery measures strengthened Introduce credit life insurance Customer monitoring enhanced	Number of loans issued	42 loans were issued, these include: 11 tractors, 7 farm infrastructure, 9 farm operations and 1 combine harvester, 1 Power tiller, 1 rehabilitation, 3 value addition, 2 farm inputs and 7 for BBT. The loans contributed to increase of efficiency and productivity Credit policy, Credit Operation Manual and Risk Management Framework reviewed and approved by the Board	
		90% of application received against assessed	84% of loans applications received were assessed	
			1093 BBT loan applications were received ,571 (52%) were visited for assessment	(i) Misconception of BBT loan led to the increase in unqualified loan applicant, (ii) insufficient data and information

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Objective	Strategies	Key targets	Key achievements	Challenge
				submitted by applicant (iii)High cost of validating the application
		Percentage of loan collection	A total of 3,291,752,322 collected, equal to 47% of expected target	Increase of Court injunctions as a result recovery process through property auction
		Percentage of loans with credit life insurance	All (100%) issued in current year loans secured with credit life insurance	No service provider in market who can cover the amount fall due
		Percentage of customers visited	804 out 1041 borrowers visited equivalent to 77%	Geographical proximity between Fund and borrower
		Existence of loans recovery mechanisms and document	NPL strategy developed Guideline for loan classification and provisioning developed	
D: Revenue collection and financial management enhanced	Increase total revenue Prepare MTEF Utilization of MIS strengthened Prepare annual financial statements in conformity with IPSAS	MTEF prepared and submitted to TR on time	MTEF 2022/23 prepared and submitted to Treasury Registrar on time and approved	
		Financial statement prepared and submitted to CAG by 30 September every year	Financial statement FY 2021/22 prepared and submitted to CAG on time	
		Audit Opinion	Obtained Unqualified opinion for the audited account FY 2021/22	
E: Fund's capacity to deliver service strengthened	Facilitate performance of board and oversight board Staff working environment improved	Existence of oversight bodies	The Board of Trustees constituted in 2022, and is composed by Chairperson appointed by the President of United Republic of Tanzania and other six members appointed by the Minister responsible for Agriculture During the year 2022/23, the Board sat four ordinary meetings and	

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Objective	Strategies	Key targets	Key achievements	Challenge
			one extraordinary meeting	
		Financial and loan management information system integrated by June 2026	MUSE loan module system and penalty calculation in final stages MUSE loan module integrated with GePG Loan rescheduling process is in final stages; awaiting a reconciled backlogs information	Delay in the completion of the digital system by the Ministry of Finance
		Office building constructed by June 2026	The agreement has been signed with SUMA JKT a contractor The agreement has been signed with Tanzania Building Agency as consultancy Site possession meeting done and initial work of land excavation has commenced during the year under review	
	Develop Board Charter	Existence of Board charter	Board charter, 2022 prepared and in operational	
	Update Loan module system	Utilization of MIS strengthened	Loan Accounting which covers Loan Ledgers entries and penalty calculation was reviewed and developed; waiting for user acceptance testing. Reconciliation of payments information in backlogs (Payments from GePG to Loan Module). Loan rescheduling process in final stages; awaiting a reconciled backlogs information.	Delay in the completion of the digital system by the Ministry of Finance
	Case management strengthened	Cases attended	19 cases were reported and attended. Seven (7) out of 19 were closed in the year under review, of which all (07) cases decided in favor of the Fund	Increase of Court injunctions as a result of recovery through property auction
	Procurement compliance increased	99% of procurement made from APP	99% of procurement made from APP	

**AGRICULTURAL INPUTS TRUST FUND (AGITF)
THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2023**

Objective	Strategies	Key targets	Key achievements	Challenge
		At least 4 TB meetings per annum	6 Tender Board meetings conducted and other procurements were conducted through circular resolutions	
		80% of tenders executed through TANEPS	100% of tenders executed through TANEPS except for micro value procurement	
	Staff training and development facilitated	Number of staff trained	38 staff got general awareness training on HIV/AIDS and Anti-corruption Professional staff attended continue professional development in areas of accounting, auditing, engineering, legal and registry Management and operation staff got awareness on the benefit and operationalization of Credit Reference Bureau from Credit Info	

2.11 OTHER ACHIEVEMENTS

- a) To enhance use of ICT within the organization, ICT Steering Committee is constituted and in operational
- b) Initiatives to mobilize resource beyond government started and some of the partners has started to show interest e.g USAID, AGRA. The discussion is going on to partner in the areas of technical capacity, digitalization support and additional funding.
- c) Participation in the agriculture forums dialogues, policy reviews, national programs such as Build a Better Tomorrow Program (BBT) to contribute in unlocking finance to youth and women
- d) Contribute the implementation of Agenda 10/30 "Agriculture is business which aimed at increasing agriculture growth rate by 10% by 2030
- e) Building trust to operationalize youth fund to support BBT a total of TZS 800,000,000 received
- f) TZS 38 billion received from government has revolved through issuance of agricultural loan to the total of total 95 billion.

