REPORT OF THE CONTROLLER AND AUDITOR GENERAL

THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE

ISO 9001:2015 Certified

GOVERNMENT PROCUREMENT SERVICES AGENCY (GPSA)

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL AND COMPLIANCE AUDIT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

Controller and Auditor General
National Audit Office,
Ukaguzi House,
Mahakama Road, Tambukareli,
P.O. Box 950,
41104 Dodoma, Tanzania.
Tel: +255 (026) 2161200-9
Email: ocag@nao.go.tz
Website: www.nao.go.tz

March 2026 AR/NA/GPSA/2024/25

About the National Audit Office

Mandate

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

NAOT Vision, Mission & Motto

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

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

Motto: Modernizing External Audit for Stronger Public Confidence

Core Values

Independence and Objectivity: We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

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.

Results-Oriented: We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.

Team Work Spirit: We value and work together with internal and external stakeholders.

TABLE OF CONTENTS

Abbreviations

APP	Annual Procurement Plan
AR	Audit Report
BoT	Bank of Tanzania
CAG	Controller and Auditor General
CEO	Chief Executive Officer
CSP5	Fifth Corporate Strategic Plan for the years 2023/24 - 2027/28
CUIS	Common Use Items and services
FMIS	Fuel Management Information System
FYDP	Five Year Development Programme
GIMIS	GPSA Integrated Management Information System
G. N	Government Notice
GPSA	Government Procurement Services Agency
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ISA	International Accounting on Auditing
IFRS	International Financial Reporting Standards
ISSAI	International Standards of Supreme Audit Institutions
MAB	Ministerial Advisory Board
MDA	Ministries, Departments and Agencies
NBAA	National Board of Accountants and Auditors
NHIF	National Health Insurance Fund
NIC	National Insurance Corporation of Tanzania Limited
NSSF	National Social Security Fund
PAYE	Pay as You Earn
PFA	Public Finance Act, Cap 348 [R.E 2020]
PMU	Procurement Management Unit
PPA	Public Procurement Act No. 10 of 2023
PPR	Public Procurement Regulations of 2024
PSSSF	Public Service Social Security Fund
Reg.	Regulation
RGP	Recommended Practice Guideline
SRP	Social Responsibility Plan

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chief Executive officer,
Government Procurement Services Agency,
P.O. Box 9150,
Dar es Salaam,
Tanzania.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

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

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the of Government Procurement Services Agency (GPSA) as at 30 June 2025, and its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting, as issued by the International Public Sector Accounting Standards Board (IPSASB) and in the manner required by the Public Finance Act, Cap. 348.

Basis for Opinion

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

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

Key Audit Matters

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

Other Information

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

Subject matter: Compliance audit on procurement of works, goods, and services
I conducted a compliance audit of the procurement of works, goods and services at Government Procurement Services Agency (GPSA) for the year ended 30 June 2025 as per the Public Procurement Act, 2023, the Public Procurement Regulations, 2024, and related directives. I examined each phase of the procurement life cycle, including advertising of tenders, evaluation of bids, award of contracts and contract management, to confirm that the entity issued competitive solicitations, applied approved evaluation criteria, secured authorizations before award and maintained complete transaction records.

Conclusion
Based on the audit procedures performed, I conclude that Government Procurement Services Agency (GPSA) generally complies, in all material respects, with the requirements of the Public Procurement laws in Tanzania.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution
I conducted a compliance audit of budget formulation and execution at Government Procurement Services Agency (GPSA) for the year ended 30 June 2025 as per the Public Finance Act (Budget Act), Cap. 439, and the Budget Guidelines issued by the Ministry of Finance. I reviewed budget submissions, approval memoranda, commitment registers, ledger entries and variance analyses to confirm that the entity prepared estimates in the prescribed format, obtained timely authorizations before incurring obligations, recorded transactions accurately and reported variances as required.

Conclusion

Based on the audit procedures performed, I conclude that Government Procurement Services Agency (GPSA) complies, in all material respects, with the requirements of the Budget Act and related Budget Guidelines.

Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March 2026

2.0 FINANCIAL STATEMENTS

2.1 INTRODUCTION

Pursuant to Tanzania Financial Reporting Standard (TFRS) No.1 issued by the National Board of Accountants and Auditors (NBAA) in June 2020 and became effective on 1 January 2021, Government Procurement Services Agency (hereto referred as ''GPSA'' or "the Agency") presents "The Report by those charged with Governance" for period ended 30 June 2025. The report is presented along with GPSA Financial Statements. The presented Financial Statements disclose results of operations and state of affairs of the Agency for period ended 30 June 2025.

Presentation of the Financial Statements is in accordance with the provisions of the Public Audit Act, Cap 418 [R.E 2021], Public Finance Act, Cap 348 [R.E 2020] and its regulation, the Executive Agencies Act No. 30 of 1997, The Executive Agencies (Government Procurement Services Agency) Establishment Order, 2007 (Government Notice No. 235 of 7 December 2007 as amended by GN No. 133 of 13 April 2012), of the Laws of Tanzania, and the requirement of International Public Sector Accounting standards (IPSAS Accrual) pursuant to Regulation 53 of the Public Finance Regulations 2001. The Financial Statements disclose the affairs of the Agency for the year ended 30 June 2025 and implementation of second year of the Five Year Corporate Strategic Plan covering the period from 2023/24 to 2027/28.

The Report by those charged with Governance that has been prepared by GPSA discloses key information that assist GPSA Stakeholders in understanding Agency's operations, strategies, financial and governance matters. Further, the report provides information that assist GPSA Stakeholders in understanding future looking of the Agency. Considering the aforementioned disclosures and the accompanied Financial Statements, the Agency is confident that its Stakeholders will be in a position of making informed decisions as far as their stake in GPSA is concerned.

2.2 MISSION, VISION AND CORE VALUES

In the financial year 2024/25, GPSA continued with the implementation of its five years (2023/24 - 2027/28) fifth Corporate Strategic Plan (CSP5). The CSP5 provides an opportunity for GPSA to align strategic direction that provides long term solution to the prevailing challenges in operation. Consequently, attaining optimal revenue mobilization in line with national and international development agenda. Implementation of the plan is guided by the following key components:

2.2.1 GPSA Vision

The CSP5 is guided by an inspirational vision "to be a centre of excellence in value for money supply chain management". This intends to build coalition with stakeholders in the supply chain management in order to improve Agency's ability in raising more revenue for its sustainability. In daily operations, the Vision Statement provides

Agency's future directions that allows staff to carry out their tasks with a shared corporate goal. The vision positions the Agency as if it competes for customers with other competitors while in actual sense the legislation stipulates the customers of the Agency.

2.2.2 GPSA Mission

Along with the defined GPSA Vision, the Agency has described a Mission Statement that summarizes GPSA's purpose of existence and how customers' expectations will be met. GPSA mission is "provision of excellence value for money procurement, supplies, clearing and forwarding services in public sector". The mission blends well with GPSA vision as easiness and voluntary compliance culture to PEs will increase service delivery and enable various national development strategies to come into reality and sustainable. The mission itself reveals that, the Agency's roles and function may not affect economic growth to the magnitude of other macroeconomic factors such as inflation, money supply, exchange rate, index of industrial production, foreign direct investment (FDI) and interest rate.

2.2.3 GPSA Core values

The building of cohesive and binding organizational culture is a fundamental prerequisite for the sustainable development of the Agency. In order to achieve its vision and accomplish its mission, the Agency has put the following core values which are integrity, transparency, accountability, teamwork, innovative, professionalism and customer focused. The values describe the culture of the workplace ensuring that all employees and customers of the Agency have a common understanding of how they will be treated and what is expected from them.

Each value is detailed as follows:

(i) **Integrity**

We employ the highest ethical standards that demonstrate honest and fairness in every action taken.

(ii) **Transparency**

We conduct our business with openness.

(iii) **Accountability**

We are servants of the public and responsible for our decisions and actions. We pay timely and appropriate attention to our stakeholders' needs and requirements, and also to the community for the mandate and responsibilities bestowed upon us.

(iv) **Teamwork**

We work together, share experiences and respect each other to realize our common goal.

(v) **Innovative**

We embrace a culture of innovation in all aspects and adapt to changing trends

(vi) **Professionalism**

We demonstrate the highest level of competence and efficiency guided by ethical behaviour and professional etiquette.

(vii) **Customer focused**

We strive to provide quality services to meet customers' expectations.

The Agency recognizes the importance of embedding our core values of integrity, transparency, accountability, teamwork, innovative and customer focus in all aspects of our operations. These values are reflected in our resource allocation decisions, which prioritize programs that benefit the public. For example, our commitment to transparency is evident in our open procurement processes and our proactive engagement with Procumbent Entities during procurement process. We strive to maintain strong relationships with our stakeholders by acting ethically and responsibly. We regularly assess our ethical performance through internal audits and stakeholder feedback, and we are committed to continuous improvement in this area.

2.3 NATURE OF GPSA OPERATIONS

GPSA is an agency of the Government of the United Republic of Tanzania established by virtue of the Executive Agencies Act No. 30 of 1997, The Executive Agencies (Government Procurement Services Agency) Establishment Order, 2007 (Government Notice No. 235 of 7 December 2007 as amended by GN No. 133 of 13 April 2012). The official inauguration of the Agency took place in 16 June, 2008 where GPSA took over the functions that were performed by the then Supplies and Services Department under the then Ministry of Infrastructure Development.

2.3.1 Functions of GPSA

The Agency is mandated to ensure availability of adequate and quality procurement services to the Government and Non-Governmental institutions as stipulated in Public Procurement Act Cap 410. The main functions of the Agency include the following:

(a) To provide adequate quality supplies at competitive prices;
(b) To provide Clearing and Forwarding Services that ensure value for money;
(c) To provide safe and secure warehousing and storage facilities;
(d) To arrange for procurement of Common Use Items and Services (CUIS) using framework contracts; and
(e) To ensure a well-managed and sustainable Agency.

2.3.2 The Legislative and Regulatory Environment in which GPSA Operates

In execution of its noble function of ensuring availability of adequate and quality procurement services to the Government and Non-Governmental institutions, the Government Procurement Services Agency (GPSA) operates within a robust legal and regulatory framework designed to ensure transparency, accountability, and efficiency in public procurement. GPSA was established under the Executive Agencies Act, Cap. 245 and functions within the Public Finance Act, 2020, which governs its financial operations and requires it to remit 15% of gross revenues to the Treasury Registrar. Procurement activities are regulated by the Public Procurement Act No. 10 of 2023, which sets procedures for competitive, transparent, and value-for-money acquisitions. Oversight is provided by the Public Procurement Regulatory Authority (PPRA) and the Controller and Auditor General (CAG), ensuring compliance with procurement law and financial accountability. Digital platforms such as the GIMIS, NeST and GePG strengthen compliance and record management, guided by the e-Government Authority. Staff conduct is regulated under the Public Service Act, Cap. 298, complemented by the Ethics and Anti-Corruption Act to uphold integrity. In addition, GPSA complies with the Environmental Management Act, 2004 for sustainable procurement, and aligns with regional (EAC) and continental (AfCFTA) commitments that promote harmonization, fair competition, and cross-border trade.

2.4 The industries in which GPSA Operates

GPSA is an agency of the Government of the United Republic of Tanzania with the mandate of ensuring availability of adequate and quality procurement services to the Government and Non-Governmental institutions as stipulated in the Public Procurement Act No. 10 of 2023. The Agency's operational offices are distributed in various areas of the Tanzania Mainland, enabling it to position itself strategically to enhance accessibility of its services. This wide network ensures Procuring Entities (PEs) can easily obtain essential procurement solutions, which is a key element for the sustainability of the Agency. Guided by the current procurement laws and regulations, GPSA implements its mandate by aggregating demand for common use items and services, bulk procurement of vehicles and equipment, provision of fuel and warehousing facilities, and delivery of clearing and forwarding services. To strengthen compliance, the Act requires use of the National e-Procurement System (NeST), which is harmonized with GPSA's own Integrated Management Information System (GIMIS), ensuring full digital service delivery. Through GIMIS, procuring entities can access services online, from fuel requests to consultancy and warehousing, thereby increasing efficiency, transparency, and accountability. The interoperability of GIMIS and NeST demonstrates GPSA's alignment with national digital procurement reforms, enhancing its credibility and reducing transaction costs for clients. In addition, the presence of zonal and regional offices improves response time, reduces logistical challenges, and strengthens relationships with clients across the country. This integrated service delivery approach ensures value for money in public expenditure, while simultaneously promoting local participation in line with procurement law. Ultimately, GPSA continues to operate as a central hub of procurement excellence, bridging legal compliance, technological innovation, and nationwide accessibility for sustainable public service deliver.

2.5 Structure of GPSA Operations

The Agency is structured in a manner that enables it to execute its functions effectively and efficiently country wide. The Agency is structured in the following manner:

2.5.1 Management of GPSA

The Management Committee is responsible for overseeing the execution of all the decisions of the Agency, except those specifically entrusted by or under the Executive Agencies Act. The Committee is chaired by the Accounting Officer who is the Chief Executive Officer of the Agency. The overall Management of GPSA is vested in the Chief Executive Officer who is responsible for the day-to-day operations of the Agency; the management of funds, property and business of the Agency; and for the administration, organisation and control of the other officers and staff of the Agency.

The Management Committee has the prerequisite skills and competencies and hence, can handle all procurement, administrative and financial matters of the Agency efficiently and effectively.

The Chief Executive Officer is assisted by 3 Directors and 5 Heads of Units, 7 Heads of Sections and twenty-eight (28) Regional Managers. For smooth execution of duties, there is a clear organizational structure detailing reporting lines of the Agency. In addition, the head of Internal Audit Unit reports administratively to the Chief Executive Officer and functionally to Audit Committee of the Agency.

2.5.2 GPSA Departments

The Agency is organized into departments, units, sections, and regional offices as follows: -

(a) Business Support Services Directorate;
(b) Operations Management Directorate;
(c) Procurement Management Directorate;
(d) Internal Audit Unit;
(e) Legal Services Unit;
(f) Planning, Monitoring and Evaluation Unit;
(g) Communication and Marketing Unit;
(h) Information, Communication, Technology and Statistics; and
(i) Sections; and
(j) Regional Offices.

The Chief Executive Officer, the Directors, Heads of Units, Heads of Sections and Regional Managers constitute the Management Team of the Agency.

2.6 GPSA Model

The Government Procurement Services Agency (GPSA) operates under a semi-autonomous procurement model, designed to balance operational independence with accountability to the Government. This model was formalized through the Executive

Agencies (Government Procurement Services Agency) Establishment Order, 2007, which conferred upon GPSA the legal status of a body corporate with perpetual succession and a common seal. By virtue of this status, the Agency is capable of suing and being sued in its own name, acquiring and disposing of property, and exercising all other powers lawfully available to a corporate body.
At the institutional level, GPSA functions under the guidance of a Ministerial Advisory Board, composed of members nominated from diverse sectors within government. This Board plays a critical role in providing professional advice, ensuring that GPSA's operations remain aligned with public service values, and strengthening accountability in decision-making.

While GPSA enjoys substantial managerial autonomy, this independence is not absolute. The Agency continues to be an integral part of the public sector framework, subject to general oversight from the Minister responsible for Finance. This oversight ensures that GPSA's operations adhere to national fiscal policies, procurement regulations, and the broader objectives of public sector reform.

The semi-autonomous governance model therefore provides GPSA with flexibility in operations, efficiency in service delivery, and the capacity to operate with corporate-style agility, while at the same time embedding it within the system of public accountability and ministerial oversight that safeguards the national interest.

2.6.1 Fuel Procurement Models and Value-for-Money Decision Framework (Bulk Procurement System vs OMC Framework Agreements)

GPSA procures and supplies fuel to Government entities through two procurement models:

(i) Bulk procurement, where fuel is sourced directly from refineries/major importers through the Bulk Procurement System (BPS) coordinated by the PBPA, which consolidates demand from public institutions, undertakes the bulk sourcing process, and establishes centrally negotiated supply terms/prices and delivery arrangements for participating Oil Marketing Companies (OMCs) and

(ii) Framework agreements with Oil Marketing Companies (OMCs) for local supply.
During the year ended 30 June 2025, the Agency procured a total of 72,667,131 litres of fuel, of which 18,669,716 litres valued at TZS 50.1 billion were procured through bulk arrangements and 53,997,415 litres valued at TZS 150.9 billion were procured through OMCs under framework agreements, representing approximately 75% of total fuel procurement by volume and value. Fuel obtained under both models was distributed through GPSA regional depots and distributed at EWURA monthly price ceilings, with prices under framework agreements negotiated with OMCs while bulk fuel pricing was derived from aggregated procurement and delivery costs.

Management conducts a cost-benefit (CVP) analysis model to support decisions on when to supply bulk fuel versus using framework suppliers and prepares monthly and quarterly performance monitoring reports comparing margins on bulk deliveries to the lowest framework bidder. The analysis is applied across regions. The Agency intends, in the forthcoming year, to integrate the decision model into GIMIS to minimise manual errors and enhance the reliability of procurement decision-making and value-for-money assurance.

2.6.2 Overview of Main GPSA Operating Offices and their Locations

The main GPSA register office and principal place of business is GPSA Headquarters (GPSA HQ). The address for GPSA HQ is:

Government Procurement Services Agency [GPSA],
4 Bohari Kuu Road,
P.O. Box 9150,
15104 Keko Mwanga "A", Temeke,
Dar Es Salaam, Tanzania.
Tel: +255 22 2861617/ +255 22 2866071
Fax: +255 22 2866072
Email: ceo@gpsa.go.tz
Website: www.gpsa.go.tz

In addition to GPSA HQ where key administrative, financial and procurement matters are handled, the Agency has other operational regional offices located countrywide (Tanzania Mainland). The offices are directly dealing with provision of procurement professional Assistance in the Regions, ensuring availability of adequate supplies in the region and representing the Chief Executive at all Regional meetings that require the input of the Chief Executive.

2.6.3 Accountability for Effectiveness and Efficient Utilization of the Agency Resources

In fulfilling its statutory obligations, the Agency is using resources (financial, human resources, software, hardware etc.). The resources are financed mainly by the Government of United Republic of Tanzania. In utilizing the given resources, the Agency is accountable for ensuring that the resources made available are utilized efficiently and effectively for attainment of the intended objectives. The Government of United Republic of Tanzania has specific resource accountability requirements as explained here under:

Government of United Republic of Tanzania Requirement

The Agency is accountable for ensuring the given resources are utilized efficiently and effectively in attainment of predetermine objectives and that the given resources are maintained and utilized in line with provisions of relevant Government Acts (Public Finance Act, Public Audit Act, Public Procurement Act, Public Service Act, The Executive Agencies Act etc.). Among others, the provisions include the preparation of annual financial statements and auditing of the financial statements by Controller and Auditor General (CAG) by virtue of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2005), Sections 30 - 33 of the Public Audit Act No. 11 of 2008 [R.E 2020].

2.6.4 Macro and Micro Economic Conditions Correlating with GPSA Operation

The economic analysis is meant to monitor performance of the economy at the aggregate level and correlate it with service delivery performance recorded by GPSA. It gives an early indication of the trend of the economy and assists in determining the course of action to be undertaken as regards to desired administrative interventions. In the year 2024/25, performance of economic factors is as analysed hereunder:

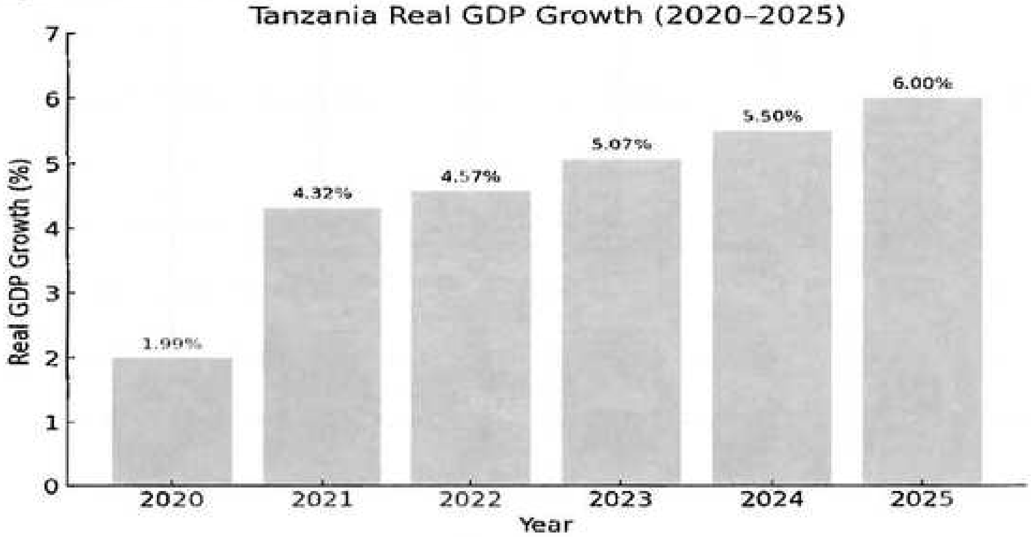
(a) General Overview of the Economy

Tanzania's economy continues to maintain a positive growth rate in 2024 despite the challenges caused by the war in Ukraine and the post residual impact of COVID - 19. Real GDP grew by 5.2% in 2024 compared with 5.1% recorded in 2023. This performance was attributed to interventions made to cushion the economy from the effect of global shocks; implementation of prudent monetary policies; increase in private sector investment associated with improved business environment and Government measures to improve business climate; and ongoing public and private investment in strategic areas especially in energy, water, health, education, road construction and railways.

In year 2025, the economy is expected to grow by 5.4%. This is supported by implementation of strategic projects and successful implementation of FYDP III that is expected to stimulate industrialization. The main risk to the economy is the negative effects on trade due to disruption in supply chains caused by ongoing war in Ukraine.

In Economic/Regional Integration perspective, Tanzania has integrated into both Regional Economic Groupings and Bilateral Agreements with a focus of improving business environment and enhancement of economic development. The predicted rewards from multilateral agreements include disruption of procurement supply chain of goods and services resulting from trade diversion and reduction or elimination of tariffs.

Figure 1: Real GDP Growth for Tanzania, 2020 - 2024

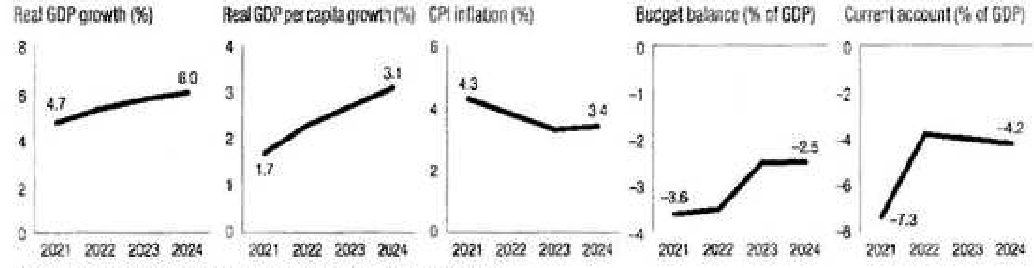


Source: National Bureau of Statistics (2025)

(b) Inflation

During the financial year 2024/25, annual headline inflation averaged to 3.1% compared to an average of 4.6% recorded in the preceded financial year 2023/24 which is below the target of 5 percent and consistent with the EAC and SADC convergence criteria. In April and May 2025, inflation was 3 percent and 3.1 percent, respectively, on account of low food inflation and prudent monetary and fiscal policies. Inflation is projected to remain low in the second half of 2024 and 2025, ranging from 3-4 percent, attributable to prudent monetary and fiscal policies, adequate food supply, stable power supply, and moderate consumer goods prices in the world market.

Figure 2: Inflation Growth Rates for Financial Year 2023/24 and other Macro and Micro Economic factors

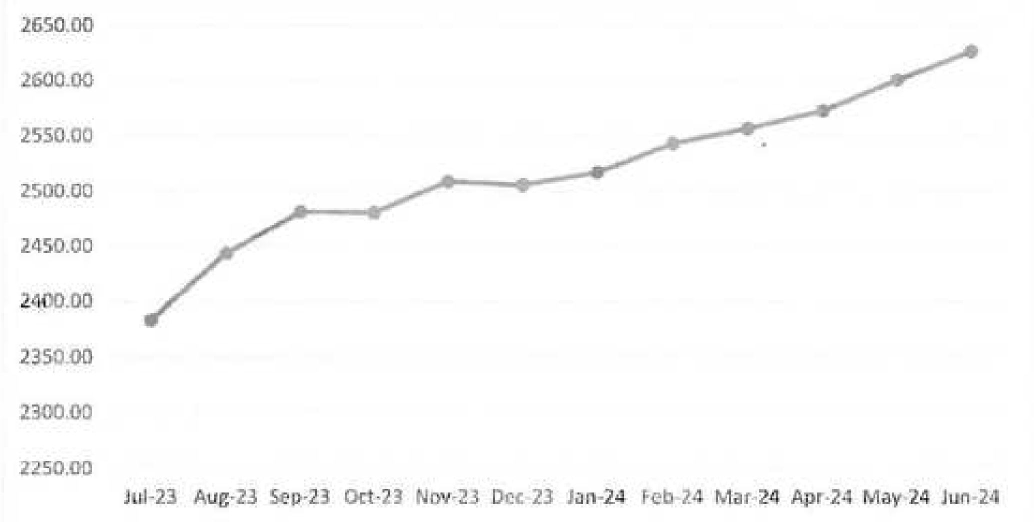


Source: National Bureau of Statistics (2025)

(c) Exchange Rate

The Tanzanian Shilling was exchanged at an average rate of TZS 2,618.32 per US Dollar in 2024/25 compared to the average rate of TZS 2,518.56 per US Dollar in the corresponding period of 2023/24. During the year ended 30 June 2025, the Tanzanian Shilling depreciated at the rate of 8% compared to depreciation rate of 8% registered in the corresponding period of financial year 2023/24. The depreciation of Tanzanian Shilling against US dollar was largely due to increase in demand for foreign exchange in the market. The increased demand emanated from high commodity prices in the world market and low foreign exchange inflow attributable to monetary policy tightening in advanced economy. Exchange Rate Movement for the period under review is shown in **Figure 3**.

Figure 3: Exchange Rate Movement for Financial Year 2024/25



Source: Bank of Tanzania

2.6.5 Market Forces

Market forces such as technological advancements, economic growth, and government policies/regulations have direct impact to GPSA operations. The effects are mainly in GPSA operations as well as in the way PEs responses to the changes. The effect of technological change is provided in Para 3.10 while the government regulations and economic growth are provided in Para 3.14.

2.6.6 Speed and Effect of Technological Changes in GPSA Operations

Technological developments have exposed the Agency to rapid changes through digitalization of the economy and emergence of new business models and ways of working. Availability of new technologies, new data sources, and increasing international cooperation are providing new opportunities to better manage the Agency and reduce administrative burdens. GPSA has seized the opportunities and is currently enhancing its ICT and GIMIS system. Upon completion of the enhancements, it is anticipated that efficiency and effectiveness in administering service delivery and operations will improve. Eventually, this will increase revenue collections and reduce cost of collection. GPSA is also taking advantage of having a dedicated e-Government Agency (eGA) in advancing its service delivery platforms and offer state-of-the art product to the PEs.

2.6.7 Societal Issues

GPSA's desire is to have PEs with positive attitude toward compliance through creating awareness on their rights and obligations in carrying out this duty. This includes adopting a comprehensive business compliance strategy with combination of enforcement, facilitation, awareness, education campaigns and Corporate Social Responsibility that encourage and promote voluntary compliance among the PEs.

2.6.8 Environmental Challenges

The natural environment directly or indirectly affects the operations of GPSA by influencing the economy and trade. Changes in natural resources, manufacturing industries due to factors like weather events and climatic change can impact economic activities, and imports. These changes in turn affect availability of stocks being distributed by GPSA. To minimise the mentioned effects, the Agency adapts its strategies, forecast revenue changes and collaborate with parent Ministry to ensure its Agency sustainability.

2.6.9 Political Environment

The prevailing political stability is essential for promoting social economic development and growth of a nation especially when the Government resources support economic activities which have multiplier effect to realization of Government savings. GPSA continues to rely on Government's support for future success in terms of budget financing, procurement policy reviews, enforcement measures and political will to undertake those policy reforms.

In the Geopolitical environment, prevailing peace and security within EAC region is important in providing conducive environment for business and investments to grow. Also, GPSA is expected to benefit from on-going and emerging cross border initiative that will enable the Agency to undertake Clearing and Forwarding services for the landlocked countries. Any instability within the EAC region even if it is not happening in Tanzania may affect the Agency. This distorts the supply chain across the countries and affects the sustainability of the Agency.

2.6.10 Compliance with Laws and Regulation

GPSA is committed to uphold highest standard of compliance with all applicable laws and regulations. Further, the Agency recognises that non-compliance with applicable laws and regulations tarnishes Agency's reputation. This impairs Agency's trust and affects its relationship with PEs and other key stakeholders (General public, Development Partners etc.). Consequently, affecting Agency's performance and its contribution to the growth and development of the national economy. The said Laws and Regulations are mainly grouped into:

(i) Laws and regulations governing core business of the Agency. These include Public Procurement Act and its regulations.
(ii) Laws and respective regulations governing control and management of Agency's resources (Financial resources, human resources, capital resources, Social and

Relationship Resources and Other Resources). These include those that are issued by central Government to provide general guidance on control and management of Government Resources (Public Finance Act, Budget Act, Public Service Act, Occupational Health and Safety Act, Workers' compensation Act, Income Tax Act. etc.)

In addition to the aforementioned main groups, the Agency is complying with laws and regulations pertaining to cross cutting issues in areas such as:

(a) Corruption - To comply with Government laws and regulations in fighting corruption, the Agency's policy affirms zero tolerance to all acts of corruption and enhance compliance to laws, regulations and guidelines.

(b) HIV/AIDS Policy and Non-Communicable Diseases (NCD) - GPSA as a Public Institution is observing Government directives issued via President's office- Public Services Management (PO-PSM) through Circular No. 2 of 2014 followed by the Guidelines of 2014 to address HIV/AIDS and NCDs. To ensure implementation of the given directive the Agency has a policy in place that create an equal opportunity for all employees, regardless of their sero-status. Also, the Agency is meeting costs of medical services as stipulated in the PO-PSM guideline for employees who have disclosed their health status.

(c) Environment - the Agency is observing requirements of the Environmental Management Act in its dealings.

Further to the laws and regulations explained in the preceded paragraphs, the Agency is observing the Constitution of the United Republic of Tanzania 1977 in its dealings.

Compliance to the aforementioned Laws/Regulations is assessed by Internal Audit Unit periodically as part of their routine activities. Further, the assessment is done by independent organs (Controller and Auditor General (CAG), Public Procurement Regulatory Agency; Occupational Safety and Health Agency etc).

The Agency is continuing to comply with existing laws and regulations pertaining to its operations. This is evidenced by CAG audit report for the period ended 30 June 2024 where there was no key audit matter communicated by CAG and he issued unqualified audit opinion on the Financial Statements of the Agency. Further, CAG concluded that procurement of goods, services and works of the Agency is generally in compliance with the requirements of Public Procurement Laws in Tanzania. Also, CAG concluded that Budget formulation and execution of GPSA is generally in compliance with the requirements of Budget Act and other Budget Guidelines.

