

REPORT OF THE CONTROLLER AND AUDITOR GENERAL



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS OF HIGHER EDUCATION STUDENTS' LOANS
BOARD (HESLB) FOR THE FINANCIAL YEAR ENDED 30TH JUNE, 2020**

Controller and Auditor General,
National Audit Office,
Audit House,
4 Ukaguzi Road,
P.O. Box 950,
41101 Tambukareli,
Dodoma, Tanzania.
Tel: 255 (026) 2161200,
Fax: 255 (026) 2117527,
E-mail: ocag@nao.go.tz
Website: www.nao.go.tz

March, 2021

AR/PA/HESLB/2019/20

Mandate

The statutory mandate and responsibilities of the Controller and Auditor General are provided for under Article 143 of the Constitution of the URT of 1977 (as amended from time to time) and in Section 10 (1) of the Public Audit Act, 2008.

Vision

To be a highly regarded Institution that excels in Public Sector Auditing.

Mission

To provide high quality audit services that improve public sector performance, accountability and transparency in the management of public resources.

Core values

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

Objectivity	We are an impartial organization, offering services to our clients in an objective and unbiased manner.
Excellence	We are professionals providing high quality audit services based on standards and best practices.
Integrity	We observe and maintain high standards of ethical behaviour, rule of law and strong sense of purpose.
People focus	We value, respect and recognize interest of our stakeholders.
Innovation	We are a learning and creative public institution that promotes value added ideas within and outside the institution.
Results Oriented	We are an organization that focuses on achievement based on performance targets.
Teamwork spirit	We work together as a team, interact professionally, and share knowledge, ideas and experiences.

We do this by:

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

© This audit report is intended to be used by Higher Education Students' Loans Board (HESLB) and may form part of the annual general report which once tabled to National Assembly, becomes a public document hence, its distribution may not be limited.

TABLE OF CONTENTS

ABBREVIATIONS	iii
1.0 DIRECTOR'S REPORT	1
2.0 STATEMENT OF DIRECTORS' RESPONSIBILITIES	18
3.0 DECLARATION OF THE HEAD OF FINANCE	19
4.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL	20
4.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS	20
4.2 REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS	23
5.0 FINANCIAL STATEMENTS	24
STATEMENT OF FINANCIAL POSITION AS AT 30 TH JUNE, 2020	24
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 TH JUNE, 2020	25
STATEMENTS OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 TH JUNE, 2020	26
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 TH JUNE, 2020	27
STATEMENT OF COMPARISON BETWEEN BUDGET AND ACTUAL FOR THE YEAR ENDED 30 TH JUNE, 2020	28
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 TH JUNE, 2020	29

ABBREVIATIONS

AAHEFA	Association of African Higher Education Financing Agencies
AC	Audit Committee
AIDS	Acquired Immune Deficiency Syndrome
CAG	Controller and Auditor General
EIR	Effective Interest Rate
EUL	Estimated useful life
FPA	Finance, Planning and Administration
GAVP	Generally Acceptable Valuation Principles
HESLB	Higher Education Students' Loans Board
HIV	Human immunodeficiency virus
ICT	Information Communication Technology
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standards of Supreme Audit Institutions
LARC	Loan and Repayment Committee
NBAA	National Board of Accountants and Auditors
NHIF	National Health Insurance Fund
OLAS	Online Loan Application System
p.a	Per Annum
PAYE	Pay As You Earn
PE	Personal emoluments
PLC	Public Listed Company
PGD	Post Graduate Degree
SACCOS	Savings and Credit Co-operative Society
TVS	Trainees Voucher Scheme
TZS	Tanzania Shillings
URT	United Republic of Tanzania
VAT	Value Added Tax
W.I.P	Work-In-Progress
WCF	Worker's Compensation Fund

1.0 DIRECTOR'S REPORT

1.1 INTRODUCTION

Higher Education Students' Loans Board (HESLB) was established under Act No. 9 of 2004 (as amended) CAP 178 and commenced operations in July, 2005 in the United Republic of Tanzania. The HESLB is Parastatal Organization currently under the Ministry of Education, Science and Technology. The objective of the Board is to assist, on a loan basis, needy students who secure admission in accredited higher learning institutions, but who have no economic power to pay for the costs of their education within and outside the country. The Board is also entrusted with the task of collecting due loans from previous loan beneficiaries to have a revolving fund in place to make the Board sustainable.

The HESLB Board of Directors submits financial Reports for the financial year ended 30th June, 2020, which disclose the state of affairs of the HESLB. These Financial Reports have been prepared in accordance with the International Public Sectors Accounting Standards (IPSAS), directives from Accountant General, Treasury Registrar and other guidelines prescribed by the board.

1.2 VISION, MISSION, CORE VALUES AND PRINCIPAL ACTIVITIES

1.2.1 Vision

To become a reliable and sustainable higher education revolving fund.

1.2.2 Mission:

To manage loans and grants for needy and eligible Tanzanian students for higher tertiary education.

1.2.3 Core Values

To achieve the vision and mission, the HESLB and other stakeholders have observed following guiding core values:

- i) Accountability
- ii) Commitment and Integrity
- iii) Teamwork
- iv) Equity
- v) Delivery

1.2.4 Principal Activities of HESLB

As prescribed under the Act No. 9 of 2004 (as amended) CAP 178, the principal activities of HESLB include:

- i) Assuming responsibility for the control and management of all loanable funds as vested in the Board;
- ii) Formulating the mechanism for determining eligible students for payment of loans together with administering and supervising the whole process of payment and repayment of loan;
- iii) Keeping register and other records of students' loan beneficiaries under the Board; and
- iv) Advising the Minister on matters of policy and of the law concerning provisions and recovery of loans granted.

1.3 COMPOSITION, FUNCTION AND POWERS OF THE BOARD

1.3.1 Composition of the Board

The Board of Directors who served during the period comprised of the following members:

Table 1: Members of the Board of Directors who served during the period

SN	Name	Position	Age	Qualification/ Discipline	Nationality	Appointed
1	Prof. William A. L. Anangisye	Chairman	59	PhD (Education)	Tanzanian	Aug-17
2	Mrs. Madina M. Mwinyi	Member	61	MA- Education (Curriculum Evaluation and Planning)	Tanzanian	Aug-17
3	Eng. Dr. Richard Masika	Member	62	PhD (in Structural Engineering)	Tanzanian	Aug-17
4	Prof. Carolyne Nombo	Member	52	PhD (Sociology)	Tanzanian	Aug-17
5	Dr. Dalmas A. L. Nyaoro	Member	67	PhD Geotechnical Engineering)	Tanzanian	Aug-17
6	Mr. Frank Nyabundege Mugeta	Member	46	MBA (Corporate Management)	Tanzanian	Aug-17
7	Ms. Suzan E. Urio	Member	28	University Student, Mzumbe	Tanzanian	Aug-17
8	Mr. Mwita Mgeni Mwita	Member	51	MA Economics	Tanzanian	June -18
9	Mr. Haruni B. Matagane	Member	40	LLB	Tanzanian	Dec -18

1.3.2 Functions of the Board

- i) To assume responsibility for the control and management of all loanable funds as vested in the Board;
- ii) To formulate the mechanism for determining eligible students for payment of loans;
- iii) To administer and supervise the whole process of payment and repayment of loan;
- iv) To keep the register and other records of students' loan beneficiaries under the Board;
- v) To advise the Minister on matters of policy and of the law concerning provisions and recovery of loans to students;
- vi) To establish operational links between the Board and higher education institutions with student loan beneficiaries for facilitating a smooth, efficient and effective administration of the loan funds;
- vii) To establish operational links with employers of loan beneficiaries for the purpose of facilitating the recovery of the loans granted;
- viii) To establish networking and cooperation links on a mutually beneficial basis with institutions and organizations, be they governmental or non-governmental, local, foreign or international;
- ix) To conduct research and maintain a data bank on other local and external scholarships, sponsorships and awards that may be accessed by Tanzanian students in need or in search of opportunities and financial sponsorship or assistance for higher education and/or training;
- x) To ensure the overall efficient and effective implementation of the provisions of the Act and of any such other written law concerning Government loans; and
- xi) To perform such other functions as are conferred upon the Board by or under the Act or any other written laws.

1.3.3 Power of the Board

Without prejudice to section 6 of the HESLB Act No. 9 of 2004, the Board shall have Powers:

- i) To administer both movable and immovable properties of the Board;
- ii) To administer the funds, investments and assets of the Board and in particular the funds allocated under the Government Budget or otherwise available for loans to students;
- iii) To borrow money for any purpose deemed fit by the Board and, subject to any law in relation to investment of funds by a trustee, to invest in land and or Government Securities or other interest-bearing assets such fund as may be vested in it and which may not be immediately required for current expenditure;
- iv) To signify the acts of the Board by use of official seal in the manner provided for under the Schedule;

- v) To demand and receive such fees for services rendered by officers and other employees of the Board; To receive and consider all students loan applications from eligible students wishing to be considered for the award of loans;
- vi) To grant loan moneys to students who have been granted such loan in accordance with the provisions of the Act or regulations made hereunder or in furtherance thereof;
- vii) To determine other criteria and conditions governing the granting of students' loan including the rates of interest and recovery of loans;
- viii) To determine the maximum number of eligible students to be granted loans in any one particular year;
- ix) To recover all loan moneys owed by former student loan beneficiaries since July, 1994 under the Students Loan from or with the assistance of their respective employers or otherwise in accordance with the provisions of this Act and regulations made there under;
- x) To appoint, settle the terms and conditions of service or terminate the appointment of such employee of the Board as it is empowered to appoint under this Act as it may deem necessary;
- xi) To decide and or recommend conditions of service and employment packages for the employees and or the officers of the Board and to approve or, as the case may be, recommend staff establishment and staff development plans prepared by management within the financial resources of the Board;
- xii) To establish divisions or sub-divisions or disestablish any one of them and give them any such designation or designations as it may deem fit;
- xiii) To make arrangements or provisions for health, pension, superannuation and or other terminal benefits for its officers or other employees in accordance with any written law applicable to public servants;
- xiv) To consider and approve the annual budget submitted by the management for the purposes of monitoring and reviewing financial statements and authorize major expenditure for the Board;
- xv) To formulate and implement Board financial policies. To enter into contracts or memoranda of understanding with the Ministry, individuals and other organizations or institutions, establish such trusts and appoint such trustees, agents and independent contractors as may be.

1.4 COMMITTEES OF THE HESLB GOVERNING BOARD

The Board comprised three Committees which report to the full board as indicated below:

1.4.1 Loans Allocation and Repayment Committee (LARC)

The primary function for which the Board was established is to issue loans to qualifying Students of Higher Education Institutions and to endure repayment of the loans issued. The primary objective of establishing the Loan Allocation and Repayment Committee is

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

to discharge this core function of the Board. To adequately perform, the committee is clothed with full-fledged decision-making powers on all issues related to allocation and recovery of students' loans and such decisions are only tabled at the full Board for noting.

Table 2: The composition of the LARC committee during the year

No.	Name	Designation	Nationality	No. of meetings
1	Mrs. Madina M. Mwinyi	Chairperson	Tanzanian	4
2	Eng. Dr. Richard Masika	Member	Tanzanian	7
3	Ms. Suzan E. Uriro	Member	Tanzanian	7

The activities performed by this committee were to ensure close monitoring of loans allocation, disbursement and repayment.

1.4.2 Finance, Planning and Administration Committee (FPA)

The FPA Committee of the Board has been charged with the responsibility to deal with finance, research and planning, administration, legal and all other remaining functions of the Board, making final decision of the Board except when it comes to approval of the annual budgets and audited accounts.

Table 3: The composition of the FPA committee during the year

No.	Name	Designation	Nationality	No. of meetings
1	Prof. Carolyne Nombo	Chairperson	Tanzanian	4
2	Dr. Dalmas A. L. Nyaoro	Member	Tanzanian	4
3	Mr. Haruni B. Matagane	Member	Tanzanian	4

The meetings held by this committee ensured close monitoring of budget implementation as approved by the government.

1.4.3 Audit and Risk Management Committee (AC)

The Audit and Risk Management Committee of the Board performs oversight function on behalf of the full board. The internal audit unit of the Board reports functionally to this committee and submits quarterly internal audit reports to it. The committee also co-ordinates external auditing of the annual accounts of Board and reviews annual audited accounts before submission to the Full Board for approval

Table 4: The composition of the AC committee during the year

No.	Name	Designation	Nationality	No. of meetings
1	Mr. Frank Nyabundege Mugeta	Chairperson	Tanzanian	5
2	Eng. Dr. Richard Masika	Member	Tanzanian	5
3	Mr. Mwita Mgeni Mwita	Member	Tanzanian	2
4	Dr. Ernest Mwasalwiba	Co-opted Member	Tanzanian	4

The meetings held by this committee among other things were closely follow-up on audit issues resulting into reduction of audit queries.