2.12 KEY STRENGTH AND RESOURCES

The Funds operations aligned to number of issues to strengthening service delivery, efficiency and effectiveness. The following are the key strength:

AGRICULTURAL INPUTS TRUST FUND (AGITF)
THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2023

a) Ability to provide loans to its customers

Since its establishment up to 30 June, 2023 the Fund has issued 3,987 loans worth TZS 95,629,957,665 distributed in 13 categories of products provided in Table 7. During the year 2022/23, Fund issued 42 loans amounting to TZS 1,371,400,000 provided in Table 7;

Table 7: Loan issued from 1995/96 up to 30/06/2023

No	Type of loan	Quantity	Value
1	Farm Machinery (New Tractors)	1272	48,930,298,728
2	Rehabilitation of Tractors	281	1,128,133,296
3	Agricultural, Livestock and Fisheries Inputs	1,811	32,523,528,183
4	Power Tillers	274	1,968,406,162
5	Irrigation	50	2,337,271,751
6	Processing Machines	15	401,262,000
7	Combine Harvester	7	449,500,000
8	Farm Implements	2	65,000,000
9	Livestock keeping	22	816,750,845
10	Farm operations	37	1,111,986,000
11	Old Loans 1995/96,1998/99	208	5,777,820,700
12	BBT	7	60,000,000
13	Warehouse Facility	1	60,000,000
Total		3,987	95,629,957,665

Table8: Loan issued in 2022/23

No.	Loans	Quantity	Value
1	Agricultural, Livestock and Fisheries Inputs	2	60,000,000
2	Farm Machinery (New Tractors)	11	577,010,000
3	Farm Machinery (Combine Harvester)	1	74,000,000
4	Power Tillers	1	12,500,000
5	Farm Structure-Irrigation	1	70,000,000
6	Processing and packaging Machineries	3	86,890,000
7	Farm Structure-Livestock Keeping	5	123,000,000
8	Farm Operations	9	243,000,000
9	Rehabilitation of Tractors	1	5,000,000
10	Storage Facility	1	60,000,000
11	BBT	7	60,000,000
Total		42	1,371,400,000

b) Well defined products

The Fund described its loans products at a wider range. The interest's charges range from 4.5% to 8% which make them affordable. The qualified customers to the loan's

products are individuals, SACCOS/AMCOs, Community Banks and agro dealers. This categorization gives free choice of loan products initiated by the customer themselves. Each loan product is well defined in terms of; eligible criteria, loan tenure and payments schedule. This leads customers to select products within his/her capacity and interests

c) Legal Framework

In fulfilling its mandate, the Fund is guided by the Agricultural Inputs Trust Fund Act CAP 401 as amended by Act No.02 of 2020, Credit policy and its Operational Manual.

2.13 FUTURE OUTLOOK

Fund is currently implementing several strategies (turn-around strategies) aiming to make the Fund run efficiently, attain operation self-sustainability and restore the trust of the stakeholders, through implementation of the following:

(i) Digitalization

Board vision is to make sure all the process are digitalized and give an opportunity for the farmers to apply loan where they are and review the status. It will enhance the preliminary assessment of the applicants and provide quicky results. The automation will remove inconsistency in the processing of application and enhance service delivery. It will be easy to track application status for each applicant in real time. This will be backed up with having robust data recovery strategy and analytical capability.

It will enhance the board, management and all team to make informed decisions and enhance the achievement of the impact expected.

(ii) Resource mobilization

- a) To develop a clear resource mobilization strategy that will enhance access to funds beyond government. This will include development of new products and business model and enhance.
- b) It will also include signing of the performance-based contract with brokers and revision of performance targets to all staff
- c) To clean the financial reports in order to attract more funding based on the new products and strategy developed

2.14 Working environment

- a) To review internal policies and guidelines to increase efficiency
- b) To review of financial products and development of new ones
- c) Review business model to reduce cost of doing business while maintain its relevance

- d) To streamline recruitment to narrow manning level gap and obtain staff fit for the roles
- e) To procure the service of Credit Reference Bureau which will assist to determine creditworthiness of the loan applicant
- f) Implement decentralization strategy by opening zonal offices (D by D policy) to ensure communities are getting services at their places
- g) To improve working environment by ensuring the construction of office building at Iyumbu is completed on time.