2.7 SERVICE PERFORMANCE INFORMATION

In addition to KPIs described in **Para 11**, GPSA has other quantified measures for measuring and assessing operations, efficiency and effectiveness of its service delivery. Definition of the measures, calculation, results for year ended 30 June 2025 are shown in **Table 1.**

Table 1: GPSA Summarised Service Performance for the Period Ended 30 June 2025

Objectives	Strategies	Target	Risk	Risk Impact	Risk Mitigation	Input	Outputs	Outcome	KPIs	Implementation Status	Budget (TZS 'Million")	Actual (TZS 'Million")
Non communicable Diseases, HIV/AIDS infections reduced, and supportive services improved.	Strengthen prevention and management of HIV/AIDS and NCDs (FYDP)	253 staff sensitized with HIV/AIDS and NCDs by June, 2025	Possibility of staff not to be sensitized with HIV/AIDS and Non-Communicable Diseases	Moderate	Existence of awareness seminars annuary and functioning HIV/AIDS awareness committee	Financial resources, Human Resources, Assets (Software, Machines, Computers, Buildings, Motor vehicles etc.) and Other Resources	Increased number of staff sensitized on HIV/AIDS and NCDs	Reduced HIV/AIDS and NCDs prevalence rate at workplace	Number of staff sensitized on HIV/AIDS and NCDs	Implemented	275.20	185.60
	Strengthen support to staff LWHIV and NCDs.	Staff living with HIV/AIDS and Non-communicable diseases supported/cared by June 2025	Possibility of staff living with HIV/AIDS and Non-communicable disease not to be supported to lack of awareness	Moderate			Increased number of staff LWHIV/AIDS and NCDs supported and cared		Number of Staff LWHIV/AIDS and NCDs supported/ cared	Implemented		
Implementation of National Anti-Corruption Strategy and Action Plan Enhanced and Sustained	Strengthen capacity to implement NACSAP III and promotion of ethical behaviour and compliance with laws, rules, and regulations governing staff	Awareness on Anti-corruption strategy and good governance conducted to two-hundred and fifty-three (253) Agency staff by June 2025	Possibility of increased incidences of corruption in service delivery	Moderate	To conduct awareness seminars semi annually		Reduced corruption incidences	Reduced prevalence rate of staff sanctioned for involvement in corruption	Number of corruption cases reported	Implemented	270.68	218.51
	Ensure good governance, accountability and transparency	Two (2) Workers Council, four (4) MAB and Two (2) management meetings	Absence of workers council contract due to shortage of fund	Moderate	Ensure timely preparation of workers council contract		Enhanced high staff morale		Number of workers council meetings convened	Implemented		

Objectives	Strategies	Target	Risk	Risk Impact	Risk Mitigation	Input	Outputs	Outcome	KPIs	Implementation Status	Budget (TZS 'Million")	Actual (TZS 'Million")
		facilitated by June 2025										
Procurement management and contract services improved	Strengthen procurement process and contract management	Annual procurement plan developed and implemented by June 2025	Possibility of delay in delivery of goods from suppliers due to price instability which lead to loss of revenue	High	1. Increase communication between user department and PMU, 2. To strengthen supplier relationship 3. Conducting periodical price review negotiations		Increased contract implementation management	Increase in government saving, value of stock items procured and distributed, availability of goods and services to Pes	Procurement plan report in place and percentage of contract implemented on time	Implemented	3,915.04	210,577.01
		Percentage of unallocated items and motor vehicles procured direct from manufacturer to increase from 6% to 20% by June 2025	Possibility of the fall of the fuel prices due to high cost of stock in storage resulting to loses of revenue	High	1. Implement a dynamic pricing strategy that adjusts prices based on market conditions and storage costs 2. Enhance inventory management practices to reduce high-cost stock levels and consider diversifying suppliers to negotiate better rates 3. Establish a financial		Availability of stock items		Percentage increase of unallocated items and motor vehicles procured direct from manufacturer	Implemented		

Objectives	Strategies	Target	Risk	Risk Impact	Risk Mitigation	Input	Outputs	Outcome	KPIs	Implementation Status	Budget	Actual
											(TZS 'Million")	(TZS 'Million")
					reserve to mitigate the impact of price fluctuations							
		Participants in CUIS with framework agreements increased from 15,000 to 20,000 by June 2025	Possibility of delaying implementation of Agency's requirements in NeST, to manage framework agreements resulting into inefficient management for the procurement of CUIS		Increase follow up to the Authorities		Increased number of participants in CUIS with framework agreements			On progress		
	Strengthen stock availability and service delivery	Stock operation manual reviewed and implemented annually by June 2025	Possibility of untimely delivery of stock items to GPSA offices due to insufficient stocks result in loss of revenue	Moderate	1. To prepare, approve and operationalize store operational manual 2. To establish Zonal depots 3. Reliable private transporters for both stock and fuel items		Availability of stock items		Reviewed Stock operation manual on place	Implemented		
			Possibility of failure to distribute fuel from bulk fuel storage to regional depots due to lack and		1. Build relationships with multiple transportation companies to create a reliable							

Objectives	Strategies	Target	Risk	Risk Impact	Risk Mitigation	Input	Outputs	Outcome	KPIs	Implementation Status	Budget (TZS 'Million")	Actual (TZS 'Million")
			reliable transporters result into loss of revenue		network of transporters 2. Negotiate contracts that include performance metrics and penalties for non-compliance 3. Explore partnerships with logistics firms to enhance distribution capabilities and ensure contingency plans are in place for transportation disruptions							
	Strengthen clearing and forwarding services	Agency fee from Clearing and Forwarding Consignments efficiently increased from five billion up to ten billion shillings by June 2025	Possibility of untimely Clearing and forwarding services due to delay of deposits and late submission of proper documents from PEs resulting in increase in clearing costs	Moderate	1. To Continue keeping PEs aware about the importance of early submission of shipping documents 2. To provide a proactive status/information to customers 3. To improve working environments		Increased Internal generated revenue from agency fee		Percentage Increase in Agency fee	Implemented		

Objectives	Strategies	Target	Risk	Risk Impact	Risk Mitigation	Input	Outputs	Outcome	KPIs	Implementation Status	Budget (TZS 'Million")	Actual (TZS 'Million")
Financial Management and Accountability Improved	Strengthen Planning, Monitoring and Evaluation	Annual plans and budget prepared and implemented by June 2025	Possibility of failure to match with national goals timeline	Moderate	To align Agency plans with national plans		Prepared Agency's Plans and Budget	Percentage increase in revenue, Level of stakeholder satisfaction with ICT services	Approved annual plans and budget on place	Implemented	1,779.64	1,304.63
		Annual Plans and Budget monitored annually by June, 2025	Possibility of inadequate Monitoring and Evaluation due to low knowledge about M&E from user staffs resulting to ineffective M&E system	Moderate	To provide training to staff		Monitoring, Evaluation and Risks Mitigating measures undertaken		Approved annual plans and budget on place	Implemented		
		Risk and fraud Registers Reviewed and Implemented annually by June 2025	Possibility of failure to submit report on time due to late submission of data from other department resulting into late submission of report to Authorities		To provide training to staff		Monitoring, Evaluation and Risks Mitigating measures undertaken		Reviewed Risk Register on place	Implemented		
		ISO certification obtained by June 2025	Possibility of failure to attain certification as planned due to long procurement process of obtaining consultant		To ensure enough procurement follow-ups		Agency's initial preparation to ISO obtained		ISO certification obtained	On progress		

Objectives	Strategies	Target	Risk	Risk Impact	Risk Mitigation	Input	Outputs	Outcome	KPIs	Implementation Status	Budget (TZS 'Million")	Actual (TZS 'Million")
	Strengthen financial control systems	Internal audit plan prepared and implemented annually by June 2025	Possibility of non-completion of planned audit activities due to insufficient audit time resulting to un-improved internal control systems	High	1. Allocate adequate resources and time for audit activities based on risk assessments 2. Establish a prioritized audit schedule with flexibility to accommodate unforeseen circumstances 3. Consider utilizing technology for remote audits to maximize efficiency and minimize time constraints		Approved and implemented Internal audit plan and reviewed internal control systems		Approved audit plan in place	Implemented		
		Annual financial reports in compliance with IPSAS accrual basis prepared and submitted to NBAA awards by June, 2025	Possibility of submission of unreliable and irrelevant financial statements due to ineffective financial management system resulting to unfavourable audit opinion		To provide training to staff		Prepared IPSAS financial statements		Approved annual financial report in place	Implemented		
		Assets register reviewed and update annually by June 2025	Possibility of failure to register all assets in asset		1. Quarterly Updating inventory forms		Agency's Asset register prepared		Reviewed and updated Asset	Implemented		

Objectives	Strategies	Target	Risk	Risk Impact	Risk Mitigation	Input	Outputs	Outcome	KPIs	Implementation Status	Budget (TZS 'Million")	Actual (TZS 'Million")
			register due to miss communication resulted to qualification of financial statement		2. Updating of new Assets in the asset register once they arrive				Register in place			
	Diversify sources of revenue	Revenue from internal sources increased from twenty-four billion to thirty-four billion shillings by June, 2025	Possibility of low revenue collection due to delay in payment from debtors and creation of new debts resulting to low performance of planned objectives		1. Linking GIMIS, pumps and tanks 2. Ensure daily reconciliation between physical, GIMIS and GePG 3. Continuous follow up of previous debts		Increased revenue from internal and external sources		Percentage Increase in internally generated revenue	Implemented		
Information and Communication Technology environment improved kk	Strengthen ICT governance	Four (4) ICT Steering Committee implemented by June 2025	Possibility of information being accessed, altered or used by unauthorized parties due to non-implementation of access control policy resulting to reputation damage of the Agency		1. Develop and implement a comprehensive access control policy that includes user authentication protocols, role-based access, and regular reviews of access rights 2. Conduct training sessions for employees on data security best practices and establish incident		Steering committee facilitated	Level of stakeholder satisfaction with ICT services services	Number of ICT steering committee meetings	Implemented	844.40	593.96

Objectives	Strategies	Target	Risk	Risk Impact	Risk Mitigation	Input	Outputs	Outcome	KPIs	Implementation Status	Budget (TZS 'Million")	Actual (TZS 'Million")
					response procedures in case of breaches							
	Strengthen ICT systems	GIMIS integrated with hardware and 3 other business systems by June, 2025	Possibility of GIMIS unavailability due to poor implementation of maintenance plan resulting to services disruption		1. Operationalization of primary and disaster recovery site 2. Implement penetration and vulnerability testing on critical information systems 3. Operationalization of disaster recovery plan		Integrated hardware and business systems		Number of integrated hardware and business systems	Implemented		
	Strengthen ICT infrastructure	ICT network and communication infrastructures and security services provided annually by June, 2025	Possibility of cybersecurity threats compromising sensitive information and disrupting operations due to vulnerabilities in ICT infrastructure resulting to Data breaches, loss of public trust, and financial penalties		Regular review of user access rights		Networks and communication infrastructures developed		Number of networks and communication infrastructures developed, maintained and upgraded	Implemented		

Objectives	Strategies	Target	Risk	Risk Impact	Risk Mitigation	Input	Outputs	Outcome	KPIs	Implementation Status	Budget (TZS 'Million")	Actual (TZS 'Million")
Human resources, administration and legal services enhanced	Strengthen capacity building program	Comprehensive Training Program Reviewed and Implemented annually by June 2025	Possibility of Insufficient training for employees due to insufficient assessment of training needs result to operational failures	Moderate	1. Implement a comprehensive training needs assessment 2. Develop a structured training program that aligns with operational goals.		Prepared Comprehensive Training Program	Level of stakeholder satisfaction with GPSA services, Decrease in staff complaints	Number of staffs attended	Implemented	19,420.23	17,875.89
		Human Resource Plan reviewed and implemented annually by June 2025	Possibility of misalignment between the HR plan and agency goals due to Insufficient data analysis leading Ineffective staffing		1. Invest in robust data analytics tools to analyse workforce data and align HR strategies with agency objectives 2. Regularly review and update the HR plan based on agency goals and performance metrics 3. Encourage collaboration between HR and departmental leaders to ensure staffing needs are accurately forecasted and met		Developed Human Resources Plan		Reviewed manual training program on place	Implemented		
	Promote conducive working environment and proper	Construction, maintenance and land utilization plan reviewed and	Possibility of low staff morale due to insufficient incentives to staff resulting	Moderate	Defect liability period of one year to allow rectification of defects		Developed construction and rehabilitation plan		Reviewed Construction, maintenance and land utilization	Implemented		

Objectives	Strategies	Target	Risk	Risk Impact	Risk Mitigation	Input	Outputs	Outcome	KPIs	Implementation Status	Budget (TZS 'Million")	Actual (TZS 'Million")
	land utilization	implemented by June 2025	to low performance						plan in place			
		Statutory and administrative services provided by June, 2025	Possibility of damages to build structures due to poor construction techniques by contractors resulting into poor working environment	Moderate	Approved incentive scheme in place and operational		Statutory and administrative services provided to staff		Statutory and administrative services manual on place	Implemented		
	Strengthen legal advisory mechanism	Agency and related laws reviewed and implemented by June, 2025	Possibility of Agency existence endangered, due to failure of the Agency to have its own Law	Moderate	Ensure formation of GPSA laws		Developed Agency related laws		Reviewed Agency and related laws manual on place	Implemented		
Communication and customer relationship management improved	Strengthen public awareness programs	Communication strategy reviewed and implemented by June, 2025	Possibility of customer dissatisfaction due to lack of customer relationship resulting to loss of revenue	Moderate	1. To implement customer client service charter 2. To conduct customer survey and conduct training		Prepared Communication strategy	Increase in public awareness on GPSA services	Reviewed communication strategy in place	Implemented	546.20	470.85
	Strengthen marketing mechanisms	Marketing strategy developed and operationalized by June 2025	Possibility of Inadequate marketing and sales alignment due to inadequate marketing skills to staffs and PEs	Moderate	Increase number marketing service		Reviewed Comprehensive Marketing and Sales Plan		Percentage increase of PEs using GPSA services	Implemented		

Objectives	Strategies	Target	Risk	Risk Impact	Risk Mitigation	Input	Outputs	Outcome	KPIs	Implementation Status	Budget (TZS 'Million")	Actual (TZS 'Million")
			resulting to low sales									
	Strengthen public relations with stakeholders	Corporate Social Responsibility plan prepared and implemented by June 2025	Possibility of negative public perception due to lack of execution or perception of CSR initiatives resulting to damage to the Agency's reputation and loss of stakeholder trust	Moderate	1. Create a CSR plan that aligns with Agency values and stakeholder expectations 2. Engage stakeholders to identify relevant initiatives and establish a communication strategy to promote CSR activities 3. Regularly report on CSR efforts and outcomes to enhance transparency and build trust with the public		Prepared Social Responsibility Plan (SRP)		Corporate Social Responsibility plan in place	Implemented		
	GRAND TOTAL										41,510.65	235,632.11

The budget of TZS 41,510.65 million and actual amount of TZS 235,632.11 million includes carry over budget of TZS 7,476.24 million and expenditure on the carried over budget of TZS 6,234.93 million respectively. The actual amount also includes expenditure on procurement of unallocated stores of TZS 207,545.21 million

2.8 OBJECTIVES AND STRATEGIES

In its conducts, GPSA is guided by series of five-years Corporate Plans. The plans have aided the Agency to have a common strategic direction in the course of discharging its mandate. This approach of managing GPSA corporate affairs has enabled the Agency to achieve remarkable performance in mobilization of revenues over the years.

During financial year under review, the Agency was implementing 2nd year of its five years 5th Corporate Strategic Plan (CSP5). The CSP5 is built on four key result areas (Strategic Themes) which form the GPSA business model. The Themes form the pillars over which the Agency leans in its endeavour towards attainment of the set vision. The Themes are reinforced with seven clearly defined Strategic Objectives and defined strategies that focus in provision of long-term solution to the prevailing Agency's challenges. Further, CSP5 has defined expected output that form basis in defining key performance indicators for measuring performance of the strategic objective. CSP5 Key Results Areas, Strategic Objectives, Strategies and expected output are shown in Table 2.

Table 2: CSP5 Key Result Areas (Strategic Themes), Strategic Objectives, Strategies and Expected Output

Key Result Area (KRA)	Strategic Objective	Planned Strategic Initiatives to Achieve the Objectives	Expected Output	Category of Strategic Initiative
National Agenda: Customization of the strategies of the Tanzania National Multi- Sectoral Strategic Framework for HIV and AIDS 2023/24 to 2027/28 the Agency made interventions to reduce new infections by facilitating HIV/AIDS and non-communicable diseases and National Anti-Corruption Strategy and Action Plan III	Non-Communicable Diseases, HIV and AIDS Infections Reduced and Supportive Services Improved	• Strengthen prevention and management of HIV/ AIDS and NCDs • Strengthen support to staff LWHIV and NCDs. • Strengthen staff sensitization and health promotion programmes towards individuals' behavioural changes	• Increased response to voluntary testing • Increased level of staff awareness on HIV. • Reduced stigma rate at workplace	• Short to long term
	Implementation of National Anti-Corruption Strategy and Action Plan Enhanced and Sustained	• Strengthen capacity to implement NACSAP III • Ensure good governance, accountability and transparency	• Increased awareness on anti-corruption strategy among staff • Reduced cases of corruption	• Short-term

Key Result Area (KRA)	Strategic Objective	Planned Strategic Initiatives to Achieve the Objectives	Expected Output	Category of Strategic Initiative
		• Promote ethical behaviour and compliance with laws, rules, and regulations governing staff.	• Increased personal integrity	
Procurement and contract management services: Government spends more than 70% of its budget in procurement of goods, works and services at the expense of other economic and social developments. An efficient and effective procurement and contract management regime is the one with the minimum possible waste; that is, it must ensure that value for money is obtained through timelines, quality, price, and delivery of the right quantities.	Procurement management and contract services improved	• Strengthen stock availability and service delivery • Strengthen clearing and forwarding services • Strengthen procurement process	• Increase in Agency fee. • Increase in unallocated items and motor vehicles procured direct from manufacturer. • Reduced cost of collection • Reduced clearance time • Increased C&F efficiency level	Long-term
Information and Communication Technology environment: The Agency is increasing the use of Information and Communication Technology to carry out its functions. With rapid development of Information and Communication Technology more public services are transformed from the traditional manual services to enhance consolidated and automated services. In line with such trend the Agency is aiming at strengthening its GIMIS system and ICT infrastructure by ensure minimal human intervene in service delivery by connecting the system with fuel pumps and tanks and connect the system with	Information and Communication Technology environment improved	• Strengthen ICT governance • Strengthen ICT systems • Strengthen ICT Infrastructure	Increased automation of services	Short to medium term

Key Result Area (KRA)	Strategic Objective	Planned Strategic Initiatives to Achieve the Objectives	Expected Output	Category of Strategic Initiative
other system of MUSE, Single window and Nest. With a sound Information and Communication Technology environment the Agency can minimize its risks, strengthen its system and give support to its business strategic objectives				
Human Resources, financial and administrative Accountability: Good governance promotes accountability, transparency, efficiency and rule of law at all levels and allows efficient management of human, natural, economic and financial resources for equitable and sustainable development of the Agency. Also, Efficient financial and asset management systems are vital to the success of the Agency. A financially healthy Agency will be able to carry out its planned goals in the most effective and timely manner.	Financial management and Accountability improved	• Strengthen financial control systems. • Diversify sources of revenue • Strengthen Planning, Monitoring and Evaluation	• Increased Revenue Collected • Revenue Growth	• Short to medium to long term
	Human resources, administration and legal services enhanced	• Strengthen capacity building program • Promote conducive working environment and proper land utilization • Strengthen legal advisory mechanism	• Adequacy of working force • Increased skilled staff. • Staff Retention	• Short to medium term
Public awareness and consultations on GPSA's functions: The Agency intends to engage into public awareness and engagement campaign aimed at increasing understanding of the agency's functions and responsibilities. Further it intends to establish a focused corporate social responsibility policy that will promote developmental activities which are sustainable and have long term socio-economic effect. Review and improve logistics	Communication and customer relationship management improved	• Strengthen public awareness programs • Strengthen marketing mechanisms • Strengthen engagement with customers	• Increased revenue collected. • Increase number of PEs using GPSA services	• Short to medium term

Key Result Area (KRA)	Strategic Objective	Planned Strategic Initiatives to Achieve the Objectives	Expected Output	Category of Strategic Initiative
services to directly supply to customer's offices.				

2.9 STAKEHOLDERS' RELATIONSHIP

(a) GPSA's Key Stakeholders, Their Needs and Expectation

In executing its noble core function of ensuring availability of adequate and quality procurement services to the Government and Non-Governmental institutions as provided under the Public Procurement Act Cap 410, the Agency interacts with various stakeholders who are likely (directly or indirectly), to influence GPSA performance. In this regard, the Agency has identified key stakeholders, understood their needs/concerns and took action to respond on them as described in Table 3.

Table 3: List of GPSA's key Stakeholders, their needs and expectations and potential impact if their expectations are not met.

S/N	Stakeholder	Service/Product Offered by A Stakeholder To GPSA	Service/Product Offered by The Agency	Stakeholder Expectation	Potential Impact if Expectations are Not Met	How the Agency considers legitimate needs/interest of stakeholders
1.	MDAs/RSs/LGAs	• Oversight and technical support • Funding	Agency plans, budget and reports.	• Well managed and sustainable Agency. • Timely and accurate reports. • Compliance with policies, Acts and Regulations • Transparency • Innovation • Ethical practices	Failure to achieve Ministry objectives	• GPSA ensures compliance with policies and regulations as well as issuance of accurate reports
2.	Treasury Register	Oversight and technical support	• Agency plans, budget and reports. • Contributions to government.	• Well managed and sustainable Agency. • Timely and accurate reports. • Compliance with policies, Acts and Regulations • Transparency • Innovation • Ethical practices	Failure to achieve TR objectives	• GPSA ensure compliance with policies and regulations as well as issuance of accurate reports
3.	National Audit Office (NAOT)	• Audit and assurance services • Audit recommendations	• Financial statements • Timely provision of accurate Information	• Quality financial reporting • Ethical practices	Failure to provide audit recommendations	• Provision of financial statements and attending audit recommendation on time

S/N	Stakeholder	Service/Product Offered by A Stakeholder To GPSA	Service/Product Offered by The Agency	Stakeholder Expectation	Potential Impact if Expectations are Not Met	How the Agency considers legitimate needs/interest of stakeholders
4.	Procuring Entities	• Timely submission of requirements • Timely deposits of goods and services • Timely submission of documents for clearing and forwarding • Adherence of PPA and its regulations	• Quality products and services • Clearing and Forwarding Services • List of suppliers for common use items and services • Timely provision of accurate Information • Advisory services	• Quality products and services • Timely delivery of products and services • Reliable and cost-effective services. • Innovation • Ethical practices	• Long procurement Process • Duplication of tendering process among PEs • Increase in Procuring cost.	• GPSA has automated key process on procuring goods and services by using GIMIS system • GPSA is implementing effective Pes' feedback • GPSA has code of ethics that outlines the standard of behaviour for GPSA employees including being responsive to GPSA customers. • All confidential information of PE's is safe because GPSA employees are follows code of ethics when dealing with PEs
5.	Regulatory and other Authorities	• Advisory services • Technical expertise • Provision of rules and guidelines	Third Party Procurement services	• Compliance to laws, rules and regulations • Quality goods and services • Timely delivery of goods and services • Timely and accurate reports • Ethical practices • Payment of fees	Failure to continue with Agency operations	• GPSA adheres to stakeholder needs. For instance, all withheld taxes are paid to TRA on timely basis and financial statements are submitted to CAG and ACGEN on time
6.	Economic operators (EOs)	• Quality goods and services • Timely delivery of goods and services • Timely and accurate documents	• Procurement opportunities • Specialized items	• Prompt payment • Fairness and transparency • Contracts • Innovation • Ethical practices	• High cost of tenders' applications • Poor quality of products/services	• GPSA staff are observing code of ethics and whenever there is deviation, appropriate measures are taken by the Agency. • During engagement of contracts the Agency is ensuring that the terms of payments are in line with the Agency expected funds inflows. • During payment GPSA is observing contractual payment terms

S/N	Stakeholder	Service/Product Offered by A Stakeholder To GPSA	Service/Product Offered by The Agency	Stakeholder Expectation	Potential Impact if Expectations are Not Met	How the Agency considers legitimate needs/interest of stakeholders
						coupled with internal documented payment procedure to ensure payment are done within stipulated time • GPSA has a contract management unit to ensure contractual obligation are implemented as agreed including appraising of suppliers and contract extension where necessary are done on time
7.	GPSA Staff	• Expertise and timely services • Customer services • Innovation	• Remunerations and incentives • Working facilities • Employment benefits • Rewards on excelling performance • Capacity building • Career development • Staff welfare	• Recognition • Fairness and transparency • Better working environment • Attractive remuneration and other employment benefits • Opportunities for further studies • Timely payments • Counselling, couching and mentoring. • Succession plan • Timely confirmation and promotion	• Poor performance • High labour turnover • Demoralization of workers • Loss of value for money • Non-compliance to standards, laws and guidelines • Failure to be independent and objective	• GPSA is in process of developing various policies relating to motivation of employees
8.	Private sector, NGOs, CSOs, CBOs	Advisory services	• Clearing and Forwarding Services • List of suppliers for common use items and services (CUIS). • Customer services	• Quality goods and services. • Good governance, transparency, and accountability	• Failure to get approved services providers as required by donor. • Loss of public image	GPSA ensure quality goods and services to stakeholder as well as

S/N	Stakeholder	Service/Product Offered by A Stakeholder To GPSA	Service/Product Offered by The Agency	Stakeholder Expectation	Potential Impact if Expectations are Not Met	How the Agency considers legitimate needs/interest of stakeholders
					• Loss of trust and confidence	
9.	Media	Advertisement and publicity	• Customer services • Information	Timely, accurate and reliable information	• Loss of public image • Loss of trust and confidence • Poor dissemination of public information • Distortion of information disseminated to the public	• GPSA adheres to procurement Act and its regulations which clearly stipulate suppliers' engagement procedures
10.	General Public	Feedback on our goods and services	• Timely provision of accurate Information • Replies to questions and queries raised	• Timely provision of information on GPSA's activities • Appropriate response to questions and queries raised. • Appropriate and accurate services • Innovation • Ethical practices	Failure to provide services	• GPSA adheres to procurement Act and its regulations which clearly stipulate suppliers' engagement procedures

(b) Recognition and Strategic Stakeholder Engagements

During the year ended 30 June 2025, the Government Procurement Services Agency (GPSA) received formal recognition from key stakeholders in acknowledgment of its operational performance and strategic partnerships.

The Tanzania Revenue Authority (TRA) recognized GPSA for its significant contribution to customs revenue collection, citing its strategic role in facilitating efficient customs clearance processes, enhancing regulatory compliance, and supporting TRA in achieving its revenue collection targets.

In addition, GPSA received recognition from TIPER in appreciation of the strong partnership and collaboration in the wholesale petroleum procurement business. The recognition acknowledged GPSA as a key strategic stakeholder in petroleum storage, particularly its role in utilizing and supporting TIPER's storage facilities, thereby contributing to improved supply chain efficiency and reliability within the petroleum sector.

The recognitions received during the reporting period were non-financial in nature and did not result in any financial benefits or obligations. Accordingly, no amounts have been recognized in the Statement of Financial Position or the Statement of Financial Performance in respect of these recognitions.

(c) Significance of Stakeholder Recognitions to GPSA

During the year ended 30 June 2025, the recognitions received from the Tanzania Revenue Authority (TRA) and TIPER underscore the Government Procurement Services Agency's (GPSA) effectiveness in executing its mandate and its strategic importance within the national supply chain and regulatory framework.

The recognition from TRA affirms GPSA's credibility as a compliant and reliable public institution and validates its role in facilitating efficient customs processes, enhancing regulatory compliance, and supporting national revenue collection objectives. This recognition demonstrates that GPSA's procurement and import-related operations contribute positively to government revenue performance and align with statutory and regulatory requirements.

Similarly, recognition from TIPER highlights GPSA's strategic role in the petroleum sector and its value as a key stakeholder in petroleum storage and bulk procurement system (BPS). The acknowledgment reflects a strong and trusted partnership that has contributed to improved supply chain efficiency, enhanced reliability of petroleum supply, and effective utilization of national storage infrastructure.

Collectively, these recognitions strengthen GPSA's institutional reputation, reinforce stakeholder confidence, and validate the effectiveness of its operational and governance frameworks. The recognitions provide important qualitative evidence of GPSA's performance, accountability, and contribution to government priorities. The recognitions further enhance GPSA's strategic positioning, support continued collaboration with key stakeholders, and contribute to the long-term sustainability of its operations.

2.10 OPERATING AND FINANCIAL REVIEW

2.10.1 Introduction

The Financial Statements covered all trends in the field of supplies, clearing and forwarding, warehousing and storage facilities, procurement of Common Use Items and Services (CUIS) using Framework Contracts and third-party procurement services during the financial year ended 30 June 2025. The Agency since its inception in 16 June, 2008 is discharging its functions. The implementation of 2024/25 annual budget is based on the main objective as indicated in the Executive Agency Act No. 30 of 1997, The Executive Agencies (Government Procurement Services Agency) Establishment Order, 2007 (GN 235 of 07 December 2007 and amended as per GN 133 Of 13 April 2012). The implementation of its annual budget was based on the Medium-Term Expenditure Framework (MTEF) covering the period of 2024/25.

The Financial Statements provide information about the financial status, which is useful to the Government and other Stakeholders in measuring transparency and accountability of the Agency. It also provides comparative figures with the actual of the previous year 2023/24, to serve for the purposes of decision making.

2.10.2 Financial and Operational Overview

During the financial year 2024/25, the Agency final budget for revenue source was TZS 42,251,379,216. Actual amount of revenue generated for the year ended 30 June 2025 was TZS 36,313,471,000 compared to TZS 31,723,381,000 generated for year ended 30 June 2024.

Final budget for expenditure was TZS 42,251,379,216 and the actual expenditure for financial year 2024/25 was TZS 22,116,263,000 compared to TZS 25,987,547,000 for the financial year 2023/24. The Actual expenditure for current year was less by TZS 20,135,116,000 (48%). The decrease in expenditure for the financial year 2024/25 by 48 percent, was attributed by the withdraw of TZS 18.75 billion from customers' deposits.

2.10.3 Financial position

The financial position of the Agency is as set out in the statement of financial position. During the year under review, total assets of the Agency were worth TZS 251,990,268,000 (2023/24: TZS 227,106,422,000). This was mainly attributed by increase in cash and cash equivalent by TZS 13.18 billion from TZS 152.74 billion in 2023/24 to TZS 165.92 and decrease in inventories by TZS 6.47 billion from TZS 19.36 billion in 2023/24 to TZS 12.88 billion in 2024/25. Receivables decreased by TZS 1.101 billion from TZS 1.19 billion in 2023/24 to TZS 87 million in 2024/25 due to expected credit loss provisioning. Prepayments increased by TZS 11.70 billion from TZS 1.02 billion in 2023/24 to TZS 12.72 billion in 2024/25. On the other hand, liabilities increased by TZS 17.83 billion from TZS 145.88 billion in 2023/24 to TZS 163.71 billion in 2024/25 and equity increased to TZS 88.28 billion in 2024/25 from TZS 82.23 billion in 2023/24.

During the financial year 2024/25, the components of financial position of the Agency have been impacted by various normal operational factors as explained hereunder:

2.10.4 Current Assets

In financial year 2024/25 the current asset position has been affected by increase in cash and cash equivalent by TZS 13.18 billion resulted from increase in customers' deposits from 138.88 billion in 2022/23 to TZS 157.64 billion in 2024/25 during the Agency normal course of operations. Also, the position of current asset has been impacted by decrease in trade and other receivables by TZS 1.101 billion due to application of ECL as required by IPSAS 41. Furthermore, the current assets have been affected by an decrease in inventory by TZS 6.47 billion resulted from more sales during the year under review. Also, the position was affected by the increase in prepaid amount by TZS 11.70 billion following procurement of various services in advance by the Agency such as bulk procurement of motor vehicles on behalf the government institutions, rent, motor vehicle insurance and construction of regional office buildings, prepayment of motor vehicles services of which its services were expected to be rendered in year ending 30 June 2025.

2.10.5 Non -Current Assets

The non-current assets position during the period has been affected by normal wear and tear that resulted into depreciation amounting to TZS 1,739.03 million (TZS 1,359.08 million: 2023/24) for Property, Plants and Equipment (PPE). Further, the Agency acquired new assets worth TZS 9,315.55 million. However, in the financial year 2025/26 the position of the non-current assets is expected to be affected following the takeover of the assets of the GPSA Dodoma Regional offices by the National Assembly. The takeover is going to be completed in the year 2025/26.

2.10.6 Liabilities

In the financial year 2024/25, liabilities position has been impacted by decrease in trade and other payables by TZS 914.94 million following payment of most of dues in respect of procurement of fuel and motor vehicles before the year end. Also, the position was affected by an increase of customers' deposits by TZS 17.83 billion relating to procurement of government motor vehicles, mechanical and general stores and clearing and forwarding.

2.10.7 Financial Position for Subsequent Periods

Apart from routine operations of GPSA that will affect the Agency's financial position in the subsequent period, the position is also likely to be affected by the takeover of the assets of the GPSA Dodoma Regional offices by the National Assembly. The takeover is going to be finalised in the year 2025/26. Despite the takeover, successfully implementation of the planned capital projects will improve asset position of the Agency.

2.10.8 Financial performance

The Agency earned a total of TZS 35,346,527,000 during the financial year 2024/25 (2023/24: 31,723,381,000); this includes the Agency revenue from non-exchange transactions of TZS 5,327,297,421 (2023/24: TZS 4,829,374,547), revenue from Exchange transaction of TZS 27,929,780,000 (2023/24: TZS 25,965,002,000), fair value gains on assets and liabilities of TZS 233,662,000 (2023/24: TZS NIL), financing income of TZS 976,677,000 (2023/24: TZS 191,748,000), gain on foreign currency translation of TZS

82,694,000 (2023/24: loss of TZS 733,645,000), gain on disposal of assets of TZS 5,829,0000 (2023/24: TZS NIL) and other revenue of TZS 790,588,000 (2023/24: TZS 737,256,000),

The recurrent expenditure for the Agency during the financial year 2024/25 amounted to TZS 28,299,169,000 (2023/24: TZS 25,987,547,000). The revenue, expenditure, and surplus (deficit) for the year as compared to previous year is as shown below:

	2024/25 TZS "000"	2023/24 TZS "000"
Revenue		
Revenue from non-Exchange transactions	5,327,297	4,829,375
Revenue from Exchange transactions	27,929,780	25,965,002
Fair value Gains on Assets and Liabilities	233,662	-
Financing Income	976,677	191,748
Gain on Foreign Currency Translation	82,694	-
Gains on Disposal Assets	5,829	-
Other Revenue	790,588	737,256
Total revenue	35,346,527	31,723,381
Expenses		
Expenses from non-Exchange transactions	5,327,297	4,829,375
Expenses from Exchange transactions	21,232,837	19,799,091
Depreciation and amortization expense	1,739,033	1,359,080
Total Expenses	28,299,167	25,987,547
Net surplus/ (deficit) for the year	7,0347,360	5,735,835

The surplus of TZS 7,047,360,000 reported in the Statement of Financial Performance arose from sales of stock items, warehousing and clearing and forwarding which were undertaken by the Agency as part of its services delivery activities.

2.10.9 Analysis of Cash Flows

The Agency cash flow is as set out in the cash flow statement. As at 30 June, 2025 the Agency closed with cash and cash equivalents of TZS 167,468,760,213 (2023/24: TZS 153,188,857,864). Generally, the increase is mainly attributed to the increase in customers' deposits arising from bulk procurement of motor vehicles, mechanical and general stores and clearing and forwarding.

(a) Cash realised from operating activities - TZS 4.76 billion.

The Agency's operations are financed by various sources such as Government Subventions, customers' deposits, framework agreements. As at 30 June, 2025, cash from operating activities increased to TZS 4.76 billion (2023/24: TZS 3.86 billion).

(b) Utilization of funds for investing activities TZS 9,31 billion

In financial year 2024/25 GPSA closed with outstanding contracted capital commitments amounting to TZS 3,674 million whose funds were available in bank accounts under the control of GPSA. Implementation of major projects such as construction/rehabilitation projects continued in year 2024/25 and respective payments were made. Also, implementation of some new projects that were scheduled in year 2024/25 commenced and respective payments were made during the period. All these have resulted into significant utilization of funds for investing activities. Further, during the period, the Agency disposed of some of its Properties, Plants and equipment (PPE) that met predefined disposal criteria. The affected PPE category is shown in Note 17 to the Financial Statements.

(c) Exchange Rate Gain TZS 82.69 million

In its normal daily operations, the Agency uses currencies other than the one applicable in primary economic environment i.e. Tanzanian Shillings (TZS). Under such circumstances, fluctuations in exchange rates that are used in settlement of monetary liabilities and assets denominated in foreign currency as well translating respective balances at the reporting period to TZS are the causes for the reported loss.

(d) Utilization of funds for financing activities TZS 18.75 billion

During the year ended 30 June 2025, the Agency recorded net cash inflows from financing activities amounting to TZS 18,751,429,000. These funds represent customer deposits received from Procuring Entities and other third parties in respect of procurement, warehousing, clearing and forwarding, and related agency services. The funds classified under financing activities arise from transactions in which the Agency acts as an agent rather than as a principal. Accordingly, the Agency does not obtain control over the economic benefits associated with these funds, and the deposits do not form part of the Agency's revenue. In line with IPSAS 2 - Cash Flow Statements, particularly paragraphs 16 and 21 and Application Guidance AG8-AG10, cash flows relating to customer deposits are reported on a net basis and classified as financing activities.

2.10.10 Future Cash Flows from Agency's Operations

(a) Plans for utilisation of unutilised Cash reported on 30 June 2025

The Agency is anticipating to utilise the funds mainly for settlement of current liabilities at the closure of year 2024/25 totalling to TZS 163,714.46 million shown in Note 20 - 21 to the Financial Statements. Further, the Agency is expecting that the remaining funds will be utilised to liquidate part of liabilities that will emanate from execution of activities relating to contractual commitments shown in Note 55 to Financial Statements.

(b) Other Factor Likely to impact Cash Flows for 2025/26

- **Implementation of Projects Committed on 30 June 2025**

Implementation of the committed projects referred in Table 5 and settlement of respective liabilities in year 2025/26 will have negative impact on cash flows from operating and investing activities. This is due to the fact that funds will be utilised during the period, but respective inflows were received in prior periods.

- **Agency's Plan and Budget for 2025/26**

Total budget for 2025/26 has been increased to TZS 37,867.23 million compared to TZS 34,775.14 million for 2024/25 excluding commitments. The increased budget imply increase in cash inflows as well as cash outflows provided budget utilisation pace remained as projected earlier. If the projected income is received but implementation pace is not as anticipated, then there will be a significant increase in cash and cash equivalent balance at the closure of year 2025/26.

(c) Future Cash Flows from Agency's Stewardship Role

In financial year 2025/26, the Agency's targeted collections to increase by TZS 2,530.23 million compared to actual amount recorded in 2024/25. The Agency has set strategies to ensure the target is surpassed.

2.10.11 Budget performance

The Agency prepares its budget in accordance with the Medium-Term Expenditure Framework (MTEF) contained in the Guideline for the Preparation of Budget and Plans issued each year by the Ministry responsible for Finance and Planning which also includes preparation of cash flow for managing of inflows and outflows on quarterly basis. The Cash flow projection includes estimates of inflows and outflows from exchange and non-exchange transactions generated from operating, investing and financing activities.

During the year under review, the Agency had the Budget on revenue to the tune of TZS 42,251,379,216 as compared to the actual collections of TZS 36,313,471,000 which is 86% of the budgeted amount. Similarly, the Agency had an expenditure budget of TZS 42,251,379,216 as compared to the actual expenditure of TZS 22,116,263,000 which is 52% of total budgeted expenditure. The comparison between the actual total revenue of TZS 36,313,471,000 against the actual total expenditure of TZS 22,116,263,000 million shows performance spending of 61 percent. The comparison of budget and actual resulted into a favourable net receipt over payment of TZS 14,197,208,000. The summary of the budget and expenditure is as shown below.

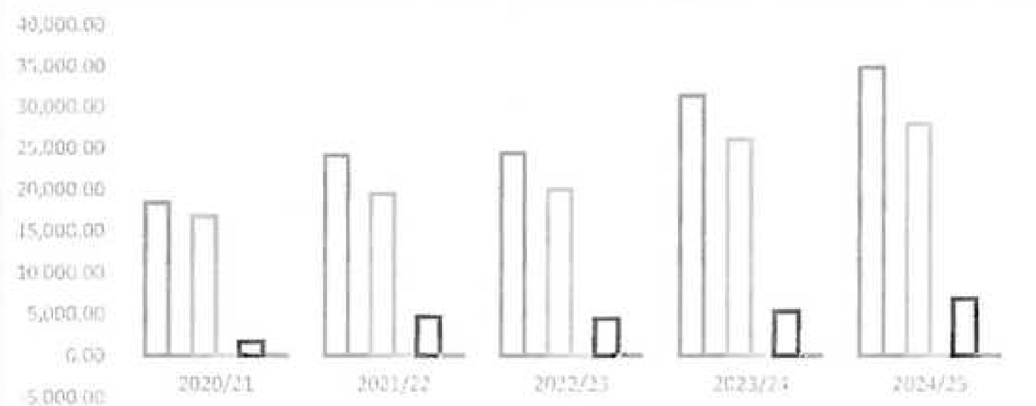
Description	Budget amounts		Actual amounts on comparable basis	Variance Final budget and actual	Performance Final budget vs actual
	Original TZS "000"	Final TZS "000"	TZS "000"	TZS"000"	%
	A	B	C	D=C-B	E=C/B*100
Total Revenue (A)	34,775,136	42,251,379	36,313,471	(5,937,908)	-14
Total Expenses (B)	34,775,136	42,251,379	22,116,263	20,135,116	48
Net Receipt/ Payment			**14,197,208**	**14,197,208**	
Performance: Revenue Vs Expenditure (%)			**61**		

The difference between original budget and final (actual) budget during the year is the results of withdraw of funds from reserves to finance some carried over activities from the previous financial year.