1.5 BOARD MEETINGS

During the year, the Board of Directors held meetings as indicated in Table 5:

Table 5: Attendance Register of Board of Directors' meetings

No.	Name	Designation	Nationality	No. of meetings attended
1	Prof. William A. L. Anangisye	Chairman	Tanzanian	4
2	Mrs. Madina M. Mwinyi	Member	Tanzanian	4
3	Eng. Dr. Richard Masika	Member	Tanzanian	4
4	Prof. Carolyne Nombo	Member	Tanzanian	4
5	Dr. Dalmas A. L. Nyaoro	Member	Tanzanian	4
6	Mr. Frank Nyabundege Mugeta	Member	Tanzanian	4
7	Ms. Suzan E. Uriyo	Member	Tanzanian	4
8	Mr. Mwita Mgeni Mwita	Member	Tanzanian	4
9	Mr. Haruni B. Matagane	Member	Tanzanian	4

New Board Members who were appointed after 30.06.2020 (were appointed on 20.08.2020) are:

No.	Name	Designation	Nationality
1	Bi. Theresia E. Henjewele	Member	Tanzanian
2	Bi. Salama Ramadhani Makame	Member	Tanzanian
3	Dr. Adolf Rutayuga	Member	Tanzanian
4	Dr. Ernest Mwasalwiba	Member	Tanzanian
5	Prof. Charles D. Kihampa	Member	Tanzanian
6	Mr. Haruni B. Matagane	Member	Tanzanian
7	Mr. Tenelife Hezron Mwatebelwa	Member	Tanzanian

Note: The Chairman continues to be the same as his term will end in August 2021.

List of Major Resolutions Made by HESLB Board of Directors for the Financial year 2019/20
(Appendix I)

1.6 CORPORATE GOVERNANCE

The Board of Directors is responsible for the governance of the Higher Education Students' Loans Board to comply with the law, standards of the corporate governance and business ethics. The Board takes overall responsibility for the running of the board, including effective and efficient implementation of various activities, monitoring operations and investment decisions, considering significant financial matters, and reviewing the performance of management plans and budgets.

The Board is also responsible for identifying key risk areas and ensuring that a system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles. The Board believes on the principles of Corporate Governance that include transparency, accountability, probity and respect for the rights of all its stakeholders. Therefore, the Board continued to enforce good corporate governance practices by mainly focusing on regulations, compliance and professionalism as an integral part of the operations towards better governance.

1.7 SOLVENCY

The Board of Directors confirms that applicable accounting standards have been complied with and that the financial statements have been prepared on a going concern basis. Also, HESLB has been seen with reasonable expectation from Board of Directors to have adequate resources to continue its operations for the foreseeable future.

1.8 OBJECTIVES FOR THE FINANCIAL YEAR 2019/20

The Higher Education Students' Loans Board objectives for the financial year 2019/20 budget envisage realization of five strategic objectives as indicated below: -

- i) To improve services and reduce HIV/AIDS infection;
- ii) Efficient and effective delivery of services to customers and stakeholders;
- iii) Equitable facilitation of access to Technical and Higher Education Institutions;
- iv) Efficient and effective financial resources management and accountability; and
- v) Increased application of information and communication Technologies and timely information exchange with stakeholders.

1.9 RELATIONSHIP AND MEMBERSHIP WITH OTHER INSTITUTIONS (NETWORKING)

1.9.1 Nationally

HESLB enjoyed good collaboration from Higher Learning Institutions, sister organizations under the parent Ministry of Education Science and Technology and Students' governments (List of HLIs Appendix III). The support and Networking with other institutions resulted in improved services to the Boards' clients.

1.9.2 Internationally

The network and support accorded by other Countries' Higher Education Loans Boards/financing Agencies was vital in exchange of experiences, enhancement of information flow, service to clients and validation of vital data.

1.9.3 Membership

The HESLB has continued its relations with public in general, local and international organizations and remained as a founder and a member of the Association of African Higher Education Financing Agencies (AAHEFA) which were co-founded by three countries Tanzania, Kenya and Rwanda in 2008, and include other members such as Ghana, Zambia, Botswana, South Africa, Namibia, Lesotho and Uganda. The purpose of the relationship is to collaborate on Exchange programs, expertise, training and information.

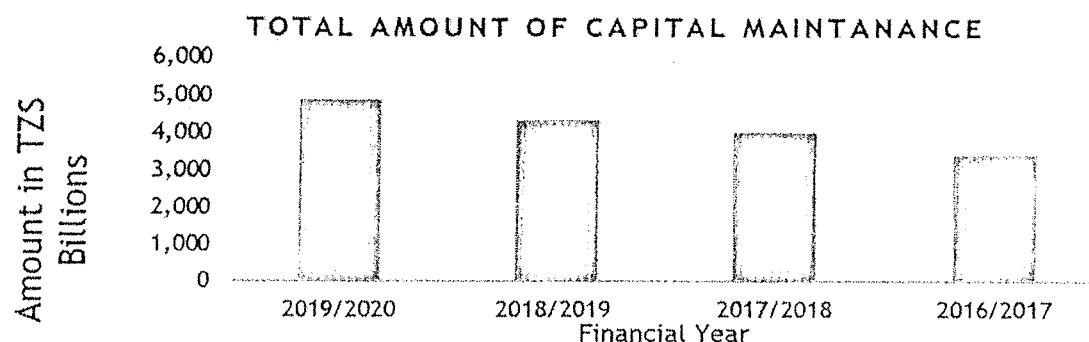
1.10 CAPITAL MAINTENANCE

The capital of the HESLB includes capital loanable funds, recovered students' loans, staff loan revolving fund and accumulated surplus. The HESLB complies with all requirements relating to maintenance of capital. Capital is maintained through national budget allocation to the HESLB through the Ministry of Education, Science and Technology.

Table6: Capital Maintenance

Descriptions	2019/2020	2018/2019	2017/2018	2016/2017
Loanable Funds	4,729,152,755,603	4,218,927,515,961	3,704,603,634,121	2,979,936,357,408
Recovered Students' Loans	53,779,101,166	53,779,101,166	45,821,876,200	41,385,748,964
Transferred to Consolidated Fund	(573,404,784,950)	(416,826,264,030)	(230,523,708,805)	(78,190,908,805)
Staff Loans Revolving Funds	1,580,691,837	1,580,691,837	1,580,691,837	1,580,691,837
Accumulated Surplus/(Deficits)	468,636,408,160	472,566,557,325	497,739,256,464	479,414,400,354
Total Amount of Capital	4,679,744,171,816	4,330,027,602,258	4,019,221,749,817	3,424,126,289,758

Figure 1: Capital Maintenance



Capital maintenance is increasing each year mainly due to every year increase in loanable fund (amount received for financing students' loans). In more emphases, Loanable Funds has increased by 58.7% from 2016/17 to 2019/20 while accumulated surplus has decreased from the base year by 2.2% due to penalty and interest on PSSSF loan.

1.11 FINANCIAL PERFORMANCE FOR THE YEAR

Revenue, Expenses and Surplus

- a) During the year under review, HESLB recorded revenue amounting to TZS 37,861,751,992 (2018/19: TZS 13,097,084,950)

Table 7: Financial Performance for the year

Revenue	2019/20	2018/19	2017/18	2016/17
Government Subvention	4,342,291,271	4,610,909,243	4,217,109,189	4,645,808,798
Revenue Grants - Medical Doctor	1,345,006,092	2,984,313,866	5,218,154,538	6,406,001,402
Penalty on Repayment	25,698,689,066	8,561,275	36,835,803,739	27,599,124,821
Loan Administration Fees	3,674,103,481	4,225,420,058	5,938,424,226	2,432,891,838
Application Fees	2,641,644,205	853,230,000	3,642,660,000	-
Interest Income	29,239,817	32,196,943	58,462,669	69,104,062
Other Income	130,778,060	382,453,565	937,225,870	1,871,659,970
Total Revenue	37,861,751,992	13,097,084,950	56,847,840,231	43,024,590,891

- b) During the year HESLB made expenditure amounting to TZS 41,791,901,156 (2018/19: TZS 38,037,177,907).

Table 8: Expenditure made during the year

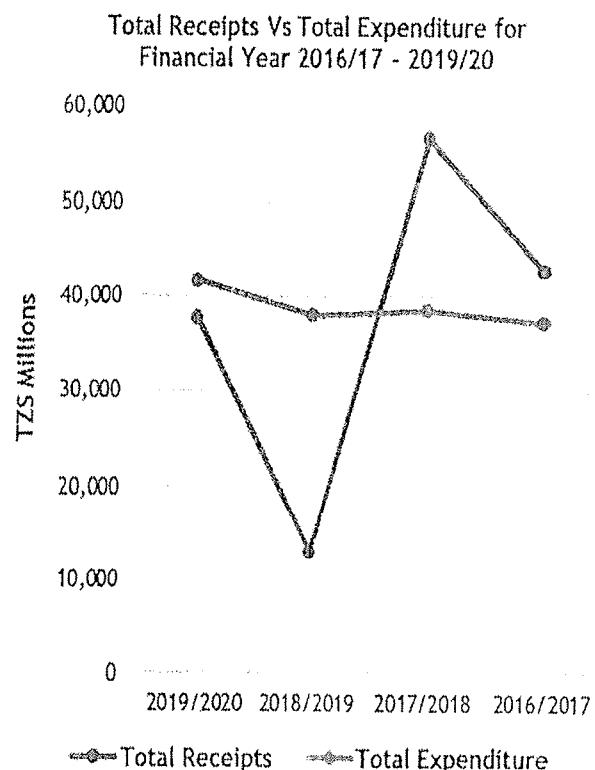
Expenditures	2019/20	2018/19	2017/18	2016/17
Salaries, Wages, and Employment Benefits	7,534,548,899	5,923,266,597	6,347,153,307	6,460,836,121
Supplies and Consumables	7,990,841,590	7,146,815,542	6,420,520,226	4,766,594,011
Depreciation and amortization	666,413,706	454,918,886	263,099,368	547,384,741
Interest Expenditures	22,331,032,877	21,527,863,014	20,356,573,630	6,406,001,402
Expenditures Grant - Medical Students	1,345,006,092	2,984,313,866	5,218,154,538	19,228,733,904
Provision for Impairment of Loans	1,924,057,993	-	-	-
Total Expenditure	41,791,901,156	38,037,177,905	38,605,501,069	37,409,550,179
Surplus/(Deficit)	(3,930,149,164)	(24,940,092,958)	18,242,339,162	5,615,040,712

- c) During the year ended 30th June, 2020, the HESLB recorded a deficit of TZS 3,930,149,164 (2018/19: deficit of TZS 24,940,092,958). The recorded deficit was caused by an accrued interest and penalty on PSSSF loan.

d) Trend of Revenue and Expenditure for four years

Expenditure have been stable during the four years. On the other hand, revenue increased in 2019/20 compared to sharply fall in 2018/19.

The increase in 2019/20 is mainly caused by the increase in penalty in the same year which is due to start of charging penalty after two years grace period based of the amendment of the HESLB Act No. 3 of 2016. There is also a slight drop in loan administration fee which is based on the number of new loan and finally increase in application fee was caused by the fact that the application window for academic year 2020/21 was opened in July, 2020 while in the preceding year the window was opened in June 2019 and crossed to July 2019 for few applicants.



1.12 FINANCIAL POSITION

1.12.1 Current Assets

During the year under review, Total Current Assets increased to TZS 381,400,482,292 from TZS 212,246,851,550 of 2018/19 mainly due to increase of Cash and Cash Equivalents, students' loan receivable-current portion and Prepayment and Other Receivables.

1.12.2 Students Loan Receivables

The long-term portion of the students' loan receivable increased to TZS 4,596,862,896,102 from TZS 4,336,240,620,673 in 2018/19. This is the amount due for repayment after Twelve (12) months from the date of closing the financial year.

1.12.3 Current Liabilities

During the year under review, total liabilities increased to TZS 68,487,208,312 from TZS 11,311,507,810 in 2018/19 mainly due to significant increase of Outstanding Students' Loans.

1.12.4 Net Assets

Net assets increased to TZS 4,679,744,171,816 of 2019/20 from TZS 4,330,027,602,258 of 2018/19 due to increase in loanable fund, recovered students' loans and accumulated surplus.

1.13 BUDGET

The budget is approved on a cash basis by function classification. The approved budget covers the fiscal period from 1st July, 2019 to 30th June, 2020 and includes all activities within the Higher Education Students' Loans Board (HESLB). The original and final budget was approved by Parliament in June, 2019.

1.14 MANAGEMENT STRUCTURE

Management of the HESLB under the leadership of the Executive Director is organized in five-line divisions as follows:

1.14.1 Line Division

- i. Loans Allocation and Disbursement Division
- ii. Loans Repayment and Recovery Division
- iii. Finance and Administration Division
- iv. Planning, Research and ICT Division
- v. Internal Audit and Investigation Division

1.14.2 Staff Function

- i. There are four staff functions under the Executive Director's Office including:
- ii. Legal Section
- iii. Information, Education, and Communication section
- iv. Procurement Management Section
- v. Zonal Offices i.e. Dodoma, Zanzibar, Mwanza, Arusha, Mbeya and Mtwara.