2.15 Governance

- a) The Board continues to perform the duties of strategic planning and oversight
- b) To enact the regulations for the implementation of the objectives contained in the Agricultural Inputs Trust Fund Act
- c) To ensure effective implementation of the performance contract signed between the Board of Trustees and the Treasury Registrar
- d) To develop and implement communication strategy so as increase business visibility and minimize stakeholders' expectation gap

2.16 EMPLOYEE WELFARE

2.16.1 Management and employees' relationship

There were continued good relations between employees and management for the year 2022/23. Management took measures to build strong workplace relations by ensuring that employees lived up to the standards of the institutions culture and values while maintaining effective communication at all levels. Staff meetings were conducted whereby staffs were able to participate in helping shape the future of the organization.

The Fund is an equal opportunity employer. It gives equal access to employment opportunities and ensures that the best available person is appointed to any given position free from discrimination of any kind and without regard to factors like gender, marital status, tribes, religion and disability which does not impair ability to discharge duties.

2.16.2 Capacity Building

The Fund equip its staff with relevant managerial and operational competencies to enhance their service delivery to the public. During the year 38 staff attended short course training on the following; Financial matters, ICT, Legal, Audit & Risks matters, Secretarial & Office Management practices, Induction to new staff, Management & Leadership skills and Cross Cutting issues pertaining to staff welfare.

2.16.3 HIV/AIDS awareness

During the year, the Fund conducted awareness seminar to all staff on HIV/AIDS and Non- communicable diseases. During the seminar staff were given an opportunity for voluntary testing for HIV, Blood Pressure and Blood Sugar. The Fund encourages her employees to undergo regular voluntary HIV tests and for those found to be affected shall be assisted financially by the Fund.

2.16.4 Medical Services

The Fund provides medical Insurance cover through National Health Insurance Fund (NHIF), which covers employee, spouse and four dependents.

2.16.5 Employees benefit plan

The Fund has a statutory requirement to contribute to the pension fund, which is a defined contribution scheme. The Fund contributes 15% of employee’s basic emoluments to the scheme.

2.16.6 People with Disabilities

The Fund gives equal opportunity to people with disabilities for vacancies they are able to fill. Similarly, under the workman compensation Act, 2008 the AGITF will compensate staff who becomes disabled while in the service. Currently AGITF has no disable staff.

2.17 Gender Parity

The Fund gives gender equal opportunities to all Tanzanians during recruitment and filling of positions provided they have the required qualifications and ability. Total number of employees as at 30 June 2023 was 40.

Table 9: Gender parity

Gender	2022/23	2021/22
Male	24	22
Female	16	17
Total	40	39

2.18 POLITICAL AND CHARITABLE DONATIONS

The Fund does not make donations towards political activities.

2.19 RELATIONSHIP WITH STAKEHOLDERS

The Fund continued to maintain a good relationship with all stakeholders including Ministries such as Ministry of Agriculture and Ministry of Finance and Planning; other Government bodies such as Treasury Registrar and Local Government Authorities (LGAs);

Borrowers and Suppliers of inputs and mechanizations. Key to this relationship has been prompt and informed through communications system.

2.20 ACCOUNTING POLICIES AND CRITICAL JUDGEMENT AND ESTIMATES

These financial statements have been prepared in conformity with International Public Sector Accounting Standards (IPSAS) which require the use of certain critical accounting estimates and also require the exercise judgment in the process of applying the Fund's accounting policies.

The financial statements comprise statement of financial performance, statement of financial position, statement of changes in net assets, statement of cash flows, statement of comparison of budget and actual and the notes to the financial statements.

The Board believes that the underlying assumptions are appropriate and that the Fund's financial statements therefore present the financial position and results fairly. The statement of cash flows was prepared using the direct method. The financial statements were prepared on an accrual basis. The annual budget was prepared on an accrual basis; that is, all planned expenditures and revenue were presented in a single statement to determine the needs of the Fund.

2.21 COMMENTARY ON THE FINANCIAL STATEMENTS

2.21.1 ACTUAL FINANCIAL POSITION AND SOLVENCY (STATEMENT OF FINANCIAL POSITION)

The financial position for the period is summarized below:

a) Cash and cash equivalents

The cash book Balance for Fund accounts at the year-end was TZS 3,237,767,440 (2022: 2,098,466,156), which increased by 54% compared to last year. The current balance is made of TZS 3,159,551,941 held at BOT and TZS 78,215,499.62 held with other commercial banks.

Balance with other private banks made of CRDB Bank Plc LAPF Branch TZS 66,074,499.62 is an expenditure account while CRDB Bank Plc Azikiwe Branch TZS 12,041,000 and NBC TZS 100,000 are collection accounts, which transfer all collections every Monday at the month end to revenue account maintained at BOT.

b) Receivables and prepayments

The receivables and prepayments stood at TZS 105,231,046 (2022: TZS 50,168,425) increased by 110% compared to last year. The increase was due to outstanding recovery

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of staff Imprest and pre-payment to GPSA. The current balance is made of staff advance and Imprest TZS 75,248,591 and Fuel deposit at GPSA TZS 29,982,455.