Table 4: Summary of GPSA Actual Expenditure against Approved Estimates for Five Consecutive Years

Financial Year	Approved Estimates 'TZS Million'	% of increase/ (decrease)	Actual Expenditure 'TZS Million'	% of increase/ (decrease)	Variance	
					Amount	%
2020/21	18,416.18	-14.5	16,727.01	52.2	1,689.17	9.2
2021/22	24,136.12	31.1	19,465.73	16.4	4,670.39	19.4
2022/23	24,369.72	1.0	19,968.54	2.6	4,401.18	5.8
2023/24	31,321.94	29	25,987.55	30	5,334.39	21
2024/25	34,775.14	11	22,116.26	-15	12,658.88	137

Figure 4: Summary of GPSA Actual Expenditure against Approved Estimates for Five Consecutive Years



2.10.12 Comparison of budget and actual amounts

The comparison of budget and actual amounts for the year is prepared in accordance with IPSAS 24 - Presentation of Budget Information in Financial Statements. The final budget represents the original approved budget adjusted for approved reallocations. Actual amounts are presented on a cash basis, consistent with the budget, to ensure comparability. This also highlights whether resources were used in accordance with the approved budget. It shows the differences between the actual expenditure and the approved budget appropriation. During the year 2024/25 the Agency had a final budget on expenditure of TZS 42,251,379,000 and actual expenditure TZS 22,116,263,000 for both recurrent and development expenditure which is 52% of the approved estimates. Material variances are explained below

(a) RECEIPTS

(i) Other Revenue

The final approved budget for other revenue was TZS 641,059,000, while actual collections amounted to TZS 979,674,000, resulting in a favourable variance of TZS 338,615,000 This increase was mainly due to higher-than-anticipated collections from miscellaneous income sources that were difficult to estimate reliably at the time of budget preparation.

(ii) Revenue from Exchange Transactions

The final budget for revenue from exchange transactions was TZS 35,777,536,000, compared to actual receipts of TZS 29,023,994,000, resulting in an adverse variance of TZS 6,753,542,000. The shortfall was mainly attributable to non-realisation of some planned revenue-generating activities during the year.

(iii) Subvention from Other Government Entities

The final approved budget amounted to TZS 5,832,784,000, while actual receipts totalled TZS 5,327,297,000, resulting in an adverse variance of TZS 505,487,000. the management did not utilize the budget amounted to TZS 505,486,000 which were set aside for recruitment of new employees that were not met during the year under review.

(iv) Financing Income

No budget was approved for financing income as the amount and timing could not be reliably estimated. Actual financing income of TZS 976,677,000 represents interest earned on bank balances during the year, resulting in a favourable variance of TZS 976,677,000.

(v) Proceeds from Sale of Property, Plant and Equipment

No budget was approved for proceeds from disposal of assets. Actual proceeds of TZS 5,829,000 relate to unplanned disposals of obsolete or unserviceable assets approved during the year, resulting in a favourable variance of TZS 5,829,000.

(vi) Total Receipts

The final approved budget for total receipts was TZS 42,251,379,000, while actual receipts amounted to TZS 36,313,471,000, resulting in an overall adverse variance of TZS 5,937,908,000. This was mainly due to underperformance in exchange transaction revenue and subvention receipts, partially offset by unbudgeted financing income and asset disposal proceeds.

(b) PAYMENTS

(i) Maintenance Expenses

The final approved budget was TZS 1,106,006,000, while actual expenditure amounted to TZS 1,094,845,000, resulting in a favourable variance of TZS 11,161,000. This variance arose from efficiency measures, renegotiation of maintenance contracts, and postponement of some non-critical maintenance activities.

(ii) Other Expenses

The final approved budget amounted to TZS 1,730,611,000, while actual expenditure was TZS 588,431,000, resulting in a favourable variance of TZS 1,142,180,000. The significant underspending was due to cost-containment measures, delayed implementation of planned activities, and reduced utilisation of certain operational budget items.

(iii) Other Transfers

The approved budget and actual expenditure both amounted to TZS 4,841,353,000, resulting in no variance. Transfers were executed strictly in accordance with approved commitments and statutory requirements.

(iv) Use of Goods and Services

The final approved budget for use of goods and services was TZS 6,154,956,000, while actual expenditure on a cash basis amounted to TZS 11,326,433,000, resulting in an adverse variance of TZS 5,171,477,000. The negative variance arose mainly from the Agency's role as an implementing and procurement agent for bulk procurement on behalf of third parties. During the year, the Agency received third-party funds specifically earmarked for bulk procurement of goods and services. In accordance with IPSAS 2 - Statement of Cash Flows, these receipts and the related payments are recognised as cash inflows and outflows, respectively, in the Statement of Cash Flows, even though they do not constitute budgeted revenue or expenditure of the Agency. As a result, payments made from these third-party funds, amounting to approximately TZS 5,171,477,000, were recorded as actual cash outflows under use of goods and services. However, these transactions were not included in the Agency's approved budget, as the Agency acted solely as a custodian and procurement agent rather than as the principal. This treatment increased the cash-based actual expenditure without a corresponding increase in the approved budget, thereby generating the reported adverse variance. Accordingly, the variance does not represent overspending of the Agency's own resources but reflects the pass-through nature of third-party bulk procurement funds, whose cash movements are required to be disclosed under IPSAS 2 for transparency of cash flows.

(v) Wages, Salaries and Employee Benefits

The final approved budget amounted to TZS 14,516,764,000, while actual expenditure totalled TZS 13,701,077,000, resulting in a favourable variance of TZS 815,687,000. This underspending was mainly due to unfilled vacant positions, staff attrition, and delays in recruitment during the year.

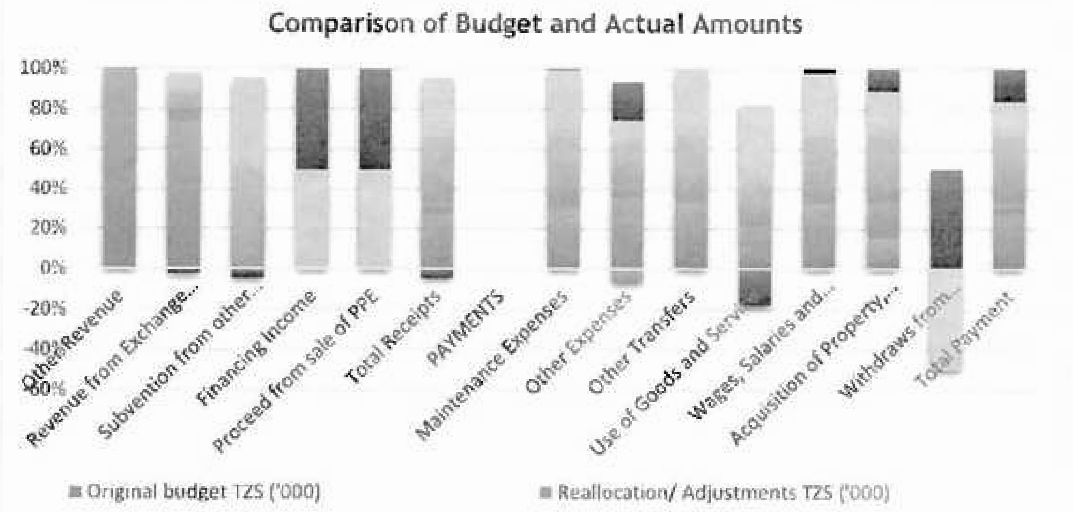
(vi) Acquisition of Property, Plant and Equipment

The final approved capital budget was TZS 13,901,689,000, while actual capital expenditure amounted to TZS 9,315,545,000, resulting in a favourable variance of TZS 4,586,144,000. The variance arose from delays in procurement processes, deferment of certain capital projects, and non-delivery of assets by suppliers before the end of the financial year.

(vii) Total Payments

The final approved budget for total payments was TZS 42,251,379,000, while actual payments amounted to TZS 22,116,263,000, resulting in a favourable variance of TZS 20,135,116,000. This was largely attributable to underspending on capital expenditure, other expenses, and personnel costs, despite overspending on use of goods and services.

Figure 5: Comparison of Budget and Actual Amounts



2.10.13 Cash flow projection

Due to the nature of the Agency's operations most of the cash projections indicate that future cash flows will mostly be generated from operating, investing and financing activities and that the Agency will continue to be a going concern within the foreseeable future.

2.10.14 Commitment

Commitments are future expenses and future liabilities to be incurred on contract that has been entered into at the reporting date. Total outstanding commitment for the year ended 30 June 2025 were TZS 3,673,946,254 compared to TZS 7,476,243,687 as at 30 June, 2024. Detailed summary of project commitments as at 30 June 2024 is as follows:

Table 5: Approved Contractual Commitment as at 30 June 2025

SN	Project Name	Contract Amount in TZS	Committed Amount in TZS	Implementation Status
1	Proposed construction and Consultancy of GPSA Offices at Arusha, Korogwe, Masasi and Igawa	2,010,000,000	1,650,709,762	Evaluation stage
2	Acquisition of Land at GPSA Dodoma and Mwanza	500,000,000	498,780,000	Procurement Stage
3	Acquisition, Supply and Installation of Generators	400,000,000	400,000,000	Procurement Stage
4	GPSA's ISO certification	30,561,000	30,561,000	ISO awareness training to all GPSA staff
5	Provision of Insurance Services	201,300,000	99,811,542	Procurement Stage
6	Supply of Track Tractors and Trailers and Motor vehicles	1,766,260,000	466,260,000	Procurement Stage
7	Consultancy services for enhancement of GPSA Integrated Management Information System (GIMIS) to facilitate purchase of fuel through fuel card system	50,622,000	50,622,000	Inception report and system specification documents has been submitted and approved
8	Consultancy services for review and upgrade of GPSA Integrated Management Information system (GIMIS) for provision of Agency services	60,180,000	58,000,004	Inception report and system specification documents has been submitted and approved
9	Supply and installation of ICT equipment	176,528,000	66,335,850	Procurement Stage
10	Supply of furniture and Fittings	350,000,000	225,254,200	Procurement Stage
11	Advertising and Publication for pylon signage at GPSA Kibaha, Pwani.	33,630,000	24,233,900	Procurement Stage

SN	Project Name	Contract Amount in TZS	Committed Amount in TZS	Implementation Status
12	To conduct monitoring and evaluation activities quarterly and Agency sustainability evaluation.	100,000,000	100,000,000	Procurement stage
Total		5,679,081,000	3,673,946,254	

2.10.15 Activities That Took Place in Financial Year 2024/25

GPSA has managed to carry out the obligations which it has been entrusted and has realized remarkable achievements in various aspects including procurement, storage and distribution of stock items for resale to government and non-government institutions, provision of clearing and forwarding, warehousing facilities and arrangement of procurement for commonly used items and services (CUIS) as follows:

In general, the financial performance results indicate that the Agency's existing sources of revenue can sustain its operations. Further, the Agency will continue to monitor closely its current sources of revenue and explore other sources to enable it to sustain the expansion of its operations.

Detailed financial performance for 2024/25 is provided in the Statement of Financial Performance for the year ended 30 June, 2025.

(a) Financial Performance

During the year ended 30 June 2025, the Agency generated gross revenue to the tune of TZS 35,346,527,000 (2023/24: 31,723,381,000) comprising of TZS 5,327,297,000 (2023/24: TZS 4,829,374,547) from the Government Subvention (PE), TZS 20,442,616,000 being revenue from sale of stores and TZS 9,576,614,000 generated from other own sources of incomes as shown in the Statement of Financial Performance, Gain on Foreign Exchange translations of TZS 82,694,451. Expenditure incurred during the year amounted to TZS 28,299,169,000.

In general, the financial performance results indicate that the Agency's existing sources of revenue can sustain its operations. Further, the Agency will continue to monitor closely its current sources of revenue and explore other sources to enable it to sustain the expansion of its operations.

Detailed financial performance for 2024/25 is provided in the Statement of Financial Performance for the year ended 30 June, 2025.

(b) Procurement, storage and distribution of stock items

During the financial year 2024/25 the Agency has managed to ensure that the Government and Non-Government Institutions are facilitated with stores items all over the country. Stocks worth of TZS 220,656,335,983.98 was procured and supplied to all

Regional Depots for resale in which TZS 11,655,885,455.00 are general stores and TZS 209,000,450,528.98 Mechanical Stores (Diesel and Petrol).

(c) Marketing and Outreach Activities

8 Market surveys/researches were conducted, six (6) video clips were prepared and shared, 2 adverts and 5 articles on newspaper and 104 posts were prepared and updated/shared on social media pages and website. The Agency received 802 feedbacks on e-Mrejesho Register and customer call centre, four (4) national exhibitions/ceremonies were attended, support to the community by donating 1,000 litres of fuel for the vehicles/machines used in the search and rescue efforts, and provision of temporary storage at GPSA Headquarters for victims' goods for the then collapsed Kariakoo building.

(d) Progress in improving service delivery

The progress made in improving service delivery in terms of quality, efficiency, timeliness, and satisfaction were as follows:

(i) Office furniture were procured for GPSA Headquarters and Regional Offices (Mwanza, Simiyu, Tabora, Kahama, Mbeya, Tanga, Kigoma and Dodoma);
(ii) Working tools such as ICT Equipment (Computers, printers, Laptops) and motor vehicles (Fuel Oil Tanker semi-trailer) were procured and distributed to all regional offices;
(iii) Fuel Dispensing pumps were procured and installed at Dodoma, Lindi, Kilimanjaro, Manyara and Kagera;
(iv) Rehabilitation of fuel stations at Mwanza, Morogoro, Lindi, Tabora, Ruvuma, Kinondoni, Kagera and Rukwa to meet EWURA Standards were completed;
(v) Un installation of two Underground Fuel Tanks and Fabrication and Installation of 40,000 Litres Underground Fuel Tank at GPSA Mwanza was completed;
(vi) Renovation of Warehouses was completed and partitioning works at GPSA Headquarters is under implementation; and
(vii) Construction of fuel station, office and warehouse Kigoma, Kahama and Arusha were completed and Njombe is under implementation;

(e) Procurement of motor vehicles on behalf of Government Institutions

The Agency also handled Procurement of Motor Vehicles through Bulk Procurement arrangement whereby as at 30th June, 2025, 1,360 units of Motor vehicles of various models and 1,188 Motorcycles worth TZS 272,683,453,754.90 were purchased on behalf of various procuring entities. Through this bulk procurement, the government has served TZS 11,914,664,000.43 through discount obtained from bulk procurement processes and procurement price negotiations.

(f) Formalization of premises and various resources

The Agency has 26 regional offices all over the country that provide services to the government and non-government entities. In ensuring that effective, efficient and value for money services are facilitated to procuring entities, the Agency has acquired various premises and a piece of land. For proper control and good record keeping, the Agency has formalized the ownership of the land whereas at 30 June 2025 one title deed for Kagera regional office was acquired.

(g) Rehabilitation and construction of fuel stations and office buildings

(i) Rehabilitation of fuel station at GPSA Morogoro to meet EWURA Standards was completed;

(ii) Construction of Regional Office Building and Godown at GPSA Kigoma was completed;

(iii) Construction of Regional Office Building, Godown and Fuel Station at GPSA Njombe is under implementation;

(iv) Construction of Regional Office Building, Godown and Fuel Station at GPSA Arusha was completed; and

(v) Rehabilitations of fuel stations at GPSA Ruvuma, Kinondoni, Lindi, Kagera and Rukwa to meet EWURA Standards were completed;

(h) Implementation of GPSA Integrated Management Information System (GIMIS)

The Agency has increasingly dependency on the use of GIMIS - (GPSA Integrated Management Information System) in provision of its core services. The initial contract for the development of the system (GIMIS) was signed on 18th December 2020 and the system became operational on 1st March, 2022. As at 30 June, 2025 TZS 356.80 million has been incurred for the development of the system.

For the financial year 2024/2025 the Agency entered two contracts with e-Government Authority for the enhancement of GIMIS to facilitate purchase of fuel through fuel card system with a total contract sum of TZS 25,311,000 and another contract for the consultancy services for review and upgrade of GIMIS with a total contract sum of TZS 50,622,000/=. As at 30 June, 2025 TZS 55,401,000 million has been incurred towards the implementation of the two consultancies.

2.10.16 Future development plans

The future plans of the Agency, as enumerated in its fifth Corporate Strategic Plan (2023/24 - 2027/2028), are geared towards the transformation of the Agency into a reputable procurement Agency. The Agency plans in the next financial year to facilitate the construction of external works at GPSA Simiyu, Songwe and Dodoma whereby a total sum of TZS 670,000,000 has been budgeted to finance these projects. Budget to facilitate the construction of internal works of GPSA Simiyu, Songwe, Kibaha, and Dodoma has been set totalling TZS 492,000,000 to finance these projects and budget to facilitate the construction of Dar es Salaam regional office has been set at TZS 2,204,000,000 to finance this project. The Agency plans to conduct feasibility study for construction of CNG filling stations at Dar es Salaam, Dodoma and Morogoro whereby a total sum of TZS 350,000,000.00 has been budgeted to finance this project.

Furthermore, the Agency is in process of being ISO 9001-2015 certified, the process of engaging Agency to be ISO certified in order to improve service delivery to reach international standard is on training stage to all staffs on basic requirement of the ISO standards. The Agency aims to improve the GIMIS system in such a way it can issue fuel by using cards.

Nevertheless, the Agency budgeted TZS 875,000,000.00 in the coming financial year to procure computers and printers for all regional offices in support of operationalization of the electronic information systems and aims to continue with capacity building training to all employees. In this regard, the Agency has planned to:

(a) Increase efficient level in procuring motor vehicles on time from seventy (70) percent to one hundred (100) percent;
(b) Increase efficient level in clearing and forwarding services on time from eighty-six (86) percent up to ninety-five (95) percent;
(c) Increase Agency fee from Clearing and Forwarding Consignments efficiently from five (5) billion up to ten (10) billion shillings;
(d) Attain Clearing and Forwarding market for three (3) landlocked countries;
(e) Increase percentage of unallocated items procured direct from manufacturer from forty-two (42%) to eighty (80%);
(f) Increase number of participants in CUIS with framework agreements from 15,000 to 20,000;
(g) Increase revenue from internal sources from twenty- seven (27) billion to thirty-seven (37) billion shillings;
(h) Integrate the GIMIS with hardware and three (3) other business systems;
(i) Improve ICT network and communication infrastructures and security services;
(j) Increase PEs using GPSA services from sixty (60) percent to eight (80) percent.

2.10.17 GPSA Capital Structure

The capital structure of the Agency is made up of the following:

(i) GPSA Capital Structure - Current Financial Year

The capital structure for Agency's operations is made up of:

(a)Capital Contributed by Government of United Republic of Tanzania.

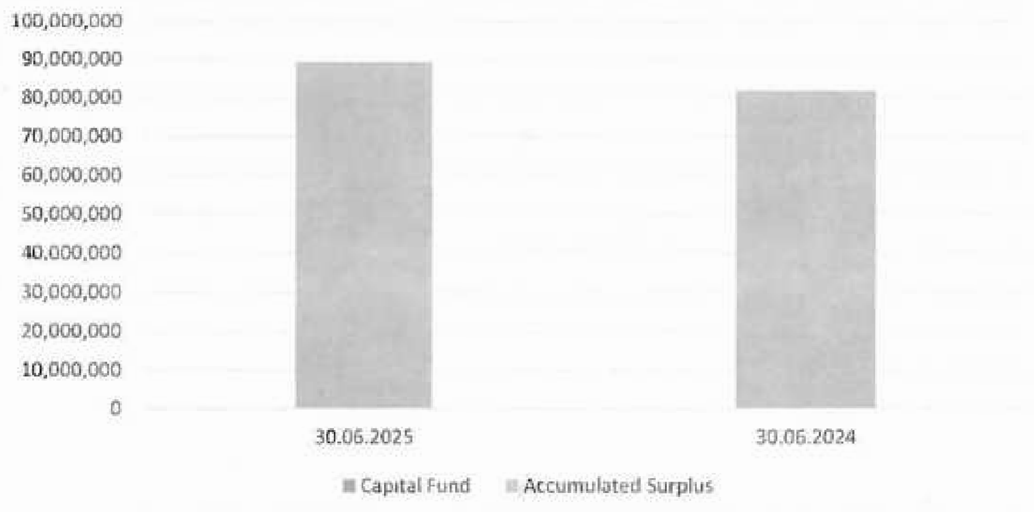
This part comprises of initial capital (TZS 24.58 million). These are properties that were vested to GPSA during its establishment in line with Establishment Order, 2007. Category of assets provided and respective values are detailed in Note 18 to the Financial Statements.

(b)Accumulated Surplus/Deficit

This emanated from accumulation of periodic GPSA financial performance results i.e. accumulation of surplus or deficit obtained periodically after deducting expenses and other losses from revenues and gains earned during the period. At the closure of the period under review, the accumulated surplus stood at TZS 88,275,806,000 (2023/24: TZS 81,228,445,000 restated).

	30.06.2025	30.06.2024 (Re-stated)
	TZS	TZS
	"000"	"000"
Capital Fund	24,582	24,582
Accumulated Surplus	88,251,224	81,203,863
Total Net Assets/Equity	**88,275,806**	**81,228,445**

Figure 6: GPSA Capital Structure - Current Financial Year



(ii)Capital Structure - Future Financial Years

Considering the law that establishes GPSA, there is no provision for raising capital of the Agency through other means such as issuance of shares or borrowing. In this regard, the capital structure of GPSA will continue to be financed by components provided in the preceded paragraph. In view of the aforementioned, the funding plans to support the crafted strategies with a focus of attaining Corporate objectives will mainly focus on obtaining funds from Ministry of Finance and Planning in line with planned budgets; raising internally generated income mainly through services that are rendered by GPSA, renting out warehouses, obtaining interest from GPSA bank accounts that are maintained in commercial bank for routine operations and timely disposal of PPEs that met disposal criteria through auction sales.

2.10.18 GPSA Treasury Policies and Objectives

The Agency designs, implements and monitors all arrangements for the identification, management and control of the following treasury policies and objectives:

(iii) Treasury Policies and Objectives - Current Financial Year

GPSA operations are exposed to certain financial risks that necessitated the Agency to formulate policies that define how it responds to the identified financial risks. Specifically, the Agency has defined policy to respond on the following risks:

(a) Liquidity Risks - the objective of the policy is to ensure the Agency has ability to meet its obligations in a timely and cost-effective manner.
(b) Currency Risks - the objective of having the policy in place is to minimise adverse effect when the value of a financial instrument fluctuates due to changes in foreign exchange rates.
(c) Credit Risks - the objective of the policy is to minimise financial loss to GPSA when its counterparties to financial instruments fails to discharge their obligation.

Further details relating to the policies on Treasury relating to Agency's operations and its stewardship role of service delivery to PEs are provided in Note 11 to the Financial Statements. Also, it is worth noting that during the period under review there were no financing transactions with interest implication undertaken by the Agency and as a result there were no interest costs incurred.

(iv) Treasury Policies and Objectives Future Financial Years

Basing on the nature of GPSA Operations, the Agency is expecting to maintain the existing Treasury Policies and Objectives in subsequent periods.

2.10.19 Solvency and liquidity

(i) Liquidity Position for Current Financial Year

The Management confirms that International Public Sector Accounting Standards (IPSASs) and Public Finance Act Cap. 348 (R.E 2020) have adhered to in the preparation of these financial statements and also the financial statements have been prepared on a going concern basis. The Management has reasonable expectation that the Agency has adequate resources to continue in operational existence for the foreseeable future.

The funding of Agency's operations including Corporate and Operational strategies is mainly contributed by Government, internally generated income (sales of goods and services, rent, interest etc.) and development partners.

The funds from the aforementioned sources are sufficient to cover annual plans and budget that are prepared under Activity Based Budgeting approach with an extensive planning and governance process focused on the Corporate Strategic Plan to determine operational and capital requirements. In this regard, at the closure of financial year

2024/25, the Agency did not have any outstanding borrowings or undrawn committed borrowing facilities (2024: NIL).

Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Agency's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Due to the nature of operations, the entire amount of Cash and Cash equivalents is not available to GPSA for use in its normal operation and as per laid down procedures (Note 41). Distribution of the available Cash and Cash equivalent by is provided in Note 14 to the Financial Statements for the period ended 30 June 2025. The liquidity position of GPSA for the period ended 30 June 2025 is supported by favourable financial ratios shown below.

Table 6: GPSA Liquidity Position for Current Financial Year

S/N	Ratio	Calculation method	Results 2024/25 (TZS Millions)	Results 2023/24 (T Millior	Implication
1.	Working capital	Current Assets - Current Liabilities	27,900.15	28,427.09	This signifies that GPSA has adequate funds to cover short-term maturing obligations. Positive working capital is generally a sign of good short-term financial health and operational efficiency.
2.	Cash Ratio	$\frac{\text{Cash and Cash Equivalent}}{\text{Current Liabilities}}$	1.01:1	1.05:1	Since the computed ratio is greater than 1, it implies that the available Cash and Cash equivalent is sufficient to fulfil GPSA's short term obligations. Also, in business perspective, holding substantial cash denotes that the institution has not utilised funds to their fullest extent. However, for the case of GPSA, at the closure of the period GPSA had Commitments relating to capital and recurrent expenditure amounting to TZS 163,365.20 million (2024: TZS

					145,528.71 million) as detailed in **Note 20 and Note 21** to the Financial Statements. These are service delivery obligations and contractual obligations, and respective projects were under implementation at the closure of the period. Therefore, the funds will supplement budgeted amount for 2025/26 in fulfilling GPSA contractual obligations
3.	Quick Ratio	Current Assets -Inventory / Current Liabilities	1.09:1	1.06:1	This implies that GPSA is in a better liquidity and financial health. Therefore, it is unlikely for GPSA to struggle in discharging its short-term liabilities.
4.	Current Ratio	Current Assets / Current Liabilities	1.17:1	1.19:1	This indicates the GPSA can cover its short - term liabilities with its current assets.
5.	Return on assets	Total Assets / Surplus	3%		This indicates that GPSA is doing well at increasing its surplus with each investment shillings it spends.
6.	Return on equity	Net Income / Shareholders' Equity	8%		This indicates the Agency's profitability and how efficiently GPSA generates the surplus.

The Agency's total liabilities as at 30 June 2025 were TZS 163.71 billion as compared to TZS 145.88 billion as on 30 June 2024; and total assets were worth TZS 251,990.27 million compared to TZS 227,106.42 million as on 30 June 2024.

The Agency's state of affairs as on 30 June 2025 is shown in the accompanying statement of financial position. The statement of financial position as on 30 June 2025 showed a net asset/equity of TZS 88,275.81 million as compared to TZS 81,228.44 million as at 30 June 2024 which indicates that the Agency was a going concern. The Agency Management considers the Agency to be solvent on the basis of the working capital position.

(i) Prospective Liquidity Position in Year 2025/26

In the financial year 2025/26, the Agency is expecting to experience healthy liquidity position. During the period, the Agency is expecting to collect TZS 37,867.23 million. Out of the expected amount, TZS 6,565.98 million (17%) is from Government subvention and internally generated income TZS 31,301,245.21 million (83%).

The expected amount is sufficient to finance planned corporate strategies and other operational activities for 2025/26. To ensure the healthy liquidity position is maintained, the Agency shall continue to monitor availability of expected funds and amends the planned strategies where necessary in order to avoid committing the Agency without funds and consequently encountering financial difficulties.

2.11 RESOURCES

GPSA depends on a number of existed resources that complement each other in attainment of its objectives. Resources available at the closure of financial year 2024/25 are explained below:

2.11.1 Human resource

The Agency has skilled and experienced employees who are considered as a key resource in pursuing its strategic objectives. Considering the importance of GPSA staff in attainment of Agency's objectives, GPSA has devices means of engaging its staff so as to improve their contribution towards attainment set objectives. Among others, these include:

(i) involvement of staff in development and implementation of GPSA Corporate plans, departmental plans, management of risks and improvement of GPSA operations.

(ii) implementation of capacity building programs including coaching and mentoring with a focus of ensuring staff competences cope with ever changing business environment.

(iii) fairness in handling staff matters whereby terms and conditions of services are clearly defined in GPSA Staff regulations; Relevant provisions in the Public Service Act Cap 298; and Employment and Labour Relations Act Cap 366. As at 30 June 2025, the Agency had a total of 394 staff with diverse experiences and competencies as summarized in Table No. 7 below:

Table 7: Number of staff and their qualifications at GPSA as at 30 June, 2025

Job Type/Qualification	Permanent		Contract		Total Staff
	Male	Female	Male	Female	
PhD		1			1
Masters	27	13			40
Post Grad. Diploma	4				4
Bachelors	42	36	16	18	112
Diploma	42	48	2	2	94
Certificates	19	13	32		64
Form VI	13				13

Job Type/Qualification	Permanent		Contract		Total Staff
	Male	Female	Male	Female	
Form IV/ STD VII	6	9	31	20	66
Total	153	120	81	40	394

2.11.2 Relationship with stakeholders

GPSA has established and maintains a harmonious relationship with its internal and external stakeholders. The Agency receives cooperation and strong support from suppliers of goods and services and consumers of its products and services. Specifically, the Agency receives continuous support from the Government of Tanzania through the Ministry of Finance and Planning, The Parliament of the United Republic of Tanzania, Development Partners, the surrounding community and the general public. In addition to the above, the Agency has established working relationships with various regulatory authorities like the Public Procurement Regulatory Agency (PPRA), Public Procurement Appeals Agency (PPAA) and Supplies Professionals Technician Board (PSPTB), National Board of Accountants and Auditors (NBAA) and the Tanzania Revenue Agency (TRA).

2.11.3 Financial sustainability

The Agency's sources of revenue consist of:

(i) Government Subvention for Personal Emoluments (PE),
(ii) Agency's internally generated income collected from various sources including:
  (a) Surplus from adequate quality supplies and services at competitive prices;
  (b) Agency fee from clearing & forwarding;
  (c) Agency fee from Bulk Procurement of Motor Vehicles;
  (d) Rent from provision of safe and secure warehousing and storage facilities; and
  (e) Fee from procurement of common use items and services using framework agreements.

During the year under review, the Agency collected 91% of the approved Budget for Personal Emoluments (P.E.). The internally generated income surpassed the target by 4%. The Agency collected TZS 30,019,230,000 from internal sources compared to TZS 28,942,351,778 that was budgeted. Effective collection of revenue, especially from own sources, enabled the Agency to meet most of its operational expenses.

2.11.4 Capital Resources

The Agency has Properties, Plant and Equipment (PPE) that are used in day-to-day operation. The PPEs are classified into different categories as shown in Note 17 of Financial Statements for the period ended on 30 June 2025.

Proper utilisation of this resource is enhancing operational efficiency and effectiveness in service delivery. In this regard, GPSA has Financial Regulations which provide guidance on management of PPEs starting from acquisition up to disposal point.

Additionally, the Agency has specific guideline for fleet management. At the closure of financial year 2024/25, the Agency had PPEs with total net book value amounting to TZS 58,672.97 million (2023/24: 51,007.40 million restated) as indicated in Note 17 to the Financial Statements.

2.11.5 Intellectual Resources

Basing on GPSA operations, the resource comprises Computer Software, the GIMIS. The Agency has automated most of its operations in order to enhance efficiency and effectiveness in service delivery. To attain this, the Agency has deployed an ICT application (software) that ease its operations. List of software with net book value of TZS 356.80 million (2023/24: TZS 356.80 million) available at the closure of the reporting period is provided in Note 19 to the Financial Statements. Successfully operation of the software entails efficiency and effectiveness in service delivery and consequently attainment of the set objectives.

2.11.6 Other Resources

Under this area, the identified resource are Government policies and regulations. These provide conducive environment to facilitate procurement service delivery; provide guidance on resources that are used in day-to-day operations; and provide clear GPSA mandate. Considering nature of GPSA operations, the aforementioned areas have critical impact towards GPSA performance.

During the period under review, the Government policies/regulations continued to support positively to GPSA operations by providing conducive environment for procurement service delivery operations. To sustain the conducive environment in subsequent periods, the Agency shall continue to collaborate with the Government in developing or amending existing policies/regulations with a focus of enhancing procurement service delivery operations.

2.12 PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

GPSA Management is vested with the overall responsibility for risk management, and it recognizes that management of risk is an integral part of a sound management system. Therefore, the Management ensures that effective risk management is embedded in all management processes within the Agency. The risk management is coordinated through the Enterprise-wide Risk Management System (ERMS) with a Policy, Framework and Operational Manual as reference documents for consistency. The Heat Map is applied as a standard measure of risk levels. In this regard, GPSA has formulated and adopted the following policy statement:

''GPSA shall identify and manage enterprise risks in support of its vision, mission, and objectives as set out in the Corporate Strategic Plan (CSP5); and is committed to adopting good practices to ensure that risks are minimized to an acceptable level. With the same commitment, the GPSA Management and all employees are charged with responsibilities of ensuring risk management is kept constantly under review and becomes a culture of the Agency".

2.12.1 Principal Risks

According to existing framework, GPSA Corporate risks are categorised into Institutional risks and Compliance risks. Explanations for each of the risk as at 30 June 2025 is as provided in the following table.