Table 9: Key Management Team

S/No.	Full Name	Designation
1	Mr. Abdul-Razaq Badru	Executive Director
2	Mr. Brown Shimwela	Acting Director of Finance and Administration
3	Ms. Hidaya Karunde	Acting Director of Audit and Investigations
4	Mr. Benedicto C. Cosmas	Director for Planning, Research and ICT
5	Dr. Veronica Nyahende	Director Loan Allocation and Disbursement
6	Mr. Ignatus Oscar	Acting Director Loan Repayment
7	Ms Sarah Fihavafango	Assistant Director Loan Disbursement
8	Mr. Felix John	Assistant Director Loan Allocation
9	Mr. Fidelis Joseph	Assistant Director Loan Repayment
10	Mr. Erick B. Mapunda	Assistant Director Human Resource & Administration
11	Mr. Abdalla Mtibora	Assistant Director Legal Affairs
12	Mr. Deusdedit Bubelwa	Assistant Director Planning and Research
13	Mr. Deus Changala	Assistant Director Loan Recovery
14	Mr. Omega Ngole	Assistant Director Communication, Information and Education
15	Mr. George Mokaka	Assistant Director Procurement and Supplies
16	Mr. Toshia H. Toshia	Assistant Director ICT

Key Management Team who joined the office after 30.06.2020 are:

S/No.	Full Name	Designation
1	Ms. Neema Kuwite	Director of Finance and Administration
2	Mr. George Mziray	Director Loan Repayment
3	Mr. Salim Mapalala	Acting Assistant Director Procurement and Supplies

1.15 KEY PERFORMANCE INDICATORS DURING THE YEAR

HESLB has developed its mission to carry it through and has a strategic plan 2017/18 to 2021/22. This is a rolling plan which at every year-end is reviewed and updated to ensure that it is still appropriate for the HESLB to achieve its mission. HESLB strategic plan for 2017/18 to 2021/22 that came into operation with effect from 1st July, 2014 focus on achieving five objectives as follows:

- i. Improving operations by using enhanced Alternative Loan Management System (ALMS)
- ii. Strengthening operationalization of OLAMS for all loan applications
- iii. Operationalize Loan Repayment module in the System
- iv. Enhancing staffing levels for the division to enhance collection of loans
- v. Enforce loan recovery to loans defaulters

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

The following are the achievements of the HESLB for the year under review (2019/20):

Table 10: The achievements of the HESLB for the year under review (2019/20)

S\N	Performance Indicator	Target	Actual
1	Number of loans	128,285	131,875
2	Number of Grants Students Disbursed	-	517
3	Amount of Loanable Funds Government Subvention	441,500,000,000	445,051,074,275
4	Amount of Grant Funds Government Subvention	8,500,000,000	8,500,000,000
5	Amount of Loanable Funds Disbursed	441,500,000,000	367,410,348,090
6	Total Amount of Grants Disbursed	8,500,000,000	1,345,006,092
7	Number of Traced Beneficiaries	31,500	29,004
8	Total Amount of Loans Recoveries Collected	220,000,000,000	190,720,402,720
9	Percentage of Repayment Rate	40%	51%
10	TZS Revolving Funds Utilized as Loanable Funds	221,500,000,000	221,500,000,000
11	Number of Staff Trained	105	116
12	Number of Staff	189	166
13	Number of Staff Dropout	0	4
14	Government Contribution to Annual Budget	69.60%	69.60%
15	Percentage of Self-Reliant on Loanable Funds	30.40%	30.40%
16	Percentage of Self-Reliant on Operational Expenses	100%	100%
17	OC Budget	12,500,000,000	12,500,000,000
18	Percentage of Internally Generated Funds Contribution on HESLB Annual Budget	32%	32%

As evidenced in the above table, the income earned, and expenditure incurred /loan issued has been as per target. The loans repayment has been over amount targeted.

1.16 LEGAL AND REGULATORY REQUIREMENT

The HESLB is a provider and collector of loans issued to needy and eligible students who secure admission in accredited higher learning institutions. The HESLB report to the Ministry of Education, Science and Technology and is supposed to comply with Government of the United Republic of Tanzania procedures and laws of the land. The functions of the HESLB are guided by established Act (The Higher Education Students' Loans Board Act of 2004, No. 9 (as amended) CAP 178 and its bylaws. During the year under review, the HESLB complied with applicable laws. In conducting its activities, HESLB do ensure application of other legal requirements including: Value Added Tax (VAT), Pay as You Earn (PAYE) and withholding tax.

1.17 ENVIRONMENTAL CONTROL PROGRAM

The HESLB monitors the impact of its operations on the environment, which is mainly through the use of power, water and the generation of waste. The HESLB minimize its impacts through the better use of its premises and inbuilt facilities to ensure that there is proper waste management.

1.18 RISK MANAGEMENT AND INTERNAL CONTROLS

The Board of Directors resumes final responsibility for the internal control system and risk management of the HESLB. The task is vested to the management to ensure that proper internal control systems are developed and maintained on an ongoing basis in order to bring reasonable assurance regarding:

- i. Effectiveness and efficiency of HESLB operations,
- ii. Safeguarding of the HESLB's assets,
- iii. Compliance with applicable laws and regulations,
- iv. Reliability of accounting records,
- v. Business sustainability on normal as well as abnormal conditions, and
- vi. Responsible behaviour towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the HESLB's internal control is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

The Board of Directors assessed the internal control systems throughout the financial year ended 30th June, 2020 to satisfy whether they meet accepted criteria. The Board of Director handles risk and internal control assessment through the Audit Committee. The key elements of the system of internal control are as follows:

a) Competence

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

b) Delegation

The overall objectives of the HESLB are agreed by Board of Directors, which delegates the day to day operations to Management for execution. There is a clear organization structure, detailing lines of authority.

c) Budgets

Detailed budgets are prepared by the Management for review by the Finance Planning and Administration Committee and approved by Board of Directors. The annual budgets are derived from the HESLB's corporate plan.

d) Internal Audit

Internal audit and Investigation directorate its establishment has provided many important services to HESLB Management. These include assess the organizations' risk and efficacy of its risk management efforts, evaluate potential for occurrence of fraud and how the organization manage fraud risk, be alert to the signs and possibilities of fraud within the organization and address them in audit and investigation help management to determine whether the organization has adequate internal controls and monitoring compliance with company policy and government regulation. Also, the Department ensures that recommendations to improve controls are followed up by the Management.

1.19 FUTURE DEVELOPMENT PLANS

HESLB is planning to construct its head office in Dodoma in line with the directive for public offices to move to the capital city. It has already been allocated a land to be used among others, to construct an office building.

1.20 GENDER PARITY

The HESLB is equal opportunity employer. It gives equal consideration 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 marital status, gender, tribes, religion and disability.

It has been constantly gender equality in terms of employment. In the year under review male constitutes 57% compared to 43% for female of the whole employment at HELSB. In this regard therefore, there is a slight increase of male compared to female staff.

Gender	2019/20	2018/19
Male	94	90
Female	72	68
Total	166	158

1.21 EMPLOYEES WELFARE

1.21.1 Management and Employees' Relationship

The relationship between the Management and employees was good. There were no unresolved complaints received by Management within the year.

1.21.2 Medical Assistance

All Members of Staff and their spouses together with a maximum number of four beneficiaries for each employee were availed with medical insurance whereby employer contribute three percent of employee basic salary. Currently, the service is provided through employee membership to the National Health Insurance Fund (NHIF).

1.22 EMPLOYEES WELFARE

1.22.1 Financial Assistance to Staff

HESLB Staff Loans are available to all confirmed employees through Board Revolving Fund depending on the assessment by Management of the need, circumstance and ability to make payment in accordance with the existing Board's Staff Regulations. HESLB staffs have established a Savings and Credit Co-operative Society (SACCOS) to assist in promoting the welfare of its members.

1.22.2 Training

HESLB offers trainings to its employees depending on the corporate needs and financial resources available.

1.23 RELATED PARTY TRANSACTIONS

All related party transactions and balances are disclosed in the financial statements.

1.24 PERSONS WITH DISABILITIES

It is the policy of the HESLB not to discriminate persons with disability in recruitment.

1.25 POLITICAL DONATIONS

HESLB did not make any political donations during the year.

1.26 SERIOUSLY PREJUDICIAL MATTERS

During the year ended 30th June, 2020 there was no serious prejudicial matters to report as required by Tanzania Financial Reporting Standard No1.

1.27 STATEMENT OF COMPLIANCE

The Directors' report has been prepared in full compliance with Tanzania Financial Reporting Standards No 1.

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

1.28 AUDITOR

The Controller and Auditor General (CAG) is the statutory auditor of the Company by virtue of Article 143 of the Constitution of the United Republic of Tanzania as amplified under section 10 (1) of the Public Audit Act No. 11 of 2008. However, the Controller and Auditor General is the statutory auditor of the Board by virtue of Article 143 of the Constitution of the United Republic of Tanzania and amplified in section 10 of the Public Audit Act No 11 of 2008.

BY THE ORDER OF THE BOARD

Prof. William A. L. Anangisye
Chairman of the Board

Date

25/03/2021

Dr. Ernest Mwasalwiba
Director

Date

25/03/2021

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

2.0 STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE PERIOD ENDED 30TH JUNE, 2020

Members of the Board are required under section 27 (1) of the HESLB Act (No.9) of 2004 to prepare Financial statements of each reporting period which gives a true and fair view of statement of financial performance, statement of financial position, cash flow statement, statement of changes in equity, statement of comparison of budget against actual and notes to the financial statements of the reporting entity as at the end of the financial year that give a true and fair view of the state of affairs of the Board. Further, the Board accepts responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control. The board is responsible for safeguarding the assets of the reporting entity and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The Board accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the accrual basis, International Public Sector Accounting Standard (IPSAS), in the manner required by the Section 25(24) of the public Finance Act No.6 of 2001(Revised, 2004) and HESLB Act No. 9 of 2004. Board members hereby confirm that suitable accounting policies have been used and applied consistently, and that reasonable and prudent judgments and estimates have been made in the preparation of the financial statements for the year ended 30th June 2020. To the best of our knowledge, the system of internal control has operated adequately throughout the reporting period and that the records and underlying accounts provide a reasonable basis for the preparation of the financial statement for the financial year 2019/20. We accept responsibility for the integrity of the Financial Statement and the information contained in it, and its compliance with the Public Finance Act No. 6 of 2001 (Revised, 2004) and other instructions from the Treasury.

Procurement of goods, works, consultancy, and non-consultancy services to the extent that they are reflected in these financial statements have been done in accordance with the Public Procurement Act No. of 2013 (amended 2016). The board believes the financial statements give a true and fair view of the state of financial affairs of the HESLB. Nothing has come to the attention of the Board to indicate that the HESLB will not remain a going concern for at least the next twelve months from the date of this statement.

BY THE ORDER OF THE BOARD

Prof. William A. L. Anangisye
Chairman of the Board

Dr. Ernest Mwasalwiba
Director

WAL
Date 25/03/2021

CE
Date 25/03/2021

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

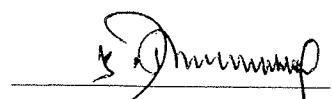
3.0 DECLARATION OF THE HEAD OF FINANCE

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

It is the duty of a Professional Accountant to assist the Board of Directors Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under directors' responsibility statement on an earlier page.

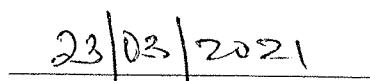
I, the Chief Accountant of the Higher Education Students' Loans Board (HESLB) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th June, 2020 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of the Higher Education Students' Loans Board (HESLB) as on that date and that they have been prepared based on properly maintained financial records.



Brown Shimwela

Chief Accountant



Date

NBAA Membership No: ACPA 3855

4.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairman of the Board of Directors,
Higher Education Students' Loans Board,
P.O. Box 76068,
Dar-Es-Salaam.

4.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

I have audited the financial statements of Higher Education Students' Loans Board (HESLB), which comprise the statement of financial position as at 30th June, 2020, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of HESLB as at 30th June, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSASs) Accrual Basis.

Basis for Opinion

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

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

Key Audit Matters

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

Other Information

Management is responsible for the other information. The other information comprises the Director's Report and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

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

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

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

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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.
- 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

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

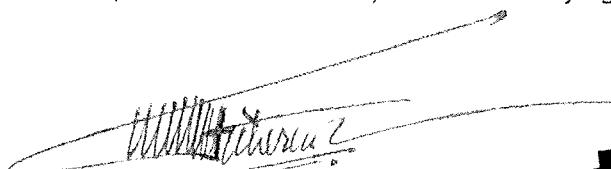
In addition, Section 10 (2) of the Public Audit Act, 2008 requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, 2011 (amended in 2016) requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

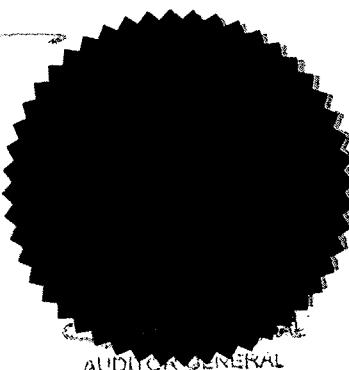
4.2 REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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


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

March, 2021



5.0 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2020

Particulars	Notes	30 th June 2020 TZS	30 th June 2019 TZS
ASSETS			
Current Assets			
Cash and Cash Equivalents	6	164,320,388,481	70,077,345,171
Students Loans Receivable	8	147,616,700,000	137,252,100,000
Prepayment and Other Receivables	9	69,394,086,723	4,863,502,805
Inventories	10	69,307,088	53,903,574
Total Current Assets		381,400,482,292	212,246,851,550
Non - Current Assets			
Institutions Loan Receivable - PGD	7	25,466,539,310	27,163,107,521
Students Loan Receivable	8	4,596,862,896,102	4,336,240,620,673
Property, Plant and Equipment	11	4,154,701,938	3,079,176,374
Work in Progress (Building)	11	2,270,793,769	2,270,793,769
Intangible Assets	12	159,716,558	91,277,147
Total Assets		4,628,914,647,677	4,368,844,975,484
Total Assets		5,010,315,129,969	4,581,091,827,034
LIABILITIES			
Current Liabilities			
Payables and Accruals	13	68,487,208,312	11,311,507,810
Non - Current Liabilities		68,487,208,312	11,311,507,810
Borrowings - PSSSF Loan	14	262,083,749,841	239,752,716,965
Total Liabilities		262,083,749,841	239,752,716,965
Net Assets		330,570,958,153	251,064,224,775
NET ASSETS/EQUITY		4,679,744,171,816	4,330,027,602,258
<i>Capital Contributed by:</i>			
Funds Received for Issuing Loans	15	4,729,152,755,603	4,218,927,515,961
Recovered Students' Loans	16	53,779,101,166	53,779,101,166
Recovery Transferred to BOT	18	(573,404,784,950)	(416,826,264,030)
Staff Loans Revolving Funds	17	1,580,691,837	1,580,691,837
Accumulated Surplus/(Deficits)		468,636,408,160	472,566,557,325
Total Net Assets/Equity		4,679,744,171,816	4,330,027,602,258