The high imprest value was caused by implementing the activity near the end of the year however the retirement process will be done accordingly. Similarly, the GPSA value was caused by the bulk procurement of fuel end of year; the bulk procurement helps to reduce the follow up turnaround and enhance effective implementation of Fund activities

c) Inventories

The inventories stood at TZS 26,409,430 (2022: TZS 8,202,120) increased by 222% compared to last year. The major components of inventories were stationeries. The significant increase is due to a large number of stationeries purchased at the end of the financial year.

d) Other Financial Assets

The Net Loans stood at TZS 4,988,173,417 (2022: TZS 6,089,860,756), decreased by 18% compared to last year; the decline in the value of loans was caused by fewer loans issued and focused on recovery; the decrease was also caused by the increase of provision of loan impairment. The net loan is made of Current loans of TZS 1,197,940,266 and Non-current loans of TZS 3,790,233,151.

The gross loans stood at TZS 25,427,419,240 (2022: TZS 26,422,092,103) while the allowance for impairment is TZS 20,439,245,824 (2022: TZS 21,080,422,722). The Fund assesses at each reporting date whether there is objective evidence that a financial asset is impaired. Fund assess the level of impairment as per IPSAS. Assumptions used in classifying assets and computing impairment as provided in Table 10: -

Table 10: Loan classification and provisioning in 2022/23

CLASIFICATION BY AGING	Past Due (Days)	Provisioning		Loan balance
		Rate	Amount	
Current	0-90 days	1%	38,285,183.34	3,828,518,334
Watch List	91-180 days	5%	19,112,912.63	382,258,253
Sub-Standard	181-360 days	25%	146,351,166.36	585,404,665
Doubtful	361-720 days	50%	395,741,427.43	791,482,855
Loss	=>721 days	100%	19,839,755,134.02	19,839,755,134
Loan Loss Provision as at year end			20,439,245,824	25,427,419,241

e) Property Plant and Equipment

The PPE stood at TZS 473,243,260 (2022: TZS 542,943,802) decreased by 13% compared to last year. The decrease is due to the depreciation of assets. All the assets have been captured in the Government Assets Management Information System (GAMIS).

f) Intangible assets

Intangible Assets have zero balance (2022: TZS 2,018,295), decreased by 100% compared to last year due to amortization.

g) Payables and accruals

Payables and accruals stood at TZS 113,165,106 (2022: TZS 7,345,925), increased by 1440.52% due to staff claims and unpaid bills from two suppliers, and furthermore due to reclassification, which has reduced the comparable amount by TZS. 93,228,093.

h) Provision

Provision TZS 93,228,093 (2022: TZS 93,228,093), no changes; this provision set over the last five years relates to the EXIM case.

i) Deposit Others

These are unallocated deposits from borrowers and Insurance deposited by borrowers. Balance stood at TZS 40,789,867 (2022: TZS 77,177,375), decreased by 47% due to the ongoing process of identifying the depositor whereby depositors worth TZS 34,792,449 were identified and adjusted to the books accordingly. The insurance deposited was TZS. 5,997,418.

j) Net Asset (Tax payer fund and accumulated surplus)

The net assets are TZS. 8,583,641,533 (2022: 8,613,908,160); is made by the summation of the taxpayer funds and accumulated surplus. Tax Payer's Fund is TZS 25,867,213,304 for the financial year ended 30th June 2023, and is static since the full adoption of IPSAS pursuant to the circular issued by the Paymaster General; the accumulated deficit is TZS. 17,283,571,771 (2022: 17,253,305,144) is being affected by the performance made during the year.

Section 3 of the Agricultural Inputs Trust Fund Act CAP 401 established the Fund as a revolving Fund. The flow of funds from the Government to the Fund is made in accordance with the Budget (Medium Term Expenditure Framework-MTEF). Since its establishment, the Fund has prepared MTEF with two broad categories, namely Personal Emoluments and Other Charges (OC). The funds for OC comprise funds for loan disbursement and funds for operating costs. Principal paid on borrowed funds is utilized to re-disburse loans while interest and other charges are utilized for operating costs.

2.21.2 STATEMENT OF PERFORMANCE AND ACCUMULATED SURPLUS

The financial performance set out on page 22 for the period a statement of change in net assets set out on page 23 is summarized below:

a) Revenue

The fund earned revenue TZS 2,903,486,170 (2022: 2,279,837,526) increased by 27% as a result of the increase of Government PE and funds for BBT loans. On the other hand, loan interest, which is the key revenue component reported TZS 270,863,213 (2022: 319,666,397), decreased by 15% as a result of a few loans issued.