Table 8: GPSA Institutional Risks as at 30 June 2025

S/N	CSP5 Strategic Objectives	Risks and their Impacts		Risk Category	Impact (I)	Probability (P)	Risk Ranking (Severity) (I x P)	Risks Mitigation
1	Information and Communication Technology environment improved	System unavailability	System unavailability, or downtime, can lead to a cascade of negative impacts on a business. The most immediate effects are financial, including lost revenue from halted sales, decreased employee productivity, and high recovery costs. Beyond the financial hit, operations can grind to a halt, causing disruptions to the supply chain and missed business opportunities. Over the long term, downtime severely damages the Agency's reputation, eroding customer trust and loyalty, and can even lead to legal fines. It also creates security vulnerabilities and lowers employee morale, making system unavailability a multi-faceted risk that can undermine a business's stability and future growth.	Operational	5	5	25 - EXTREME	• Operationalization of maintenance and support contract • Operationalization of primary and disaster recovery site
2	Financial management and accountability improved	Revenue collection plans not achieved	The most immediate impact is financial instability, as the Agency lacks the funds to cover daily expenses, invest in growth, or pay debts. This financial strain quickly leads to operational disruptions, as the business may be unable to procure supplies or maintain its quality of service. Over time, missing revenue targets damages the Agency's reputation and employee morale, making it difficult to attract and retain talent. Ultimately, it can derail a company's long-term strategic goals, putting it at a competitive disadvantage and fail to meet the agency plan.	Financial	4	3	12 - HIGH	• To integrate GIMIS system with NeST • To monitor sales of each general store items and report • Payment of incentive allowances to employees is based on performance of that particular month

S/N	CSP5 Strategic Objectives	Risks and their impacts		Risk Category	Impact (I)	Probability (P)	Risk Ranking (Severity) (I x P)	Risks Mitigation
3	Human resources, administration and legal services enhanced	Delays in completion of construction projects	Financially, they cause cost overruns for the contractor due to extended labour and material costs, and result in lost revenue for the Agency since cannot use the completed asset. Contractors may also face financial penalties from liquidated damages, while an owner's strategic plans are disrupted. Operationally, a delayed project can cause supply chain disruption for other ventures. The longer the delay, the more severe the reputational damage becomes, leading to strained client relationships and public criticism. This also increases the risk of legal disputes, and the pressure to catch up can lead to a decline in work quality and an increase in safety risks	Reputational	4	4	16 - EXTREMELY	• Frequent site meetings to monitor progress of works • Timely payment of certificates to contractors
4	Procurement management and contract services improved	Damage of consignment during loading and offloading	The risk of damaging a fuel consignment during loading or offloading creates a cascade of severe impacts, with the most critical being safety and health risks, including the potential for fires, explosions, and dangerous chemical exposure to workers and the public. A spill also causes significant and long-lasting environmental damage, contaminating soil and water sources, which requires an expensive and complex cleanup. Financially, the Agency suffers from the loss of product, high remediation costs, operational downtime, and hefty fines and legal penalties. Finally, a single incident can severely harm a Agency's reputation, leading to a loss of public trust and increased scrutiny from regulators.	Operational	5	3	15 - HIGH	• To establish clear communication channels between all parties involved in the loading and offloading process • To conduct inspection and verification of the consignment

S/N	CSP5 Strategic Objectives	Risks and their Impacts		Risk Category	Impact (I)	Probability (P)	Risk Ranking (Severity) (I x P)	Risks Mitigation
5	Procurement and contract management services improved	Untimely Clearance and forwarding services	The most immediate is a significant increase in financial costs from expensive demurrage and detention fees, storage charges, and potential fines from customs authorities. These delays also cause major operational disruptions across the supply chain, leading to halted production lines, inventory imbalances, and missed delivery deadlines. In the long term, this erodes customer and partner trust, damaging the company's reputation and potentially resulting in lost business. Repeated delays can also trigger heightened regulatory scrutiny, making future shipments even more susceptible to delays or even seizure.	Compliance	4	3	9 - HIGH	• Have clear procedure • Strengthen system internal and external • Awareness to stakeholders
6	Procurement management and contract services improved	Stock Shortages	The most direct consequence is an immediate loss of sales and revenue, as customers are unable to purchase the desired product and often go to a competitor instead. This directly impacts customer satisfaction and erodes long-term loyalty, leading to a negative perception of the brand's reliability. Such shortages can also cause reputational damage, with a business being seen as poorly managed, and may force the company into a scramble to fix the issue, which can increase operational costs through expensive, expedited shipping. Ultimately, stockouts disrupt the entire supply chain and make it harder for a company to accurately forecast future demand, creating a cycle of inefficiency.	Operational	3	5	15 - HIGH	• Accurate demand forecasting • Efficient replenishment process
7	Procurement management and	Price Fluctuations on bulk Fuel	The most direct impact is on operational costs and profitability, as a rise in fuel prices can quickly erode profit margins for companies in sectors like	Strategic	4	4	20- HIGH	• Regular market analysis

S/N	CSP5 Strategic Objectives	Risks and their Impacts		Risk Category	Impact (I)	Probability (P)	Risk Ranking (Severity) (I x P)	Risks Mitigation
	contract services improved		transportation and manufacturing. This volatility makes budgeting and financial forecasting extremely difficult, leading to instability. The ripple effect extends to the consumer, with businesses often forced to pass on higher costs, potentially reducing consumer demand. Furthermore, unstable fuel prices can cause supply chain disruptions and may force companies to postpone or cancel strategic investments, hindering long-term growth and competitiveness.					
	Procurement management and contract services improved	Delay in implementation of Agency's requirements in NeST for CUIS management	The most significant impacts are legal and financial, with the agency and its staff potentially facing heavy fines or even imprisonment for violating public procurement laws, alongside suffering from costly project overruns and a failure to realize intended savings. These delays also lead to operational inefficiencies, as the agency remains reliant on outdated processes, which can disrupt the delivery of public services. Ultimately, the lack of transparency and accountability created by the delay increases the risk of corruption and damages the agency's public reputation and trustworthiness	Strategic	4	3	12- HIGH	• To adopt modern ICT technology for better management of CUIS
	Financial management and accountability improved	Delay in implementing audit recommendations	The most immediate impact is the continued exposure to the risks the recommendations were meant to mitigate, which can lead to greater financial losses or operational failures over time. Such delays also weaken accountability and governance, signalling a lack of commitment from leadership and potentially creating a culture where internal controls are not taken seriously. This inaction results in ongoing financial and	Operational	5	3	15- HIGH	• Regular follow-ups • Provision of training and awareness to employees

S/N	CSP5 Strategic Objectives	Risks and their Impacts		Risk Category	Impact (I)	Probability (P)	Risk Ranking (Severity) (I x P)	Risks Mitigation
			operational inefficiencies, as the organization fails to adopt suggested improvements. For public entities, this can cause significant damage to reputation and public trust, and ultimately leads to recurring audit findings and more negative audit opinions in the future					
	Communication and customer relationship management improved	Information distortion	Information distortion, whether accidental or deliberate, can have profound and damaging impacts on an organization. The most significant consequence is flawed decision-making, as leaders base their choices on inaccurate data, leading to strategic errors, financial losses, and missed opportunities. Within the supply chain, this misinformation can create the "bullwhip effect," causing severe operational inefficiencies like inventory imbalances. Furthermore, a company's reputation and public trust can be severely damaged by distorted information, particularly in the age of social media. The ultimate outcome is often a cascade of financial losses, from lost sales and wasted resources to potential fines and legal fees, while internally, it can erode company culture by fostering distrust and poor communication.	Reputational	3	5	15-High	• Clear Communication Strategy • Centralized Communication Management • Digital Communication • Training and Development

2.12.2 Opportunities

In course of assessing GPSA's risks, the Agency has identified a number of key opportunities. If the Agency take full advantage of the identified opportunities, then there is likelihood of adding value towards attainment of its Corporate Strategic objectives. The identified opportunities are shown in Table 9.

Table 9: Key Agency's Opportunities

Area	Identified Opportunity	Possible outcomes
Information and Technology	• Existence of ICT regulatory board • Existence of National Data Centre • Availability of ICT products and services in the global markets • Existence of the National ICT Policy	• Uninterrupted ICT services are offered to PEs • Data integrity enhanced • Reduced human intervention and physical interaction
Financial and procurement management	• Legal regulatory framework support • Existence of Government goodwill • Guaranteed customer • Growing economy • Free market economy	• Timely availability of funds for the government operations • Effectiveness in revenue collection • Increased customer satisfactions • Harmonious working relationship with PEs
Leadership and management	• Direct link with the Ministry of Finance and Planning • Existence of Political stability • Supportive national legal framework • Support from stakeholders	• Job satisfaction among employees increased • Staff attrition rate is reduced • Efficiency in corporate decision-making is enhanced
Laws and Procedures	• Existence of oversight bodies • Existence of Public Finance Act • Existence of Public Procurement Act. • Existence of Public Private Partnership Act and its Regulations • Government commitment to enhance accountability and transparency in Public Financial and Procurement Management	• Improved integrity of Staff • Increased customer satisfactions • Harmonious working relationship with PEs • Organization's operational efficiency improved

2.12.3 Uncertainties

Uncertainties refer to factors or variables that can affect GPSA's ability to accurately predict in service delivery. This can be derived from changes in external factors such as natural disasters, political instability, and other external events that can disrupt economic activities. During the period under review, there was no uncertainty that threatened the ability of the Agency to perform its functions.

2.13 THE AGENCY OPERATING MODEL

2.13.1 An overview of GPSA operating model

The Agency has a system in place that transforms inputs, through its operating activities, into outputs and outcomes with a focus of fulfilling the Agency strategic purposes and create value over the short, medium and long term. In transforming those inputs into outputs, the Agency inputs such as financial resources, human resources and other resources are blended with other components in operating model to attain desired output. Attainment of the desired output will result into attainment of desired outcomes and consequently results into increase of revenue and PEs compliance to Procurement Laws. The Agency believes that when the components of the model are working in harmony, GPSA teams will have the needed clarity to accelerate strategies, unlock their potentials and come up with innovative ideas that improve operation efficiency and effectiveness. This is aided by advancements in technology that brings new ways of doing business. The GPSA operating model has been designed in such manner that it can adopt the changes with a focus of easing accessibility of its services and enhance voluntary compliance culture to PEs. Inputs and other components of GPSA operating model, Output and Outcomes are shown in the table below:

Table 10: GPSA Operating Model

Key Result Area (KRA)	Strategic Objective	Inputs	Other Components	Business Processes	Expected Output	Outcome
National Agenda	Non-Communicable Diseases, HIV and AIDS Infections Reduced and Supportive Services Improved	a) Financial Resources b) Human Resources c) Software d) Capital Resources e) Other Resources	a) Structure and Accountabilities b) Management Systems c) Leadership and Culture d) Talent Engine e) Technology and Stakeholders f) Teams	• Perception surveys • Other supporting processes • Dialogue/consultation with employees	• Increased response to voluntary testing • Increased level of staff awareness on HIV. • Reduced stigma rate at workplace	• Increased employees' satisfactions • Increased number of compliant staff/employees
	Implementation of National Anti-Corruption Strategy and Action Plan Enhanced and Sustained			• Knowledge Management	• Increased awareness on anti-corruption strategy among staff • Reduced cases of corruption • Increased personal integrity	• Improved integrity of Staff
Procurement and contract management services	Procurement management and contract services improved			• Handling of objections • Ruling of integrity cases • Other supporting processes	• Increase in Agency fee. • Increase in unallocated items and motor vehicles procured direct from manufacturers • Increased C&F efficiency level	• Increased customer satisfactions • Harmonious working relationship with Pes
Information and Communication Technology environment	Information and Communication Technology environment improved			• System integration process • Signing of contract for GIMIS system integration with other institutions	• Increased automation of services • Reduced cost of collection • Reduced clearance time	• Uninterrupted ICT services are offered to PEs • Data integrity enhanced • Reduced human intervention and

Key Result Area (KRA)	Strategic Objective	Inputs	Other Components	Business Processes	Expected Output	Outcome
				• Enterprise Data warehouse management • Data governance		physical interaction
Human Resources, financial and administrative Accountability	Financial management and Accountability improved			• Developing interactive enterprise service management system	• Increased Revenue Collected • Revenue Growth	• Timely availability of funds for the government operations • Effectiveness in revenue collection • Job satisfaction among employees increased
	Human resources, administration and legal services enhanced			• Employee Engagement • Improve Working Environment	• Adequacy of working force • Increased skilled staff. • Staff Retention	• Staff attrition rate is reduced • Efficiency in corporate decision-making is enhanced
Public awareness and consultations on GPSA's functions	Communication and customer relationship management improved			• GPSA Call Centre management • Branding of institution	• Increased revenue collected. • Increase number of PEs using GPSA services	• Organization's operational efficiency improved

2.13.2 KEY PERFORMANCE INDICATORS (KPIS)

Key Performance Indicators measure the nature and the scope of efficiency and effectiveness of the Agency operations. KPIs are as per Recommended Practice Guideline (RPG) on reporting services performance information that assists users of the Financial Statements to assess the Agency services efficiency and effectiveness.

The Annual Action Plan for the financial year 2024/25 has set 34 targets which were spread across all the 7 strategic objectives to be attained by 30 June, 2025. The Implementation of the plan is evaluated on quarterly basis, basing on key performance indicators and its report compiled in semi-annual and annual basis. The assessment of performance includes both financial and non-financial aspects. On average, by 30 June, 2025, 79% of the annual targets were completed and 21% were in progress.

Table 11: The Agency's KPIs and achievements for the period under review

Objective	Strategies	Targets	Annual targets	Key performance indicator	Actual achievement	2024/25 %
Non-Communicable Diseases, HIV and AIDS Infections Reduced and Supportive Services Improved.	Strengthen prevention and management of HIV/ AIDS and NCDs	Two hundred and fifty-three 253 staff sensitized with HIV/AIDS and NCDs Annually by June 2028.	Two hundred and fifty-three 253 staff sensitized with HIV/AIDS and NCDs by June 2025	Number of staff sensitized on HIV/AIDS and NCDs.	326 Staffs attended HIV/AIDS and non-communicable diseases seminars at GPSA HQ and at all regions offices.	100
	Strengthen support to staff LWHIV and NCDs.	Staff living with HIV/AIDS and Non-communicable diseases supported/cared by June 2028	Staff living with HIV/AIDS and Non-communicable diseases supported/cared by June 2025	Number of Staff LWHIV/AIDS and NCDs supported/cared	Budgeted, but no infected employee reported	100
Implementation of National Anti-Corruption Strategy and Action Plan Enhanced and Sustained.	Strengthen capacity to implement NACSAP III and promotion of ethical behaviour and compliance with laws, rules, and regulations governing staff	Awareness on Anti-corruption strategy and good governance conducted to 253 staff by June 2028	Awareness on Anti-corruption strategy and good governance conducted to two hundred and fifty-three253 Agency staff by June 2025	Number of staff attended seminars on Anti-corruption strategy and good governance	No case of corruption has reported; awareness training was conducted to 326 staffs	100
	Ensure good governance, leadership, accountability and transparency	Ten (10) Workers Council, Twenty MAB and Ten management meetings facilitated by June 2028	Two (2) Workers Council, four (4) MAB and two (2) management meetings facilitated by June 2025	Number of meetings facilitated	Two workers council conducted, and three MAB meeting were facilitated for 2024/25.	50

Objective	Strategies	Targets	Annual targets	Key performance indicator	Actual achievement	2024/25 %
Procurement management and contract services improved.	Strengthen stock availability and service delivery	Stock operation manual reviewed and implemented annually by June 2028.	Stock operation manual reviewed and implemented by June 2025	Reviewed Stock operation manual in place.	Stock operation manual was reviewed as planned	100
		Store catalogue reviewed and implemented annually by June 2028	Store catalogue reviewed and implemented annually by June 2025	Reviewed Store catalogue in place.	Store catalogue was prepared	100
	Strengthen clearing and forwarding services	Agency fee from Clearing and Forwarding Consignments efficiently increased from five (5) billion up to ten (10) billion Shillings by June 2028	Agency fee from Clearing and Forwarding Consignments efficiently increased from five (5) billion up to six (6) billion Shillings by June 2025	Percentage increase in Agency fee.	1,598 consignments cleared during the financial year 2024/25 with the value of TZS 1.34 trillion which generated TZS 4.9 billion in Agency fee	100
		Clearing and Forwarding market of three (3) landlocked countries attained by June 2028	Clearing and Forwarding market of three (3) landlocked countries attained by June 2025	Number of landlocked countries served.	Request to visit DRC to attain clearing and forwarding opportunities was issued.	30
		Efficient level in clearing and forwarding services in time increased from eighty-six 86 percent up to ninety-five 95 percent by June 2028	Efficient level in clearing and forwarding services in time increased from eighty-six 86 percent up to eighty seven (87) percent by June 2025	Percentage increase of C&F efficient level	Efficient level of offering clearing and forwarding services on time increased from 93% to 96%	100
	Strengthen procurement process and	Annual procurement plan developed and implemented by June 2028.	Annual procurement plan developed and implemented by June 2025	Procurement plan report in place.	Annual procurement for financial year 2025/26 was prepared, approved and submitted to PPRA as required.	100

Objective	Strategies	Targets	Annual targets	Key performance indicator	Actual achievement	2024/25 %
	Contract management	Percentage of unallocated items and motor vehicles procured direct from manufacturer to increase from forty-two (42) % to eighty (80)% by June 2028.	Percentage of unallocated items and motor vehicles procured direct from manufacturer to increase from 42% to 50% by June 2025	Percentage increase of Unallocated items and procured direct from manufacturer	Agency started to procure fuel through the BPS and photocopy papers from manufacturer	100
		Efficient level in procuring motor vehicles on time increased from seventy (70) percent to hundred (100) percent by June 2028	Efficient level in procuring motor vehicles on time increased from seventy (70) percent to seventy six (76) percent by June 2025	Percentage increase of efficient level in procuring motor vehicles	Efficient level of procuring motor vehicle was increased by 10 percent from 70% to 80% percent	100
		Participant in CUIS with framework agreements increased from fifteen thousand 15,000 to twenty thousand 20,000 by June 2028	Participant in CUIS with framework agreements increased from fifteen thousand (15,000) to sixteen thousand (16,000) by June 2025	Increased number of participants in CUIS with framework agreements.	Tendering process for CUIS for financial year 2024/2025 were conducted through NeST, the Framework Contract module linked with PPRA in new procurement system - NeST.	50
Financial Management and Accountability Improved.	Diversify sources of revenue	Revenue from internal sources increased from twenty-four (24) billion to thirty-seven (37) billion shillings by June, 2028;	Revenue from internal sources increased from twenty-four (24) billion to twenty-six (26) billion shillings by June, 2025	Increase in internally generated revenue.	Revenue from internal sources increased from TZS 31,739,597,000 in 2023/24 to TZS 36,313,471,000 in 2024/2025 which is equivalent to 110%	100
	Strengthen financial control systems	Annual financial reports in compliance with IPSAS accrual basis prepared and submitted to NBAA awards by June, 2028	Annual financial reports in compliance with IPSAS accrual basis prepared and submitted to NBAA awards by June, 2025	Approved annual financial report in place.	Financial statement for financial year 2023/24 prepared and submitted, Audit for financial year 2024/25 is on progress.	100

Objective	Strategies	Targets	Annual targets	Key performance indicator	Actual achievement	2024/25 %
		Accounting manual reviewed periodically and implemented by June 2028	Accounting manual reviewed periodically and implemented by June 2025	Reviewed Accounting manual in place	Accounting manual reviewed	100
		Asset register reviewed and update annually by June 2028	Asset register reviewed and update annually by June 2025	Reviewed and updated Asset Register in place	Agency's Asset Register in place	100
		Internal audit plan prepared and implemented annually by June 2028.	Internal audit plan prepared and implemented annually by June 2025	Approved audit plan in place.	• Four Audit committee meetings were facilitated. • Verification of Management responses for procurement Revenue, Non-Current Assets Allocated Stores, expenditure, ICT, HR, risk management and regional offices audits • Audits were conducted on Expenditure, procurement, revenue collection, stock management for unallocated stores, Human resource Management, Marketing and Communication, Legal Unit Audit, Non-current asset audit, ICT audit and the HQ and the regional offices • Review of Financial Statements for the financial year ended 30th June 2024	100
	Strengthen Planning, Monitoring and Evaluation	Annual plans and budget prepared and implemented by June 2028	Annual plans and budget prepared and implemented by June 2025	Approved annual plans and budget in place	Budget for financial year 2025/26 was prepared and approved	100

Objective	Strategies	Targets	Annual targets	Key performance indicator	Actual achievement	2024/25 %
		Annual Plans and Budget monitored annually by June, 2028	Annual Plans and Budget monitored annually by June, 2025	Monitoring report in place	Annual performance for 2024/25 was prepared and submitted to Ministry of Finance and OTR	100
		Risk and fraud Registers Reviewed and Implemented annually by June 2028	Risk and fraud Registers Reviewed and Implemented annually by June 2025	Reviewed Risk and fraud Registers in place	Risk registers and fraud for financial year 2024/25 was prepared and approved	100
		ISO certification obtained by June 2028	ISO certification obtained by June 2025	ISO certification obtained	ISO awareness to management were conducted and preparation of TOR completed. Next stage is awareness to all Agency staff	70
Information and Communication Technology environment improved	Strengthen ICT governance	Twenty (20) ICT Steering Committee implemented by June 2028	Four (4) ICT Steering Committee implemented by June 2025	Number of ICT steering committee meetings	• Four ICT Steering committee meetings were conducted. • Access Control Policy and Procedures for Emergency Changes have been approved for use.	95
	Strengthen ICT systems	GIMIS integrated with hardware and three (3) other business systems by June, 2028	GIMIS integrated with hardware and three (3) other business systems by June, 2025	Number of integrated hardware and business systems.	• The GIMIS and NeST systems have been integrated. • The GIMIS system continues to be hosted by the e-Government Authority (e-GA), and the e-GA disaster recovery system continues to be implemented in collaboration with the e-Government Authority (e-GA).	95

Objective	Strategies	Targets	Annual targets	Key performance indicator	Actual achievement	2024/25 %
	Strengthen ICT Infrastructure	ICT network and communication infrastructures and security services provided annually by June, 2028	ICT network and communication infrastructures and security services provided annually by June, 2025	Number of networks and communication infrastructures developed, maintained and upgraded	• Deployment has been completed in four regions. These regions are currently connected to the National Fiber Optic Cable and are receiving WAN services through TTCL, which serves as the Internet Service Provider (ISP). • Security services have been provided by installing antivirus programs on computers. Additionally, VPN users were registered under their individual names to ensure the secure identification of system users.	95
Human resources, administration and legal services enhanced	Strengthen capacity building program	Human Resource Plan reviewed and implemented annually by June 2028.	Human Resource Plan reviewed and implemented annually by June 2025	Reviewed Human Resource Plan in place	HR plan in place and operationalized	100
		Comprehensive Training Program Reviewed and Implemented annually by June 2028.	Comprehensive Training Program Reviewed and Implemented annually by June 2025	Reviewed Comprehensive Training Program in place.	326 Staff attended different short courses including Senior Drivers Transport Officers Training, Emerging Youth Leadership Training Program, Preparation for retirement in the Public Service and etc.	100
	Promote conducive working environment and proper land utilization.	Construction, maintenance and land utilization plan reviewed and implemented by June 2028.	Construction, maintenance and land utilization plan reviewed and implemented by June 2025	Reviewed Construction, maintenance and land utilization plan in place	• 4 Construction projects were completed, and 18 renovations project were completed • Construction of chain link fence at Manyara completed	100

Objective	Strategies	Targets	Annual targets	Key performance indicator	Actual achievement	2024/25 %
					• The construction of the Dar es Salaam Regional Office building in the design phase with the consultant.	
		Statutory and administrative services provided by June, 2028	Statutory and administrative services provided by June, 2025	Number of Staff provided with statutory and administrative services	Statutory and Administrative services including Daily Operations of the Agency, Salaries and Allowances were paid. Service and repair of Office equipment, procurement of office furniture facilitated	100
	Strengthen legal advisory mechanism	Agency and related laws reviewed and implemented by June, 2028	Agency and related laws reviewed and implemented by June, 2025	Number of agency related laws reviewed.	Agency participated in review of procurement Act and its regulations	100
		Legal advisory mechanism prepared and implemented by June, 2028	Legal advisory mechanism prepared and implemented by June, 2025	Legal Advisory mechanism on place	Legal Advisory mechanism was prepared	100
Communication and customer relationship management improved	Strengthen public awareness programs	Communication strategy reviewed and implemented by June, 2028	Communication strategy reviewed and implemented by June, 2025	Reviewed communication strategy in place	• Published 2 adverts in the newspaper. • Preparation of the Government calendar for the year 2025 • Preparing and publishing 5 Articles on newspaper. • Prepared 3 Audio and 6 video clips that was shared on social media. • Received 802 feedback on e-Mrejesho Register and customer call centre • Prepared and updated/shared 104 posts on social media pages and website.	100

Objective	Strategies	Targets	Annual targets	Key performance indicator	Actual achievement	2024/25 %
	Strengthen marketing mechanisms	PEs using GPSA services increased from sixty (60) percent to eight (80) percent by June 2028.	PEs using GPSA services increased from sixty (60) percent to eight (80) percent by June 2025	Percentage increase of PEs using GPSA services	• Conducted 8 Market surveys • Participated in 4 National/International exhibitions/ceremony • Sponsorship of launching of the Kariakoo Market 24 hours business operations	100
	Strengthen engagement with customers	Corporate Social Responsibility plan prepared and implemented by June 2028.	Corporate Social Responsibility plan prepared and implemented by June 2025	Corporate Social Responsibility plan in place.	• Donated 1,400 litres of diesel to Kagera, Ruvuma and Geita to facilitate community development projects • Supported and participated in launching Uhuru torch with donation of TZS 5 million • Supported desks to various schools in Singida region	100

2.14 CORPORATE GOVERNANCE MATTERS

GPSA is committed to the principles of effective Corporate Governance across the organisation. This is fostered by undisputed support from the MAB which is committed to the principles of good Corporate Governance.

The Agency operates under the Ministry of Finance and Planning. The governance, control and administration of the Agency are vested in the Management and the Ministerial Advisory Board. The Management takes the overall responsibility for the Agency, which includes the responsibility of identifying key risk areas, considering and monitoring development decisions for significant financial matters and reviewing the performance of Management action plans and budgets. The Management therefore is responsible for ensuring that a comprehensive system of internal controls, policies and procedures is operative and of compliance with sound corporate governance principles.

The MAB meets at least four times a year and has delegated the day-to-day management of the Agency to the Chief Executive Officer who is assisted by the Management Team. The Management Team whenever invited attends MAB meetings and facilitates the effective control of all the Agency's operational activities.

2.15 How GPSA Complies with the Principles and Codes of Best Practice

To ensure existence of good Corporate Governance in GPSA, among others the Agency upholds the following key best practices for good Corporate Governance:

2.15.1 Existence of an Effective Ministerial Advisory Board (MAB)

Executive Agencies Act No. 30 of 1997 and the Executive Agencies (The Government Procurement Services Agency) Establishment, 2007, provides for establishment of a Board that advice the Minister on the direction and performance of the Agency. The effectiveness of the existing Board is exhibited by:

(i) Diversity Composition of the GPSA MAB

The appointment of GPSA Board members is guided by Executive Agencies Act No. 30 of 1997. In this regard, the composition of the Board involves members with different academic discipline. Details regarding membership of the GPSA MAB are provided in **Para 12.2.**

(ii) Clearly Defined Functions of the Board

There is clear distinction between the roles of the GPSA Management and that of the Board. The functions of the Ministerial Advisory Board have been clearly defined in the Executive Agencies Act No. 30 of 1997. In this regard, the Board shall give advice to the Minister on the:

- The development and maintenance of a policy framework
- The objectives of GPSA
- The acceptability of the General Strategic and Business Plans and associated budgets

- Setting of priorities and annual performance targets for the Agency
- The acceptability of the Annual Reports and Financial Statements
- The evaluation of the Agency's performance
- And any other matter provided for under the Executive Agencies Act No. 30 of 1997
- Much other matters affecting GPSA as the Chief Executive Officer may from time to time refer to the Board.

(iii) Existence of Specific MAB Committees

GPSA is operating in a complex and dynamic environment which calls for existence of specific Committees that analyses matters in depth and reports to the Board. Through this, the Board has become more effective in overseeing specific areas of interest. Consequently, give more time to the Board for handling more complex issues in a more efficient manner. The Committees of the GPSA MAB is shown in **Para 12.2.**

(iv) Organizing and Holding Effective MAB and Committee Meetings

Among others, the effectiveness of the Board and its Committees depends on the organisation of their meetings. Thus, the Board Secretary is observing the following key elements when convening the meetings in order to ensure effectiveness of the Board:

(a) Agenda are clearly defined
(b) Complete set of materials to be discussed are sent to Members in advance to enable them to make informed decisions
(c) Advance notifications regarding the meetings are sent to Members
(d) Quorum of the meetings are observed.
(e) Proper recording of the meeting minutes and timely communication of matters arising

2.15.2 Purpose and Strategy

The Agency has clearly articulated its vision and purpose that have been endorsed by the Board. The Vision and Mission of the Agency are indicated in Para 2. Along with this, GPSA has developed five years Corporate Strategic Plan comprising of initiatives that are geared towards attainment of its vision. Details relating to the approved GPSA Corporate Strategic Plan, Strategic Themes and objectives are provided in Para 5. Further, implementation status of the initiative under the 1st Corporate Strategic Plan for the period ended 30 June 2024 is provided in Para 5 while results of key performance indicators are provided in Para 11.

2.15.3 Recognition and Management of Risks

GPSA Management recognises Risk Management as an integral aspect of good Corporate Governance. In this regard, the Management has put in place an appropriate system of risk oversight and internal controls. GPSA has adopted Enterprise-Wide Risk Management system which enables the Agency to deal effectively and efficiently with uncertainties and associated risks. The Management oversee implementation of the system on quarterly basis through its Audit Committee. The adopted Risk Management

System including Agency's Risk Appetite statement are frequently reviewed to ensure the risk tolerances of the Agency are appropriate at all times. Detailed information regarding risk management is provided in Para 9.

2.15.4 Integrity, Transparency and Accountability

The MAB has in place a system whereby:

(a) There is a flow of information to the Board that assists Members to fulfil their role and carry out their responsibilities with integrity and ensure appropriate accountability. Under such system, GPSA Management is obliged to provide various performance reports that aid in assessing financial and non-financial position and performance of GPSA. The reports are provided on quarterly basis through Committees of the Board.

(b) The integrity of Financial Statements and other key information is safeguarded. The MAB is achieving this through the existence of Internal Audit Unit that is guided by Internal Audit Charter and international auditing standards. The Unit reviews operations including the Financial Statements and advises GPSA Management and the Audit Committee accordingly. Also, Financial Statements and other key information are subjected to an independent external auditing through the office of the Controller and Auditor General. The Audit Committee is responsible for overseeing the system for safeguarding the integrity of Financial Statements.

(c) There is transparency and accountability to Stakeholders. This is achieved through existence of Client Service Charter. The Charter clearly sets out the respective rights and obligations and spells out the service standards that GPSA will observe when dealing with PEs and other stakeholders. Further, the Agency has developed and implement a Comprehensive Communication and Marketing Strategy. The strategy ensures in-depth availability of information through all GPSA communication channels and outreach programs in line with stakeholders' needs.

(d) There are integrated tools for promoting staff and corporate integrity. These include:

(i) GPSA Code of Ethics - this helps GPSA employees to understand the right and wrong conducts and behaviour in their day-to-day decisions and actions.

(ii) GPSA Anti-Corruption Policy - this declares zero-tolerance to corruption. It enhances compliance to all laws, regulations and guidelines and maintenance of honest staff in all functional areas. The policy promotes internal controls and involvement of external stakeholders in the fight against corruption.

(iii) Ethics Committees - these are responsible for enhancement of staff compliance to laws, regulations and the Code of Ethics; oversee implementation of the Agency's Anti-Corruption Strategy and Action Plan; devise an effective complaint handling mechanism for integrity related cases as well as advising Management on proactive and reactive ethics and anti-corruption initiatives that will help the Agency to attain the desired level of ethical compliance.

(iv) Whistle Blowing Mechanism - This is a strategic tool that involves GPSA stakeholders in the fight against corruption, fraud, embezzlement and other malpractices. Stakeholders lodge their integrity related concerns through available reporting avenues (letters, emails, physical contacts, telephone, mobile and text messages). The Agency protects whistle blowers by treating the reported information in a highly confidential manner.

2.16 The Ministerial Advisory Board (MAB)

GPSA is an Executive Agency which inter-alia operates within the framework of the Executive Agencies Act, Cap 245 and the Executive Agencies (Government Procurement Services Agency) Establishment Order, 2007. The Ministerial Advisory Board (MAB) was established under this Act. MAB members including the Chairperson are appointed by the Minister responsible for Finance. The main role of MAB is to advise the Minister on strategic and operational performance of GPSA.

The Chairman and other Members of MAB serve for a tenure of three years and are eligible for re-appointment. Currently, there are six members who have been appointed and the Chief Executive Officer (CEO) of GPSA serves as the Secretary to the MAB. The current composition of MAB is as follows:

Table 12: Members and Secretary of the Agency Ministerial Advisory Board as at 30 June, 2025

S/N	Name	Age	Gender	Position	Qualification	Appointment/ Resignation	Nationality
1	Ms. Dorothy Stanley Mwanyika	65	F	Chairman	MSc. Agricultural Economics, B.A. Economics	31/3/2025 - 30/3/2028	Tanzanian
2	Eng. Japhet Yared Massele	68	M	Member	Bachelor of Science Degree in Mechanical Engineering	05/02/2024- 04/02/2027	Tanzanian
3	Dr. Mussa Budeba	48	M	Member	PhD (Mining), Master of Engineering, BSc. Engineering	05/02/2024- 04/02/2027	Tanzanian
4	Dr. Mnaku Honest Maganya	44	M	Member	PhD (Economics)	05/02/2024- 04/02/2027	Tanzanian
5	CPA Dickson Kaambwa Austin	43	M	Member	MSc. (Accounting and Finance)	05/02/2024- 04/02/2027	Tanzanian
6	Ms. Zawadi Maginga	51	F	Member	Master of Laws, LLB	05/02/2024- 04/02/2027	Tanzanian
7	Prof. Geraldine A. Rasheli	52	F	Secretary	PhD, MSc. Economics, MSc. PSCM, CPSP, Advanced Dip. in Materials Management, Dip. in Ed.	01/07/2023 - 30/06/2028	Tanzanian

Key: F = Female, M = Male

The functions of the MAB are to advice the Minister on the following;

(i) The development and maintenance of a strategic framework of the Agency;
(ii) The objectives of the Agency;
(iii) The acceptability of the Chief Executive's plans and associated budgets;
(iv) The setting of priorities and annual performance targets for the Agency;
(v) The Agency's annual reports and accounts; and
(vi) The evaluation of the Agency's performance.

During the year, no conflict of interest existed between the MAB and the Agency. The MAB planned to conduct four (4) meetings and during the year ended 30 June 2025, the Board held three (3) meetings. In this meeting the following important matters were deliberated.

(a) Review and discuss on the fourth quarter implementation report of Agency's functions for financial year 2024/25;
(b) Review and discuss on the fourth quarter internal audit report for financial year 2024/25;
(c) Review and discuss on implementation of Annual Procurement Plan for financial year 2023/24 and Annual Procurement Plan for financial year 2024/25;
(d) Review and discuss on the fourth quarter implementation of risks management for financial year 2024/25;
(e) Review and discuss on the implementation report for constructions of CNG station;
(f) Review and discuss on the first quarter implementation report of Agency's functions for financial year 2024/25;
(g) Review and discuss on the first quarter implementation report for Communication and Marketing for financial year 2024/25;
(h) Review and discuss on the second quarter implementation report of Agency's functions for financial year 2024/25;
(i) Review and discuss on the proposed budget for financial year 2025/26;
(j) Review and discuss on the second quarter implementation of Annual Procurement Plan for financial year 2024/25;
(k) Review and discuss on the second quarter implementation of risks management for financial year 2024/25;
(l) Review and discuss on the second quarter implementation report for ICT for financial year 2024/25; and
(m) Review and discuss on the first quarter implementation report for Communication and Marketing for financial year 2024/25.

The attendance of the MAB Members from 1st July 2024 to 30 June 2025 is as shown in Table 13:

Table 13: Attendance of the MAB Members and Secretary from 1st July 2024 to 30 June 2025

S/N	Name	Meetings		
		04/10/2024	06/12/2024	28/03/2025
1.	Ms. Dorothy Stanley Mwanyika	P	P	P
2.	Eng. Japhet Yared Maselle	P	P	P
3.	Dr. Mussa Budeba	A	P	A
4.	Dr. Mnaku Honest Maganya	P	P	P
5.	Mr. Dickson Kaambwa Austin	P	P	P
6.	Ms. Zawadi Maginga	A	A	P
7.	Prof. Geraldine A. Rasheli	P	P	P

KEY: P=Present; A=Absent with apology

2.17 The Agency committees

The agency is operating in a complex and dynamic environment which calls for existence of specific Committees that analyse matters in depth and reports to the Chief Executive Officer. Through this, the CEO has become more effective in overseeing specific areas of interest. Consequently, give more time to the CEO for handling more complex issues in a more efficient manner. In the execution of its policy and decision-making roles, the Agency is assisted by various technical committees. These include the Audit Committee, Tender Board, Staff Development Committee, Goods inspection and Acceptance and Management Committee.

2.17.1 Audit committee

The Agency has its Audit Committee appointed by the Chief Executive Officer as mandated by Section 31(1) of the Public Finance Act No. 6 of 2001 (revised 2020) and its Public Finance (Amendment) Regulations, 2022 and one senior member is appointed by the Permanent Secretary Treasury from outside the Agency. The Committee has the objective of enhancing internal controls by assisting the CEO to fulfil stewardship, leadership and control in managing the Agency's resources. The Audit Committee also assists the CEO in fulfilling its oversight responsibilities on risk management, financial reporting process, system of internal control, audit process and the Agency's process for monitoring compliance with laws and regulations.

The Agency Audit Committee reviews significant accounting policies and financial reporting systems to ensure that they are adequate and always are complied at all times. The committee also reviews adequacy of internal control systems and monitors implementation of actions to address issues raised by internal and external auditors. The committee consists of four members; two members from the Agency and two independent members.