These financial statements were approved by the Board of Directors on 25/03/2021 and signed on its behalf by:

Prof. William A. L. Anangisye
Chairman of the Board

Abdul-Razaq Badru
Executive Director

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

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

	Notes	2019/20 TZS	2018/19 TZS
Receipts from non-Exchange Transactions			
Government Subvention	19	4,342,291,271	4,610,909,243
Revenue Grants - Medical Students	20	1,345,006,092	2,984,313,866
Sub Total Receipts		5,687,297,363	7,595,223,109
Receipts from Exchange Transactions			
Penalty on Repayment	21	25,698,689,066	8,561,275
Loan Administration Fees	22	3,674,103,481	4,225,420,058
Application Fees	23	2,641,644,205	853,230,000
Interest Income	24	29,239,817	32,196,943
Other Revenue	25	130,778,060	382,453,565
Sub Total Receipts		32,174,454,629	5,501,861,841
Total Receipts		37,861,751,992	13,097,084,950
Expenditure			
Salaries, Wages and Employment Benefits	26	7,534,548,899	5,923,266,597
Supplies and Consumables	27	7,990,841,590	7,146,815,542
Depreciation and amortization	28	666,413,706	454,918,886
Interest Expenditure	29	22,331,032,877	21,527,863,014
Grants - Medical Students	30	1,345,006,092	2,984,313,866
Provision for Impairment of Loans	31	1,924,057,993	-
Total Expenses		41,791,901,156	38,037,177,907
Surplus/(Deficit) During the year		(3,930,149,164)	(24,940,092,958)

These financial statements were approved by the Board of Directors on _____ and signed on its behalf by:

Prof. William A. L. Anangisye
Chairman of the Board

Abdul-Razaq Badru
Executive Director

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

STATEMENTS OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE, 2020

	Loanable Fund TZS	Recovered Students' Loans TZS	Recovery TZS	Transferred to BOT TZS	Staff Loans TZS	Revolving Fund TZS	Accumulated Surplus/ (Deficit) TZS	Total TZS
Balance as at 01 st July, 2019	4,218,927,515,961	53,779,101,166	(416,826,264,030)	1,580,691,837			472,566,557,325	4,330,027,602,258
Government Contribution	445,051,074,275	-	-	-	-	-	-	445,051,074,275
Value Retention Fee Re- Instated	65,174,165,367	-	-	-	-	-	-	65,174,165,367
Amount Transferred	-	-	(156,578,520,920)	-	-	-	-	(156,578,520,920)
Surplus/(Deficit) for the year	-	-	-	-	-	(3,930,149,164)	(3,930,149,164)	(3,930,149,164)
Balance as at 30 th June, 2020	4,729,152,755,603	53,779,101,166	(573,404,784,950)	1,580,691,837	468,636,408,160	4,679,744,171,816		
Balance as at 01 st July, 2018	3,704,603,634,121	45,821,876,200	(230,523,708,805)	1,580,691,837	497,506,650,282	4,018,989,143,635		
Government Contribution	424,522,165,533	-	-	-	-	-	-	424,522,165,533
Value Retention Fee	89,801,716,307	-	-	-	-	-	-	89,801,716,307
Recovered students' loans Transfer	-	7,957,224,966	-	(186,302,555,225)	-	-	-	7,957,224,966
Surplus/(Deficit) for the year	-	-	-	-	-	(186,302,555,225)	(186,302,555,225)	(186,302,555,225)
Balance as at 30 th June, 2019	4,218,927,515,961	53,779,101,166	(416,826,264,030)	1,580,691,837	472,566,557,325	4,330,027,602,259		

These financial statements were approved by the Board of Directors on _____ and signed on its behalf by:

Prof. William A. L. Anangisye
Chairman of the Board

Abdul-Razaq Badru
Executive Director

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2020

	Notes	2019/20 TZS	2018/19 TZS
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts:			
Government Subvention	19	4,301,802,288	4,610,909,243
Revenue Grants - Medical Doctor	20	1,345,006,092	2,984,313,866
		2,641,644,205	
Application Fees	23	2,641,644,205	853,230,000
Interest Income	24	29,239,817	32,196,943
Penalty on Repayment	32	8,003,742,908	8,561,275
Loan Administration Fees	33	919,828,626	4,225,420,058
Other Income	34	7,608,531	382,453,565
Total Receipts		17,248,872,467	13,097,084,950
Payments:			
Salaries, Wages and Employment Benefits	35	7,494,059,916	5,923,266,597
Supplies and Consumables	36	7,790,180,224	6,850,856,886
Grants Expenditure - Medical Students	30	1,345,006,092	2,984,313,866
Total Payments		16,629,246,232	15,758,437,348
Net Cash inflow/(outflow) from Operating Activities (A)		619,626,235	(2,661,352,399)
CASH FLOWS FROM INVESTING ACTIVITIES			
Loans Issued to Students	8	(367,410,348,090)	(411,606,122,054)
Recovered Students' Loans (Post-Board)	16	190,720,402,720	177,721,671,055
Acquisition of intangible assets	12	(215,484,737)	-
Acquisition of Property, Plant and Equipment	11	(1,594,893,945)	(738,893,433)
Net Cash flows inflow/ (outflow) from Investing Activities (B)		(178,500,324,051)	(234,623,344,432)
CASH FLOWS FROM FINANCING ACTIVITIES			
Funds Received for Issuing Loans	37	428,702,262,046	427,554,000,000
Recovered Students' Loans (Pre-Board)	16	-	7,957,224,966
Recovery amounts Transferred to BOT	18	(156,578,520,920)	(186,302,555,225)
Net Cash flows from Financing Activities (C)		272,123,741,126	249,208,669,741
Net Increase in Cash and Cash Equivalents (A+B+C)		94,243,043,310	11,923,972,910
Cash and Cash Equivalents at the Beginning of the Year	6	70,077,345,171	58,153,372,260
Cash and Cash Equivalents at the End of the Year	6	164,320,388,481	70,077,345,171

These financial statements were approved by the Board of Directors on _____ and signed on its behalf by:

Prof. William A. L. Anangisye
Chairman of the Board

Abdul-Razaq Badru
Executive Director

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

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

	Original Budget 2019/20 Tzs	Adjustment 2019/20 Tzs	Final Budget 2019/20 Tzs	Actual 2019/20 Tzs	Performance Difference 2019/20 Tzs	Reason for Variance 2019/20
Receipts:						
Loan Application Fees	2,172,500,000	-	2,172,500,000	2,641,644,205	(469,144,205)	More applicants than budgeted
Penalty	7,779,000,000	-	7,779,000,000	25,698,689,066	(17,919,689,066)	More defaulters than expected
Loan Administration Fees	2,548,000,000	-	2,548,000,000	3,674,103,481	(1,126,103,481)	Admission increased
Interest on Call/FDR	-	-	-	29,239,817	(29,239,817)	Was not budgeted
Other Income	500,000	-	500,000	130,778,060	(130,278,060)	Increase due to DIDIS income
Grants - Medical students	-	-	-	1,345,006,092	(1,345,006,092)	Based on actual amount
Loanable Funds	450,000,000,000	-	450,000,000,000	446,344,455,784	3,655,544,216	Amount not received
Personal Emoluments	4,775,886,000	-	4,775,886,000	4,342,291,271	433,594,729	Is received per actual payroll
Grant Funds - TVS	12,650,000,000	-	12,650,000,000	-	12,650,000,000	amount to be paid
Development Fund	5,000,000,000	-	5,000,000,000	-	5,000,000,000	TVS transferred to the MOEST
Total Receipts	484,925,886,000	-	484,925,886,000	484,206,207,775	719,678,225	Not implemented
Payments:						
Loanable Funds	450,000,000,000	-	450,000,000,000	367,410,348,090	82,589,651,910	Early break due to COVID-19
Grants - Medical Students	-	-	-	1,345,006,092	(1,345,006,092)	Based on actual amount
Grants Expenses - TVS	12,650,000,000	-	12,650,000,000	-	12,650,000,000	TVS transferred to the MOEST
Administrative Expenses	12,500,000,000	-	12,500,000,000	12,500,000,000	-	
Personal Emoluments	4,775,886,000	-	4,775,886,000	4,396,371,018	379,514,982	Payment is per actual payroll
Development Fund	5,000,000,000	-	5,000,000,000	-	5,000,000,000	Not implemented
Total Payments	484,925,886,000	-	484,925,886,000	385,651,725,200	99,274,160,800	
Net Receipts/(Payment)	-	-	-	98,554,482,575	(98,554,482,575)	

These financial statements were approved by the Board of Directors on _____ and signed on its behalf by:

Prof. William A. L. Anangisye
Chairman of the Board

Abdul-Razaq Badru
Executive Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2020

1. GENERAL INFORMATION

The Higher Education Students' Loans Board (HESLB) was established under Act No. 9 of 2004 (as amended) CAP 178 for the purpose of providing Students' Loans Scheme which would not only extend loans to students who require such assistance but also collect repayment for all loans issued to students since 1994 for re-lending to other needy and eligible students. HESLB is Parastatal Organization currently under the Ministry of Education, Science and Technology.

2. BASIS OF PREPARATION AND STATEMENT OF COMPLIANCE

Basis of Preparation

The financial statements have been prepared based on historic cost unless stated otherwise. The financial statements have been prepared in Tanzanian shillings.

Statement of Compliance

The financial statements of the Higher Education Students' Loans Board (HESLB) have been prepared in accordance with Public Finance Act of 2001 (revised 2004) and comply with the requirements of the International Public Sector Accounting Standards (IPSAS). The accounting policies have been consistently applied in all the years presented.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in conformity with IPSAS requires the use of estimates and assumptions that affect reported amounts of assets, liabilities and disclosure of contingent asset and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Although these estimates are based on the directors' best knowledge of current events and actions, actual results ultimately may differ from those estimates. The estimates and underlying assumptions are reviewed on the ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future period if the revisions affect both current and future periods.

3.1. Reporting Period

The reporting period for these financial statements is the financial year of the Government which runs from 01st July, 2019 to 30th June, 2020.

3.2. Foreign Currency Translation

Functional and presentation currency

Items included in the financial statements of the HESLB are measured using the currency of the primary economic environment in which the Government operates ("the functional currency"). The financial statements are presented in Tanzanian Shillings (Tzs), which is the Government's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into Tanzanian Shillings 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 in the statement of financial performance.

3.3. Cash and Cash Equivalents

Cash and bank balances in the statement of financial position comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, and is measured at amortized cost. For the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

3.4. Provisions

Provisions are recognized when the Board has a present legal or constructive obligation because of past events, when it is probable that an outflow of resources embodying economic benefits and/or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

3.5. Employment Benefits

Employee benefits include salaries, pensions and other related - employment costs. Employee benefits are recognized on accrual basis. The Government operates a defined benefit plan.

Additionally, the Government operate insured (NHIF) plan where contributions are made by the employer and employee, each contributing 3% of gross salary of the respective employee.

3.6. Revenue

Revenue from exchange transactions

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Revenue of HESLB includes Interest Income, Application Fees, Penalty on Repayment, Loan Administration fees and other Income:

Interest Income

Interest income arises from different HESLB's bank accounts, i.e. interest on call accounts. For all financial instruments measured at amortized cost and interest-bearing financial assets classified as available-for-sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Loan Application Fees:

Revenue from loan application fees is collected and received when the Online Loan Application System (OLAS) is opened in the respective year for the needy prospective students to apply. The amount collected is accounted for on cash basis.

Penalty on Repayment:

A penalty of 10% per annum is imposed on the amount of loans due for repayment which has remained unpaid for more than two years after a loan beneficiary has graduated.

Loan administration fees

Is imposed at 1% per annum of the loan amount

Interest from Staff Issued Loans

This involves loans for motor vehicle and housing issued to staff at a rate of 6% interest per annum It is recognized on accrual basis.

Other Income:

Other income is recognized in the period in which it is earned. This includes gain on exchange and tender documents.

Revenue from non-exchange transactions

Revenue from non-exchange transactions is governed by IPSAS 23 and mainly comprises taxes and transfers. Revenue from Non- Exchange Transaction of the HESLB includes Interest Government Subvention through the Ministry of Education, Science and Technology and grants from donors

Government Subvention

Subvention comprises of funds received from Treasury to cater for Personal emoluments (PE)/employees' salaries and other operational costs. These are unconditional and therefore are recognized and credited to the statement of financial performance in the period in which they are received.

Grants:

Grants comprises of grants from Treasury and World Bank.

- (i) Grants from Treasury: These are issued to eligible students pursuing medical courses. The funds are release as per approved budget; the amounts are paid to students under the grants programme only. Income is recognized as per amount paid to students as grant.
- (ii) Grants from World Bank: These are attached with restriction on their spending where they are to be spent for training staffs and financing ICT development. Grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income in the statement of financial performance over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. Where the HESLB receives non-monetary grants, the asset and the grant are recorded at nominal amounts and released to the income statement over the expected useful life of the relevant asset by equal annual instalments.

3.6. Property and Equipment

Property, Plant and Equipment is stated at cost, excluding the costs of day-to-day servicing, less accumulated depreciation and accumulated impairment in value. Such cost includes the cost of any replacement parts in accordance with the related recognition criteria.