The current revenue earned is made of fees, fines, penalties and licenses TZS 116,025,335, Exchequers/transfers/subsidies TZS 2,506,907,440, other Income 11,065,305 and Loans interest income TZS 269,488,090.

b) Expenses

Fund incurred expenses of TZS 2,933,752,798 (2022: 4,639,448,207) decreased by 36.77%, this is due to Provision for loan impairment recorded in income statement negative TZS 641,176,898 (2022: TZS 1,215,658,568).

The other expenses include Wages, salaries and employee benefits TZS 2,306,071,847 Other expenses TZS 105,523,763, Use of Goods and Services TZS 953,371,012, Maintenance expenses TZS 70,743,237, Depreciation of property, plant and equipment TZS 127,201,541, Impairment of Loan Receivable (641,176,898), Impairment of intangible assets TZS 2,018,295 and Contribution to TR TZS 10,000,000.

2.21.3 BUDGET VS. ACTUAL

Budget for financial year 2022/23 was prepared on cash basis. It was also prepared in line with the Medium-Term Expenditure Framework (MTEF) as one of the requirements of the Government Budget Guidelines for preparation of 2022/23 budget.

During the end of first six months' period of the financial year 2022/23, the Fund revised its budget to consider the projections for the remaining period of six months that ended 30 June 2023. Generally, re - allocation proposal covered expenditure only with no increase in total expenditure budget.

a) Personal Emoluments (PE)

Salary payment made direct to employee is treated as both dummy receipts and payments. The salary for the year was TZS 1,186,581,840 the current receipt is 106% compared to budget of TZS 1,115,850,985. This relates to joining of staff from other Public Institutions and promotions of three staff (1 ICT officer and 2 operations officers) and re-categorization of one staff.

b) Other Charges (OC)

Exchequer received to meet other charges for the financial year ended 30 June 2021 was TZS 1,320,325,600 the current receipt is 167% compared to budget of TZS 790,368,000. This is because the Fund received TZS 800,000,000 for issuing BBT loans which was not part of the original budget.

c) Loan Collection from customers

Fund's core business is to issue loan; therefore, the receipts include loan principal, interest and penalty. During the year the Fund collected TZS 3,287,000,022 the current collection is 47% compared to budget of TZS 6,962,429,647. Reasons for low loan collection are: -Failure to sale collateral at forced sale value during auction process due to depreciation of asset and fall in purchasing power of general public; Natural calamity which influences shortage of crop harvest; Proximity between lender and borrower, because AGITF has borrowers in 26 Regions but is centered at Dodoma Region only; and Court injunction during auction.

Penalty interest and fee collected during the year was TZS 116,025,335 this is 97% of budget of TZS 120,000,000.

d) Loan issued

Loan disbursed during the year has a value of TZS 1,371,400,000 the current loan disbursement was 32% compared to budget of TZS 4,321,800,000 due to Fund focusing on loan collections.

e) Other Receipts

The Fund' credit policy requires the applicant of tractor loan to deposit 10% of approved amount and applicant under the category of SACCOS to deposit 1/3 of the approved amount; during the year TZS 66,179,472 was received out of this TZS 57,701,000 was received as an upfront deposit and TZS 8,478,472 was received as insurance. The amount is normally deducted from the approved amount; the net amount is the right loan principal chargeable for interest; the full amount is paid to the supplier by the Fund.

f) Use of goods and services

During the year TZS 997,515,718 was used for the Use of Goods and Service, this is 57% compared to budget of TZS 1,736,415,487. This is due to cost cutting on fuel usage and training.

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g) Maintenance expenditure

During the year TZS 66,817,760 was paid for the maintenance expenditure the expenditure is 57% compared to budget of TZS 116,800,000 this was due to cost cutting measures.

h) Property, plant and equipment

During the year TZS 51,501,000 capital expenditure is 74% compared to budget of TZS 69,953,800. The current year procurement includes purchases for computers, office machines and office furniture.

2.21.4 Summary of Performance

The Table 11 shows a snapshot of financial performance or position for the year ended 30 June 2023

Table 11: Summary of Financial Performance and Position in 2022/23

Details	2022/23	2021/22
	TZS	TZS
Revenue	2,903,486,171	2,280,297,466
Expenses	2,937,541,989	3,891,716,772
Total Assets	8,827,035,403	8,791,659,552
Net Asset	8,579,852,342	8,621,308,160
Net loans	4,988,173,417	6,089,860,756
Cash and cash equivalent	3,233,978,249	2,098,466,156

2.22 TRANSACTIONS AND OBLIGATIONS WITHIN PUBLIC SECTOR ENTITIES

Transactions during the year with related parties were conducted at terms and conditions similar to those offered to other Government entities in the normal course of business.

During the year TZS 36,784,455 was recognized as other receivables and prepayments by which other Public Sector entities owe Fund of which TZS 6,802,000 is a long outstanding receivable advanced to Ministry of Agriculture; and TZS 29,982,455 is the balance of prepayment made to GPSA which is amortized upon receipt of fuel.