The Agency Audit Committee's functions as enumerated in the Public Finance Regulations, 2001 as amended in 2022 are to:

(i) Approve the Annual risk-based internal audit plans;
(ii) Review all internal and external audit reports involving matters of concern to Chief Executive Officer of the Agency, including the identification and dissemination of good practices;
(iii) Provide advice to the Chief Executive Officer on action to be taken on matters of concern raised in a report of the internal auditor or in a report of the Controller and Auditor General concerning the Agency;
(iv) Receive feedback from the Chief Internal Auditor on the internal audit activity's performance relative to its plan and other matters including internal audit report;
(v) Provide advice to the Chief Internal Auditor on the preparation and review of financial statements of the Agency; and
(vi) Prepare an annual report on its functions, copies of which shall be sent to the Permanent Secretary, the Accountant-General and the Controller and Auditor General

The Chief Internal Auditor functionally reports to the committee. The following were members of the Audit Committee who served the Agency during the year under review:

Table 14: Members and Secretary of the Audit Committee as at 30 June, 2025

S/N	Name	Position	Nationality	Qualification	Appointment/ Resignation
1.	CPA Richard Masini	Chairperson	Tanzanian	CPA (T), MSc. Accounting and Finance	26/01/2024-25/01/2027
2.	Ms. Rustica Sanga	Member	Tanzanian	MBA-Procurement	03/08/2022 - 03/08/2025
3.	Ms. Mussanga Etimba	Member	Tanzanian	MPhil in Public Adm, PGD in International Trade Law	03/08/2022-03/08/2025
4.	Prof. Joseph Itika	Member	Tanzania	ADPA, MSc., PhD	26/07/2023-25/07/2025
5.	CPA Mussa Mnkande	Member	Tanzania	MFA - Oil and Gas, CPA (T), Diploma in IPSAS	04/04/2023 - 03/08/2025
6.	Mr. Erasto Raphael	Secretary	Tanzanian	MBA in Information Technology Management	03/8/2022-30/08/2025

During the year under review, the Committee planned to conduct four meetings. As at 30 June, 2025, the Committee held a total of four (4) ordinary meetings. The meetings convened, deliberated, reviewed, and approved and recommended to the CEO and the MAB the following:

(i) The Agency's Financial Statements for the year 2023/24;
(ii) Quarterly Internal Audit reports for the financial year 2024/25;
(iii) Annual Internal Audit Report for the Financial year 2024/25;

(iv) Annual Internal Audit Plan for financial year 2024/25.

Also, during the period under review, the Committee monitored internal control systems through discussions with Management, review of internal audit reports which focused on areas of greatest risks and review of external audit reports as part of year-end audits all of which highlighted key areas of control weaknesses. All weaknesses identified were discussed with Management and appropriate corrective action plans were put in place and implementation for the same.

Table 15: Attendance of the Audit Committee Members and secretary from 1st July 2024 to 30 June 2025

S/N	Name	Ordinary Meetings			
		1st	2nd	3rd	4th
		23/08/2024	26/11/2024	24/03/2025	23/06/2025
1.	CPA Richard Masini	P	P	P	P
2.	Ms. Rustica Sanga	P	P	A	P
3.	Ms. Mussanga Etimba	A	P	P	P
4.	Prof. Joseph Itika	P	A	P	P
5.	CPA Mussa Mnkande	P	P	P	P
6.	Mr. Erasto Raphael	P	P	P	P

KEY: P=Present; A=Absent with apology

2.17.2 Tender Board (TB)

The Agency has its Tender Board for facilitation in the tendering process and contract documents; approving procurement and disposal by tender procedures; ensuring that the best practice in relation to procurement and disposal by tender are strictly adhered by the Agency; and ensuring compliance with the Public Procurement Act CAP 410 2023 and Procurement Regulations 2024. The members of the Tender Board are appointed by the Chief Executive Officer pursuant to Para 1-3 of the Second Schedule of the Public Procurement Act 2023.

The principal functions of the Agency Tender Board as stipulated in Section 34 of the Public Procurement Act CAP 410 are to:

(a) Deliberate on the recommendations from the Procurement Management Unit and approve award of contracts;
(b) Review all applications for variations, addenda or amendments to ongoing contracts;
(c) Approve tender documents;
(d) Approve procurement, supply and disposal of assets subject to the prescribed threshold; and
(e) Ensure that best practices in relation to procurement and disposal are strictly adhered by procuring entity.

Members of the Tender Board who served the Agency during the year under review are shown in Table 16: -

Table 16: Members of the Tender Board as at 30 June, 2025

S/N	Name	Position	Nationality	Qualification	Appointment
1	Mr. Salum Masenga	Chairman	Tanzanian	MBA Project Management, BA Economics	20/03/2025 - 19/03/2028
2	Mr. Emmanuel Msongole	Member	Tanzanian	Masters of Procurement and Supply Chain, CPSP, Bachelor of Procurement and Material Management	20/03/2025 - 19/03/2028
3	Mr. Mwakiselu Mwambange	Member	Tanzanian	MA IB, CPSP, Bachelor of Procurement and Supplies Management	12/11/2024 - 11/11/2027
4	Mr. Benson Andy	Member	Tanzanian	CPA, PGD in Accountancy, ADGA	03/08/2022 - 02/08/2025
5	Mr. Jimmy Abraham	Member	Tanzanian	BA PCM, CPSP, MSc IT	08/09/2023 - 07/09/2026
6	Mr. Azizi Rashid	Member	Tanzanian	CPSP, ADPSM	08/09/2023 - 07/09/2026
7	Mr. Presley Muro	Member	Tanzanian	CPSP, ADPS, MBA (Marketing)	15/08/2022 - 14/08/2025
8	Ms. Liipu N.Rweyemamu	Secretary	Tanzania	MBA IB, CPSP, Advanced Diploma in Materials Management (ADMA)	12/10/2018

During the year under review, the Tender Board (TB) planned to convene four (4) meetings. As at 30 June, 2025, the TB held three (3) ordinary meetings. The meetings convened, deliberated and recommended the approval of the following:

(i) Tender documents for executed tenders in the Annual Procurement Plan 2024/25
(ii) Annual Procurement Plan for the financial year 2025/26; and
(iii) Procurement Implementation Report for the financial year 2024/25.

Table 17: Attendance of the Tender Board Members from 1st July 2024 to 30 June 2025

S/N	Name	Ordinary Meetings		
		1st	2nd	3rd
		29/11/2024	03/03/2025	30/06/2025
1	Mr. Salum Masenga	P	P	P
2	Mr. Benson Andy	P	P	P
3	Mr. Jimmy Abraham	A	P	A
4	Mr. Azizi Rashid	P	P	P
5	Mr. Presley Muro	P	A	P
6	Mr. Mwakiselu Mwambange	P	P	P
7	Mr. Emmanuel Msongole	A	A	P
8	Ms. Liipu N. Rweyemamu	P	P	P

KEY: P=Present; A=Absent with apology

2.17.3 Special Appointment Committee

The Special Appointment Committee advises the Chief Executive Officer on staff recruitment, promotion, re-categorization, and other policy and strategic matters related to human resource management at the Agency. The Committee is composed of 5 members and secretary.

The following members and secretary of the Special Appointment Committee served the Agency during the year under review: -

Table 18: Members and Secretary of the Special Appointment Committee as at 30 June, 2025

S/N	Name	Position	Nationality	Qualification	Appointment/ Resignation
1.	Ms. Eliachanasaa J. Nassari	Chairman	Tanzanian	ADPSM, MBA & CPSP	01/7/2022 - 30/6/2024
2.	Mr. Zacharia N. Japhet	Member	Tanzanian	Dip. Freight, Clearing & Forwarding	01/7/2022 - 30/6/2024
3.	Benson A. Mwamkinga	Member	Tanzanian	ADV DPL GA, MSc. Finance & Investment, CPA	01/7/2022 - 30/6/2024
4.	Ms. Safinael R. Kapempa	Member	Tanzanian	Cert RM, DIPL PSM, BA PLM	01/7/2022 - 30/6/2024
5	Mr. Muhochi F. Mweka	Member	Tanzanian	BA PA, MSc. HRM	01/7/2022 - 30/6/2024
6.	Ms. Musanga M. Etimba	Secretary	Tanzanian	ADPA, MPPA	01/7/2022 - 30/6/2024

During the year under review, the Committee held a total of two (2) meetings in which it deliberated and recommended to the Agency for approval the following:

(i) Confirmation and Promotion of staff and

(ii) Staff re-categorization

Table 19: Attendance of the Special Appointment Committee Members and Secretary from 1st July 2024 to 30 June 2025

S/N	Name	Meetings	
		04/10/2024	10/05/2025
1.	Ms. Eliachanasaa J. Nassari	P	P
2.	Mr. Zacharia N. Japhet	P	P
3.	Ms. Sara Ilomo	P	P
4	Benson A. Mwamkinga	P	P
5.	Ms. Safinael R. Kapempa	P	P
6	Mr. Muhochi F. Mweka	P	P
7	Ms. Musanga M. Etimba	P	P

KEY: P= Present; A=Absent with apology

2.18 Environmental scanning of GPSA

During the period under review, the Agency analysed its operating environment through existing documentations (literature review) and brainstorming sessions. In executing its statutory role, GPSA interacts with a number of stakeholders both internal and external. These stakeholders include Central and Local Government Authorities, Development Partners, Ministerial Advisory Board, GPSA employees etc.

In order to assess GPSA capabilities in delivering its services, a SWOT analysis is important. This strategic planning framework was used to determine/evaluate the enterprise environmental factors (EEF) that could impact the organization and its operations. Strengths and weaknesses were determined to assess/evaluate the internal factors which affect the Agency's ability to deliver mandated functions as an organization. Opportunities and threats which are external factors impact the organization indirectly. To that end, the Agency has conducted internal and external assessment of key factors that affect GPSA operating environment as follows:

i) Strength

GPSA possesses a number of internal capabilities. Such capabilities include; Good governance structure and systems; Strong five years Strategic Plan which provides strategic direction for the Agency; documented and standardized processes; availability of qualified and competent staff; existence of offices countrywide which provides assured services to stakeholders; and existence of automated systems and secured working environment.

ii) Challenges that influenced the Agency's service delivery

Despite the above-mentioned strengths, GPSA has internal weaknesses. During the period under review, the Agency experienced a series of obstacles and constraints which intensively affected the smooth implementation of its planned targets. Some of the recorded setbacks are as follows:

(a) Non-payment of debts by some procuring entities affects activities;
(b) Some of Public Institutions do not procure catalogue items available at GPSA. They procure from other suppliers hence affect the Agency revenue trend and ultimately decrease the Agency's ability to perform its function;
(c) Inadequate working facilities and environment (old and obsolete building) hence affecting staff performance;
(d) Insufficient transport facilities to make stock available on time in the Regional Offices; and

GPSA shall make use of the strengths such as committed leadership to enforce control and monitor attainment of the Agency vision and strategic objectives. Explore the advancement of ICT services and support from Government leadership including technical support for capacity building in ICT services to ensure that GPSA has a robust integrated system and improved ICT services. However, the following interventions were taken for future improvements:

i) To procure working facilities and undertake a comprehensive plan on ensuring new offices to replace old and obsolete buildings.
ii) Public Procurement Regulatory Agency audits are required to address procuring entities not complying with Public Procurement Act and Regulations.
iii) Agency has a plan to procure at least two vehicles of transporting stock items at every financial year.
iv) To search new sources for supplying stock items and motor vehicles to cover the existing shortage

iii) Opportunities

GPSA enjoys undisputable support from government leadership, advancement of ICT Services and e-commerce and operationalization of the GPSA Integrated Management Information System (GIMIS). Implementation of all these measures will improve business environment and eventually lead into growth of business and investment that will contribute towards expansion of the Agency business operations.

iv) Threats

The threats that the Agency must mitigate to leverage its performance include collusion by suppliers to create shortage of supplies through hoarding and price shifting, existence of substandard goods and counterfeit goods in the market, evaporation loss, insufficient resources to undertake planned activities, and political interference.

GPSA shall make use of the strengths such as availability of qualified and competent staff to deal with those issues. The existence of offices countrywide provides an avenue to reach out for the majority of stakeholders and increase revenue collection. Strong and committed leadership will fast-track development of robust integrated system and shaping of synergies among departments. Strong and committed leadership will assist GPSA in mobilization of adequate resources to undertake operations.

Building staff capacity and establishment of a well-defined process will systematically deal with change management dynamics within the Agency. Other ICT challenges will be addressed by enhancing early operationalization of the GPSA Integrated Management Information System (GIMIS), the system developed by e-Government Agency to manage core business function that are inventory and warehouse, bulk procurement of Government vehicles, and clearing and forwarding of consignment and billing of service fee for the Agency.

2.19 Employee's welfare

2.19.1 Management and employee's relationship

The Agency workforce during the year 2024/25 stood at 394 employees where by 273 were on permanent and pensionable terms and 121 employees were on contract and temporary terms. In year 2024/25, there has been continued good relationship between Employees and the Management. GPSA has staff regulations, which elaborate procedures for solving grievances of employees. It clearly elaborates system of handling disciplinary cases and resolving grievances of employees through their immediate supervisors to the highest level. An employee who is discontented, has to discussing the matter with his/her immediate supervisor first before going up the ladder. Also, a healthy relationship continues to exist between Management and Workers Trade Union in this respect TUGHE.

Table 20: Number of Staff by job type at GPSA as at 30 June, 2025

Job Type	Male	Female	Total
Permanent	159	114	273
Contract	82	39	121
Total	239	152	394

2.19.2 Employee benefit plan

All GPSA employees regardless of their terms of services are members of Public Services Social Security Fund (PSSSF) and the Agency contributes to this defined contribution plan and pays pension contributions to Public Service Social Security Fund (PSSSF).

2.19.3 Training

GPSA recognises that human capital is the most important resource and as such it is committed to the training, development and education of its workforce. This is achieved through cost effective programmes aiming at providing relevant skills, knowledge and attitude or behaviour necessary to reach their full potential. The Agency believes that in doing so it will be able to produce highly qualified, confident, professional, and competent staff working as an effective and productive team. Consequently, this will enhance effectiveness and efficiency in service delivery. The Agency has a Staff Development and Training Programme which ensures that in each year at least 30% of all employees attend either short-term or long-term training to build capacity and improve employee's performance. During the year under review, 268 staff attended short term training on various themes costing TZS 287,816,293.00 as shown on the table below. No staff attended long term training.

Table 21: Number of Staff Attended Various Courses as at 30 June, 2025

S/N	Course Theme	Number of staff attended
1	Training on Disciplinary Procedures on Public Service	5
2	Drivers Skills and Safety awareness	29
3	Public Procurement Act 2023 and its Regulations 2024	16
4	Procurement Forum	6

S/N	Course Theme	Number of staff attended
5	Risk Management	33
6	ISO Certification	58
7	Procurement and Supply Professionals Annual Conference	7
8	Appeal and Complains in Public Service	2
9	African Congress of Accountants (ACOA)	5
10	African Cooperate Governance Conference	4
11	Review on Financial Statements	3
12	Induction Course to New Employees	17
Total		185

2.19.4 Financial assistance to staff

Financial assistance is available to employees through various schemes such as credit society to members of the GPSA SACCOS, GPSA Credit and Cooperative Society Ltd. Also, the Agency has signed agreements with financial institutions that provide loans to GPSA staff. Under these arrangements, the Agency guarantees to remit monthly staff salaries to the financial institutions where the staff maintain bank accounts or to recover the agreed instalment from staff salaries and remit the same to respective financial institution depending on the employee's ability to pay. However, in rare cases the Accounting Officer provides financial assistance to employees in short term credit bases.

2.19.5 Transport assistance

The Agency has developed a motor vehicle and cycle loan policy with the intention of extending loan to its eligible staff in order to solve transportation problems and minimize operating costs. Transport allowance is also paid to employees to subsidize transportation costs to and from working stations. At the same time all contract staff are provided with transport allowance at the start of every month.

2.19.6 Persons with disability

It is the policy of the Agency not to discriminate persons with disability in recruitment. Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. Disabled employees have been considered and a friendly working environment and facilities have been provided to them. The Agency provides fuel allowance to one disabled employee by taking her to the office and returning her back after work.

In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Agency continues, and appropriate training is arranged. It is the policy of the Agency that training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

2.19.7 Gender parity

The Agency 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, that does not impair ability to discharge duties. Further to that the Agency has a Gender Policy to ensure that there is gender equity to employees with different needs.

As at 30 June 2025 and 2024, the Agency had the following distribution of employees by gender.

Gender	30.06.2025	%	30.06.2024	%
Male	241	61	239	61
Female	153	39	152	39
Total	**394**	**100**	**391**	**100**

Source: GPSA Human Resources and Administration Section

Further, out of 394 staff, 43 staff are in decision making position (from Chief Executive Officer to Managers), 26 staff equivalent to 60% are males and 17 staff (40%) are females. The number of staff in decision making position includes staff with substantive posts and those in acting capacity. The following table indicates staff distribution in managerial position by gender.

Table 22: Staff in Managerial Position by Gender as at 30 June 2025

S/N	Position	Female	Male	Total	%
1.	CEO	1	0	1	2
2.	Directors	2	1	3	7
3.	Heads of Units	1	4	5	12
4.	Managers	13	21	34	79
Total		17	26	43	100
Percent		37	63	100	

Distribution of GPSA Management as at 30 June 2025 by age is as shown in the table below. The distribution indicates that more than 60% of managerial staff (including with substantive posts and those in acting capacity) are aged 50 years or younger. Thus, GPSA is implementing a comprehensive succession planning program. The program is focusing on identification and development of a talent pool from internal staff with potential to fill key managerial positions in the organization.

Table 23: Distribution of GPSA Managerial Staff by Age as at 30 June 2025

S/N	Position	Below 41 years	41 - 50 years	Above 50 years	Total	%
1.	CEO	0	0	1	1	2
2.	Directors	1	1	1	3	7
3.	Heads of Units	2	2	1	5	12
4.	Managers	9	15	10	34	79
	Total	12	18	13	43	100
Percent		28	42	30	100	

2.19.8 Medical Assistance

The Agency staff are members of the National Health Insurance Fund (NHIF), and medical services are provided through the fund. The Agency also has extended health insurance to its staff to cover supplementary NHIF services where specialized treatments and benefits offered under the national health insurance framework goes beyond basic outpatient and inpatient care.

2.19.9 Cross-cutting issues -HIV & AIDS infection and non-communicable diseases

The Agency recognizes the seriousness of the HIV & AIDS epidemic and non-communicable diseases and their negative impact on the capacity to realize Agency's Vision and Mission. During the year under review, the Agency conducted awareness seminar on HIV&AIDS infections and preventive measures on non-communicable diseases including voluntary testing.

2.19.10 Health and safety

The Agency has to ensure that a strong culture of safety prevails at all times. A safe working environment for all employees is ensured and incidences are attended on case basis by the Agency. The Agency is registered by Occupational Safety and Health Agency (OSHA).

2.19.11 Related party disclosure

The related party reported in the Financial Statements is the remuneration of the Key Management Personnel. The key management personnel for the Agency (as defined in IPSAS 20 Related Party Disclosures) are MAB Members, Agency Top Management, Head of Sections and Regional Managers.

Related party transactions and balances relating to Agency's normal operations during the period are provided in Note 44 to the Financial Statements for the period ended 30 June 2025. On the other hand, list of transactions with other government entities and balances relating to Agency's stewardship role of bulk procurement of motor vehicles and clearing and forwarding on behalf of the Government institutions during the period are disclosed in Note 52 to the Financial Statements for the period ended 30 June 2025.

The disclosure reported in the financial statements is in relation to those members. During the year ended 30 June, 2025 a total of TZS 3,296,963,066 was paid to Key Management Personnel.

2.20 The Residual Value of the Agency Assets

The estimated useful lives, impairment and residual values of Property, Plant and equipment are reviewed annually and are in line with the rates at which they are depreciated, pursuant to IPSAS 17.67 and the Public Finance (Management of Public property) Regulations, 2024. In the financial year 2024/25, the Management reviewed the residual value and useful life of the assets to establish if there is any economic benefit to remain or to held for condemnation. The Management agreed that the Agency assets are in good condition.

2.21 Accounting Policies

The accounting policies used in the preparation of these financial statements have been disclosed in Note 2 - 13 of the financial statements. The Agency financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSASs) under Accrual basis as issued by International Public Sector Accounting Standards Board (IPSAB) and the requirements of the:

(i) The provision of Section 30 (2) of the Public Finance Act, Cap 348 (R.E 2020);
(ii) Public Procurement Act CAP.410 of 2023 and its Regulations, 2024;
(iii) Treasury Circulars and Guidelines issued from time to time; and
(iv) Tanzania Financial Reporting Standard No. 1 - *The Report by Those Charged with Governance* which became operative for financial statements covering accounting periods beginning on or after 1 January 2021.

All these policies are considered to be critical to an understanding of the performance and financial position of the Agency.

2.22 Treasury Circular and Objectives

The Agency has been applying all Treasury Circulars and Guidelines issued from time to time in the preparation of the financial statements for the year under review. The purpose of Treasury Circulars issued is to improve the understanding of the prepared financial statements to the users and to ensure the applicability of International Public Sector Accounting Standards under Accrual basis.

2.23 Risk Management and internal financial control

The Management accepts final responsibility for the risk management and internal control systems of the Agency. It is the task of the Management to ensure that adequate internal financial and operational control systems are developed and maintained on a going concern basis in order to provide reasonable assurance regarding to: -

(a) The effectiveness and efficiency of operations;
(b) The safeguarding of the Agency's assets;
(c) Compliance with applicable laws and regulations;
(d) The reliability of accounting records;
(e) Business sustainability under normal as well as adverse conditions; and
(f) Responsible behaviour towards all stakeholders.

Members of the Management team are responsible for the Agency's system of internal financial controls. Whilst no system of internal control can provide absolute assurance against material misstatement or loss, the Agency's internal control system is designed to provide the Agency with reasonable assurance that the procedures in place are operating effectively. The key elements of the system of internal control include:-

(a) Delegation

The overall financial objectives of the Agency are approved by the Ministerial Advisory Board. The day-to-day operations of the Agency are executed by the Management. There is a clear organizational structure detailing different lines of Agency.

(b) Budgets

Detailed annual budgets are prepared by the Management and forwarded to the Ministry of Finance and Planning in accordance with the provisions governing the Medium-Term Expenditure Framework (MTEF) for review. GPSA uses Activity Based Budgeting approach with an extensive planning and governance process focused on the Strategic Plan to determine its operational and capital requirements. Detailed annual budgets are prepared by the Management for review and approval by the MAB. Quarterly budget performance reports are prepared and evaluated by Management and submitted to the MAB to monitor actual performance against budgets. The annual budget is derived from the Agency's Strategic Plan.

(c) Competence

Staff skills are maintained both by a formal recruitment process and a performance appraisal system, which identifies training needs. Also, necessary training, both in house and externally helps to consolidate existing staff skills and competences.

(d) Risk and internal control assessment

The Agency Management is obliged to establish and maintain an effective system of internal control. The Audit Committee continues to oversee these controls and reviews the effectiveness of the system as a whole. The performance of the Agency internal control system is being assessed through continuous monitoring activities done by the Internal Audit Unit. Risk assessment is being carried out for the purpose of determining how identified risks can be mitigated so that the Agency objectives can be achieved through the implementation of the Strategic Plan (2023/2024 - 2027/28).

(e) Safeguarding of the Agency's assets

The Chief Executive Officer is responsible for safeguarding the assets of the Agency. Safeguarding assets includes the methods of protecting and maintaining the Agency's daily operations. The Public Finance (Management of Public Property) Regulations, 2024 has provided for the methods of safeguarding the Agency's assets.

(f) Reliability of Accounting Records

The Agency has employed skilled and competent staff in the Business Support Service Division and Internal Audit Unit; and has in place, a computerized accounting system (MUSE). Accordingly, proper books of accounts have been maintained and the financial statements are prepared and presented in compliance with the International Public Sector Accounting Standards (IPSAS).

(g) Other Policies and Regulations

The Agency has in place various policies and regulations including Financial Regulations, Procurement Manual, Accounting and Stores Manual, Clients' Service Charter, Staff Rules and Regulations and the Schemes of Service. These policies were prepared in order to strengthen the internal controls and hence, promote efficiency within the Agency's operations.

(h) Compliance with laws and regulations

The principal functions and operations of the Agency are governed by the Executive Agencies Act No. 30 of 1977 vide GN 235 of 7th December 2007 as amended as per GN 133 of 13th April 2012. The Chief Executive confirms that the activities and operations of the Agency were conducted in accordance with the laws and that there was no non-compliance with other applicable laws and regulations that would have material impact on the Agency's Financial Statements for the year ended 30 June 2025.

2.24 Ultimate owner/ shareholder of the Agency

Agency wholly (100%) owned by the Government of Tanzania through the Treasury Registrar.

2.25 Surplus and reserves

The surplus and reserves of the Agency are not available for distribution. Such surplus and reserves, whenever they are available, are exclusively and wholly used for financing future development and infrastructure of the Agency.

2.26 Corporate social responsibility

The Agency upholds good corporate social responsibility practices. It identifies itself with the community that it works with and maintains good working harmony. The level of responsibility is dependent on the nature of operations within the vicinity.

2.27 Fight Against Corruption

The Agency Management is committed to fighting corruption. Among measures instituted to curb corruption, recruitment of employees is done competitively by advertising in newspapers and in accordance with the provisions of the Public Service Act of 2002 and the Public Services Regulations of 2003. Procurement is done in accordance with the requirements of the Public Procurement Act, 2023 and its Regulations of 2024 (as amended in 2016) and Public Finance Act, 2001 (revised 2020).

2.28 Environmental control programme

The Agency has statutory obligation to adhere to environmental management Act of 2004, where it has both legal and constructive obligations to make good on any environment clean. For the year under review no default claims were instituted against the Agency as a result of environmental destruction acts.

2.29 Serious prejudicial matters

During the year ended 30 June, 2025, there were no prejudicial issues to report as required by Tanzania Financial Reporting Standard No. 1 - The Report by Those Charged with Governance. (2023/24: None)

2.30 Political and charitable donations

The Agency did not make any political donations during the year ended 30 June 2024. Donations were made to institutions and charitable organizations to acknowledge the Agency's responsibility to societal needs.

2.31 Critical accounting policies and judgements

Results of the Agency are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of the financial statements. When preparing the financial statements, it is the Management's responsibility under the Executive Agencies Act No. 30 of 1997 as amended to select suitable accounting policies and to make judgments and estimates that are reasonable and prudent. The accounting policies that are deemed critical to our results and financial position, in terms of the materiality of the items to which the policies are applied and the high degree of judgment involved, including the use of assumptions and estimation, are described in Note 7 and Note 8 of these Financial Statements.

2.32 Capital management

No changes were made in the objectives, policies or processes during the years ended 30 June 2024 and 30 June 2025 respectively.

2.33 Statement of compliance

In performing the activities of the Agency, various laws and regulations having the impact on the Agency's operations were observed. Moreover, this report has been prepared in full compliance with the Tanzania Financial Reporting Standard No. 1 requirements - The Report by Those Charged with Governance.

2.34 DISABLED PERSONS

Over the years, GPSA has remained committed to making the Agency a better place for all employees. Founded on the Constitution of the United Republic of Tanzania numerous policies, directives and initiatives are aimed at empowering public servants with disabilities through employment, training, and skills development. This includes providing assistive devices as well as protecting and promoting their rights in the Agency. The Government remains committed to the targets set in the attainment of a 3% target for every employer with a workforce of twenty and above to employ people with disability as stipulated in section 31(2) of the Persons with Disability Act No 9 of 2010.

The Policy defines disability as the loss or limitation of opportunities to take part in the normal life of the community or on an equal level with others due to temporary or permanent physical, mental or social barriers. Such a loss or limitation could be aggravated by the community's perception of disabled people.

The Policy provides guidelines and frameworks to attract top talent and drive innovative results. It will attract different experiences and perspectives to foster the innovation needed by an increasingly diverse Authority client base. It will help to improve employment opportunities, eliminate all forms of discrimination and enable people with disability to live dignified lives including participating in all economic activities in the Authority. It gives a clear vision that acts as a guide for disability inclusion in all processes, policies, procedures and practices so that all public servants in the Authority are assured of equal rights and opportunities. The Policy statements describe that:

(i) GPSA will foster, cultivate and preserve a culture of respect for public servants with disability by embracing and encouraging an inclusive workforce in terms of types of disabilities that make its human resources unique.
(ii) GPSA shall adopt measures aimed at facilitating the realization of the legal requirements of the Public Service Management and Recruitment Policy 2008 as well as Disability Act No. 9 of 2010 to ensure inclusive employment in the institution.
(iii) GPSA shall take measures to ensure that all new GPSA buildings and other facilities are accessible to public servants with disabilities.
(iv) GPSA shall take measures to ensure accessible transport facilities to GPSA employees with disabilities.
(v) GPSA shall put a mechanism to create public awareness of the needs, rights, abilities and contributions of public servants with disabilities in the Agency.
(vi) GPSA recognize that public servants with disabilities have the right to the enjoyment of the highest attainable standard of health without discrimination based on disability.
(vii) GPSA shall take all appropriate measures to ensure access for public servants with disabilities to health services that are gender-sensitive, including health-related rehabilitation.

2.34.1 GPSA Policy on Employment of Disabled Person

GPSA is implementing "an equal opportunity to all" policy whereby employment opportunities are advertised and follow a competitive process. In the process, the Agency has been getting staff of all calibres including the ones with disabilities. This is in line with Regulation 26 of the GPSA Staff Regulations 2024 which states that "The Agency is an equal opportunity employer. It will therefore provide equal access to employment and ensure 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, tribe, religion, political affiliation or disability which does not impair ability to discharge duties"

2.34.2 GPSA Policy on Staff who become disabled whilst employed by GPSA

It is a policy of the Agency to retain staff who become disabled whilst employed by GPSA. In the event, the staff is incapable of continuing with employment and the same is confirmed by Medical Officer or Medical Board appointed by Chief Medical Officer or by Regional Medical Officer, the staff is retiring on medical grounds.

For staff that become disable and is able to continue with employment, the Agency ensures the staff is adequately and equitably compensated. Also, GPSA provides necessary facilities and support to enable the staff to discharge his/her obligations including provision of health-related rehabilitation. On the other hand, where the staff is necessitated to retire on medical grounds, the Agency ensures the staff is adequately and fairly compensated. Further, GPSA provides benefits such as six months' free medical care; severance pay; three months' notice or payment in lieu of notice; fare for staff, entitled family members and transportation of personal effects to place of domicile. Also, the staff is paid pension benefits from respective social security scheme.

2.34.3 GPSA Training Policy on Staff with Disability

It is a policy of GPSA to train disabled staff basing on identified needs during training needs assessments.

In implementing the policy, the Agency identifies needy areas during training need assessment that is done along with that of other staff periodically. Thereafter, the required trainings are scheduled in Agency's staff development plan. Implementation of the plan is done on annual basis.

3.0 SUSTAINABILITY DISCLOSURE

GPSA recognizes the critical role of sustainable practices in fostering long-term economic growth, environmental preservation, and social well-being. As a key institution responsible for procurement on behalf of the government institutions, GPSA is committed to aligning its operations with global sustainability standards and principles, including the United Nations Sustainable Development Goals (SDGs). This sustainability disclosure provides a transparent overview of GPSA's initiatives, policies, and achievements in integrating economic, environmental and social considerations into its core activities. By embedding sustainability into its strategic framework, GPSA aims to enhance accountability, build stakeholder trust and contribute to Tanzania's sustainable development agenda.

Furthermore, GPSA is actively working to align with international standards on General Requirements for Sustainability-related Disclosures as well as Climate-related Disclosures. With this, GPSA seeks to provide stakeholders with transparent, comprehensive and actionable information regarding its operations and the compliance environment the Agency oversees. These initiatives reflect GPSA mandate to promote accountability, sustainability and good governance within Tanzania's procurement system, contributing to a resilient, inclusive and environmentally conscious economic framework as explained hereunder:

(a) Governance

As part of its commitment to transparency and accountability, GPSA has integrated sustainability governance into its Strategic Plan (2023/24-2027/28) and operational frameworks as disclosed in Para 12. The Accounting Officer oversees environmental, social, and governance (ESG) responsibilities. Risk champions are designated across all Directorates and Units, ensuring continuous monitoring of sustainability-related risks.

Procurement Laws and Frameworks such as the Public Procurement Act No. 10 of 2023, the Public Finance Act 2020, and the Public Audit Act guide procurement processes, reporting, and accountability. Stakeholder engagement is embedded in GPSA's service model, with collaboration across MDAs, LGAs, SOEs, and private suppliers. Annual procurement and financial reports are prepared and audited, offering stakeholders a transparent view of GPSA's governance structures and sustainable practices.

(b) Strategy

GPSA's sustainability strategy emphasizes integration of ESG principles into procurement and supply-chain management to create long-term value for Government and society.

Strategic objectives include:

- **Economic efficiency:** Ensuring value-for-money procurement; in Financial Year 2024/25 GPSA achieved TZS 36.31 billion revenue (101% of target), representing an 11% increase from 2023/24.
- **Environmental stewardship:** In the financial year 2025/26 GPSA plans to introduce card-based fuel service (in progress), ensuring safe warehousing and reducing losses (fuel losses maintained at <1%).
- **Social inclusion:** Strengthening participation of local suppliers in procurement (68% of contracts awarded to local suppliers), enhancing staff capacity through training (92% of staff trained), and upholding integrity in procurement processes.
- **Cost savings:** Through bulk procurement of 1,360 vehicles and 1,267 motorcycles, GPSA generated cumulative savings of TZS 11.91 billion for Government institutions

These disclosures provide stakeholders with transparent insights into GPSA's priorities, initiatives, and progress toward achieving a sustainable future. The sustainability strategy is detailed as part of GPSA Strategic Objectives in Para 5.

(c) Risk Management

GPSA recognizes the critical importance of identifying, assessing, and managing sustainability-related risks to ensure resilience and operational continuity. Sustainability risk management is embedded in the Agency's risk register. Key risks include:

- System unavailability (ICT platforms such as GIMIS and NeST);

- Revenue shortfalls in bulk procurement due to delayed delivery of vehicles (51% performance);
- Stock shortages and delays in clearing/forwarding services;
- Fuel price fluctuations affecting cost efficiency; and
- Delayed implementation of audit recommendations.

Mitigation measures include framework contracts, supplier vetting, ICT system upgrades, and enhanced monitoring through risk champions. Transparency in risk reporting fosters stakeholder confidence and enhances GPSA's resilience in a dynamic procurement environment.

(d) Metrics and Targets

GPSA is dedicated to tracking and reporting measurable progress toward its sustainability objectives. This is done through specific metrics that address critical areas relating to governance and ethical practices; economic and social inclusion; and environmental sustainability practices. Targets are aligned with national priorities, including Tanzania's Sustainable Development Goals (SDGs), and international standards. By presenting clear and actionable sustainability metrics and targets, GPSA reaffirms its commitment to creating meaningful impact and fostering a culture of continuous improvement across its operations and the procurement landscape. Sustainability related metrics and targets, along with GPSA's progress in achieving them, are disclosed for stakeholder clarity and reference. Additionally, GPSA's Key Performance Indicators (KPIs) are comprehensively detailed in Para 11. Where applicable, the metrics and targets disclosed below in table 24 are cross- referenced with the KPIs to enhance transparency and facilitate a comprehensive understanding.