Recognition

The cost of an item of Property, Plant and Equipment is recognized as an asset if, and only if the asset is being controlled by the HESLB; it is probable that future economic

benefits or service potential associated with the item will flow to the Board; and the cost of the item can be measured reliably.

Measurement

Property, Plant and Equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

De-recognition

The carrying amount of an item of Property, Plant and Equipment is derecognized when asset is disposed; or when no future economic benefits or service potentials are expected from its use or disposal. Gains and losses on de-recognition of Property, Plant and Equipment is determined by reference to their carrying amount and is taken into account in determining operating profit.

Subsequent Expenditure

Expenditure incurred to replace a component of item of Property, Plant and Equipment is accounted for separately and capitalized only when the amount is material, it is probable that future economic benefits or service potentials associated with the item will flow to the Board and the cost of the item can be measured reliably. All other expenditure items are recognized in the income statement as expenses during the financial period in which they are incurred.

Depreciation

The HESLB has adopted straight line method for depreciation of Public Assets which is allocated systematically over the useful life of the respective assets as per the accounting policies applicable. The depreciable amount of an asset shall be allocated on a systematic basis over its estimated useful life. The prevailing International Standard for depreciation shall be applied over the useful life of the assets. In accordance with the Generally Acceptable Valuation Principles (GAVP), depreciation for valuation purposes shall be the adjustment made to the replacement cost to reflect physical deterioration, functional and economic obsolescence.

Property, Plant and Equipment acquired during the year are depreciated from the date when they are available for use and the date that the asset is de-recognized. The following Estimated useful life (EUL) were applies for accounting for Property, Plant and Equipment for the year ended 30th June, 2020.

Table 11: Estimated Useful Life of Assets

S/No.	Asset Category	Estimated Useful Life (Years)
1	Office Equipment	5
2	Office Furniture and Fittings	8
3	Motor Vehicle (Light)	5
4	Data Servers	3
5	Computers and Printers	3

3.8. Intangible Assets - Computer Software Costs

Costs incurred on computer software are initially accounted for at costs as intangible assets and subsequently at cost less any accumulated amortization. The Board's intangible assets have finite useful life of 2.5 years. The residual value and expected useful lives are reassessed annually. Amortization is calculated on a straight-line basis over the estimated useful life as follows: -

- Students Loan Management Software 40% *per annum*
- Accounting Software 40% *per annum*
- Audit Software 40% *per annum*
- Integrated Loan Management System (ILMS) 40% *per annum*
- Grand Automation System Integration (GASI) 40% *per annum*

3.9. Impairment of Assets

At each Statement of Financial Position date, the Board reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. Impairment loss occurs where the asset is carried at more than its recoverable amount. An asset is carried at more than its recoverable amounts if its carrying amount exceeds the amounts to be recovered through use or sale of the asset. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the directors estimate the recoverable amount of the cash-generated unit to which the asset belongs.

The recoverable amount represents the greater of the net selling price and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognized as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. For the financial year under review there was no indication as to impairment of the Board's assets.

3.10. Amortization of Intangible Assets

The amortization period and the amortization method for an intangible asset are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the Statement of Financial Performance. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

3.11. Financial Instruments

Classification

Financial instruments as reflected in the statement of financial position include all financial assets and financial liabilities, but exclude property, plant and equipment. The Board determines the appropriate classification at initial recognition of the financial instrument. Financial instruments of the Board are classified as follows: -

Financial assets and Liabilities

Financial assets and financial liabilities are recognized in the Board's statement of financial position when the Board becomes a party to the contractual provision of the instrument.

3.12. Receivables

Receivables are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Allowance for irrecoverable amount is established when there is objective evidence that the Board will not be able to collect all amounts due according to the original terms of receivable. Receivables are recognized initially at quoted/unadjusted prices and subsequently measured at value less provision for bad and doubtful debts. Specific provision is made in the financial statements against receivables considered to be doubtful of recovery.

3.13. Bank Borrowings

Interest-bearing bank loans and overdrafts are recorded at their proceeds received, net of direct issue costs.

3.14. Other Borrowings

Other borrowings are recognized initially at fair value, net of transaction costs incurred and are subsequently stated at amortized cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

3.15. Payables

Payables are stated at their nominal value.

3.16. Borrowing Costs

Borrowing costs are recognized as an expense in the period in which they are incurred, except to the extent that they are capitalized.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalized as part of the cost of that asset when it is probable that they will result in future economic benefits to the organization and the costs can be measured reliably.

Recognition

Loans, receivables and financial liabilities are recognized on the day they are transferred to the Board or the day the funds are advanced.

Measurement

(a) Initial measurement

Financial instruments are measured initially at cost, including transaction costs.

(b) Subsequent measurement (Impairment and un-collectability of financial assets)

Receivables are subsequently measured at cost less provision for impairment of debts. Specific debts which are doubtful of recovery are provided in full.

(c) Creditors are stated at cost due to the short-term nature thereof.

3.17. Retirement Benefits

Higher Education Students' Loans Board has statutory obligations to contribute to various pension schemes in favour of all the employees employed under permanent and pensionable terms. Contributions to these funds are recognized as an expense in the period the employees render the related services. Different plans and contribution rates for employer and employees are detailed below:

Table 12: Rates for Contribution

No.	Name of the Fund	Employer Contribution	Employee Contribution
1	National Social Security Fund	15%	5%
2	Public Servants Social Security Fund	15%	5%
3	WCF	0.50%	0% (Government)

3.18. Short Term Benefits

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

3.19. Termination Benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date. The Board recognizes termination benefits when it is constructively obliged to either terminate the employment of the current employees according to detailed formal procedures.

3.20. Offsetting Financial Asset and Financial Liability

A financial asset and a financial liability shall be offset, and the net amount presented in the balance sheet when and only when, the Board:

- Currently 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.

3.21. Related Party Transactions

HESLB is wholly owned by the Government under the Ministry of Education, Science and Technology. The Board does not own shares of any class in any business. All business transactions are conducted at arm's length in line with the provisions of the Higher Education Students' Loans Board Act No. 9 of 2004 (as amended), the International Public Sector Accounting Standard and any other complimenting Accounting Standards deemed suitable in the circumstances to reflect a true and fair

view of the accounts during that time. The only related party transactions during the financial year ended 30th June 2020 was the remuneration availed to the Board of Directors and key Management staff. During the year under review, the Board of Directors and key Management Staff remuneration are summarized below:

Particulars	2019/20 TZS	2018/19 TZS
i) Board of Directors		
Board of Directors Allowances and Annual Directors Fees	43,000,000	21,874,750
	<u>43,000,000</u>	<u>21,874,750</u>
 i) Emoluments to Key Management Staff	 2019/20 TZS	 2018/19 TZS
Salaries	1,154,628,371	1,320,588,371
Allowances	218,840,000	214,560,000
Total	<u>1,373,468,371</u>	<u>1,535,148,371</u>

4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

New and amended standards and interpretations issued but not yet effective

i) IPSAS 41 - Financial Instruments

IPSAS 41, Financial Instruments, establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement.

An entity shall apply this Standard for annual periods beginning on or after January 1, 2022. Earlier application is permitted. If an entity elects to apply this Standard early, it must disclose that fact and apply all of the requirements in this Standard at the same time.

ii) IPSAS 42 - Social Benefit

The delivery of social benefits to the public is a primary objective of most governments, and accounts for a large proportion of their expenditure.

Prior to IPSAS 42, Social Benefits, IPSAS did not provide guidance on accounting for social benefits. The absence of such guidance was seen as one of the major gaps in the IPSASB's literature, and as a result, users may not have been able to obtain the information needed to assess the impact of social benefits on an entity's finances. IPSAS 42 addresses this need.

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

HESLB operations are exposed to certain financial risks. Financial risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on HESLB's financial performance. The main risks arising from the HESLB's operations are currency risk, credit risk, liquidity risk and interest rate risk. HESLB reviews and agrees policies for managing each of these risks which are summarized below:

- **Interest Rate Risk**

The HESLB's operating cash flows are affected by changes in market interest rates. The HESLB mitigates the risks by charging value retention fee on the loans. However, such a rate i.e. 6% is still low as compare to the rates fetched/charged in the financial markets so that as it is not aimed at profit making rather to service the needy and eligible Tanzanian students who have of higher learning institutions.

- **Currency Risk**

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. HESLB's operations mostly utilize local currencies and therefore not materially exposed to exchange rate fluctuations that have an impact on cash flows and financing activities. Currency exposure arising from foreign transactions denominated in foreign currencies (for instance the office building lease agreement) is managed primarily by holding bank balances in the relevant foreign currencies as well as facing out foreign currency transactions by accepting the local currency invoices only. The loss/gain on foreign currency fluctuation during the year arose from the translation of bank balances. The foreign currencies bank accounts have been disclosed.

- **Credit Risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. HESLB is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments specifically the loan beneficiaries who are currently working in informal sector. However, efforts and legal actions/strategies are currently in formulation for enforcement against the loan defaulters. This includes banning them from acquiring cooperation/services from all the government related service providers like Tax Revenue Authority, the Ministry of Home Affairs specifically the passport control section to mention the few. There has been strict follow-up with the employers both in private and public sector to ensure necessary deductions are made in their payroll for all their employees who were previously loan beneficiaries from the HESLB.

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

Notes	Particulars	2019/20 TZS	2018/19 TZS
6	CASH AND CASH EQUIVALENTS		
	CRDB Bank Plc	36,209,443,930	22,344,026,023
	National Microfinance Bank Plc	306,427,269	39,224,681
	Bank of Tanzania	127,796,184,850	47,694,094,468
	Tanzania Postal Bank	8,332,433	
	Total Cash and Cash equivalents	164,320,388,481	70,077,345,171
7	INSTITUTIONS LOANS RECEIVABLE (Loans issued to PGD)		
	Particulars	2019/20 TZS	2018/19 TZS
	Balance as at 1 st July	27,163,107,521	25,425,268,056
	Additional Loans	1,279,421,329	4,704,874,322
	Total	28,442,528,850	30,130,142,378
	Less: Amount Recovered	2,975,989,540	2,967,034,857
	Balance as at 30th June	25,466,539,310	27,163,107,521
8	STUDENTS' LOANS RECEIVABLE		
	Particulars	2019/20 TZS	2018/19 TZS
	Balance as at 1 st July	5,032,515,963,555	4,527,275,921,457
	: Adjust Penalty Overbooked in Prior years		(290,027,397)
	Adjusted Balance	5,032,515,963,555	4,526,985,894,060
	Additions:		
	Loan Issued	367,410,348,090	411,606,122,054
	Loan Administration Fee	3,674,103,481	4,225,420,057
	Value Retention Fee	65,174,165,367	99,829,509,838
	Penalties on Late Loan Repayment (Note 21)	25,676,150,992	
	Gross Loans	5,494,450,731,485	5,042,646,946,009
	Less:		
	Provision	(1,924,057,993)	(10,130,982,454)
	Balance as at 30th June	5,492,526,673,493	5,032,515,963,555
	Made up of:		
	Current Portion	147,616,700,000	137,252,100,000
	Institutions Loan Receivable (Note7)	25,466,539,310	27,163,107,521
	Long Term Portion	4,596,862,896,102	4,336,240,620,673
	Recovered Students' Loans	722,580,538,081	531,860,135,360
		5,492,526,673,493	5,032,515,963,555

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

Movement in Provision:

Balance as at 1 st July	(10,130,982,454)	(10,458,916,676)
(Additions)/Reversal	(1,924,057,993)	327,934,222
Balance as at 30 th June	<u>(12,055,040,447)</u>	<u>(10,130,982,454)</u>

Recovered Students' Loans is made up of:

Recovered Principal Loans	655,880,178,214	465,159,775,494
Recovered Loan Administration	6,129,929,165	6,129,929,165
Recovered VRF	36,557,084,340	36,557,084,340
Recovered Penalty	24,013,346,362	24,013,346,362
Total Recovered Students' Loans	<u>722,580,538,081</u>	<u>531,860,135,360</u>

Notes	Particulars	2019/20 Tzs	2018/19 Tzs
9	PRE-PAYMENTS AND OTHER RECEIVABLES		
	Staff Advance	18,463,572	20,134,639
	Staff Imprest	308,501,862	242,151,248
	Staff Loans Motor Vehicles) - (i)	495,834,817	707,646,174
	Staff Loans (Housing) - (ii)	293,758,477	303,278,477
	Rent Prepaid	35,859,029	26,159,368
	Prepaid Insurance	25,175,566	21,117,133
	Outstanding Students' Loans - (iii)	68,017,590,137	3,439,731,097
	Salary Arrears Receivable from MOEST	35,859,029	35,462,934
	Prepaid Fuel	39,874,705	21,231,735
	Sundry Debtor - MOEST		
	CRDB Bank DIDIS Receivable	123,169,529	46,590,000
	Pre-Payments and Other Receivables	<u>69,394,086,723</u>	<u>4,863,502,805</u>
10	INVENTORIES		
	Particulars	2019/20 Tzs	2018/19 Tzs
	Stationery Supplies	28,452,590	26,881,554
	Computer Accessories	40,854,498	27,022,020
	Total Consumables	69,307,088	53,903,574
	Analysis of Inventory Expensed During the year:		
	Stationery Supplies	88,084,120	116,743,941
	Computer Accessories	52,393,461	49,106,505
		<u>140,477,581</u>	<u>165,850,446</u>

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB).