2.23 FINANCIAL MANAGEMENT INFORMATION SYSTEM

AGITF started using MUSE System since July 2020, the system integrated with a loan module which cover the operations of the core business, the integration is not complete, this has caused many entries not incorporated in the trial balance. Developers and AGITF teams together are working on those challenges.

AGRICULTURAL INPUTS TRUST FUND (AGITF)
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Currently we are presenting three statements and their notes generated from MUSE; namely, statement of financial position, statement of financial performance and statement of change in net asset; the other two statement (cash flow and statement of budget and actual) have been prepared manual due to technicalities in the application of MUSE.

2.24 SOLVENCY

Since its establishment, the Fund has managed to finance its operations through sources specified under section 5(1) of Agricultural Inputs Trust Fund Act, CAP 401 RE 2002. The Fund is considered solvent basing on the strength of its financial position as at 30 June 2023 as set in these financial statements and the Notes thereon.

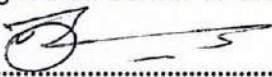
2.25 AUDIT MANDATE

Pursuant to section 11 (2) of the Agricultural Inputs Trust Fund Act, as amended by Act No. 2 of 2020, the books of accounts of the Fund shall be audited by the Controller and Auditor General at the end of each financial year. As AGITF is wholly owned by the Government, the Members of the Board are appointed by Hon. Minister responsible for Agriculture while the Chairman is appointed by the President of the United Republic of Tanzania.

2.26 AUTHORISATION FOR ISSUE

The authorized date for issue of Financial Statements to the Public is after receiving opinion from the Controller and Auditor General and the report being tabled to the Parliament.

Signed on behalf of the Board of Trustees by:


.....

Eng. Omar Jumanne Bakari
Chairman of the Board of Trustees

9th March 2024
.....
Date

2.27 STATEMENT OF DIRECTORS RESPONSIBILITIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

Section 11 (1) of the Agricultural Inputs Trust Fund Act, as amended by Act No. 2 of 2020 requires the Board of Trustee to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Fund as at the end of the financial year and of the operating results of the Fund for that year. It also requires the Board to ensure that the Fund keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund. They are also responsible for safeguarding the assets of the Fund.

The Board is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (IPSAS). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards. The Board is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Fund and of its operating results. The Board further accepts responsibility for the maintenance of accounting records, which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Board to indicate that the Agricultural Inputs Trust Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Signed on behalf of the Board of Trustees by:



Eng. Omar Jumanne Bakari
Chairman of the Board of Trustees

24th March 2024
Date

2.28 DECLARATION OF HEAD OF FINANCE FOR THE FINANCIAL YEAR ENDED 30 JUNE 2023

The National Board of Accountants and Auditors (NBAA) according to the power conferred, under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist Agricultural Inputs Trust Fund to discharge the responsibility of preparing financial statements showing true and fair view of the entity's financial position and performance in accordance with applicable International Financial Reporting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Trustees of Agricultural Inputs Trust Fund as indicated under the statement of directors' responsibilities.

I, CPA Patricia Sospeter Msirikale, being the Chief Accountant of Agricultural Inputs Trust Fund, hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2023 have been prepared in compliance with applicable accounting standards and statutory requirements.

I, thus confirm that the financial statements give a true and fair view position of Agricultural Inputs Trust Fund as on that date and that they have been prepared based on properly maintained financial records.

Signed on by:



Patricia S. Msirikale

24-03-2024


Date

Chief Accountant
ACPA 3590

AGRICULTURAL INPUTS TRUST FUND (AGITF)
THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2023

STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 30 JUNE, 2023

	Note	2022/23 TZS	2021/2022 TZS
ASSETS			
Current Asset			
Cash and Cash Equivalents	62	3,237,767,440	2,098,466,156
Receivables	67	75,248,591	15,036,091
Prepayments	69	29,982,455	35,132,334
Inventories	70	26,409,430	8,202,120
Other Financial Assets	71	1,197,940,266	1,530,247,753
Total Current Asset		4,567,348,182	3,687,084,454
Non-Current Asset			
Other Financial Assets	71	3,790,233,151	4,559,613,003
Property, Plant and Equipment	77	473,243,260	542,943,802
Intangible Assets	78	0	2,018,295
Total Non-Current Asset		4,263,476,411	5,104,575,100
TOTAL ASSETS		8,830,824,593	8,791,659,554
LIABILITIES			
Current Liabilities			
Payables and Accruals	89	113,165,106	7,345,925
Provisions	92	93,228,093	93,228,093
Deferred Income	93	0	0
Deposits	94	40,789,867	77,177,375
Total Current Liabilities		247,183,066	177,751,393
TOTAL LIABILITIES		247,183,066	177,751,393
Net Assets		8,583,641,527	8,613,908,161
NET ASSETS/EQUITY			
Capital Contributed by:			
Taxpayers' funds		25,867,213,304	25,867,213,304
Accumulated Deficits		(17,283,571,778)	(17,253,305,144)
TOTAL NET ASSETS/EQUITY		8,583,641,526	8,613,908,160