Table 24: GPSA Sustainability Practices and Related Metrics and Targets as at 30 June 2025

S/N	Key Practices	Metric	Department / Function	2023/24 Actual	2024/25 Target	2024/25 Actual	Reporting Frequency	Remarks
1. Governance and Ethical								
1.1	Procurement Plan Execution	% of procurement plan implemented	Directorate of Procurement (DPM)	91.8	85%	81.37%	Quarterly	Slightly below target due to change of scope of some tenders
1.2	Integrity in operations	Number of disciplinary cases reported	HR/Legal	2	0	2	Annually	Two case recorded, action taken
1.3	Audit Compliance	% of audit recommendations implemented	Internal Audit	82%	90%	88%	Quarterly	On track, some delays in ICT-related items
2. Economic and Social								
2.1	Revenue Collection	Cumulative revenue vs. target (TZS bn)	Directorate of Business Support Services (DBSS)	31.7	34.7	35.11	Quarterly	101% achieved (11% YoY growth)
2.2	Cost Savings	Savings from bulk procurement (TZS bn)	Directorate of Procurement (DPM)	9.5	11	11.91	Annually	Target exceeded
2.3	Warehouse Utilization	% occupancy rate in GPSA warehouses	Directorate of Operations (DOM)	65%	75%	78%	Quarterly	Improved due to backlog clearance
2.4	Cost Savings	Savings from clearing and forwarding (TZS bn)	Directorate of Operations (DOM)	5.0	6.0	5.2	Annually	Target exceeded
2.5	Local Supplier Participation	% of contracts awarded to local suppliers	Directorate of Procurement (DPM)	75%	70%	80%	Quarterly	On track, SME inclusion growing
2.6	Training & Skills	% of staff trained in procurement/ESG	HR	85%	90%	92%	Quarterly	Exceeded
3. Environmental Sustainability								
3.1	Fuel Efficiency	Fuel losses/leakages as % of distribution	Directorate of Operations (DOM)	<1%	<1%	<1%	Monthly	Maintained at safe levels
3.2	Green Procurement	% of tenders incorporating sustainability clauses	Directorate of Procurement (DPM)	12%	20%	18%	Annually	Growing, especially in vehicle procurement
3.3	Waste Management	% of warehouses with proper waste management facilities	Directorate of Operations (DOM)	80%	90%	87%	Quarterly	Target nearly achieved
3.4	ICT & Paperless Procurement	% of procurement transactions processed electronically (GIMIS/NeST)	ICT	72%	80%	76%	Quarterly	System upgrades ongoing

4.0 Alignment of GPSA Strategic Objectives with International Sustainability Standards and SDGs

The Government Procurement Services Agency (GPSA) has embedded sustainability principles within its Fifth Corporate Strategic Plan (CSP5: 2023/24-2027/28) by integrating economic efficiency, social responsibility, environmental stewardship, and strong governance across its mandate. This alignment is consistent with internationally recognised sustainability frameworks, including the United Nations Sustainable Development Goals (SDGs), Environmental, Social and Governance (ESG) principles, the Global Reporting Initiative (GRI) Standards, and the International Sustainability Standards Board (ISSB) - IFRS S1 (General Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures).

From an international sustainability perspective, GPSA's focus on value-for-money procurement, transparency, digital transformation, ethical conduct, and workforce wellbeing directly supports institutional resilience, responsible resource use, and inclusive economic growth. Its governance and financial accountability objectives align with GRI 2 (General Disclosures) and GRI 205 (Anti-corruption), while procurement efficiency, ICT digitisation, and revenue sustainability are consistent with IFRS S1 requirements on governance, risk management, and performance impacts. Social initiatives such as HIV/AIDS and NCDs workplace programmes reflect GRI 403 (Occupational Health and Safety) and SDG 3, while stakeholder engagement and CSR activities support GRI 413 (Local Communities) and SDG 17.

Overall, GPSA's strategic objectives demonstrate a whole-of-institution sustainability approach, where governance (G), social responsibility (S), and economic performance (E) are mutually reinforcing and aligned with both national development priorities and international sustainability expectations

Table25: Alignment of GPSA Strategic Objectives with International Sustainability Standards and SDGs

GPSA Key Result Area / Strategic Objective	Core Sustainability Dimension (ESG)	Relevant International Sustainability Standards	Aligned SDGs	Sustainability Contribution
HIV/AIDS, NCDs & Ethical Governance	Social (S), Governance (G)	GRI 403 (Occupational Health & Safety), GRI 205 (Anti-corruption), IFRS S1 (Governance & Risk Management)	SDG 3, SDG 16	Promotes workforce health and wellbeing, ethical behaviour, reduced corruption, and strengthened institutional integrity
Procurement & Contract Management Services	Economic (E), Governance (G)	GRI 204 (Procurement Practices), GRI 203 (Indirect Economic Impacts), IFRS S1 (Strategy & Performance)	SDG 8, SDG 9, SGD 12	Ensures value for money, efficient use of public resources, sustainable supply chains, and reduced waste
ICT Environment Improvement & Digitalisation	Governance (G), Economic (E)	GRI 418 (Customer Data Privacy), IFRS S1 (Risk Management & Controls)	SDG 9, SDG 16	Enhances transparency, service efficiency, data security, and accountability through digital systems
Financial Management & Accountability	Governance (G), Economic (E)	GRI 201 (Economic Performance), GRI 207 (Tax), IFRS S1 (Financial Sustainability & Controls)	SDG 8, SDG 16	Strengthens fiscal discipline, revenue sustainability, and stewardship of public funds
Human Resources, Administration & Legal Services	Social (S), Governance (G)	GRI 404 (Training & Education), GRI 401 (Employment), IFRS S1 (Human Capital)	SDG 4, SDG 8, SDG 16	Builds skilled, motivated workforce, promotes decent work, and strengthens legal compliance
Communication, Marketing & Stakeholder Engagement (CSR)	Social (S), Governance (G)	GRI 413 (Local Communities), GRI 102/2 (Stakeholder Engagement), IFRS S1 (Stakeholder Impacts)	SDG 16, SDG 17	Enhances public trust, stakeholder partnerships, transparency, and social license to operate

5.0 APPOINTMENT OF AUDITORS

Pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977 (revised 2005), Sections 30 - 33 of the Public Audit Act No. 11 of 2008 (R.E. 2020) mandates the Controller and Auditor General (CAG) as the statutory auditor of the Agency.

In addition, Section 15(2) of the Executive Agencies Act No. 30 of 1997 and its subsequent amendments earmarked that the annual external audit of the Agency shall be performed by the Controller and Auditor General in accordance with International Public Sector Accounting and audit standards and in compliance with the Public Finance Act No. 6 of 2001 (revised 2020). In view of that, the GPSA auditor during the reporting period is Controller and Auditor General whose address is provided below:

Controller and Auditor General,
National Audit Office,
Audit House,
4 Mahakama Road,
P.O. Box 950,
Tel: +255 (026) 2321759,
Fax: +255(026) 2117527,
41104, Tambukareli,
Dodoma, Tanzania.
E-mail: ocag@nao.go.tz
Website: www.nao.go.tz
TIN:104-962-444

6.0 RESPONSIBILITY OF THE AUDITOR

The responsibilities of CAG are stipulated in article 143 (2) of the Constitution of United Republic of Tanzania (Cap.2). In this regard, CAG has been assigned the responsibility of auditing and reporting on the accounts, financial statements and financial management of GPSA. This includes responsibility of providing assurance of the correctness and consistency of the information contained in the report by those charged with governance with the ones provided in the Financial Statements. Along with this, CAG has responsibility of satisfying himself on matters listed under Section 10 of the Public Audit Act, Cap 418. Further, In accordance with Section 48(3) of the Public Procurement Act, 2023, the Controller and Auditor General (CAG) is required to state in his annual audit report whether the audited entity has complied with the procedures prescribed under the Public Procurement Act, 2023 and the Public Procurement Regulations Authority (PPRA) Regulations, 2024.

7.0 APPROVAL

This report was approved by the Management of the Agency on 13 January, 2026 and signed on its behalf by:

....	....
Prof. Geraldine A. Rasheli	Adela Mayenga
Chief Executive Officer	**Director of Business Support Services**
Date: 11/3/2026	**Date:** 11/3/2026

8.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2025

Pursuant to section 25(4) of the Public Finance Act 2001 (revised 2020) the Management is required to prepare financial statements which represent a true and fair view of financial and non-financial operations of the reporting entity as at the end of the financial year. Furthermore, the Act requires Management to ensure that the reporting entity keeps proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity. The Management is also responsible for safeguarding the assets of the entity.

The Government Procurement Services Agency Management, accept responsibility for the Annual Financial Statements for the year ended 30 June 2025 which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates in conformity with the International Public Sector Accounting Standards (IPSASs) accrual basis; and in the manner required by Section 14 (1) of the Executive Agency Act, Cap 245 of 1997 (amended 2009) and the Agency's Accounting Manual.

The Agency Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Agency which enable them to ensure that the financial statements comply with the Public Finance Act, Cap 348 [R.E 2020]. It is also responsible for safeguarding the assets of the Agency and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

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

We accept responsibility for the integrity of the financial statements, the information they contain and their compliance with the Public Finance Act, Cap 348 [R.E 2020] and instructions issued by Treasury in respect of the year under review.

....	....
Prof. Geraldine A. Rasheli	**Adela Mayenga**
Chief Executive Officer	**Director of Business Support Services**
Date: 11|3|2026	**Date:** 11|3|2026

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

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

It is the duty of a Professional Accountant to assist the Management to discharge their responsibility of preparing Financial Statements of the Agency showing true and fair view of the financial position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Agency's Management under the Chief Executives Officer as per the Statement of Responsibility By Those Charged With Governance.

I, CPA Jensen Y. Mdoe, being the Head of Finance of the Government Procurement Services Agency, hereby acknowledges my responsibility of ensuring that financial statements for the year ended 30 June 2025 have been prepared in compliance with IPSAS Accrual Basis, NBAA's Pronouncements and other statutory requirements.

I, thus, confirm that the financial statements for the year ended 30 June 2025 give a true and fair view of the Agency as on that date and that they have been prepared based on properly maintained financial records.

Signature: ....

Position: **Finance and Accounts Manager**

NBAA Membership No.: **ACPA 3566**

Date: 11/3/2026

10.0 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE, 2025

	NOTE	TZS ('000)	TZS ('000)
ASSETS			
Current Asset			
Cash and Cash Equivalents	13	165,924,044	152,742,534
Inventories	15	12,882,220	19,357,502
Prepayments	16	12,721,772	1,017,133
Receivables	14	86,576	1,187,899
Total Current Asset		191,614,612	174,305,068
Non-Current Asset			
Intangible Assets	19	356,796	356,796
Property, Plant and Equipment	17	58,672,970	51,007,400
Works In Progress	18	1,345,890	1,437,158
Total Non-Current Asset		60,375,656	52,801,354
TOTAL ASSETS		251,990,268	227,106,422
LIABILITIES			
Payables and Accruals	20	6,079,149	6,994,089
Customer deposit	21	157,635,309	138,883,888
Total Current Liabilities		163,714,458	145,877,977
TOTAL LIABILITIES		163,714,458	145,877,977
Net Assets		88,275,806	81,228,445
NET ASSETS/EQUITY			
Capital Contributed by:			
Taxpayers/Share Capital		24,582	24,582
Accumulated Surpluses / Deficits		88,251,224	81,203,863
TOTAL NET ASSETS/EQUITY		88,275,806	81,228,445

Prof. Geraldine A. Rasheli
Chief Executive Officer

Date: 11/3/2026

Adela Mayenga
Director of Business Support Services

Date: 11/3/2026

11.0 STATEMENT OF FINANCIAL PERFOMANCE FOR THE YEAR ENDED 30 JUNE, 2025

	NOTE	TZS ('000)	TZS ('000)
REVENUE			
Revenue			
Fair Value Gains on Assets and Liabilities	24	233,662	-
Financing Income	23	976,677	191,748
Gain on Foreign Currency Translation	26	82,694	-
Gains on Disposal Assets	25	5,829	-
Other Revenue	27	790,588	737,256
Revenue from Exchange Transactions	22	27,929,780	25,965,002
Subvention from other Government entities	28	5,327,297	4,829,375
Total Revenue		**35,346,527**	**31,723,381**
TOTAL REVENUE		**35,346,527**	**31,723,381**
EXPENSES AND TRANSFERS			
Expenses			
Depreciation of Property, Plant and Equipment	17	1,739,033	1,359,080
Expected Credit Loss	34	1,098,391	2,400,845
Loss on Evaporation	32	252,769	216,975
Loss on Foreign Currency Translation	26	-	733,645
Maintenance Expenses	31	1,094,845	859,083
Other Expenses	33	588,432	38,348
Use of Goods and Service	30	4,995,231	5,355,806
Wages, Salaries and Employee Benefits	29	13,689,115	10,342,225
Total Expenses		**23,457,816**	**21,486,007**
Transfers			
Other Transfers	35	4,841,353	4,501,540
Total Transfer		**4,841,353**	**4,501,540**
TOTAL EXPENSES AND TRANSFERS		**28,299,169**	**25,987,547**
Surplus for the period		**7,047,360**	**5,735,835**

Prof. Geraldine A. Rasheli	**Adela Mayenga**
Chief Executive Officer	**Director of Business Support Services**
Date: 11/3/2026	**Date:** 11/3/2026

12.0 STATEMENT OF CHANGE IN NET ASSETS/EQUITY FOR THE YEAR ENDED 30 JUNE 2025

	NOTE	Capital fund	Accumulated surplus/(deficit)	Total
		TZS"000"	TZS"000"	TZS "000"
		TZS	TZS	TZ
Opening Balance as of 1 July, 2024		24,582	81,203,863	81,228,445
Surplus/deficit for the year		-	7,047,360	7,047,360
Balance as of 30 June, 2025		**24,582**	**88,251,223**	**88,275,805**
Balance as of 1 July, 2024		24,582	80,851,917	80,876,499
Adjustments	9 (iii)	-	351,946	351,946
Balance as of 30 June, 2024 (Re-stated)		24,582	81,203,863	81,228,445

Prof. Geraldine A. Rasheli
Chief Executive Officer

Date: 11/3/2026

Adela Mayenga
Director of Business Support Services

Date: 11/3/2026

13.0 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	NOTE	2025	2024
		TZS ('000)	TZS ('000)
CASH FLOW FROM OPERATING ACTIVITIES			
RECEIPTS			
Subvention from other Government entities	28	5,327,297	4,829,375
Revenue from Exchange Transactions	37	29,023,994	21,260,397
Other Revenue	38	979,674	737,256
Financing Income	23	976,677	191,748
Total Receipts		**36,307,642**	**27,018,776**
PAYMENTS			
Wages, Salaries and Employee Benefits	39	13,701,077	10,342,225
Use of Goods and Service	40	11,326,433	7,767,522
Other Transfers	35	4,841,353	4,501,540
Other Expenses	33	588,431	38,348
Maintenance Expenses	31	1,094,845	859,081
Total Payments		**31,552,139**	**23,508,716**
NET CASH FLOW FROM OPERATING ACTIVITIES		**4,755,503**	**3,510,060**
CASH FLOW FROM INVESTING ACTIVITIES			
Investing Activities			
Proceed from sale of PPE	42	5,829	-
Payment for Work in Progress		(1,190,824)	(2,229,207)
Acquisition of Property, Plant and Equipment	41	(8,124,721)	(1,654,525)
Total Investing Activities		**(9,309,716)**	**(3,883,732)**
CASH FLOW FROM FINANCING ACTIVITIES			
Financing Activities			
Closing Customer Deposits	21	157,635,309	138,883,888
Opening Customer Deposits	21	(138,883,888)	(134,024,828)
Total Financing Activities		**18,751,421**	**4,859,060**
NET CASH FLOW FROM FINANCING ACTIVITIES		**18,751,421**	**4,859,060**
Net Increase Cash and cash equivalent		14,197,208	4,485,387
Effect of Foreign Currency Changes	26	82,694	(733,645)
Cash and cash equivalent at beginning of period		153,188,858	149,437,116
Cash and cash equivalent at end of period	13	**167,468,760**	**153,188,858**

Prof. Geraldine A. Rasheli
Chief Executive Officer

Date: 11/3/2026

Adela Mayenga
Director of Business Support Services

Date: 11/3/2026

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

	NOTE	Original budget TZS ('000)	Reallocation/ Adjustments TZS ('000)	Final Budget (B) TZS ('000)	Actual Amount on comparison Basis (A) TZS ('000)	Difference final Budget & Actual (B-A) TZS ('000)
Other Revenue	38	641,059	-	641,059	979,674	338,615
Revenue from Exchange Transactions	37	28,301,293	7,476,243	35,777,536	29,023,994	-6,753,542
Subvention from other Government entities	28	5,832,784	-	5,832,784	5,327,297	-505,487
Financing Income	23				976,677	976,677
Proceed from sale of PPE	42				5,829	5,829
Total Receipts		34,775,136	7,476,243	42,251,379	36,313,471	(5,937,908)
PAYMENTS						
Maintenance Expenses	31	1,032,755	73,251	1,106,006	1,094,845	11,161
Other Expenses	33	2,121,609	-390,998	1,730,611	588,431	1,142,180
Other Transfers	35	4,841,353	-	4,841,353	4,841,353	-
Use of Goods and Service	40	6,130,463	23,533	6,154,956	11,326,433	(5,171,477)
Wages, Salaries and Employee Benefits	39	14,231,266	286,467	14,516,764	13,701,077	815,687
Acquisition of Property, Plant and Equipment	41	6,417,690	7,483,990	13,901,689	9,315,545	4,586,144
Withdraws from customers' deposits					(18,751,421)	18,751,421
Total Payment		34,775,136	7,476,243	42,251,379	22,116,263	20,135,116
Net Receipts/payments		-	-	-	14,197,208	

....
Prof. Geraldine A. Rasheli
Chief Executive Officer
Date: 11/3/2026

....
Adela Mayenga
Director of Business Support Services
Date: 11/3/2026

1. Statute and principal activities of the Agency

Establishment

The Government Procurement Services Agency (GPSA) is an Executive Agency established under the Executive Agency Act No. 30 of 1997 vide GN 235 of 7th December 2007 and amended as per GN 133 Of 13th April 2012. The Agency was officially inaugurated on the 16th June 2008.

The physical address of the Head Office of the Agency is:

Government Procurement Services Agency [GPSA],
4 Bohari Kuu Road,
P.O. Box 9150,
15104 Keko Mwanga 'A', Temeke,
Dar es Salaam, TANZANIA.

Principal activities

The Government Procurement Services Agency (GPSA) in July, 2008 took over the functions that were performed by the then Supplies and Services Department under the then Ministry of Infrastructure Development. The Agency was established to ensure the availability of adequate, good-quality supplies to government (and other institutions) at competitive prices. Its principal activities include providing clearing and forwarding services as well as procurement-related functions to ensure value for money, maintaining safe and secure warehousing and storage facilities, managing framework agreements for common-use items and services, and keeping a register of suppliers for such items and services. Overall, GPSA is expected to operate as a well-managed and financially sustainable agency.

2. Basis of preparation

The Agency financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) accrual basis issued by the International Public Sector Accounting Standards Board. The Statements have been prepared on a historical cost basis. The cash flows statement is prepared using the direct method. Financial statements are prepared on an accrual basis.

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

The financial statements are presented in Tanzania Shillings, which is the functional and reporting currency of the Agency, and all values are rounded to the nearest thousand (TZS 000).

No adjustments have been made for other inflationary factors affecting the Financial Statements.
The annual budget is prepared on the Cash Basis IPSAS while Financial Reporting Framework is under the Accrual Basis of Accounting as issued by the International Public Sector Accounting Standards Board (IPSASB) and as stipulated by the Public Finance Act, CAP 348 of 2001 (Revised 2020).

The budget is approved on a cash basis by function classification. The approved budget covered the fiscal period from 1st July, 2024 to 30 June, 2025 and includes all activities within the Agency.

Statement of Compliance
The Agency's financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) accrual basis issued by the International Public Sector Accounting Standards Board (IPSASB).

Reporting period
The reporting period for these financial statements is for the year ended 30 June 2025.

Where necessary, the financial information for the Agency that have a balance date other than 30 June has been adjusted for any transactions or events that have occurred since their most recent balance date and that are significant for the Financial Statements of the Agency

Comparatives
When presentation or classification of items in the financial statements are amended or accounting policies are changed voluntarily, comparative figures have been restated to ensure consistency with the current period unless it is impracticable to do so.

3. Changes in accounting policies
The accounting policies adopted by the Agency were consistent with those of the previous financial year.

New and changes to standards and interpretation that are effective
There were no new/amended standards and interpretations which affected the Agency during the year. Amendments resulted from IPSAS improvements to standards did not have any impact on the accounting policies, financial positions or performance.

Future Changes in Accounting Policies
No Standards issued and yet effective up to the date of issuance of the Agency's financial statements that the Agency reasonably expects to have an impact on disclosures, financial position or performance when applied soon. The Agency assesses and intends to adopt these standards when they become effective.

4. New standards and interpretations issued but not yet effective and not early adopted by the Agency

New and changes to standards and interpretation that are effective

Changes resulting from the new or revised standards, interpretations, amendments to the existing standards, interpretations and improvements to the IPSASs that were effective for the current reporting from 1st July 2024 did have any impact on the accounting policies, financial position or performance of the Agency.

New and amended standards and interpretation issued but not yet effective

The new and amended standards issued but not effective up to the date of issuance of the Agency's financial statements are not expected to have an impact on the financial statements of the Agency and have not been applied in preparing these financial statements. Those which may be relevant to the Agency are set out below. The Agency does not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated or where applicable.

Standard	Impact	Effective date
IPSAS 43: Leases	IPSASB approved IPSAS 43, Leases with an effective date of January 1, 2025. IPSAS 43 supersedes IPSAS 13, Leases and introduces the right-of-use model for lessees, aligning with IFRS 16, Leases. The IPSASB will continue consideration of public sector specific leasing issues, such as concessionary leases, in its Other Lease-Type Arrangements project.	1st January, 2025
IPSAS 44: Non-Current Assets Held for Sale and Discontinued Operations	This standard is based on International Financial Reporting Standard (IFRS) 5, Non-current Assets Held for Sale and Discontinued Operations. The new IPSAS specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. IPSAS 44 includes additional public sector requirements, in particular, the disclosure of the fair value of assets held for sale that are measured at their carrying amounts, when the carrying amount is materially lower than their fair value. It requires assets that meet the criteria to be classified as held for sale to be: (a) Measured at the lower of carrying amount and fair value less costs to sell and depreciation on such assets to cease; and (b) Presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.	1st January, 2025
IPSAS 45: Property, Plant, and Equipment	IPSAS 45 is an International Public Sector Accounting Standard that replaces IPSAS 17, Property, Plant, and Equipment. It provides updated guidance on how to recognize and measure public sector assets, including heritage and infrastructure assets. The standard	1st January, 2025

Standard	Impact	Effective date
	adds current operational value as a measurement basis in the updated current value model for assets within its scope 1. IPSAS 45 was approved by the IPSASB and published in May 2023. The effective date of the standard is January 1st, 2025	
IPSAS 46: Measurement	The IPSASB approved IPSAS 46, Measurement. The IPSASB approved IPSAS 46, Measurement finalizing the underlying concepts and guidance that will underpin the IPSASB's approach to measurement for many years. The objectives include to: *(a) issue amended IPSASs with revised requirements for measurement at initial recognition, subsequent measurement and measurement-related disclosure;* *(b) provide more detailed guidance on the implementation of replacement cost and cost of fulfilment and the circumstances under which these measurement bases will be used; and* *(c) address transaction costs, including the specific issue of the capitalizing or expensing of borrowing costs.*	1st January, 2025
IPSAS 47: Revenue	The IPSASB approved IPSAS 47, Revenue, which is a single standard to account for revenue transactions in the public sector. IPSAS 47 replaces the existing three revenue standards (IPSAS 9, Revenue from Exchange Transactions; IPSAS 11, Construction Contracts; and IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers) and presents accounting models which will improve financial reporting and support effective public sector financial management. The aim of the project is to develop IPSAS for revenue transactions. IPSAS 47 will be effective for periods beginning on or after January 1st, 2026.	1st January, 2026
IPSAS 48: Transfer Expenses	The IPSASB approved IPSAS 48, Transfer Expenses, which provides guidance on a major area of expenditure for governments and other public sector entities. IPSAS 48 fills a gap which had previously led to ambiguity and inconsistency of accounting policies in the public sector. The effective date of the standard is January 1st, 2026	1st January, 2026
IPSAS 49: Retirement Benefit Plans	The objective of this standard is to prescribe the accounting and reporting requirements for public sector retirement benefit plans, which provide retirement benefits to public sector employees and other eligible participants. IPSAS 49 will be effective for periods beginning on or after January 1, 2026.	1st January, 2026
IFRS S1: General Requirements for Disclosure of	The objective of IFRS S1 (General Requirements for Disclosure of Sustainability related Financial Information) is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources	

Standard	Impact	Effective date
Sustainability related Financial Information	to the entity. The Standard requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. This Standard also prescribes how an entity prepares and reports its sustainability-related financial disclosures. It sets out general requirements for the content and presentation of those disclosures so that the information disclosed is useful to primary users in making decisions relating to providing resources to the entity.	
IFRS S2: The objective of IFRS S2 (Climate-related Disclosures)	The objective of IFRS S2 (Climate-related Disclosures) is to require an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. The Standard requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. Climate-related risks to which the entity is exposed includes; climate-related physical risks and climate-related transition	

5. International Public Sector Accounting Standards (IPSAS) not used by the Agency.

The following standards have not been adopted by the Agency as they are not applicable due to the nature of the activities the Agency is carrying out and none of these are expected to have a significant effect on the financial statements of the Agency.

IPSAS 10: Financial Reporting in Hyperinflationary Economies
IPSAS 11: Construction Contracts
IPSAS 18: Segment Reporting
IPSAS 27: Agriculture
IPSAS 32: Service Concession Agreements
IPSAS 37: Joint Arrangements
IPSAS 40: Public Sector Combination.

6. Statement of compliance and basis of preparation

The Agency financial statements have been prepared in accordance with the requirements of the Public Finance Act, Cap 348 (R.E. 2020), which include the requirement to comply with Accrual IPSASs, and Treasury Instructions (Circulars). Where an IPSAS does not address a particular issue, the appropriate International Financial Reporting Standard (IFRS) issued by the International Accounting Standards Board (IASB) is applied.

7. Key Assumptions and Judgements

These financial statements reflect the Agency's financial position (service potential and financial capacity) as at 30 June 2025, and the financial results of operations and cash flows for the year ended on that date. Underpinning these financial statements are a number of judgements, estimations and assumptions. These include assumptions and judgements about the future, in particular, the service benefits and future cash flows in relation to existing assets and liabilities.

The assumptions in these financial statements are based on the best information available at the time of their preparation. Given the inherent uncertainty of predicting the future, actual events are likely to differ from these assumptions, which may have a material impact on the results reported in these financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities to be affected in the future.

(a) The figures of Property Plant and Equipment have been affected by the estimates of useful life to non-current assets and judgement on method for depreciation calculation.

(b) Impairment of Cash balances in Bank, Loan receivables and Trade receivables.
The Agency reviews its financial assets measured at amortized cost at each reporting date to assess whether an impairment loss should be recognized in surplus or deficit. In particular, judgment by the Management is required in the estimation of the amount and timing of future cash flows when determining the level of impairment loss required. Such estimates are based on the assumptions about a number of factors and actual results may differ, resulting in future changes in the impairment. The Entity makes judgment as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows in an individual asset in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the rating outcome, or national or local economic conditions that correlate with defaults on assets. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss incurred.

8. Assumptions over future cash flows

The assumptions over future cash flows largely reflect the rights and obligations that exist at 30 June 2024 and the extent to which experience has shown that payments owing to the Agency will be honoured, and when and the extent that obligations owed by the Agency will come due. Judgements around the amount and duration of future cash flows are critical for valuations. These assumptions are largely based on extrapolating historical experience. As time goes on, better information becomes available, and estimates are updated to reflect more current information.

9. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the Financial Statements are set out below. These policies have consistently been applied for all the years presented, except if mentioned otherwise. Key accounting policies are included in the specific notes to which they relate. However, significant accounting policies that do not relate to a specific note are outlined below:

Certain comparative amount in the statement of financial performance have been restated, reclassified or re-presented, as a result of a change in accounting policy, a correction of prior period error, a change in classification of certain depreciation expenses during the current year.

(i) Revenue recognition

Non-exchange revenue

Government Subvention such as Personal Emoluments and Other Charges received from the Central Government are measured at the fair value as at the date of acquisition.

However, if an inflow of the resources has conditions attached (for example Grants from donor and Development fund from Central Government) a liability is recognized from non-exchange transaction. When the Agency is satisfied with the present obligation then revenue is recognized as an amount equal to the reduction of the carrying amount of the liability recognized.

Grant with No Conditions

Revenue from a non-exchange transaction is measured by the amount of the increase in net assets recognized by the Agency.

Other Government Grants

Other government grants are recognized as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivables as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Agency with no future related costs are recognized in statement of financial performance in the period in which they become receivables.

Exchange revenue

Surplus from sales of stores

Surplus from Sales of Stores is recognized after rendering the services to the procuring entity. It is determined by considering value of purchases, change in inventory at cost (opening and closing) and sales value for the period.

Agency fee from clearing and forward

Agency fee for clearing and forwarding is recognized after goods (consignment) are cleared and delivered to PE. The tariff applicable is based on the value of the consignment and the point of entry. Most consignments are charged from as low as TZS 300,000 per consignment with CIF value below TZS 37,500,000, otherwise the tariff ranges from 0.8% to 0.4% for any consignment with CIF value above TZS 37,500,000 and below TZS 500,000,000. Any consignment with CIF value above TZS 500,000,000 gives room for negotiation.

Procurement service fee

This inflow comprises of Agency fee from any procured vehicle/cycle, Third (3rd) party procurement and framework agreement service fee from suppliers and Service providers.

(a) Agency fee from procurement of motor vehicles is charged at the rate of 1% of the total purchase price and is recognized after the motor vehicle is delivered to procuring entity (PE). Third (3rd) party procurement fee is charged based on fifth schedule (GN 333) of the Public Procurement Regulations, 2013 as amended. The same is recognized after the contract document is submitted to the procuring entity/ service rendered or goods delivered to PE.

(b) Framework agreement service fee is charged at the rate of TZS 10,000 per participation and is recognized immediately when the supplier participates in framework agreement.

Sales of tender document

Inflow is recognized immediately when the supplier pays for the tender document and the rate is TZS 100,000 per document.

Rental income

Rental income arising from renting warehousing/godowns accounted for on a straight-line basis over the rental terms and included in revenue. The Agency recognizes rental income as the tenant signs the rental contract and occupies the space.

Interest income

Interest income is the net of money earned from the interest on a bank account's daily cash balance which is accrued at the end of each month.

(ii) Property plant and equipment

The Agency property, plant and equipment comprise of Land, Buildings, Plant and Machinery, Motor Vehicles, Motorcycles, Furniture, Computers, Printers and other equipment and are measured at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost. Where an asset is acquired at no cost, or of nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired through a non-exchange transaction, its costs shall be measured at its fair value at the date of acquisition. Subsequently, after recognition as an asset, an item of property, plant and equipment shall be carried at cost less any accumulated depreciation and any accumulated impairment losses. Land is not depreciated because it has an infinity life.

The carrying values of property, plant and equipment are reviewed for impairment when events or circumstances indicate that the carrying values may not be recoverable. If any such indicators are present and where the recoverable amount of an asset is less than it's carrying value, the carrying value of the asset is written down to its recoverable amount through the statement of financial performance.

Depreciation of Property, Plant and Equipment

The depreciation rates in use are shown below.

Assets Category	Rate (%)
Land	Over the lease term
Building	2
Plant and machinery	6.6
Motor vehicles heavy duty	5
Motor vehicles light duty	10
Motorcycles	14.3
Furniture and equipment	10
Computer equipment	12.5
UPS	14.3

No depreciation is charged to capital work-in-progress. Property, plant and equipment acquired during the year are depreciated from the month when they are available for use (depreciation is charged on prorata basis depending on the month such assets are available for use during the year) and cease to be depreciated at earlier of the month that the asset is classified as held for sale or the date that the assets are derecognised.

Property and equipment are derecognised when no economic benefits are expected from its use or disposal. The disposal methods applied include; sale, donation or scrapping. Gains or losses on disposal of property and equipment are determined by comparing net disposal proceeds if any with the carrying amount and are taken into account in determining gain or loss from disposal.

(iii) Prior Period Adjustments

In the financial year 2024/25, the Agency recognised assets with a cost of TZS 497,416,980 into its asset register. The said assets were non intentionally not recognized. As a result, the cost of the non-current assets to financial year 2023/24 were underestimated and its accumulated depreciation to the year ended 30 June 2024 was also underestimated. To correct the error, this necessitated the Agency to apply these changes retrospectively, the effect of which resulted to adjustments of accumulated surpluses/deficits of previous years on PPE and accumulated surplus /deficit balance in the statement of financial position by TZS 351,946,215 as follows:

Details	DR	CR
Cost/Revaluation on:		
Plant and Machinery	10,186,060	
Motor Vehicles	450,362,640	
Furniture and Equipment	36,868,280	
Accumulated Surplus/(Deficit)		497,416,980
Total	**497,416,980**	**497,416,980**

In view of the above, the Cost and Accumulated Surplus reported subsequent to its acquisition date were affected where the reported Cost were increased by TZS 497,416,980 and Accumulated Surplus were decreased by TZS 497,416,980.

Details	DR	CR
Accumulated depreciation on:		
Plant and Machinery		5,459,728
Motor Vehicles		135,720,406
Furniture and Equipment		4,290,631
Accumulated Surplus/(Deficit)	145,470,765	
Total	145,470,765	145,470,765

In view of the aforementioned, the accumulated depreciation and Accumulated Surplus reported subsequent to its acquisition date were affected where the reported Accumulated Depreciation were increased by TZS 145,470,765 and Accumulated Surplus were decreased by TZS 145,470,765.

(iv)Intangible assets

Intangible assets consist of computer software, the GPSA Integrated Management Information System (GIMIS).

An intangible asset is recognized when it is identifiable, the Agency has control over the asset, it is probable that economic benefits will flow to the Agency, and the cost of the asset can be measured reliably. Intangible assets that do not meet these criteria are recognized as an expense in the period in which the expense is incurred. The estimated useful life for intangible asset class is as follows:

Intangible Asset	Estimated Useful Life
Software acquired internally (GIMIS)	Indefinite useful life (Developed internally)

(v) Major Renovation and rehabilitation

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.

(vi)Related Parties

Related parties refer to entities, which are subject to common control with GPSA i.e controlled by the Government of Tanzania. The Agency and the other entities are either in substance or in legal form relationship. These are Ministries, Departments, Agencies and Parastatals under the control of the Government. Related party transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged or not. Basing on assessment done by the Agency only transactions relating to Treasury qualified as related party transactions. Other transactions with related parties occurred in the normal PEs- Agency relationship. Related party transactions for current reporting period and its respective preceded period are disclosed in Note 45 to the Financial Statements.

(vii) Expenses

Expenses are decreases in economic benefit or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decrease in net assets/equity, other than those relating to distribution to owners. The Agency expenses includes employees' benefits, travelling expenses, fuel and lubricants, general expenses, depreciation and finance cost. Expenses are recognized in the period in which they are incurred.

(viii) Prepayments

Prepayments are amounts paid for in advance of the goods or services being received later on. Prepayments are recognized initially as assets and thereafter as assets or expense after fulfilment of agreed conditions.

(ix)Inventories

The Agency maintains inventory in the form of Mechanical (Fuel) and General stores Items (goods) on behalf of Procuring Entity (PE). Agency Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimate of selling price in the ordinary course of business, less selling expenses. PE inventory are held at the lower of the cost and current replacement cost.

Where inventories are acquired through a non-exchange transaction, their cost shall be measured at fair value as at the date of acquisition. Cost is determined by using First in First out method basis after making due allowances for obsolete stock for Goods. For Mechanical inventory the Agency makes a provision for evaporation.

Any write-down from cost to net realizable value or for the loss of service potential or from cost to net realizable value is recognised in surplus or deficit in the year of the write-down.

(x) Cash and cash equivalents

Cash and cash equivalents are short term highly liquid investments that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value.

Cash and cash equivalents are carried in the Statement of Financial Position at face value. For the purpose of the Statement of Cash flow, cash and cash equivalents comprises of cash in hand and deposit on call/specific short time without any encumbrances.

(xi)Employment benefit

Short Term Benefits - Salaries and Wages

Salaries and wages for current employees are recognised in the Statement of Financial Performance as the employees' services are rendered.

Post-Employment Benefits - Defined Contribution Plan

The employees of the Agency are members of the Public Service Social Security Fund (PSSSF). The Fund are State owned and is responsible for all staff pension benefits on retirement. The employees contribute 5% to 10% of their basic salaries on a monthly basis while the Agency contributes 10% to 15% of the employees' basic salaries to the Fund. The Agency's contributions are charged to the Statement of Financial Performance as an expense.

(xii) Financial instruments

Classification

The Agency Financial instruments include cash and bank balances, receivables and trade payables.

Financial assets

The Agency's principle financial Assets are cash at bank and cash on hand, trade receivables and other receivables excluding prepayment.