11. PROPERTY, PLANT AND EQUIPMENT

Particulars	Building W.I.P.	Land	Motor Vehicles	Furniture & Fittings	Office Equipment	Computers, Printers & Fax	Data Servers	Generators	Total
Cost:									
As at 01.07.2019	2,270,793,769	760,230,769	1,739,643,535	1,491,930,487	313,821,383	1,175,658,816	446,948,450	51,294,440	8,250,322,150
Additions During the year		103,770,000	624,160,316	83,548,160	248,925,450	315,100,471	43,423,228	175,966,320	1,594,893,945
At 30.06.2020	2,270,793,769	864,000,769	2,363,803,851	1,575,478,647	562,747,333	1,490,759,287	490,371,678	227,260,760	9,845,216,095
Depreciation:									
As at 01.07.2019									
Charge for the year		-	938,343,318	802,112,458	254,448,336	716,185,738	137,967,716	51,294,440	2,900,352,007
As at 30.06.2020		-	190,375,935	112,876,627	30,284,828	143,643,487	41,987,503	-	519,368,380
Net book value:		-	1,128,919,253	914,989,085	284,733,164	859,829,226	179,955,219	51,294,440	3,419,720,387
As at 30.06.2020	2,270,793,769	864,000,769	1,234,884,598	660,489,562	278,014,169	630,920,061	310,416,459	175,966,320	6,425,495,707
A at 30.06.2019	2,270,793,769	760,230,769	801,300,217	689,818,029	59,373,547	459,473,077	308,980,735	-	5,349,970,143

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

Notes

		2019/20	2018/19
12	INTANGIBLE ASSETS		
	PARTICULARS		
	Cost	2019/20	2018/19
	As at 01 st July	859,841,035	859,841,035
	Additions	215,484,737	-
	As at 30 th June	<u>1,075,325,772</u>	<u>859,841,035</u>
	Accumulated Amortization		
	As at 01 st July	768,563,888	703,478,875
	Charge for the year	147,045,326	65,085,013
	As at 30 th June	<u>915,609,214</u>	<u>768,563,888</u>
	Net Carrying Amount		
	As at 30 th June	<u>159,716,557</u>	<u>91,277,147</u>
	Particulars		
13	PAYABLES AND ACCRUALS	2019/20	2018/19
		TZS	TZS
	Outstanding Students' Loans	68,030,077,837	3,439,731,097
	Directors' Fees Payable	35,000,000	35,000,000
	Audit Fee Payable	200,661,366	254,639,452
	Electricity Payable	-	8,097,063
	Internet Payable	-	22,990,123
	Tuition Fee Payable - TVS	52,016,037	384,000,795
	Iprint Ltd	10,218,800	10,218,800
	Other Deduction Payable	29,131,301	45,000,294
	Bank Deposits	-	624,726,315
	Grant Received in Advance - TVS	87,103,871	6,487,103,871
	Stale cheques	2,510,117	-
	Salary Deductions Payable	40,488,983	-
	Total Payables and Accruals	<u>68,487,208,312</u>	<u>11,311,507,810</u>
14	Borrowings - PSSS Loan		
	Particulars	2019/20	2018/19
		TZS	TZS
	PSPF/PSSSF Loan	54,644,657,534	54,644,657,534
	Long Term Unpaid Interest on PSPF/PSSSF	88,348,684,930	80,316,986,301
	Long Term Unpaid Penalty on PSPF/PSSSF	<u>119,090,407,377</u>	<u>104,791,073,130</u>
	Total PSPF/PSSSF Loan	<u>262,083,749,841</u>	<u>239,752,716,965</u>
15	FUNDS RECEIVED FOR ISSUING LOANS		
	Particulars	2019/20	2018/19
		TZS	TZS
	Balance as at 1 st July	4,218,927,515,961	3,704,603,634,121
	Additions:		
	Value Retention fee	65,174,165,367	86,769,881,840
	Government Subvention	445,051,074,275	427,554,000,000
	Total Loanable Funds	<u>4,729,152,755,603</u>	<u>4,218,927,515,961</u>

43

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

16 RECOVERED STUDENTS' LOANS

Particulars	2019/20 TZS	2018/19 TZS
Balance as at 1 st July	53,779,101,166	45,821,876,200
Collected During the year	190,720,402,720	185,678,896,022
TOTAL	244,499,503,886	231,500,772,221
Less: Amount Recovered for Loans Issued by HESLB	190,720,402,720	177,721,671,055
Balance as at 30th June	53,779,101,166	53,779,101,166

Recovered Students' Loans is the amount collected from the inherited loans by the Board for TZS. 51,103,685,914 which were issued by the Government from July 1994 to June 2005 to Public Higher Learning Institutions students.

17 STAFF LOAN REVOLVING FUND

Particulars	2019/20 TZS	2018/19 TZS
Balance as at 1 st July	1,580,691,837	1,580,691,837
Additions:		
Amount During the year		
Total Staff Loan Revolving Fund	1,580,691,837	1,580,691,837

18 RECOVERED AMOUNT TRANSFERRED TO BOT

Particulars	2019/20 TZS	2018/19 TZS
Balance as at 1 st July	416,826,264,030	230,523,708,805
Amount Transferred During the year	156,578,520,920	186,302,555,225
Total Staff Loan Revolving Fund	573,404,784,950	416,826,264,030

19 GOVERNMENT SUBVENTION

Particulars	2019/20 TZS	2018/19 TZS
Government Subvention - PE	4,342,291,271	3,847,630,510
Revenue Grants - TVS		763,278,733
Total Government Subvention	4,342,291,271	4,610,909,243

20 REVENUE GRANT - MEDICAL STUDENTS

Particulars	2019/20 TZS	2018/19 TZS
Income for the year	1,345,006,092	2,984,313,866
Total Revenue Grant - Medical Students	1,345,006,092	2,984,313,866

These are income in respect of amounts paid to Medical students, the amounts are not repayable.

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

21 PENALTY ON REPAYMENT

Particulars	2019/20 Tzs	2018/19 Tzs
Penalty for Loan Repayment on Loan beneficiaries	25,676,150,992	-
Penalty for Loan Repayment on Employers	22,538,074	8,561,275
Total Penalty on repayment	25,698,689,066	8,561,275

Note: Rise in penalty is due to the changes of the Act '*Written Law Miscellaneous Amendment Act No. 3 of 2016*' which gave grace period from One (1) year to Two (2) years before imposing penalty. Hence, 2018/19 was affected by the change of grace period for loan beneficiaries.

Notes

22 LOAN ADMINISTRATION FEES

Particulars	2019/20 Tzs	2018/19 Tzs
Loan Administration Fees	3,674,103,481	4,225,420,058
Total Loan Administration Fees	3,674,103,481	4,225,420,058

c APPLICATION FEES

Particulars	2019/20 Tzs	2018/19 Tzs
Application Fees for the year	2,641,644,205	853,230,000
Total Application Fees	2,641,644,205	853,230,000

Variation of income for application fee is due to the fact that the application window for 2018/2019 was opened in June 2018 and later on extended to July 2018 while the application window for 2019/2020 was opened in July 2019.

24 INTEREST INCOME

Particulars	2019/20 Tzs	2018/19 Tzs
Interest Income for the year	29,239,817	32,196,943
Total Interest Income	29,239,817	32,196,943

These are interest on call account.

25 OTHER REVENUE

Particulars	2019/20 Tzs	2018/19 Tzs
Tender Documents	60,000	940,000
Miscellaneous Income	130,718,060	381,513,565
Total Other Income	130,778,060	382,453,565

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

	Particulars	2019/20 TZS	2018/19 TZS
26	SALARIES, WAGES AND EMPLOYMENT BENEFITS		
	Personal Emoluments	4,396,371,018	3,881,715,752
	Electricity bills to entitled staff	49,265,000	48,260,000
	Leave Travel	150,453,631	31,270,200
	Responsibility Allowance	73,623,000	-
	Outfit Allowance	7,500,000	300,000
	Contribution to NHIF	2,906,262	2,925,000
	Subsistence Allowance	87,336,000	76,049,100
	Housing Allowance	102,000,000	94,200,000
	Food and Refreshment	198,547,916	1,950,000
	Internship Allowance	100,498,000	60,652,700
	Honorarium	749,803,517	455,433,400
	Passages Allowances (Transportation of Personal Effects)	-	8,769,200
	Extra Duty/Overtime	304,214,000	343,170,000
	Per diem - Foreign	190,424,712	33,818,485
	Acting Allowance	70,757,760	222,335,720
	Special Allowance	758,950,533	439,371,640
	Mobile charges (For office)	5,950,000	14,085,000
	Management Sitting Allowance	93,200,000	83,235,000
	Court Attire Allowance	3,000,000	3,000,000
	Moving Expenses	21,642,550	26,725,400
	Furniture to Entitled Staff	80,000,000	96,000,000
	Transport Allowance to Entitled Staff	79,600,000	-
	Casual Labourers	8,505,000	-
	TOTAL	7,534,548,899	5,923,266,597

Notes	Particulars	2019/20 TZS	2018/19 TZS
27	SUPPLIES AND CONSUMABLES		
	Telephone (Entitled Staff)	62,390,000	28,675,00
	Drugs and Medical Expenses	40,373,900	270,00
	Office Consumables	88,084,120	116,743,94
	Computer Supplies	52,393,461	49,106,50
	Photocopy Paper A4 white	15,943,964	9,395,50
	Directors Fees	43,000,000	21,874,75
	Newspapers and Magazine	3,039,000	6,453,20
	Printing Costs	41,624,000	17,967,40
	Computer Software and License	46,136,219	21,963,91
	Outsourcing Costs (Cleaning and Security)	182,336,041	163,360,97
	Electricity	114,090,147	134,346,13
	Tyres and Batteries	20,975,150	-
	Diesel	188,051,077	115,408,06
	Lubricant	170,000	4,605,88
	Uniform and ceremonial dresses	3,194,000	880,00

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

Notes	Particulars	2019/20	2018/19
		TZS	TZS
27	SUPPLIES AND CONSUMABLES		
	Rent of Vehicles and crafts	3,500,000	1,552,970
	Remuneration of Instructors	2,700,000	6,510,750
	Air Travel Tickets-Domestic	279,526,358	123,544,677
	Travelling on Duty - Domestic	700,000	-
	Ground Transport (Bus, Train, Water)	403,958,863	211,760,345
	Per diems Domestic	1,720,447,430	1,235,375,382
	Air Travel Tickets - Foreign	49,426,667	4,132,981
	Water Transport	5,311,002	2,415,000
	Internet and Email connections	278,502,533	278,876,825
	Postal Charges & Telegrams	9,140,150	9,553,698
	Advertisements/Publicity	123,278,700	94,568,800
	Courier Services	158,535,359	81,832,614
	Telephone Charges (Ground Line)	6,100,321	6,790,000
	Public (IEC Policies, Website)	390,000	971,000
	Educational Radio and TV Broadcasting	35,350,000	23,600,000
	Exhibition, Festivals and Celebration	5,700,000	200,000,000
	Catering Services	95,972,700	37,782,140
	Entertainment	71,200,000	69,196,000
	Visa Application Fees	1,519,950	-
	Social contribution	10,100,000	3,000,000
	Motor Vehicles (Service and Maintenance)	3,788,424	56,481,447
	Outsource Maintenance (Services)	89,592,610	19,937,748
	Repairs and maintenance (Office Equipment)	41,289,220	28,098,270
	Repair and maintenance (Air Conditioners)	2,420,000	1,505,000
	Outsource maintenance (Office Equipment)	90,518,169	200,000
	Fumigation	5,237,098	36,000
	Water and Waste Disposal	11,599,312	8,351,500
	Fuel, Oils, Lubricants	-	38,604,900
	Gifts and Prizes (Awards)	2,000,000	16,000,000
	Audit Fees & Expenses	200,661,366	256,139,450
	Legal Fees	300,000	26,470,210
	Agency Fees	1,262,905,172	1,237,843,600
	Consultancy Fees	110,546,841	297,723,210
	Investigation Expenses	-	1,192,000
	Burial Expenses	12,120,000	20,010,000
	Subscription Fees	37,134,680	35,606,860
	Bad Debts	-	39,613,200
	Kitchen Appliances & Utensils	4,145,000	1,146,000
	Insurance Expense	48,772,522	29,783,450
	DSTV Charges	-	162,000
	Contribution (15% on Gross Revenue)	200,000,000	-
	Provision for Doubtful Debts	-	3,654,810

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

Notes	Particulars	2019/20	2018/19
		TZS	TZS
27	SUPPLIES AND CONSUMABLES		
	Tuition Fee Grant - TVS	-	597,875,899
	Electrical and Other Cabling Materials	5,350,914	-
	Technical Service Fees	606,426	-
	Communication Network Services	-	21,110,527
	Technical Materials	9,200,000	178,500
	Telephone and Fax	-	415,000
	Rent - Housing	17,843,911	18,053,967
	Rent Office Accommodation	962,628,076	1,034,830,938
	Bank Charges & Commission	14,257,758	108,744,620
	Rent of Private vehicles	940,000	600,000
	Conference Facilities	69,309,127	76,544,600
	Tuition Fee - Domestic	102,466,179	58,703,234
	Production and Printing	21,972,500	22,784,100
	Uniforms	-	5,900,000
	Outsource Maintenance Contract Services	500,075,174	-
	Total Operating Expenses	7,990,841,590	7,146,815,542
Notes	Particulars	2019/20	2018/19
		TZS	TZS
28	DEPRECIATION AND AMORTIZATION		
	Depreciation - Motor Vehicles	190,575,935	140,810,396
	D Depreciation - Plant, Machinery & Eqpt	30,284,828	13,873,839
	Depreciation - Furniture & Fittings	112,876,627	100,056,664
	Depreciation - Computers and Related Equipment	143,643,487	78,213,835
	Depreciation - Data server	41,987,503	56,879,139
	Amortization of Computer Software	147,045,326	65,085,011
	Depreciation and Amortization	666,413,706	454,918,886
29	INTEREST EXPENDITURE		
	Particulars	2019/20	2018/19
		TZS	TZS
	Penalty on PSPF/PSSSF Loan	14,299,334,247	13,496,164,384
	Interest on PSPF/PSSSF Loan	8,031,698,630	8,031,698,630
	Total Interest Expenditure	22,331,032,877	21,527,863,014
30	GRANT EXPENDITURE - MEDICAL STUDENTS		
	Particulars	2019/20	2018/19
		TZS	TZS
	Tuition Fee Grant	963,723,937	1,858,034,104
	Special Faculty Requirement Grant	180,579,900	343,362,400
	Books and Stationery Grant	101,200,000	169,800,000
	Meals and Accommodation	46,892,375	-
	Field/Practical Training Grant	21,260,000	276,480,000
	Research Grant	8,100,000	256,970,000
	Stipend Overseas Grant	23,249,880	79,667,362