 Eng. Omar Jumanne Bakari
 Board Chairman

24-3-2024

Date

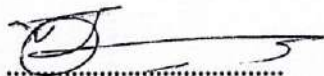


 Mwanahiba Mzee
 Executive Director

AGRICULTURAL INPUTS TRUST FUND (AGITF)
THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2023

STATEMENT OF FINANCIAL PERFORMANCE AS AT 30 JUNE, 2023

	Note	2022/23 TZS	2021/22 TZS
REVENUE:			
Revenue			
Revenue Grants	16	2,506,907,440	0
Fees, Fines, Penalties and Forfeits	19	116,025,335	188,974,060
Other Revenue	31	280,553,395	75,994,209
Subvention from other Government entities	32	0	2,014,869,257
TOTAL REVENUE		2,903,486,170	2,279,837,526
EXPENSES AND TRANSFERS			
Expenses:			
Wages, Salaries and Employee Benefits	34	2,306,071,847	2,030,961,384
Use of Goods and Service	35	953,371,012	1,030,115,562
Maintenance Expenses	36	70,743,237	90,390,833
Depreciation of Property, Plant and Equipment	37	127,201,541	122,078,477
Amortization of Intangible Assets	39	0	2,018,295
Impairment of Intangible Assets	40	2,018,295	0
Impairment of loan Receivables	44	(641,176,898)	1,215,658,568
Other Expenses	52	105,523,763	38,225,088
TOTAL EXPENSES		2,923,752,797	4,529,448,207
Transfer			
Other Transfers	60	10,000,000	110,000,000
Total Transfer		10,000,000	110,000,000
TOTAL EXPENSES AND TRANSFERS		2,933,752,797	4,639,448,207
Deficit		(30,266,627)	(2,359,610,682)

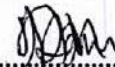


Eng. Omar Jumanne Bakari

Board Chairman

24-3-2024

Date



Mwanahiba Mzee

Executive
Director

AGRICULTURAL INPUTS TRUST FUND (AGITF)
THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2023

STATEMENT OF CHANGES IN NET ASSET AND EQUITY AS AT 30 JUNE, 2023

	Tax Payer's Fund	Accum. (Deficit)	Define Benefit Reserve	Other Reserve	Minority Interest	Revaluation Surplus	Total
	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Opening Balance as at 01 Jul 2022	25,867,213,304	(17,253,305,144)	0	0	0	0	8,613,908,160
Addition Capital Injected	0	0	0	0	0	0	0
Other Reserve	0	0	0	0	0	0	
Other Appropriations	0	(7)	0	0	0	0	(7)
Minority Interest	0	0	0	0	0	0	0
Deficit for the Year	0	(30,266,627)	0	0	0	0	(30,266,627)
Closing Balance as at 30 Jun 2023	25,867,213,304	(17,283,571,778)	0	0	0	0	8,583,641,526
Opening Balance as at 01 Jul 2021	25,867,213,304	4,329,601,445	0	0	0	0	30,196,814,749
Addition Capital Injected	0	0	0	0	0	0	0
Other Reserve	0	0	0	0	0	0	
Other Appropriations	0	(19,223,295,908)	0	0	0	0	(19,223,295,908)
Minority Interest	0	0	0	0	0	0	0
Deficit for the Year	0	(2,359,610,682)	0	0	0	0	(2,359,610,682)
Closing Balance as at 30 Jun 2022	25,867,213,304	(17,253,305,145)	0	0	0	0	8,613,908,159



Eng. Omar Jumanne Bakari

Board Chairman

24-3-2024

Date




Mwanahiba Mzee
Executive Director

AGRICULTURAL INPUTS TRUST FUND (AGITF)
THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2023

CASHFLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE, 2023


	2022/23	2021/22
	TZS	TZS
CASH FLOW FROM OPERATING ACTIVITIES		
RECEIPTS		
Exchequers/Transfers/Subsidies from Government Entities	2,506,907,440	738,245,314
Fees, fines, penalties and Forfeits	116,025,335	188,974,060
Revenue from exchange transactions	3,287,000,022	3,210,692,003
Other income	9,690,182	-
Other Receipts	66,179,472	75,994,210
Total receipts	5,985,802,451	4,213,905,587
PAYMENTS		
Wages, salaries and employee benefits	2,278,463,374	996,766,469
Use of Goods and Service	997,515,719	1,018,767,731
Maintenance expenses	66,817,760	86,633,389
Other Expenses	60,363,763	61,005,888
Loan Payment	1,371,400,000	2,048,434,000
Grants, Subsidies & Other transfer Payments	10,000,000	110,000,000
Refunds and Insurance	10,439,551	58,726,713
Total payments	4,795,000,167	4,380,334,189
NET CASH FLOW GENERATED FROM/(USED IN) OPERATING ACTIVITIES	1,190,802,285	(166,428,602)
CASH FLOW USED IN INVESTING ACTIVITIES		
Investing Activities		
Acquisition of property, plant, and equipment	(51,501,000)	(39,055,500)
Total Investing Activities	(51,501,000)	(39,055,500)
NET CASH USED IN INVESTING ACTIVITIES	(51,501,000)	(39,055,500)
CASH FLOW FROM FINANCING ACTIVITIES		
Financing Activities		
Payment to Government Consolidated Fund		
Total Financing Activities		
NET CASH FLOW FROM FINANCING ACTIVITIES		
Net increase/(decrease)in Cash and cash equivalent	1,139,301,285	(205,484,102)
Cash and Cash equivalent at beginning of period	2,098,466,156	2,303,950,258
Cash and Cash equivalent at end of period	3,237,767,440	2,098,466,156

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Eng. Omar Jumanne Bakari
 Board Chairman

24-3-2024

Date

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Mwanahiba Mzee

Executive Director

AGRICULTURAL INPUTS TRUST FUND (AGITF)
THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2023

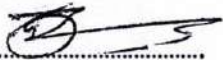
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE, 2023

	ORIGINAL BUDGET TZS	FINAL BUDGET (A) TZS	ACTUAL (B) TZS	DIFFERENCE (C) (A-B) TZS	% C/A	Reasons for variance
RECEIPTS						
Operating Costs - OC	790,368,000	790,368,000	520,325,600	270,042,400	34.17	Only 66% of OC was received, resulting to deficit of 34%
Revolving funds (BBT)	0	0	800,000,000	-800,000,000		Fund for BBT loans was received by 100%
Personal emoluments	1,115,850,985	1,115,850,985	1,186,581,840	-70,730,855	-6.34	
Development	500,000,000	500,000,000	0	500,000,000	100.00	No fund received for construction of office building.
Loan recoveries	6,962,429,647	6,962,429,647	3,287,000,022	3,675,429,625	52.79	Only 47% of Loans was recovered, resulting to 53% of loans not being collected.
Other receipts	-	0	75,869,654	-75,869,654		
Fees, fines, penalties and Forfeits	120,000,000	120,000,000	116,025,335	3,974,665	3.31	
Total Receipts	9,488,648,632	9,488,648,632	5,985,802,451	3,502,846,181		
PAYMENTS						
Grants, Subsidies and other Transfer Payments	50,000,000	50,000,000	10,000,000	40,000,000	80.00	53% of Recovery of Loans were not remitted hence reduce the amount of own source revenue. As a result only 20% was remitted to the Consolidated Fund.
Maintenance Expenses	116,800,000	116,800,000	66,817,760	49,982,240	42.79	The deficit of 34% and 53% of OC and Own source respectively led to failure to finance the expenses by 43%
Other Expenses	226,800,000	226,800,000	60,363,763	166,436,237	73.38	The deficit of 34% and 53% of OC and Own source respectively led to failure to finance the expenses by 73%
Loans issued	4,321,800,000	4,321,800,000	1,371,400,000	2,950,400,000	68.27	Loans are issued from the funds of loan recovered. Only 53% was collected, which facilitated the issue of loan by 32%.
Use of Goods and Service	1,736,415,487	1,736,415,487	997,515,719	738,899,768	42.55	The deficit of 34% and 53% of OC and Own source respectively led to failure to finance the use of goods and services by 43%

AGRICULTURAL INPUTS TRUST FUND (AGITF)
THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2023

Wages,Salaries and Employee Benefits	2,466,879,345	2,466,879,345	2,278,463,374	188,415,971	7.64
Acquisition of Property,Plant and Equipment	69,953,800	69,953,800	51,501,000	18,452,800	26.38
Office buildings and structures	500,000,000	500,000,000	0	500,000,000	100.00
Refunds/ transfers	0	0	10,439,551	-10,439,551	
TOTAL PAYMENTS	9,488,648,632	9,488,648,632	4,846,501,167	4,642,147,465	
NET RECEIPTS/ (PAYMENTS)	0	0	1,139,301,285		

The deficit of 34% and 53% of OC and Own source respectively led to failure to finance the acquisition of PPE by 26.%.
 No fund received for construction of office building.



Eng. Omar Jumanne Bakari
 Board Chairman

24-3-2024

Date



Mwanahiba Mzee
 Executive Director