Financial liabilities

The Agency's principle financial liabilities are trade and other payables excluding accruals.

Initial recognition and measurement

Financial instruments are recognized on the statement of financial position when the entity becomes party to the contractual provisions of the instrument. Financial instruments are initially measured at fair value in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Subsequent to initial recognition these instruments are measured depending on their classification.

(a) Trade and other payables

Trade and other payables are stated at their nominal value. The carrying amount of these payables approximates fair value due to the short period to maturity of these instruments.

(b) Cash and cash equivalents

Cash and cash equivalents are measured at fair value. The carrying amount approximates fair value due to the short period to maturity. Cash and cash equivalents comprise cash at bank and cash on hand.

(c) Trade and other receivables

Trade and other receivables are stated at the nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Trade and other Receivables from exchange transactions are disclosed separately from trade and other receivables from non-exchange transactions.

(d) Gains and losses

Gains and losses arising from a change in the fair value of financial instruments are included in net surplus or deficit in the period in which they arise.

(e) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the entity has a legally enforceable right to set off the recognized amounts, and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(f) Provisions

Provisions are recognised when the Agency has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Where the Agency expects some or all of the provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is recognised in the statement of financial performance net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provision for legal liabilities

Professional expert advice is taken on establishing litigation provisions. Provisions for legal proceedings and regulatory matters typically require a higher degree of judgements than other types of provisions. When cases are at an early stage, accounting judgements can be difficult because of the high degree of uncertainty associated with determining whether a present obligation exists as a result of a past event, estimating the probability of outflows and making estimates of the amount of any outflows that may arise. As matters progress through various stages of the cases, Management together with legal advisers evaluate on an ongoing basis whether provisions should be recognized, and the estimated amounts of any such provisions, revising previous judgements and estimates as appropriate.

(i) Contingent liabilities

The Agency does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

(ii) Contingent assets

The Agency does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Agency in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements.

If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

(iii) Other uncertainties

In addition to those items in the statement of financial position there are a number of possible assets or liabilities that may arise in the future but are not currently recognised. This is because they are dependent on uncertain future events occurring or the asset/liability cannot be measured reliably at this point. If these contingencies crystallize, there will be an impact on the operating balance and net worth of these financial statements.

(iv) Foreign Currency Transactions and Balances

Functional and presentation currency

The Financial Statements items of the Agency are measured and presented using the currency of the primary economic environment which is Tanzanian Shillings (TZS). This is the Agency's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into Tanzanian Shillings (TZS) using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance. Monetary assets and liabilities are translated into Tanzanian Shillings using the ruling rate at the Statement of Financial Position date. Each outflow in foreign exchange is revalued using the prevailing exchange rate and compared with the rate at which the outflow was recognised in the books of accounts. Where specific originating rate cannot be identified, the applicable is determined on First in First out (FIFO) basis. The difference between the two entries represents realized revaluation gains or losses. All balances in foreign currencies are revalued using prevailing exchange rates. The differences between the values at the time when the related instrument was recognised, and the current values represent unrealized losses or gains as the case may be.

(i) Comparative figures

Prior period comparative information has been presented in the current financial year, where necessary, comparative figures have been adjusted to conform changes in presentation in the current year.

(ii) Taxation

The Agency as a Government entity is exempt from taxation. However, the Agency withholds taxes on services offered by suppliers and remit to Tanzania Revenue Agency (TRA) within the stated time.

(iii) Related parties

The Agency regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Agency, or vice versa. Members of the Ministerial Advisory Board (MAB) and the key management personnel are regarded as related parties. All transactions with related parties are disclosed in accordance with IPSAS 20 "Related Party Disclosures".

(iv) Impairment of non-financial assets

Assets are reviewed for impairment losses in accordance with IPSAS 21 whenever events or changes in circumstances indicate that the carrying amount may not be recovered. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount. Impairment losses are recognised in the Statement of Financial Performance in the period in which they are incurred.

If any indication exists, or when annual impairment testing for an asset is required, the Agency estimates the asset's recoverable service amount. An asset's recoverable service amount is the higher of the non-cash generating asset's fair value less costs to sell and its value in use. Where the carrying amount of an asset exceeds its recoverable service amount, the asset is considered impaired and is written down to its recoverable service amount.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Agency estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Financial Performance. In this regard, Management is considering the following indicators:

(a) Significant long-term adverse changes in the technological, legal or Government policy environment
(b) Cessation or near cessation of demand for services provided by asset.
(c) Asset's market value has declined significantly more than would be expected with the normal passage of time or normal use
(d) A significant long-term decline in demand for services provided by asset.
(e) Evidence of physical damage or obsolescence of an asset.
(f) Becoming idle, plans to discontinue or restructure the operation to which an asset belongs,
(g) Plans to dispose of an asset before the previously expected date

(v) Impairment of assets (trade and other receivables)

The Agency assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy, death or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

In determining whether an impairment loss should be recorded in the statement of financial performance, the Agency makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows in trade receivables. This evidence may include observable data indicating that there has been an adverse change in the payment status of clients, or national or local economic conditions that correlate with defaults on assets. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in Agency's trade receivables when scheduling its future cash flows.

The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience. Evidence of impairment may include the following indicators:

(a) Debtors or a group of debtors are experiencing significant financial difficulty.
(b) Default of payments and failure to recover by using other measures.
(c) Observable data indicates a measurable decrease in estimated future cash flows
(d) Upon death, termination and resignation of debtors.
(e) Transfer of debtors to another institution.

Provision for Impairment of trade and other receivables

Provision for impairment of receivables is established when there is objective evidence that the Agency will not be able to collect all amounts due according to the original terms of the specific receivables. The loss is recognized through statement of Financial Performance as per Note 14 to the financial statements.

(vi) Deposit

The Agency maintain Procuring Entities deposits for procurement of clearing and forward, motor vehicles and stores items. On the receipt of the PE deposit the Agency recognized a liability, and the Agency fee is recognized as revenue after the services is performed and the risk and reward is transferred to the PE.

(vii)Budget information

The annual budget of GPSA is prepared based on Activity Based Budgeting (ABB) approach. Under the ABB all planned activities for the realization of Agency's Strategic Themes are costed and summed up in order to arrive at the annual expenditure budget. The annual budget presented in these Financial Statements is a consolidated budget for the entire Agency and is under cash basis.

(viii) Comparative figures

Figures for the previous financial statements have been regrouped whenever necessary in order to make them comparable with current year's figures. Certain comparative amount in the statement of financial position have been restated, reclassified or re-presented, as a result of a change in accounting policy, a correction of prior period error, a change in classification of certain expenses during the current year.

10. Significant accounting judgment and estimate

These financial statements reflect the Agency's financial position (service potential and financial capacity), as at 30 June 2024, and the financial results of operations and cash flows for the year ended on that date. Underpinning these financial statements are a number of judgements, estimations and assumptions. These include assumptions about the future, in particular, the service benefits and future cash flows in relation to existing assets and liabilities and judgements in the application of accounting policies. Individual note disclosures show the sensitivity of the values reported in respect of relevant assumptions.

The preparation of the Agency's Financial Statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent assets and contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The Agency makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next year are disclosed.

The useful lives of assets are estimated having regard to such factors as asset maintenance, rate of technical and commercial obsolescence, and asset usage. The useful lives of key assets are reviewed annually.

Significant accounting policies, which have been consistently applied, are disclosed below. Details of any changes in accounting policies are explained in the relevant policy.

	Assumption
Foreign exchange rates	That foreign currency denominated financial assets and liabilities will be able to be translated to TZS at the exchange rate prevailing at balance date.
Depreciation rates	That the economic useful life of assets (used to determine depreciation rates) will approximate the life of the asset which is determined using a combination of engineering and historical evidence.
Asset Purpose	Assets that are held for commercial purposes are subject to a commercially recoverable amount test (the higher of the income that can be generated

	from the asset, or the proceeds from its sale). Assets that are held for public benefit purposes are generally valued at optimized depreciated replacement cost. Optimization means that surplus assets are identified and assumed not to be replaced. Otherwise, it can be assumed the asset will be replaced, and therefore the asset value is not reduced below its optimized depreciated replacement cost. If surplus, the asset will be valued at its net selling price.

Assumptions over future cash flows

The assumptions over future cash flows largely reflect the rights and obligations that exist at 30 June 2025 and the extent to which experience has shown that payments owing to the Agency will be honoured, and when and the extent that obligations owed by the Agency will come due.

Judgements around the amount and duration of future cash flows are critical for valuations. These assumptions are largely based on extrapolating historical experience. As time goes on, better information becomes available, and estimates are updated to reflect more current information.

Other uncertainties

In addition to those items in the statement of financial position there are a number of possible assets or liabilities that may arise in the future but are not currently recognised. This is because they are dependent on uncertain future events occurring or the asset/liability cannot be measured reliably at this point. If these contingencies crystallize, there will be an impact on the operating balance and net worth of these financial statements.

Reclassifications

Certain amounts in the prior periods presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on the previously reported amounts for the year.

Changes in accounting policies and estimates

The Agency recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

11. Financial instruments-financial risk management

The Agency's principal financial instruments comprise available-for-sale financial assets, accounts receivables, cash and short-term deposits; accounts payables and accrued liabilities. The Agency manages a substantial portfolio of financial assets with a long-term view to growing the portfolio in order to maintain financial stability and support for new initiatives and strategic choices.

The main purpose of the available-for-sale financial assets is to raise finance for the Agency's infrastructure. The Agency has various other financial assets and liabilities such as account receivables and accounts payables, which arise directly from operations. The main risks arising from Agency's financial instruments are credit risk, interest risk, currency risk, and liquidity risk.

The Agency, through its Audit Committee, reviews and agrees policies for managing each of these risks and they are summarized below.

(a) Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Agency is exposed to credit risk from its operating activities, primarily trade receivables and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions. Trade receivables are presented net of allowance for impairment. Accordingly, the Agency has no significant credit risk which has not been adequately provided for.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Agency is not exposed to fair value interest rate risk as none of their interest-bearing financial assets or financial liabilities are carried at fair value. The Agency is exposed to cash flow interest rate risk through the impact of changes in interest rates on interest bearing financial assets and financial liabilities, carrying interest at variable rates. The interest rate risk arises from cash at bank balances and bank overdraft.

The Agency manages its cash flow interest rate risk by regularly monitoring market interest rates and maintaining adequate reserves, banking facilities.

(c) Currency risk

The Agency operates wholly within Tanzania and its assets and liabilities are reported in local currency. Foreign currency risk is managed by closely monitoring its bank balances denominated in foreign currency which so far is considered not significant. Exposure to losses from foreign liabilities is managed through prompt payment of outstanding foreign liabilities.

(d) Liquidity risk

Liquidity risk is the risk that suitable sources of funding for the Agency's operating activities may not be available and thus the Agency being unable to fulfil its existing and future cash flow obligations. The Management believes that, the Agency does not face liquidity risk as there are arrangements with the Government to continuously inject funds for the Agency working capital needs. The table below summarizes the maturity profile of the Agency's financial assets and liabilities as at 30 June 2024 based on contractual undiscounted payments.

30 June 2025	Carrying amount	Fair value
Financial assets	TZS	TZS
	"000"	"000"
Cash and cash equivalent	165,924,045	165,924,045
Receivables	86,576	86,576
	166,010,621	**166,010,621**

30 June 2024	Carrying amount	Fair value
Financial assets	TZS	TZS
	"000"	"000"
Cash and cash equivalent	152,742,533	152,742,533
Receivables	1,187,894	1,187,894
	153,930,427	**153,930,427**

30 June 2025	Carrying amount	Fair value
Financial liabilities	TZS	TZS
	"000"	"000"
Trade Payables and accruals	6,079,149	6,079,149
Customers' Deposit	157,635,309	157,635,309
	163,714,458	**163,714,458**

30 June 2024	Carrying amount	Fair value
Financial liabilities	TZS	TZS
	"000"	"000"
Trade Payables and accruals	6,994,089	6,994,089
Customers' Deposit	138,883,888	138,883,888
	145,877,977	**145,877977**

12. Financial Instruments (IPSAS 41)

The introduction of IPSAS 41 substantially modified IPSAS 29 by classifying financial assets and liabilities through a principles-based classification model, a forward-looking expected credit loss model.

The Impact of Change in Accounting Policy

The impact of introducing IPSAS 41 is the emergence of Expected credit loss /gain in the Financial Statements by having different Cash and Cash Equivalent figures reported in the

Statement of Financial Position and the Statement of Cash flows with Exposure at Default (EAD) (Balance) at the end of the financial year.

The Agency operates with the following Banks with global ratings and Probability of Default (PD) as provided in the table below.

No.	Name of the Bank	Rating Agency	Score	Probability of Default (PD)
1	NMB	Moody's	B1	2.16%
2	CRDB	Moody's	B2	2.16%
3	NBC	Moody's	Baa3	0.4%
4	AZANIA	Unrated	Unrated	0.61%

Financial Instruments Recognition

The Agency recognises financial instruments when it becomes party to the contractual provisions.

Financial Assets

Initial and Subsequent Measurement

Financial assets are initially measured at fair value and subsequently measured as per following criteria:

(a) The management model within which the Financial Asset is held.
(b) The characteristics of contractual cash flows are solely payments of Principal and Interest. This includes loan receivables and trade receivables.

Classification of Financial Assets

Classification is based on the criteria mentioned above, as a result the following classes of financial instruments arise namely;

(a) Financial assets at Amortized Cost,
(b) Financial asset at Fair Value through Net asset/ Equity, and
(c) Financial asset at Fair Value through Surplus or Deficit.

Financial Assets at Amortized cost

Financial Assets are subsequently measured at Amortized Cost if both of the following conditions are met;

(a) The financial asset is held within a management model whose objective is to hold financial assets to collect contractual cash flow and
(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This includes Cash and Cash Equivalent

Financial Assets at Fair Value through Net Assets/Equity

Financial assets are subsequently measured at fair value through net assets or equity if both of the following conditions are met;

(c) The financial asset is held within management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(d) The contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial Assets at Fair Value through Surplus/Deficit
Financial Assets are subsequently measured at Fair Value through Surplus /Deficit unless they are measured at amortized costs or fair values through net assets/equity based on conditions mentioned above.

Impairment of financial assets
The impairment of financial asset is calculated using expected credit losses model. Government procurement service Agency recognizes loss allowances {Expected Credit Losses (ECL)} on all financial assets except those that are measured at FVTSD and credit impaired financial assets. The Agency uses the Simplified and General approach in determining the impairment of Financial Assets e.g. Loan Receivables, Trade Receivables. A loss allowance is calculated at each reporting date however, the ECL model is updated on ANNUAL basis to accommodate any event that might cause significant increase in credit risks on financial asset. The term 'expected credit loss' does not imply that losses are anticipated, rather that there is recognition of the potential risk of loss. Determining whether an expected credit loss should be based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk of the financial asset since initial recognition.

Loss allowances for ECL are presented in the statement of financial position as follows: Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;

Inputs into measurement of ECLs
The key inputs into the measurement of ECLs are the discounted product of: probability of default (PD), loss given default (LGD) and exposure at default (EAD).

The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

EAD is based on the amounts the Entity expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). Loss Given Default (LGD) represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD).

LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month).

This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof. The Lifetime PD is developed by applying a maturity profile to the current 12month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band.

Moreover, GPSA operates with NMB Bank with current global ratings of B1- from Moody's which gives probability of default (PD) Of 2.16%, CRDB bank with current global rating of B2 from Moody's which gives probability of default (PD) of 2.16%, NBC Bank with current global rating of Baa3 from Moody's which gives probability of default (PD) of 0.4% and Azania Bank which is UNRATED which gives probability of default of 0.61%.

Derecognition Financial assets

GPSA derecognizes a financial asset when:

(a) The contractual rights to the cash flows from the financial asset expire; or

(b) It transfers the rights to receive the contractual cash flows in a transaction in which either:
- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- GPSA neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

When The Entity enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

Recognition

Financial liabilities are recognized when the Entity has contractual obligation to deliver cash as a result of goods or services received.

Measurement

Financial liabilities are initially measured at fair value and net gains and losses, including any interest expense, are recognized in surplus or deficit. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in surplus or deficit. Any gain or loss on derecognition is also recognized in surplus or deficit.

Derecognition

The Entity derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Entity also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognized in surplus or deficit

Credit risk

Credit risk refers to the loss due to the non-performance by counterparties to discharge an obligation. The Agency is subjected to risk of untimely recovered Motor Vehicle Loans from staff as well its balance(s) of Cash in the Bank(s) and outstanding receivables during the year.

Total Cash in the Banks to which the Agency is exposed to credit risk as of 30 June 2025 with its comparative figures are presented in the table below according to the classification of assets (classification according to external credit rating is done based on credit ratings published by Standard and Poor's)

	Ratings	
Description	**30.06.2025**	**30.06.2024**
NMB	B1	B1
CRDB	B2	B2
NBC	Baa3	Baa3
AZANIA	UNRATED	UNRATED

Credit quality

Credit quality per class of financial assets. The table below shows the quality by class of asset for all financial assets exposed to credit risk, based on the Entity's credit rating system. The amount presented is gross of impairment allowances.

Cash and Cash Equivalent and Loan receivables as at 30 June 2025

Description	Stage 1	Stage 2	Stage 3	Total
Cash & Cash Equivalent	165,924,045	-	-	165,924,045
Loan receivables	2,990	-	14,750	17,740

Trade Receivables as at 30 June 2024

Buckets	30-Jun-24
	TZS '000'
0-30 Days	63,885
181-210 Days	35,784
331-365 Days	1,666
Above 365 Days	9,093,143
Total	**9,194,478**

Cash & Cash Equivalent and Loan receivables as at 30 June 2024

Description	Stage 1	Stage 2	Stage 3	Total
Cash & Cash Equivalent	153,188,858	-	-	153,188,858
Loan receivables	8,030	-	29,185	37,215

Trade Receivables as at 30 June 2024

Buckets	30-Jun-24
	TZS '000'
0-30 Days	1,004,554
31-60 Days	1,470
61-90 Days	131,988
211-240 Days	23,965
Above 365 Days	9,325,362
Total	**10,487,339**

Movement in Expected Credit Loss allowance

The following tables explain the changes in the loss allowance between the previous period and the current reporting period due to change in credit risk factors:

Cash and Cash Equivalent:

Description	Stage 1	Stage 2	Stage 3
Loss Allowance as at 30 June 2024	446,324		
New Financial Assets Originated/Purchased	1,098,391		
Financial Asset derecognised	-		
Change in risk parameters	-		
Loss Allowance as at 30 June 2025	**1,544,715**		

(a) Categories of Financial Instruments

The categorization of financial instruments as per IPSAS 41, Financial Instruments is as shown below:

Financial Assets

30 June 2024	Carrying Value TZS '000'	Held to Maturity TZS '000'	Receivables TZS '000'
Financial Assets			
Cash and Cash Equivalents	165,924,045	165,924,045	
Trade and other receivables	86,576	-	86,576
	166,010,621	**165,924,045**	**86,576**

30 June 2024	Carrying Value TZS '000'	Held to Maturity TZS '000'	Receivables TZS '000'
Financial Assets			
Cash and Cash Equivalents	152,742,533	152,742,533	
Trade and other receivables	1,187,894	-	1,187,894
	153,930,427	**152,742,533**	**1,187,894**

Financial Liabilities

30 June 2025	Carrying Value TZS '000'	Other Financial Liabilities TZS '000'
Financial Liabilities		
Accounts Payables and other Payables	163,714,458	163,714,458
	163,714,458	**163,714,458**

30 June 2024	Carrying Value TZS '000'	Other Financial Liabilities TZS '000'
Financial Liabilities		
Accounts Payables and other Payables	145,877,977	145,877,977
	145,877,977	**145,877,977**

13. Cash and cash equivalents

	30/6/2025 TZS "000"	30/6/2024 TZS "000"
BoT Ownsource Collection Account	87,467,190	56,128,671
Deposit Account USD	2,362,987	2,137,478
Deposit Cash Account	-	11,546,023

Ownsource Collection Account - NBC	18,045	90,020
Ownsource Collection Account - NMB	-	108,964
Ownsource Collection Account -CRDB	5,057	8,876
Ownsource Development Expenditure	-	626,801
Ownsource Recurrent Expenditure GF	69,078,636	47,901,453
Recurrent Expenditure Cash Account	-	13,055,341
Unapplied Cash Account	-	89,611
USD BoT Collection Account	6,776,620	16,366,404
USD Commercial Collection Account	1,759,934	5,129,212
Total Cash and Cash Equivalents	167,468,760	153,188,858
Movement in ECL provision:		
Opening balance Expected Credit Losses:	446,324	354,480
Charges during the year	1,098,392	91,844
Loss Allowance as at 30 June	**1,544,716**	**446,324**
Cash as per Statement of Financial Position	**165,924,044**	**152,742,534**

In accordance with IPSAS 41 - Financial Instruments, cash and cash equivalents are subject to expected credit loss (ECL) assessment from initial recognition. The Entity measures ECLs using a forward-looking model based on the probability of default (PD), loss given default (LGD), and exposure at default (EAD), discounted using the original effective interest rate. As there has been no significant increase in credit risk since initial recognition, ECLs on cash and cash equivalents are measured on a 12-month basis. The estimation incorporates reasonable and supportable information, including external credit ratings and forward-looking economic factors.

Credit risk on cash and cash equivalents is considered low, as balances are held mainly with the Bank of Tanzania and reputable commercial banks operating under regulatory supervision. External credit ratings from internationally recognised agencies are used where available to determine probabilities of default for counterparties, while reasonable assumptions are applied for unrated institutions. The resulting ECL allowance is recognised as a deduction from cash and cash equivalents in the Statement of Financial Position, with movements in the allowance recognised in surplus or deficit for the year.

Movement in Expected Credit Loss (ECL) Allowance

Description	30 June 2025 (TZS '000')	30 June 2024 (TZS '000')
Opening balance	446,324	354,480
ECL charge for the year	1,098,392	91,844
Closing balance	**1,544,716**	**446,324**

The expected credit loss allowance represents management's best estimate of losses arising from credit risk on cash and cash equivalents as at the reporting date and is recognised as a deduction from cash and cash equivalents in the Statement of Financial Position.

Analysis of Cash and Cash Equivalent:
For the purpose of the statement of cash flows, cash and cash equivalent comprises of the following balances.

	30/6/2025 TZS "000"	30/6/2024 TZS "000"
Cash as per Cashflows Statement	167,468,760	153,188,858
Provision for Expected Credit Losses	(1,544,716)	(446,324)
Cash as per Statement of Financial Position	165,924,044	152,742,534

14. Receivables

	30/6/2025 TZS "000"	30/6/2024 TZS "000"
Rental charges	2,816,351	3,005,437
Clearing and forwarding	798,485	798,485
Sales of stores	5,589,208	6,683,417
Staff imprest and advances	3,230	35,440
Motor vehicles staff loan	17,740	37,215
Sub-total	**9,225,014**	**10,559,994**
Movement in ECL provision		
Balance as of 01 July 2024	9,372,099	7,062,699
Amount recovered during the period	-	-
Additions ECL provision during the year	-	2,322,908
ECL Reversal (Note 24)	(233,662)	(13,507)
Balance as of 30 June 2025	**9,138,438**	**9,372,100**
Total trade and other receivables	**86,576**	**1,187,894**

Ageing of receivables past due but not impaired is as shown below:

Details	Total	3 Months	3 - 6 Months	6 - 12 Months	1 - 2 years	Over 2 years
Rental Charges	2,816,351			-		2,816,351
Clearing and forwarding	798,485					798,485
Sales of stores	5,589,208	73,451		35,784		5,479,973
Staff imprest and advances	3,230	3,230				
Motor Vehicle Staff Loan	17,740				17,740	
Sub total	9,225,014	76,681	-	35,784	17,740	9,094,809

Movement in impairment provision

Balance as of 01 July 2024	9,372,099
ECL Reversal	(233,662)
Balance as of June 2025	9,138,438
Balance at 30 June 2025	86,576

There have been no changes during the reporting period in the estimation techniques or significant assumptions used in measuring expected credit losses for financial instruments (receivables).

15. Inventories

	30/6/2025 TZS "000"	30/6/2024 TZS "000"
Consumables	10,865,286	16,601,782
Consumables Opening	(236,027)	(236,027)
Fuel	2,252,959	2,991,746
Total inventory	12,882,220	19,357,501

Inventories are disclosed pursuant to IPSAS 12 para 47

(a) Measurement basis
Inventories are measured at the lower of cost and net realisable value (NRV) in accordance with IPSAS 12.

(b) Inventories carried at Cost and Net Realisable Value (NRV)
Inventories with a gross carrying amount of TZS 13,118,243,722 as at 30 June 2025 were assessed in accordance with IPSAS 12 and are measured at the lower of cost and net realisable value (NRV). The gross amount of TZS 13,118,243,722 is stated before deduction of an allowance for obsolete and impaired inventories amounting to TZS 236,026,415 (2024: TZS 236,026,415). The allowance has been determined based on management's assessment of slow-moving, damaged, or non-usable inventory items and is presented as a deduction from the gross inventory balance in accordance with IPSAS 12.

(c) Inventories recognised as an expense during the period
No inventory write-down was recognised as an expense in the year ended 30 June 2025 in accordance with IPSAS 12 (para 42).

(d) Write-down reversals
No reversal of any inventory write-down was recognised in the Statement of Financial Performance for the year ended 30 June 2025.

(e) Allowance for inventory obsolescence/impairment

The Agency recognised an allowance on inventories amounting to TZS 236,026,415 (2024: TZS 236,026,415).

(f) Inventories pledged as security

No inventories were pledged as security for liabilities as at 30 June 2025 (2024: Nil).

(g) Fuel Inventories—Physical Verification Basis and GIMIS/Bin Card

Fuel inventories disclosed in these financial statements amounting to TZS 2,252,959,000 as at 30 June 2025 represent the physical quantities of fuel observed and verified during the year-end stock-taking exercise. This balance is stated net of an evaporation loss of TZS 252,769,000 identified between the GIMIS/Bin Card records and the observed physical quantities at the reporting date. The evaporation loss was recognised in the surplus or deficit for the year ended 30 June 2025. Any confirmed fuel losses requiring derecognition/write-off will be processed in accordance with applicable public finance requirements, and write-off approval will be sought from the Permanent Secretary, Ministry of Finance, prior to derecognition in the accounting records.

16. Prepayment

This represents amount paid in advance in respect of bulk procurement of motor vehicles on behalf of the Government, rent, insurance of the Agency's motor vehicles and construction of regional office buildings.

	30/6/2025 TZS "000"	30/6/2024 TZS "000"
Rent in advance	642	6,004
Insurance of motor vehicles	144,468	25,631
Supplementary Health Insurance by NHIF	8,512	80,479
Construction/Rehabilitation of regional offices	49,112	905,019
Bulk procurement of motor vehicles	12,519,042	-
Total prepayment	**12,721,772**	**1,017,133**

The reported prepayment for the year ended 30 June 2025 comprises of:

Period	Financial year ended 30 June 2025		Remarks
	Amount (TZS "000")	%	
Within 12 Months	12,721,772	100	This balance entails amount paid in advance for construction/ rehabilitation of regional office buildings, rent and insurance of the Agency Motor vehicles, Bulk procurement of motor vehicles and employees health insurance
Total	12,721,772	100	

17. Property, plant & equipment as at 30 June, 2025

	Cost/Revaluation							Accumulated Depreciation and Impairment							
30-Jun-25	At 01 July	Additions	Additions (non-monetary)	Transfer	Adjustment	Disposal	At 30 June	At 01 July Acc depreciation	Adjustment	Re-stated Acc Depreciation as at 01 July	Charge for the Year-Depreciation	Disposal/ Impairment	Acc depreciation 30th June	Acc Depreciation & impairment 30th June	Carrying value 30th June
	TZS" 000"	TZS" 000"	TZS" 000"	TZS" 000"	TZS"000"	TZS" 000"	TZS" 000"	TZS" 000"	TZS" 000"	TZS" 000"	TZS" 000"	TZS" 000"	TZS" 000"	TZS" 000"	TZS" 000"
Land	25,570,381	1,220		-		-	25,571,601	-		-	-	-	-	-	25,571,601
Building	20,350,410	3,443,571	-	1,282,092		(12,000)	25,062,069	2,073,702		2,073,702	436,924	(12,000)	2,498,625	2,498,625	22,565,448
Plant and Machinery	2,062,473	202,275	-			(753)	2,263,995	754,335		754,335	144,265	(753)	897,847	897,847	1,366,148
Motor Vehicles	6,667,969	3,513,761	-	-			10,181,730	2,582,035		2,582,035	735,216		3,317,250	3,317,250	6,864,480
Motorcycle	15,750		-	-			15,750	11,261		11,261	2,252		13,514	13,514	2,237
Furniture and Equipment	2,630,139	316,453	-	-		(1,834)	2,944,554	1,178,618		1,178,618	272,018	(1,834)	1,448,803	1,448,803	1,495,751
Computer Equipment	748,191	630,775	-	-		(1,392)	1,377,574	439,966		439,966	145,976	(1,392)	584,550	584,550	793,024
Tricycle	-	16,665					16,665	-		-	2,383		2,383	2,383	14,282
Sub-total	58,045,313	8,124,721	-	1,282,092		(15,978)	67,435,942	7,039,917		7,037,913	1,739,033	(15,978)	8,762,972	8,762,972	58,672,970
Work-in-Progress	1,437,158	1,190,824	-	(1,282,092)		-	1,345,890	-		-		-	-	-	1,345,890
Total	59,482,470	9,315,545	-			(15,978)	68,779,827	7,039,917		7,037,913	1,739,033	(15,978)	8,762,972	8,762,762	60,018,859

17. Property, plant & equipment as at 30 June, 2024 (continued)

	Cost/Revaluation							Accumulated Depreciation and Impairment							
30-Jun-24	At 01 July	Additions (monetary)	Additions (non-monetary)	Transfer	Adjustment	Disposal	At 30 June	At 01 July Acc depreciation	Adjustment	Re-stated Acc Depreciation as at 01 July	Charge for the Year-Depreciation	Disposal/ Impairment	Acc depreciation 30th June	Acc Depreciation & Impairment 30th June	Carrying value 30th June
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Land	25,420,659	149,722		-		-	25,570,381	-		-	-	-	-	-	25,570,381
Building	16,672,029	879,058	-	2,799,322		-	20,350,410	1,684,208		1,684,208	387,490		2,073,702	2,073,702	18,278,712
Plant and Machinery	1,853,170	163,209	-	35,909	10,186		2,062,473	619,916	5,460	625,375	128,960		754,335	754,335	1,308,138
Motor Vehicles	6,028,791	188,815	-	-	450,363		6,667,969	1,946,721	135,720	2,082,441	499,594		2,582,035	2,582,035	4,085,934
Motorcycle	15,750	-	-	-			15,750	9,009		9,009	2,252		11,261	11,261	4,489
Furniture and Equipment	2,362,445	230,826	-	-	36,868		2,630,139	924,414	4,291	928,705	249,913		1,178,618	1,178,618	1,451,521
Computer Equipment	705,295	42,895	-	-			748,191	349,095		349,095	90,871		439,966	439,966	308,225
Sub-total	53,058,140	1,654,319	-	2,835,230	497,417	-	58,045,313	5,533,362	145,471	5,678,833	1,359,080	-	7,039,917	7,039,917	51,007,399
Work-in-Progress	2,043,181	2,229,207	-	(2,835,230)		-	1,437,158	-		-	-	-	-	-	1,437,158
Total	55,101,321	3,883,527	-	-	497,417	-	59,482,470	5,533,362	145,471	5,678,833	1,359,080	-	7,039,917	7,039,917	52,444,557

17. Property, plant & equipment as at 30 June, 2025 (continued)

The category of Property, Plant and Equipment consists of Land, buildings plant and machinery, motor vehicles, office equipment as well as furniture and fittings. Net acquisitions (after disposals, depreciation and amortization) for the year ended 30 June 2025 was TZS 58,672,970,000 (2023/24: TZS 51,007,399,380).

Additions or reductions in fixed assets reported in the statement of financial position, while depreciation expense for the period is reported in the statement of financial performance. Buildings, plant and machinery, motor vehicles, office equipment as well as furniture and fittings are capitalized if their cost is greater than or equal to the threshold limit set as per the Public Finance (Management of Public Property) Regulations, 2024. They are depreciated over the asset's estimated useful life using straight line method.

(a) Assets are reviewed annually to determine whether there is any impairment in their value pursuant to IPSAS 17.67;
(b) All Property, Plant and Equipment have been reported at cost;
(c) No item of Property, Plant and Equipment was temporarily idle or not in use as at 30 June 2025 except those impaired and held for condemnation;
(d) At the date of acquisition, the fair values of assets were considered to be equal to their carrying amount;
(e) There is no existence of the number of contractual commitments for the acquisition of Property, Plant and Equipment of the Agency;
(f) The Agency procured assets amounting to TZS 9,315,544,862 during the year 2024/2025 (2023/24: TZS 3,883,732,796) as shown in the PPE movement schedule;
(g) Assets amounting to TZS 15,978,000 were disposed of in the financial year 2024/25. The Agency is still waiting for the condemnation approval of other undisposed assets from the Ministry responsible for Finance pursuant to section 43 (1) of the Public Finance Act, 2001 R.E. 2020);
(h) No impairment losses were recognized in surplus or deficit pursuant to IPSAS 21 or IPSAS 26 and neither impairment losses reversed in surplus or deficit in accordance with IPSAS 21 and IPSAS 26 in the year under review;
(i) During the year under review depreciation expense totalling TZS 1,739,032,936 were charged on Property, Plant and Equipment; and
(j) There were no full depreciated Assets that were still in use during the year 2024/25.

18. Capital Works in Progress

Description	30/6/2025 TZS	30/6/2024 TZS
Opening Balance 1st July 2024	1,437,158	2,043,180
Additions for the year	1,190,824	2,229,208
Transfers	(1,282,092)	(2,835,230)
Closing balance 30 June 2025	**1,345,890**	**1,437,158**

The disclosed works in progress at the closure of the period includes costs for Construction and Rehabilitation of GPSA regional offices.

19. INTANGIBLE ASSETS AS AT 30 JUNE 2025

	Cost/Revaluation					Accumulated Amortization and Impairment				
30 June 2025	At 01 July	Additions (monetary)	Additions (non-monetary)	Transfer	At 30 June	At 01 July Acc. Amortization & impairment	Amortization	Impairment	Total Amortisation & impairment	Carrying value 30 June
	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'
Computer Software (GIMIS)	356,796	-	-	-	356,796	-	-	-	-	356,796
Sub-total	356,796	-	-	-	356,796	-	-	-	-	356,796
Work-in-Progress	-	-	-	-	-	-	-	-	-	-
Total	356,796	-	-	-	356,796	-	-	-	-	356,796

	Cost/Revaluation					Accumulated Amortization and Impairment				
30 June 2024	At 01 July	Additions (monetary)	Additions (non-monetary)	Transfer	At 30 June	At 01 July Acc. Amortization & impairment	Amortization	Impairment	Total Amortisation & impairment	Carrying value 30 June
	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'
Computer Software (GIMIS)	356,796	-	-	-	356,796	-	-	-	-	356,796
Sub-total	356,796	-	-	-	356,796	-	-	-	-	356,796
Work-in-Progress	-	-	-	-	-	-	-	-	-	-
Total	356,796	-	-	-	356,796	-	-	-	-	356,796

19. INTANGIBLE ASSETS AS AT 30 JUNE 2025 (continued)

The category of Intangible Assets consists of computer software, the GPSA Integrated Management Information System (GIMIS). Net acquisitions (after disposals, impairment and amortization) for the year ended 30 June 2025 was TZS 356,796,000 (TZS 356,796,000: 2024).

(a) All Intangible Assets have been reported at cost;
(b) Intangible Assets are reviewed annually to determine whether there is any impairment in their value pursuant to IPSAS 31.108 and IPSAS 31.109;
(c) In the financial year 2024/25, there is no impairment test done because there was no significant factors that lead to impairment test and no impairment were recognized in the surplus or deficit pursuant to IPSAS 21 or IPSAS 26 and neither impairment losses reversed in surplus or deficit in accordance with IPSAS 21 and IPSAS 26 in the year under review;
(d) No item of Intangible Asset was temporarily idle or not in use as at 30 June 2025 except those that were impaired;
(e) At the date of acquisition, the fair values of Intangible Assets were considered to be equal to their carrying amount;
(f) During the year under review, no amortization expense was charged on Intangible Asset since the same was internally developed;
(g) There was no full amortised intangible asset that was still in use during the year 2024/25.