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

	Total Other Income	1,345,006,092	2,984,313,866
Notes 31	PROVISION FOR IMPAIRMENT OF LOANS		
	Particulars	2019/20 TZS	2018/19 TZS
	Impairment of Students' Loans	1,924,057,993	(327,934,222)
	Total Provisional for Impairments' Loans	1,924,057,993	(327,934,222)
32	PENALTY ON LOAN REPAYMENT		
	Particulars	2019/20 TZS	2018/19 TZS
	Cash Received	8,003,742,908	8,561,275
	Accrued Amount	17,694,946,157	
	Total	25,698,689,066	8,561,275
33	LOAN ADMINISTRATION FEE		
	Particulars	2019/20 TZS	2018/19 TZS
	Cash received	919,828,626	4,225,420,058
	Accrued amount	2,754,274,855	
	Total Loan Administration Fee	3,674,103,481	4,225,420,058
34	OTHER INCOME		
	Particulars	2019/20 TZS	2018/19 TZS
	Tender Documents- Cash	60,000	940,000
	Miscellaneous Income-Cash	7,548,530	381,513,565
	Miscellaneous-DIDIS income (accrued)	7,608,531	382,453,565
	Total Income	130,778,060	382,453,565
35	SALARIES, WAGES AND EMPLOYMENT BENEFITS		
	Particulars	2019/20 TZS	2018
	Cash paid	7,494,059,916	5,923,266,
	Accrued	40,488,983	
	Total	7,534,548,899	5,923,266,

	SUPPLIES AND CONSUMABLES		
36	Particulars	2019/20 TZS	2018/19 TZS
	Cash paid	7,790,180,224	6,850,856,886
	Accrued	200,661,366	295,958,656
	Total	7,990,841,590	7,146,815,542
Notes			
37	FUNDS RECEIVED FOR ISSUING LOANS		
	Particulars	2019/20 TZS	2018/19 TZS
	Cash received	428,702,262,046	427,554,000,000
	Transfer from another account	16,348,812,229	
	Total Funds Received for Issuing Loans	445,051,074,275	427,554,000,000
38	ASSETS PLEDGED AS SECURITY FOR LIABILITIES		
	None of the Board's assets have been pledged as security for liabilities.		
39	EVENTS AFTER THE REPORTING PERIOD		
	The COVID-19 pandemic continued to affect countries and businesses at the time of issuing these financial statements. The risks arising from this pandemic could include market, services and supply chain disruptions, unavailability of key people resources, locations being quarantined, among others.		
	The directors have assessed that, at the time of issuing these financial statements, it was impracticable to determine and disclose the extent of the possible effects of the pandemic on the Board.		
	However, the directors have made a general preliminary assessment based on limited data available and are of the view that, so far, the impact of the pandemic is not expected to negatively affect the Board's ability to continue as going concern.		
	There were no other events after the reporting period which require adjustment to or disclosure in the financial statements.		

40 LITIGATIONS

As at 30 June 2020 the Board had pending litigations in which it was a plaintiff in several lawsuits. Considering legal advice from various lawyers representing the Board, the Board of directors does not believe that these lawsuits will result immaterial cash outflow from HESLB as shown in Case List Progress Report as at 30th June, 2020 (Appendix II).

Appendix I: List of Major Resolutions Made by HESLB Board of Directors for the Financial year 2019/20

SN	MEETING	MEETING No.	DATE	RESOLUTION
1.	Audit and Risk Management Committee (ARMC)	77 Ordinary Q1.	23/10/2019	1. Received q1 Performance Report 2. Approved Audit Plan for Financial Year 2018/2019; 3. Approved TZS 229,819,000 as the audit fee for the for FY 2018/2019 audit.
		78 Extra Ordinary	13/12/2019	1. Received Audited Financial Report 2018/2019
		79 th Ordinary	23/01/2020	1. Received q.2 Performance Report 2. Approved amendment to 2019/2020 Audit Plan to incorporate Legal Affairs in the said Plan.
		80 th Ordinary	23/04/2020	1. Received Q3 performance reports
2.	Finance, Planning and Administration Committee (FPA)	133 Ordinary meeting (Q1)	22/10/2019	1. Received q1 Performance Report; 2. Endorsed change of bank signatories for Mbeya, Mwanza and Mtwara Zonal Offices; 3. Endorsed draft Performance Agreement between the Treasury Registrar and HESLB Board of Directors; 4. Resolved to appeal against the decision of the High Court that ordered reinstatement of Mr. Gabriel Robi into public service without loss of salary.
		134 Ordinary (Q2)	21/01/2020	1. Received q2 Performance Report; Endorsed amendment of Annual Procurement Plan; 2. Endorsed Budget re-allocation tuned TZS 1,396,065,830 and recast of TZS 12,171,370,000; 3. Endorsed confirmation of 12 Senior Management Staff; 4. Endorsed restructuring of Staff loans;
		135 Ordinary (Q3)	21/04/2020	Received q3 performance report
		208 (Extra Ordinary) (Batch 1)	17/10/2019	1. Approved loans to 31,250 students for Academic Year 2019/2020 through Batch Number One amounting TZS 113,593,350,936; 2. Approved loans to 510 continuing students for Academic Year 2019/2020 through Batch Number One amounting TZS 2,578,654,600. 3. Approved loans to 25 continuing students for Academic Year 2019/2020 through Batch Number One amounting TZS 62,702,400. 4. Approved loans to 65 continuing students (studying overseas - Cuba, Mozambique and Russia) for Academic Year 2019/2020 through Batch Number One amounting TZS 454,871,018.

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

SN	MEETING	MEETING No.	DATE	RESOLUTION
		210 (Extra Ordinary) (Batch 2)	26/10/2019/	<p>5. Approved loans to 11,378 local undergraduate first year students for Academic Year 2019/2020 amounting to TZS 35,056,067,564;</p> <p>6. Approved loans to 49,163 local undergraduate continuing students for Academic Year 2019/2020 amounting to TZS 169,779,414,644;</p> <p>7. Approved loans to 2 overseas are continuing students (studying in Russia) for Academic Year 2019/2020 amounting to TZS 25,740,394.</p>
		211 (Extra Ordinary) (Batch 3)	15/11/ 2019	<p>8. Approved loans to 6,007 local undergraduate first year students for Academic Year 2019/2020 amounting to TZS.18,155,241,312.00;</p> <p>9. Approved loans to 16,420 local undergraduate continuing students for Academic Year 2019/2020 amounting to TZS.55,387,331,479.00;</p> <p>10. Approved Grants to 303 continuing Local undergraduate students for Academic Year 2019/2020 in respect of Tuition fees, Books and Stationeries, Special Faculty Requirements, Research and Field Practical Training amounting to TZS 826,795,600.00;</p> <p>11. Approved transfer of loans to 154 first year students from Saint John's University and Kampala International University in respect of Meals and Accommodation, Tuition fees, Books and Stationeries, and Special Faculty Requirements amounting to TZS. 711,103,250.00.</p>
		212 (Extra Ordinary) (Batch 4)	5/12/ 2019	12. Approved Batch 4
		213 (Ordinary)	22/01/2020	<p>13. Received performance report for q2</p> <p>14. Retrospective approved batch 5</p>
		214 (Ordinary)	22/04/2020	Received q3 performance reports
4.	Board of Directors (Full Board)	113 (Ordinary)	15/11/2019	<p>1. Received Performance Report of Committee for q1;</p> <p>2. Approved Performance Agreement between the TR and the Board of Directors for FY 2019/2020</p> <p>3. Approved Budget Re-allocation amounting TZS 700,000,000 for relocation of office.</p> <p>4. Approved that Mr. Robi's case continue with review process</p>
		114 (Ordinary)	11/02/2020	1. Received Performance Report of BoD Committee for Quarter two;

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

SN	MEETING	MEETING No.	DATE	RESOLUTION
				<ul style="list-style-type: none"> 2. Approved amendment of Annual Procurement Plan; 3. Approved Budget re-allocation tuned TZS 1,396,065,830 and recast of TZS 12,171,370,000; 4. Approved budget estimates for FY 2020/2021 amounting TZS 830,930,771,360; 5. Approved confirmation of 12 Senior Management staff; 6. Approved initiation of the process to renew ED's contract.
	115 (Ordinary)	12 th May, 2020		<ul style="list-style-type: none"> 1. Received Performance Report of BoD Committee for q3; 2. Received update on ICT infrastructure development and gains; 3. Formed a team to develop a three years report of the BoD since its appointment, Management to produce a draft;

Appendix II: Litigation - Case List Progress Report as at 30th June, 2020

S/n	Case No.	Brief nature of the matter/claims	Status and way forward
1	In the Matter of Arbitration Act Cap 15: Msolopa vs HESLB, before Hon. Ngowi (Arb)	The Claimant claims against HESLB is for the payment of the sum of TZS 1,532,319,360.82/=	<ol style="list-style-type: none"> 1. The matter is coming for cross examination of the Respondent witness. 2. This case is being handled with HESLB internal lawyers in collaboration with the Office of the Solicitor General.
2	Civil Case No. 101 of 2018: Travel Link Ltd vs HESLB before Hon. Mtega at Kisutu	The Plaintiff sues HESLB for breach of contract and claims USD 20,844.00 (United State Dollars Twenty Thousand Eight Hundred and Forty-Four) and TZS. 2, 272, 00.00 (Tanzania Shillings Two Million Two Hundred Seventy-Two Thousand) being an outstanding amount of the contract as well as general damages, interest and costs of the suit.	<ol style="list-style-type: none"> 1. The case is coming for the hearing: continuance of examination of Plaintiff witness. 2. This case is being handled with HESLB internal lawyers
3	Dispute No. CMA/DSM/KIN/R.593/18 Patience Mutabirwa & 104 others vs HESLB	The Applicant filed an application against HESLB claiming for payment of TZS 3,783,060,929.28 being outstanding allowances to HESLB employees following suspension of their allowances in 2016.	<ol style="list-style-type: none"> 1. When the matter come for necessary order on 29th July, 2020, the Respondent (HESLB) prayed for an extension of time to file the opening statement and the prayer was granted in which it filed its opening statement by 21st August, 2020. 2. The matter is coming for framing of issues. 3. This case is being handled with lawyers from the office of Solicitor General
4	In the Matter of Arbitration Act Cap 15: Renovex vs HESLB	<p>Claimant claim against HESLB for unpaid commission for work done before contract was terminated as follows;</p> <ol style="list-style-type: none"> 1. Principal amount turned to TZS. 454,920,048.00 as outstanding invoices. 2. Interest on principal amount of TZS. 752,118,272.42 compounded as per contract from August 2016. 3. Special damages for breach of contract to tune of TZS. 2,000,000,000.00. 4. Any other relief. 	<ol style="list-style-type: none"> 1. The matter is pending for the payment of Arbitrator fees by the Claimant (Renovex). After payment by the Claimant we will be able to collect ruling on the preliminary objection we raise on point of jurisdiction (Uamuzi mdogo) at the Institute of Arbitrator. 2. This case is being handled with HESLB internal lawyers in collaboration with the Office of the Solicitor General.
5	Revision no. 755 of	Revision and cross revision against an	<ol style="list-style-type: none"> 1. When the matter come for

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

S/n	Case No.	Brief nature of the matter/claims	Status and way forward
	2018 and 858 of 2019; HESLB vs. Yusufu M Kisare and Yusufu Kisare vs. Heslb, before Hon. Abood J.	<p>award by the Commission for Mediation and Arbitration in Labour Dispute No. CMA/DSM/KIN/R.587/16/717 in which the HESLB was ordered to pay Yusufu M Kisare the following: -</p> <ol style="list-style-type: none"> 1. TZS. 38,400,000/= being compensation for termination of employment. 2. TZS. 1,728,000/= being total flight price for himself, wife and four children. 3. Subsistence allowance at the rate of his daily basic wage from the date of termination of employment to date of payment of repatriation expenses. 4. TZS. 6,400,000/= as leave pay 5. TZS. 16,896,000/= being cost of transportation of personal effect. 	<p>mention on 28th July, 2020, the Judge was out of office for official business and the matter was adjourned.</p> <p>2. This case is being handled with HESLB internal lawyers in collaboration with the Office of the Solicitor General.</p>
6	Revision no. 846 of 2018: HESLB vs George Nyatega before Hon. Abood J	<p>The applicant (HESLB) prays for revision of an award by the Commission for Mediation and Arbitration in Labour Dispute No. CMA/DSM/ILALA/R.407/16/655, in which the Applicant (HESLB) was ordered to pay George Nyatega the following: -</p> <ol style="list-style-type: none"> 1. Gratuity of 30%. 2. Expected income according to clause 14 of contract to a tune of TZS 45,000,000.00 3. Outstanding salaries of November and December to the tune of TZS. 15,000,000.00 4. Long service award to a tune of TZS 15,000,000.00 5. Notice pay to TZS 7,500,000.00 6. Repatriation expenses (air ticket, TZS 360,000.00, transportation of personal effect, TZS. 22,500,000.00 and subsistence allowances from date of termination to date of payment) 7. Medical cost refunds (Air ticket USD 2,433, Medical treatment 857, 177 Rupees, Subsistence 	<p>1. The court order the application be disposed by way of written submission.</p> <p>a) The Applicant was order to file submission in chief by 21st June, 2020.</p> <p>b) The Respondent was order to file reply to the submission in chief by 08th June, 2020.</p> <p>c) The Applicant was order to file rejoinder if any by 15th June, 2020.</p> <p>2. Both parties have already complied to the order of the court and the matter is coming for judgement soon.</p> <p>3. This case is being handled with HESLB internal lawyers in collaboration with the Office of the Solicitor General.</p>

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

S/n	Case No.	Brief nature of the matter/claims allowances & Half per diems USD 17, 220 and Incidental expenses USD 3,444)	Status and way forward
7	Civil Case No. 04 of 2017 in the High Court at Bukoba: Aloys Thomas vs Higher Education Student's Loans Board & 2 Others before Hon. Kairo J	<p>The Plaintiffs file a case against the HESLB & 2 Others for the court to declare that;</p> <ol style="list-style-type: none"> 1. Declaration that the 1st Defendant's termination of the contract was unlawful for want of reasons and reasonable notice 2. Declaration that a deduction of TZS. 240,000/= from May 2017 up to October 2017 from the Plaintiff salary until a total loan of Tzs. 2,077,193 or Tzs. 2,092,993.26 or Tzs. 2, 607,307.61 is repaid, is excessive, punitive and unreasonable. 3. Reimbursement of unlawful extra deductions by the 1st and 3rd Defendants of TZS. 1, 127,858/= to the Plaintiff's personal account. 4. Interest on item (3) on commercial rate 5. Payment of TZS. 15,000,000.00 being special damages 6. General damages for the loss, absurdity, embarrassment and suffering put at TZS. 50,000,000.00 7. Interest on item 5 and 6 at commercial rate 8. Cost of the suit 9. Any other reliefs as the Honourable court may deem just to grant 	<ol style="list-style-type: none"> 1. The matter came for mention on 09th September, 2020. 2. This case is being handled with HESLB internal lawyers.
8	Miscellaneous Labour Application no. 675 of 2018: HESLB vs George Nyatega	The applicant (HESLB) prays for stay of execution of an award by the Commission for Mediation and Arbitration in Labour Dispute No. CMA/DSM/ILALA/R.407/16/655	<ol style="list-style-type: none"> 1. The matter marked: withdraw as it was premature filed as no application for execution has been preferred by the Respondent. 2. This case was handled by HESLB internal lawyers.
9	1. Dispute No.	Mr. Goima P. Msimbira is an ex-employee	1. The CMA delivered its award

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

S/n	Case No.	Brief nature of the matter/claims	Status and way forward
	CMA/DSM/KIN/R695/13/1203; Goima Peter Msimbira vs HESLB 2. HESLB vs Goima Peter Msimbira: Labour Revision No. 282 of 2020	<p>of the Board Mr. Msimbira was terminated from employment after perpetrating forgery of students' loans amounting to Tzs 48,000,000.00 through disbursement of loans to UDOM students.</p> <p>The applicant (HESLB) prays for revision of an award by the Commission for Mediation and Arbitration in Labour Dispute No. CMA/DSM/KIN/R.695/13/1203, revise and set aside the award of the Commission for Mediation and Arbitration which order reinstatement of the Respondent to the employment without loss of renumeration to the tune of TZS. 166,640,000.00.</p>	<p>on 12th June, 2020 in favour of the Complainant Mr. Goima Msimbira by ordering reinstatement to the employment without loss of renumeration to the tune of TZS. 166,640,000.00.</p> <ol style="list-style-type: none"> 1. The matter came for on 15th September, 2020 for mention before Aboud J. 2. This case is being handled with HESLB internal lawyers.
10	George T. Peter and Another vs. HESLB: Rev no.509 of 2019	The Applicants prays for revision of an award by the Commission for Mediation and Arbitration in Labour Dispute No. CMA/DSM/KIN/R.791/13/921, in an award in favour of the Respondent	<ol style="list-style-type: none"> 1. The matter came for mention on 04th August, 2020. 2. This case is being handled with HESLB internal lawyers in collaboration with the Office of the Solicitor General.
11	Civil case no. 260 of 2019: HESLB vs. Hematec Investment Ltd	HESLB (Plaintiff) claim against Hematec (Defendant) for payment of arrears of statutory deductions which were to be remitted to the HESLB within fifteen (15) days after the end of each month in respect of its sixteen (16) employees who are loan beneficiary for loan repayment amounting to TZS 64, 254,792.00 covering the period from February 2017 to January 2019 and TZS 80,318,400.00 being outstanding penalties for the late remittance of the statutory deduction between the period of February 2017 to January 2019 in respect of its employees who are HESLB loan beneficiaries.	<ol style="list-style-type: none"> 1. The matter came for 1st PTC on 24th August, 2020. 2. This case is being handled with HESLB internal lawyers.
12	HESLB vs. Gabriel Robi, 179/2020	The Applicant (HESLB) file application before the Labour for review against the decision of labour court in Revision no. 673 of 2018	<ol style="list-style-type: none"> 1. When matter came for hearing of the PO's as raised by the Respondent on 28th July, 2020 and after careful scrutiny of the PO', it was resolved that; <ol style="list-style-type: none"> a) The Respondent prayed to withdraw its two po's are they luck merits. b) The Applicant conceded one po and prayed to remain with one ground of review. 2. The court order the review be disposed by way of written

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

S/n	Case No.	Brief nature of the matter/claims	Status and way forward
			<p>submission as follows; -</p> <ul style="list-style-type: none"> a) The Applicant to file submission in chief by 18th August, 2020. b) Reply by the Respondent by 8th September, 2020. c) Rejoinder if any by 15th September, 2020. <p>3. The matter came for mention on 21st September, 2020.</p> <p>4. This case is being handled with HESLB internal lawyers in collaboration with the Office of the Solicitor General.</p>
13	Chikira Jahari vs Chief Secretary & 2 Others, Misc Civil Application No. 8 of 2020	The Applicant file application for leave to file judicial review against the decision of the President of the United Republic of Tanzania in confirming decision of the Public Service Commission that confirm the decision of the HESLB to terminate the Applicant employment	<p>1. The matter came for mention on 10th August, 2020 for ruling of the P.O as raised by the Respondents.</p> <p>2. This case is being handled with HESLB internal lawyers in collaboration with the Office of the Solicitor General.</p>
14	Charles Amani Kitururu vs HESLB and Charles Amani Hamza, Civil Case No. 14/2020	The Plaintiff (Charles Amani Kitururu) claims against HESLB & Charles Amani Hamza severally and jointly for reimburse to the Plaintiff monies amounting TZS. 6,310,550.68 and loss of spending amount to TZS. 7,319,916 for wrongful deduction. That the Plaintiff is claiming that he is not loan beneficiary of the loan issued by the 1 st Defendant	<p>1. The matter came on 13th August, 2020 for mention and necessary order.</p> <p>2. This case is being handled with HESLB internal lawyers</p>
15	In the Matter of Arbitration Act Cap 15: HESLB vs TBW, before Hon. E. Wapalila (Arb)	<p>The Claimant (HESLB) is claiming against the Respondent (TBW) for failure by the Respondent to complete the works by the agreed Intended Completion Date or such other extended date as follows: -</p> <ul style="list-style-type: none"> 1. Payment of TZS. 1,585,105,034.98 as per prepared final account draft issued by the Consultancy. 2. Payment of interest in (1) above at commercial rate of 30% from the date of filing this Claim to the date of satisfying the award in full. 3. Payment of general damages to the tune of TZS. 500,000,000.00. 4. Payment of interest in (3) above at commercial rate of 30% from the date 	<p>1. As per the preliminary meeting held on 22nd June, 2020, the following is the time for filling of pleadings; -</p> <ul style="list-style-type: none"> a) Statement of claim by 07th August, 2020. b) Defence to statement of claim/counter claim by 11th August, 2020. c) Reply to counter claim by 25th July, 2020. d) Rejoinder if any by 08th September, 2020.

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

S/n	Case No.	Brief nature of the matter/claims of filing this Claim to the date of satisfying the award in full	Status and way forward
			<ul style="list-style-type: none"> e) Exchange of issues by 10th September, 2020. 2. Progressive meeting on 11th September, 2020. 3. This case is being handled with HESLB internal lawyers in collaboration with the Office of the Solicitor General.

Appendix III: List of Higher Learning Institution

SN	Name Higher Learning Institution
1	AbdulRahman Al-Sumait Memorial University (SUMAIT)
2	Aga Khan University (AKA)
3	Archbishop Mihayo University College of Tabora (AMUCTA)
4	Archbishop James University College (AJUCO)
5	Ardhi University (ARU)
6	Arusha Technical College (ATC)
7	Catholic University of Health and Allied Sciences (CUHAS)
8	Center for Foreign Relations Dar es Salaam (CFR)
9	College of African Wildlife Management Mweka (CAWM)
10	College of Business Education Mwanza (CBE-MZ)
11	College of Business Education Dar es Salaam (CBE - DSM)
12	College of Business Education Dodoma (CBE - DOM)
13	University of Dar es salaam (UDSM)
14	UDSM- College of Engineering and Technology (COET)
15	Dar es Salaam Institute of Technology (DIT)
16	Dar Es Salaam Maritime Institute (DMI)
17	Dar es Salaam University College of Education (DUCE)
18	Eastern Africa Statistical Training Centre (EASTC)
19	Eastern and Southern African Management Institute (ESAMI)
20	Hubert Kairuki Memorial University (HKMU)
21	Institute of Accountancy Arusha (IAA)
22	Institute of Adult Education (IAE)
23	Institute of Finance Management (IFM)
24	Institute of Finance Management Mwanza (IFM-MZA)
25	Institute of Public Administration - Zanzibar (IPA)
26	Institute of Rural Development Planning (IRDP-DOM)
27	Institute of Rural Development Planning- Lake Zone Centre (IRDP-MZA)
28	Institute of Social Work (ISW)
29	Institute of Social Work- Mwanza Campus (ISW-MZA)
30	Institute of Tax Administration (ITA)
31	Jordan University College (JUCO)
32	Kampala International University in Tanzania (KIU)
33	Karume Institute of Science and Technology (KIST)
34	Kilimanjaro Christian Medical College (TU-KCMC)
35	Marian University College (MUCO)
36	Mbeya University of Science and Technology (MUST)

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

SN	Name Higher Learning Institution
37	Mkwawa University College of Education (MUCE)
38	Moshi Cooperative University (MoCU)
39	MS Training Centre for Development Cooperation
40	Muhimbili University of Health and Allied Sciences (MUHAS)
41	Muslim University of Morogoro (MUM)
42	Mwenge Catholic University (MWECAU)
43	Mzumbe University Main Campus (MU-MORO)
44	Mzumbe University Mbeya College (MU-MBY),
45	National Institute of Transport (NIT)
46	Open University of Tanzania (OUT)
47	Ruaha Catholic University (RUCU)
48	sebastian Kolowa Memorial University (SEKOMU)
49	Sokoine University of Agriculture (SUA)
50	St. Augustine University in Tanzania Mbeya Center (SAUT - MBY)
51	St. Augustine University of Tanzania (SAUT MZA)
52	St. Augustine University of Tanzania (SAUT ARS)
53	St. Francis University College of Health Sciences (SFUCHAS)
54	St. Johns University of Tanzania (SJUT)
55	St. Joseph University College of Health and Allied Sciences (SJUCAS)
56	UDSM School of Journalism and Mass Communication UDSM - SJMC)
57	St. Joseph University in Tanzania Engineering and Technology (SJUIT)
58	State University of Zanzibar (SUZA)
59	Stefano Moshi Memorial University College (SMMUCO)
60	Stella Maris Mtwara University College (STEMMUCO)
61	Tanzania Institute of Accountancy - (TIA MZA)
62	Tanzania Institute of Accountancy -(TIA -SGD)
63	Tanzania Institute of Accountancy (TIA-DSM)
64	Tanzania Institute of Accountancy (TIA-MBY)
65	Tanzania Public Service College Dar es Salaam Campus (TPSC-DSM)
66	Tengeru Institute of Community Development (TCDTI)
67	Teofilo Kisanji University (TEKU)
68	Teofilo Kisanji University (TEKU -DSM)
69	The Mwalimu Nyerere Memorial Academy (MNMA-DSM)
70	The Mwalimu Nyerere Memorial Academy Zanzibar (MNMA-ZNZ)
71	Tumaini University Makumira (TUMA)
72	Tumaini University Dar es Salaam College (TUDARCO)
73	Unique Academy Dar es Salaam

HIGHER EDUCATION STUDENTS' LOANS BOARD (HESLB)

SN	Name Higher Learning Institution
74	United African University of Tanzania (UAUT)
75	University of Arusha (UoA)
76	University of Dar es Salaam (UDSM)
77	University of Dodoma (UDOM)
78	University of Iringa (Ui)
79	Water Development mANAGEMENT Institute (WDMI)
80	Zanzibar University (ZU)
81	Mount Meru University (MMU)
82	Mount Meru University Mwanza (MMU-MZA)
83	International and Technological University (IMTU)