20. Payables and Accruals

	30/6/2025 TZS "000"	30/6/2024 TZS "000"
Trade payables for stores item	6,044,458	6,438,866
Other trade payables	-	146,889
Accrued charges	34,691	408,335
Total trade payables	6,079,149	6,994,089

21. Customers' deposits

The Agency receives deposits from procurement entities in advance of providing services. These deposits relate primarily to motor vehicle procurement activities as well as clearing and forwarding services. Amounts received in advance are recorded as *customer deposits (liabilities)* until the related services are performed.

For motor vehicle procurement and clearing and forwarding assignments, the Agency recognizes revenue only to the extent of the agency fee, and only when the Agency has completed the services stipulated under the procurement engagement. Accordingly, the agency fee is recognized as income upon the rendering of services in line with the Agency's revenue recognition policy. The remaining portion of funds received from procurement entities does not constitute revenue. Instead, such amounts continue to be classified as customer deposits until all related obligations are fulfilled and the underlying transactions are completed.

	30/6/2025 TZS "000"	30/6/2024 TZS "000"
Deposit relating to sales of stores	28,988,134	23,516,642
Deposit Relating to motor vehicle	124,195,967	112,408,828
Deposit Relating to clearing and forward	4,451,208	2,958,418
Total	**157,635,309**	**138,883,888**

Ageing analysis of deposits is as shown below:

Details	Total TZS "000"	3 Months TZS "000"	3 - 6 Months TZS "000"	6 - 12 Months TZS "000"	1 - 2 years TZS "000"	Over 2 years TZS "000"
Sales of stores	28,988,134	-	-	28,988,134	-	-
Motor vehicle	124,195,967	54,050,322	33,199,157	14,258,513	22,004,173	683,802
C&F	4,451,208	2,831,037	207,346	98,700	1,314,125	-
Sub total	**157,635,309**	**56,881,359**	**33,406,503**	**43,345,347**	**23,318,298**	**683,802**

At 30 June 2024, the balance of Clearing and Forwarding Deposits includes TZS 89,611,000 relating to Unapplied Cash Account that is included under cash and cash equivalents disclosed in Note 13. This amount is held pending settlement and has therefore been recognised as a liability under Deposits.

22. Revenue from Exchange Transactions

	30/6/2025 TZS "000"	30/6/2024 TZS "000"
Revenue from Contract Fees- Exchange	592,138	10,000
Revenue from Sale of Stores	20,452,177	19,371,615
Revenue from Supervision and Agency Fees- Exchange	6,885,465	6,583,387
	27,929,780	25,965,002

23. Financing income

	30/6/2025 TZS "000"	30/6/2024 TZS "000"
Interest Received	976,677	191,748
	976,677	191,748

24. Fair value Gains on Assets and liabilities

a) Basis of Measurement and Accounting Policy

In accordance with IPSAS 41 - Financial Instruments, the Agency applies the Expected Credit Loss (ECL) model to financial assets measured at Fair Value through Surplus/Deficit, including receivables. Expected credit losses are recognised using a forward-looking approach based on historical experience, current conditions, and reasonable and supportable forecasts. Changes in expected credit losses are recognised in surplus or deficit in the period in which they arise.

An increase in ECL results in an impairment loss, while a decrease in ECL results in a reversal of impairment, recognised as a gain in surplus or deficit.

b) Recognition of Fair Value Gains and Losses Arising from ECL

Although receivables are measured at Fair Value, movements in expected credit losses affect their recoverable amount and reflect changes in underlying credit risk. A reduction in the ECL allowance represents an improvement in credit quality and increased expected future cash inflows, which constitutes a gain recognised in surplus or deficit in accordance with IPSAS 41.

c) Reversal of Provision for Impairment of Receivables

During the reporting period, the Agency recognised a reversal of provision for impairment of receivables arising from changes in expected credit losses.

- The opening ECL balance as at 1 July 2024 amounted to TZS 9,372,099,000.
- The closing ECL balance as at 30 June 2025 amounted to TZS 9,138,437,000.

This represents a net decrease in the impairment allowance of TZS 233,662,000 which has been recognised as a gain in surplus or deficit for the year. The reversal reflects an improvement in credit risk associated with receivables during the period, supported by improved collection performance and updated forward-looking information. As a result, the Agency expects to collect more cash flows than previously estimated.

d) Quantitative Summary of ECL Movement on Receivables

Description	Amount (TZS '000')
Opening ECL allowance (1 July 2024)	9,372,099
Reversal of impairment (ECL gain)	(233,662)
Closing ECL allowance (30 June 2025)	**9,138,437**

e) Impact on Surplus or Deficit

The reversal of the impairment allowance of TZS 233,662,000 has been recognised in surplus or deficit for the year ended 30 June 2025 in accordance with IPSAS 41. This gain reflects revised expectations regarding the recoverability of receivables and does not represent cash inflows during the period.

25. Gains on disposal of Assets

	30/6/2025	30/6/2024
	TZS "000"	TZS "000"
Gain from Disposal of Government Assets	5,829	-
	5,829	-

26. Effect of Foreign Currency Translations

In accordance with IPSAS 4 - The Effects of Changes in Foreign Exchange Rates, the Agency prepares and presents its financial statements on the accrual basis of accounting and is therefore required to record and report all foreign currency transactions in its functional currency, the Tanzanian Shilling (TZS). Foreign currency transactions denominated in USD are initially translated into TZS using the spot exchange rate at the date of the transaction. Monetary items outstanding at year-end are subsequently translated at the closing exchange rate.

Consequently, the exchange gains or losses recognized in the Statement of Financial Performance for each reporting period arise from differences between the exchange rates at the transaction dates, reporting dates, and settlement dates. The variation in exchange gains or losses between the two comparative years is therefore attributable primarily to changes in the USD/TZS exchange rates, rather than changes in transaction volumes or other operational factors.

Functional Currency (TZS)	Presentation Currency (USD)	Exchange Rate	Equivalent Amount (TZS)	30/06/2025 TZS''000" Gain/(Loss)	30/06/2024 TZS"000" Gain/(Loss)
A	B	C	D =B*C	E=D-A	
10,816,847	4,184	2,605	10,899,541	82,694	(733,645)
Foreign Exchange Differences (Losses)				**82,694**	**(733,645)**

27. Other Revenue

	30/6/2025 TZS "000"	30/6/2024 TZS "000"
Miscellaneous Revenue	-	10,659
Rent from Customs Warehouse	790,588	726,597
	790,588	**737,256**

28. Subvention from other government entities

	30/6/2025 TZS "000"	30/6/2024 TZS "000"
Government Grant Personal Emolument	5,327,297	4,829,375
	5,327,297	4,829,375

29. Wages and salaries and employee benefits

	30/6/2025 TZS "000"	30/6/2024 TZS "000"
Acting Allowance	1,100	-
Casual Labour Expenses	17,365	200
Civil Servants	5,327,297	4,829,375
Civil Servants Contracts	600,911	581,914
Electricity	65,668	99,042
Extra-Duty	2,416,904	1,047,308
Facilitation Allowance Expenses -employee	1,140	1,000
Food and Refreshment	647,151	65,532
Furniture Expenses	64,000	218,000
Honoraria	2,051,672	1,158,984
Housing Allowance discretionary Expenses	618,132	797,518
Leave Travel	87,659	60,782
Moving Expenses	174,623	262,626
National Health Insurance Fund (NHIF) Employee Expenses	324,967	172,521

Outfit Allowance	4,000	3,200
Sitting Allowance	385,644	266,575
Special Allowance	779,752	658,048
Telephone	121,130	119,600
	13,689,115	10,342,225

30. Use of Goods and services

	30/6/2025 TZS "000"	30/6/2024 TZS "000"
Advertising and publication	63,901	-
Advertising and Publication - Communication & Information	10,000	20,001
Air Travel Tickets Travel - In - Country	116,486	132,540
Air Travel Tickets Travel Out Of Country	10,000	-
Cleaning Supplies - Use of goods and Services	15,475	22,087
Communication Network Services	6,463	-
Computer Software - Use of goods and Services	11,643	-
Computer Supplies and Accessories	4,197	8,465
Conference Facilities	70,001	26,001
Curtains	1,020	-
Diesel	244,110	282,001
Electricity - Utilities Supplies and Services	298,183	73,221
Electricity charges by private entities	620	-
Entertainment - Hospitality Supplies and Services	198,341	114,960
Exhibition, Festivals and Celebrations	500	200
Food and Refreshments	179,106	462,150
Fumigation Expenses	2,157	1,155
Furniture and Appliances	-	960
Gifts and Prizes	169,124	88,005
Ground Transport (Bus, Train, Water)	7,846	8,629
Ground travel (bus, railway taxi, etc) Travel - In - Country	399,531	496,255
Ground travel (bus, railway taxi, etc) Travel Out of Country	5,132	370
Inspection Fees	4,160	3,450
Internet and Email connections	35,572	22,022
Lodging/Accommodation Travel - In - Country	36,781	30,879
Lubricants	1,227	1,716
Mobile Charges	16,200	-
Newspapers and Magazines	5,761	6,413
Office Consumables (papers, pencils, pens and stationaries)	121,848	164,753
Operations and Training Fuel	450	-
Outsourcing Costs (includes cleaning and security services)	474,610	1,527,882
Per Diem - Domestic	1,841,252	1,400,358
Per Diem - Foreign	83,409	127,823
Posts and Telegraphs	25,545	27,103
Printing and Photocopying Costs	21,310	34,841
Printing Material	45,944	20,075
Printing of Stamps	-	12,208
Programs Transmission Fees	21,100	13,791
Protective Clothing, footwear and gears	2,075	-
Remuneration of Instructors	200	950

Sporting Supplies	14,508	32,114
Technical Service Fees	188,051	50,933
Telephone Charges (Land Lines)	4,630	3,913
Telephone Charges -Utilities Supplies and Services	183	-
Tents and Camp Equipment	16,333	14,070
Training Allowances	33,322	20,170
Tuition Fees Training - Domestic	123,073	50,000
Uniforms and Ceremonial Dresses	37,280	31,403
Uniforms -Clothing, Bedding, Footwear and Services	2,318	2,398
Water Charges	22,903	18,941
Wire, Wireless, Telephone, Telex Services and Facsimile	1,352	600
	4,995,231	**5,355,806**

31. Maintenance Expenses

	30/6/2025 TZS "000"	30/6/2024 TZS "000"
CCTV Maintenance	-	7,000
Computers, printers, scanners, and other computer related equipment	1,265	50
Direct labour (contracted or casual hire) - Buildings	13,644	5,680
Direct labour (contracted or casual hire) - Water and Electricity	2,485	6,652
Fire Protection Equipment	14,621	5,003
Fumigation Expenses	400	0
Motor Vehicles and Watercraft	16,170	267,416
Outsource maintenance contract services - Buildings	3,624	6,259
Outsource maintenance contract services - Machinery, Equipment and Plant	24,471	29,932
Outsource maintenance contract services - Office Equipment and Appliances	135,086	10,535
Outsource maintenance contract services - Vehicles and Transportation Equipment	435,303	146,000
Outsource maintenance contract services - Water and Electricity Installations	-	375
Panel and body shop repair materials and services	-	1,534
Precision tools, weights and measures instruments	337,370	284,001
Repair and Maintenance of Furniture	2,212	1,500
Repair and Maintenance of Sewerage System	1,005	1,450
Small tools and implements - Buildings	182	-
Spare Parts - Other	3,735	-
Spare Parts - Vehicles and Transportation Equipment	96,756	79,419
Tyres and Batteries	6,516	6,276
	1,094,845	**859,082**

32. Fuel Evaporation Loss

	30/6/2025 TZS "000"	30/6/2024 TZS "000"
Fuel Evaporation Loss	252,769	216,975
	252,769	**216,975**

33. Other Expenses

	30/6/2025 TZS "000"	30/6/2024 TZS "000"
Audit fees Expenses	250,000	845
Audit supervision expenses	25,000	-
Burial Expenses	8,500	2,000
Co-Location operational Expenses	5,101	-
Consultancy fees	-	320
Director's Fee	19,000	19,000
Freight Forwarding and Clearing Charges	250	-
Insurance Expenses	269,874	4,320
Legal fees Expenses	-	550
Port charges	2,387	-
Property Insurance Premiums	4,724	-
Security Services	-	10732
Specialized Equipment and Supplies	3,596	81
Sundry Expenses	-	500
	588,432	38,348

34. Expected credit Loss

	30/6/2025 TZS "000"	30/6/2024 TZS "000"
Expected Credit Loss	1,098,391	2,400,845
	1,098,391	2,400,845

35. Other Transfers

	30/6/2025 TZS "000"	30/6/2024 TZS "000"
Contribution to Consolidated Fund (15%)	4,841,353	4,501,540
	4,841,353	4,501,540

36. Payment of work in progress

	30/6/2025 TZS"000"	30/6/2024 TZS"000"
Buildings other than dwellings - WIP Monetary	1,190,824	2,229,207
	1,190,824	2,229,207

37. Revenue from Exchange Transactions

	30/6/2025 TZS"000"	30/6/2024 TZS"000"
Revenue from Contract Fees- Exchange	592,138	10,000
Revenue from Sale of Stores	21,546,391	14,667,009
Revenue from Supervision and Agency Fees- Exchange	6,885,465	6,583,387
	29,023,994	21,260,396

38. Other Revenue

	30/6/2025 TZS "000"	30/6/2024 TZS "000"
Reported in statement of from performance	790,588	839,789
Opening balance from Note 14	3,005,437	2,902,904

Revenue available during the year	3,796,025	3,742,693
Closing receivables from exchange transaction Note 14	(2,816,351)	(3,005,437)
Cash inflow for revenue from exchange transactions	**979,674**	**737,256**

39. Wages, Salaries and Employee Benefits

	30/6/2025 TZS"000"	30/6/2024 TZS"000"
Acting Allowance	1,100	-
Casual Labour Expenses	17,365	200
Civil Servants Contracts	600,911	581,914
Civil Servants	5,327,297	4,829,375
Electricity	65,668	99,042
Extra-Duty	2,416,904	1,047,308
Facilitation Allowance Expenses -employee	1,140	1,000
Food and Refreshment	647,151	65,533
Furniture Expenses	64,000	218,000
Honoraria	2,051,672	1,158,984
Housing Allowance discretionary Expenses	618,132	797,518
Leave Travel	87,659	60,782
Moving Expenses	174,623	262,626
National Health Insurance Fund (NHIF) Employee Expenses	324,967	172,521
Outfit Allowance	4,000	3,200
Sitting Allowance	385,644	266,575
Special Allowance	779,752	658,048
Telephone	121,130	119,600
	13,689,114	**10,342,225**
Add/Less (Change in Working Capital)		
Changes in Staff Claim	11,963	(6,658)
	11,963	**(6,658)**
	13,701,077	**10,335,567**

40. Use of goods and services

	30/6/2025 TZS"000"	30/6/2024 TZS"000"
Advertising and publication	63,901	-
Advertising and Publication - Communication & Information	10,000	20,001
Air Travel Tickets Travel - In - Country	116,486	132,540
Air Travel Tickets Travel Out of Country	10,000	-
Cleaning Supplies - Use of goods and Services	15,475	22,087
Communication Network Services	6,463	-
Computer Software - Use of goods and Services	11,643	-
Computer Supplies and Accessories	4,197	8,465
Conference Facilities	70,001	26,001
Curtains	1,020	-
Diesel	244,110	282,001
Electricity - Utilities Supplies and Services	298,183	73,221
Electricity charges by private entities	620	-
Entertainment - Hospitality Supplies and Services	198,341	114,960
Exhibition, Festivals and Celebrations	500	200
Food and Refreshments	179,106	462,150
Fumigation Expenses	2,157	1,155
Furniture and Appliances	-	960

Gifts and Prizes	169,124	88,005
Ground Transport (Bus, Train, Water)	7,846	8,629
Ground travel (bus, railway taxi, etc.) Travel - In - Country	399,531	496,255
Ground travel (bus, railway taxi, etc.) Travel Out of Country	5,132	370
Inspection Fees	4,160	3,450
Internet and Email connections	35,571	22,022
Lodging/Accommodation Travel - In - Country	36,781	30,879
Lubricants	1,227	1,716
Mobile Charges	16,200	-
Newspapers and Magazines	5,761	6,413
Office Consumables (papers, pencils, pens and stationaries)	121,847	164,753
Operations and Training Fuel	450	-
Outsourcing Costs (includes cleaning and security services)	474,610	1,527,882
Per Diem - Domestic	1,841,252	1,400,358
Per Diem - Foreign	83,407	127,823
Posts and Telegraphs	25,546	27,103
Printing and Photocopying Costs	21,310	34,841
Printing Material	45,944	20,075
Printing of Stamps	-	12,208
Programs Transmission Fees	21,100	13,791
Protective Clothing, footwear and gears	2,075	-
Remuneration of Instructors	200	950
Sporting Supplies	14,508	32,114
Technical Service Fees	188,051	50,933
Telephone Charges (Land Lines)	4,629	3,913
Telephone Charges -Utilities Supplies and Services	183	-
Tents and Camp Equipment	16,333	14,070
Training Allowances	33,322	20,170
Tuition Fees Training - Domestic	123,073	50,000
Uniforms and Ceremonial Dresses	37,280	31,403
Uniforms -Clothing, Bedding, Footwear and Services	2,318	2,398
Water Charges	22,903	18,941
Wire, Wireless, Telephone, Telex Services and Facsimile	1,352	600
	4,995,229	5,355,806
Add: payments settled using customer deposits	6,331,204	2,411,716
	11,326,433	7,767,522

In accordance with IPSAS 2, cash payments for use of goods and services disclosed in the Statement of Cash Flows differ from the expense recognised in the Statement of Financial Performance, due to the settlement of certain supplier obligations using customer deposits.

The reconciliation for the current and comparative periods is as follows:

Reconciliation of Use of Goods and Services:

Description	2024/25 (TZS '000)	2023/24 (TZS '000)
Use of goods and services - Statement of Financial Performance	4,995,229	5,355,806
Add: Payments Settled Using Customer Deposits	6,331,204	2,411,716
Use of goods and services - cash payments (Statement of Cash Flows)	**11,326,433**	**7,767,522**

Explanation

In certain bulk procurement and implementation arrangements, GPSA acts as an implementing and procurement agent on behalf of Procuring Entities. Under this arrangement, a Procuring Entity remits funds to GPSA that are specifically earmarked for the settlement of supplier invoices and related procurement costs. The supplier issues an invoice to the Procuring Entity, and the Procuring Entity forwards the approved invoice to GPSA with payment instructions. GPSA then effects payment to the supplier from the customer deposit balance held on behalf of the Procuring Entity.

In these circumstances, GPSA does not control the economic benefits of the funds for its own purposes and does not bear the principal risks and rewards of the underlying procurement transaction; rather, GPSA administers and disburses the funds strictly in accordance with the Procuring Entity's instructions. Accordingly, the amounts received are recognised as customer deposits and presented as a liability in the Statement of Financial Position until utilised.

For cash flow reporting purposes, IPSAS 2 requires transparency over cash receipts and cash payments during the period. However, IPSAS 2 also recognises that where an entity acts as an agent, the related cash flows may reflect the activities of the other party rather than those of the entity. Therefore, cash receipts and payments arising from these agency arrangements are not treated as operating cash flows of GPSA's own activities. Instead, the gross payments are reported on a net basis to the extent permitted for agency cash flows, and the resulting net movement in customer deposits is presented separately (classified in accordance with the Agency's adopted policy, consistent with IPSAS 2) to avoid overstating GPSA's operating cash flows while maintaining accountability for the administration of third-party funds.

This presentation ensures that:

(i) operating cash flows reflect only cash flows arising from transactions under GPSA's control and attributable to its own operations;

(ii) customer deposits are presented as third-party funds administered in an agency capacity; and

(iii) the Statement of Cash Flows reconciles to movements in cash and cash equivalents and to the corresponding liability movement in customer deposits.

41. Acquisition of Property, Plant and Equipment

	30/6/2025	30/6/2024
	TZS"000"	TZS"000"
Acquisition of land Monetary	1,220	149,722
Hardware: servers and equipment (incl. desktops, laptops	630,775	42,895
Motor vehicles, Monetary	3,513,761	188,815
Motorbikes and bicycles Monetary	16,665	-
Office buildings and structures Monetary	3,443,571	879,058
Office Furniture and Fittings Monetary	316,454	230,826
Plant and Machinery	202,275	163,209
	8,124,721	1,654,525

42. Proceed from sale of PPE

	30/6/2025	30/6/2024
	TZS"000"	TZS"000"
Hardware: servers and equipment (incl. desktops, laptops	(1,392)	-
Hardware: servers and equipment (incl. desktops, laptops	1,392	-
Office buildings and structures Depreciation Disposal	(12,000)	-
Office buildings and structures Disposal	12,000	-
Office Furniture and Fittings Depreciation Disposal	(1,834)	-
Office Furniture and Fittings Disposal	1,834	-
Plant and Machinery Depreciation Disposal	(753)	-
Plant and Machinery Disposal	753	-
Carrying Amount	-	-
Proceeds	5,829	-
Gain on Disposal of Assets	**5,829**	**-**

44. Contingent Assets - Provisional Clearance of TRC Cargo

During the reporting period, the Agency facilitated the release of TRC cargo through provisional clearance procedures in accordance with Sections 37 and 38 of the East African Community Customs Management Act, 2024 (as revised in 2019). The related provisional clearance fee amounted to TZS 3,485,165,311.54, which remained outstanding as at 30 June 2025. The cargo was released under emergency authorization and as at the reporting date, the required customs perfection entry had not been completed. Under the Agency's accounting policies, revenue and related agency fees are recognized only when the customs clearance process is finalized and the associated inflow of economic benefits or service potential becomes virtually certain.

In accordance with:

- IPSAS 19 - Provisions, Contingent Liabilities and Contingent Assets, an asset is recognized only when the inflow of economic benefits or service potential is virtually certain. Otherwise, when the inflow is probable but not virtually certain, the item is disclosed as a contingent asset.
- IPSAS 1 - Presentation of Financial Statements, entities are required to present notes providing information relevant to understanding items that are not recognized but are necessary for fair presentation. This disclosure is made in accordance with that requirement.
- IPSAS 9 - Revenue from Exchange Transactions, revenue is recognized only when the Agency has transferred significant risks and rewards (IPSAS 9). As the customs perfection entry has not been completed and the provisional clearance fee has not been settled, the criteria for revenue recognition under IPSAS 9 has not yet been met.

Based on the above, the Agency Management determined that the unsettled provisional clearance fee does not meet the recognition criteria for an asset or revenue. The amount has therefore not been recognized in the Statement of Financial Position or the Statement of Financial Performance. The matter is disclosed as a contingent asset, because realization of the inflow of economic benefits or service potential is considered probable, but not virtually certain, pending completion of the customs perfection entry and settlement of the provisional clearance fee by the client.

Management will continue to monitor the status of the customs procedures and the outstanding fee. Recognition of the related asset and revenue will occur once the recognition thresholds prescribed under IPSAS 19, read together with IPSAS 9 are satisfied.

45. Related party transactions

Key management personnel of the Agency comprise members of both the Ministerial Advisory Board and the Agency management team.

The following table represents the disclosure required in terms of IPSAS 20 in respect to key management personnel. Key management includes the Chief Executive Officer of the Agency, three (3) Directors, five (5) Heads of Units who are supported by eight (8) Section Managers and twenty-six (26) Regional Managers.

During the year under review, the Agency incurred expenditure amounting to TZS 3,296,963,000 in respect of related party transactions as detailed below.

	30/6/2025	30/6/2024
	TZS	TZS
	"000"	"000"
Director fees and board expenses	19,000	19,000
Key Management Employees		
Salaries	1,794,157	1,498,927
Utility allowances	298,182	248,823
House allowances	718,550	797,518
Furniture/Fuel allowance	99,329	302,000
Sitting allowances	385,644	266,575
Acting Allowances	1,100	-
Total	**3,296,963**	**3,132,843**
Number of Key Management Personnel Remunerated	**49**	**49**

Related party disclosures have not been made for transactions with related parties that are within a normal supplier of client/recipient relationship on terms and condition no more or less favourable than those that it is reasonable to expect the Agency would have adopted in dealing with the party at arm's length in the same circumstances.

Further, transactions with other government agencies (for example, government departments and public institutions) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

The agency is controlled by the government of the united republic of Tanzania.

46. Agency Fund

The Agency receives and holds deposits from Procuring Entities for the acquisition of goods and services on their behalf, including clearing and forwarding of Government consignments, bulk procurement of motor vehicles, and the purchase of general stores items (fuels and stationeries). These amounts are held in a fiduciary capacity and are not available for the Agency's own use.

Cash balances relating to these activities are included in Cash and cash equivalents and are accounted for in accordance with the Agency's accounting policy on cash and cash equivalents. The corresponding amounts due to Procuring Entities are recognised under Financial liabilities/Deposits held in trust in accordance with the Agency's accounting policy on financial liabilities. Accordingly, the Agency Fund represents the net balance of cash and cash equivalents attributable to these agency activities after deducting the related customer deposits at the reporting date.

In line with section 18 of the Public Finance Act [Cap. 348 R.E. 2023], where the Agency Fund is treated as a special fund established by order, the receipts, earnings and accruals of the Agency at the end of the financial year are retained by the Agency for the purposes for which it was established and are not repaid to the Consolidated Fund, except where amounts are allocated to the Agency from the Consolidated Fund or other constitutionally specified funds.

	30/6/2025 TZS "000"	30/6/2024 TZS "000"
Cash and cash equivalent	167,468,760	153,188,858
Customer's deposit	(157,635,309)	(138,883,888)
Agency Fund	9,833,451	14,304,970

47. Reconciliation of operating activities on cash flow

(a) Reconciliation of Surplus to Net Cash Flow from Operating Activities

In accordance with IPSAS 2 - Cash Flow Statements, the reconciliation of surplus for the year to net cash flow from operating activities explains the differences between results reported on the accrual basis and cash generated from operations. The reconciliation adjusts the surplus for non-cash items such as depreciation, expected credit losses, provisions, and other non-cash gains or losses, and for changes in working capital (movements in inventories, receivables, prepayments, payables and other operating assets and liabilities). Where the Agency receives and disburses third-party funds as an agent (e.g., customer deposits/agency funds), the related cash flows are presented on a net basis and excluded from operating activities, with the net movement presented separately in financing activities, consistent with IPSAS 2 requirements.

Description	2024/25 TZS ('000)	2023/24 TZS ('000)
Surplus for the year	7,047,360	5,735,835
Adjustments for non-cash / non-operating items:		
Depreciation (PPE)	1,739,033	1,359,080
Expected credit loss (ECL) (non-cash)	1,098,391	2,400,845
Loss on evaporation / inventory write-down (non-cash)	252,769	216,975
Changes in working capital:		
Decrease in inventories	6,475,282	(5,227,987)
Increase in prepayments	(11,704,639)	38,765
Decrease in receivables	1,101,323	2,512,661
Decrease in payables and accruals	(914,940)	(4,261,129)
Other net working capital movements	(339,076)	735,015
Total Changes in working capital	(5,382,050)	(6,202,675)
NET CASH FLOW FROM OPERATING ACTIVITIES	4,755,503	3,510,060

(b) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise the following statement of financial position amounts:

	30.6.2025 TZS "000"	30.6.2024 TZS "000"
Cash on hand and balances with banks	167,468,554	153,188,858
Total	167,468,554	153,188,858

(c) Property, plant and equipment, intangible and works in progress

During the period, the Agency acquired property, plant, and equipment with an aggregate cost of TZS 9,315.54 million. Net cash payments of TZS 9,315.54 million were made to purchase property, plant, and equipment.

48. Explanations of variances between budget and actual

The Agency's budget is prepared on a cash basis and covers the same period (1st July 2024 to 30 June 2025) as the Financial Statements.

Agency budget is prepared on a different basis from the actual income and expenditure disclosed in the Financial Statements. The Financial Statements are prepared on accrual basis using a classification based on the nature of expenses in the Statement of Financial Performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the Statement of Comparison of Budget and Actual Amounts.

Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. There are no timing differences for the Agency.

Entity differences occur when the budget omits program/activity or an entity that is part of the entity for which the financial statements are prepared. Agency has no other entities associated with it; hence there are no entity differences for Agency.

49. Social security costs for the year 2024/25 (Employees' Social Benefits Contributions)

The Agency makes statutory and contractual contributions to employees' social security schemes. These contributions are paid to the relevant pension and health insurance funds in accordance with applicable laws and regulations and are recognised as an expense in the period in which the related employee service is rendered. Amounts deducted from employees' remuneration and payable to the funds are recognised as a current liability until remitted. GPSA has no further legal or constructive obligation to pay additional benefits once contributions have been paid to the respective funds.

	30/6/2025 TZS "000"	30/6/2024 TZS "000"
PSSSF - Employees contribution	266,310	241,469
NHIF - Employees contribution	159,903	144,881
Total	**426,213**	**386,350**

These costs relate to short-term employee benefits/employee-related statutory contributions and are included in the statement of financial performance within employee costs. Any unpaid amounts at the reporting date are presented within payables/accruals in the statement of financial position and are expected to be settled within twelve months.

50. Deferred Tax

These financial statements are prepared in accordance with International Public Sector Accounting Standards (IPSAS) on an accrual basis. Under IPSAS, income taxes are accounted for in accordance with IPSAS 41 - Financial Instruments (for taxes arising from distributions/withholding taxes on financial instruments, where applicable) and IPSAS 23 Revenue from Non-Exchange Transactions (for tax-related inflows), while deferred tax concepts are not generally applied in IPSAS financial reporting in the same way as under IFRS/IAS 12.

(a) Tax status

The Agency is exempt from income tax under the relevant laws and regulations governing public sector entities. As a result, GPSA does not have a current income tax charge for the year.

(b) Deferred tax

Because the Agency is exempt from income tax, temporary differences arising from the carrying amounts of assets and liabilities and their tax bases do not give rise to future income tax consequences. Accordingly, no deferred tax assets or deferred tax liabilities have been recognized in these financial statements.

(c) Withholding taxes (if applicable)

Where the Agency earns income subject to withholding tax (for example, interest income), any withholding tax suffered is treated as part of the related expense or reduction of the related revenue, in accordance with IPSAS, and is not treated as current income tax expense unless the tax represents a final tax obligation of the entity.

(d) Assessment

Management has assessed the Agency's transactions and concluded that the Agency has no material exposure to current or deferred income taxation for the reporting period due to the exemption status. The exemption status is monitored for any changes in legislation or interpretation that could affect the entity's tax position.

51. Contingent liabilities - TRA Tax Assessment (IPSAS 19)

The Agency was subjected to a comprehensive tax audit by the Tanzania Revenue Authority ("TRA"). Following the audit, TRA issued tax demand notices totalling TZS 56,411,021,298.23 for alleged liabilities relating to corporate income tax, value added tax (VAT), withholding tax, Pay As You Earn (PAYE), and Skills and Development Levy (the "tax matter"). GPSA disputed the assessment and maintained that, as an Executive Agency under the Ministry of Finance with a primarily non-commercial public service mandate, it is exempted under Income Tax Act Cap 348.

In view of the magnitude of the assessment and its potential legal, operational and financial implications, the Agency submitted the matter to the Office of the Attorney General (OAG) seeking legal opinion, guidance and intervention. As at 30 June 2025, the outcome of the tax matter remains uncertain; accordingly and consistent with IPSAS 19, no provision has been recognized and the matter is disclosed as a contingent liability, with an estimated maximum exposure of TZS 56,411,021,298.23.

Based on the review and applicable legal and regulatory frameworks, the Legal Services Unit is of the opinion that the assessment issued against the Government Procurement Services Agency (GPSA) is disputable and subject to significant legal uncertainty. GPSA is an Executive Agency established under the Executive Agencies Act and operates primarily to discharge public functions on behalf of the Government, rather than for commercial or profit-making purposes. In this regard, the Legal Services Unit considers that GPSA may qualify for statutory exemptions under the Income Tax Act, Value Added Tax Act, Vocational Education and Training Act, and other applicable legislation, except to the extent that income arises from clearly identifiable unrelated business activities.

The Legal Services Unit further notes that certain components of the assessment, particularly VAT and other indirect taxes, raise concerns of double taxation, as the relevant tax obligations may already be discharged at the level of suppliers providing goods and services to GPSA. In addition, the imposition of the assessed taxes could have adverse implications for public procurement operations and government service delivery. Given the magnitude of the assessment, the divergent interpretations of applicable laws, and the potential fiscal and operational impact, the Legal Services Unit concludes that the existence of a present legal obligation is not clearly established at this stage. Accordingly, it is the opinion of the Legal Services Unit that the matter should be referred to the Office of the Attorney General for authoritative legal guidance and determination, and that enforcement of the tax demand notices should be held in abeyance pending such guidance.

52. Government Subvention Received

GPSA being a Government Institution received recurrent revenue subvention from the Government amounting to TZS 5,327,297,421 to cater for employees' emoluments compared to 5,832,783,751for the same that was approved by the Parliament. The amount received amounted to 91% of the total amount approved by the Parliament for the financial year 2024/25.

53. Stock Balance Certificate for the Year Ended 30 June, 2025

The value of unallocated stores held at Head Quarters at Dar es Salaam and Regional Depots as at 30 June 2025 was TZS 13,118,243,722.

54. List of transactions with other government entities for the year ended 30 June, 2025

According to Accounting Circular of 2024/25 on the preparation of Financial Statements, an entity is required to disclose obligations, transfers and transactions between public sectors entities. The following schedule shows intra entities elimination in terms of services rendered:

Services type		**Amount received/paid**
	30/6/2025	**30/6/2024**
	TZS	**TZS**
	'000'	**'000'**
Deposits	157,635,309	138,883,883
Revenue	35,346,527	33,723,381
Expenses	6,140,260	6,340,162
Receivable	9,089,976	10,409,851
Total	**208,212,072**	**189,357,277**

55. Events After the Reporting Date

According to IPSAS 14 Events after the reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorized for issue. Two types of events can be identified:

(a) Those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and

(b) Those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

(c) The Agency financial statements were authorized for issue in accordance with Article 143 (4) of the Constitution of the United Republic of Tanzania, 1997 (Revised in 2000). The present financial statements were submitted to the Controller and Auditor General for certification and tabled to the President before tabled to the Parliament and become public that will become date for authorization.

(d) No any another body has the power to amend the Agency financial statements after issuance, but if there is retrospective and prospective adjustment the Agency will adjust the financial statements.

(e) There were no other events after the reporting period which require adjustment or disclosure in the financial statements.

56. Contractual Commitments

As at 30 June 2025, the Agency had capital commitments of TZS 3,673,946,000 (2024: TZS 7,476,243,687) in respect of signed contracts for capital expenditure not yet recognized as liabilities at the reporting date. These commitments relate to design and construction of the GPSA regional office buildings, renovation and fabrication of fuel tanks and dispensing pipes, supply of office equipment, and acquisition of pulling tractors and trailers. Status of capital commitments is as indicated below:

	2024/25 TZS '000'	2023/24 TZS '000'
Approved and contracted for	3,673,946	7,476,244
Total	3,673,946	7,476,244

57. Assets pledged as security for liabilities

For the financial year 2024/25, no asset was pledged as security for liabilities.

58. Operating lease commitments - Agency as lessor

The Agency has entered into commercial leases on certain buildings. These leases have an average life of one year with a renewal option included in the contracts. There are no restrictions placed upon the Agency by entering into these leases. Future minimum rentals receivables under non-cancellable operating leases as at 30 June 2025 are as follows:

	30/6/2025 TZS "000"	30/6/2024 TZS "000"
Rental charges from warehouses	2,816,351	3,005,437
Total	2,816,351	3,005,437

59. Comparative figures

Comparative information is presented for all amounts reported in the financial statements. Where necessary, prior year figures have been regrouped and/or reclassified to conform to the current year's presentation and to ensure comparability, with the comparative amounts restated accordingly.

Such regroupings/reclassifications are made for presentation purposes only and do not affect total assets, total liabilities, total equity, surplus/deficit for the year, or cash flows, except where specifically disclosed. Where material, the nature of the reclassification, the line items affected, the amounts reclassified, and the reasons for the changes are disclosed in the relevant notes.