REPORT OF THE CONTROLLER AND AUDITOR GENERAL

THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE

ISO 9001:2015 Certified

PETROLEUM BULK PROCUREMENT AGENCY (PBPA)

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

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AR/CG/PBPA/2024/25

About the National Audit Office

Mandate

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

NAOT Vision, Mission & Motto

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

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

Motto
Modernizing External Audit for Stronger Public Confidence

Core Values

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

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

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

Professional competence: We deliver high quality audit services based on appropriate professional knowledge, skills, and best practices.

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

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

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Abbreviations

AR	Audit report
BPS	Bulk Procurement System
CAP	Chapter
CG	Central Government
ECL	Expected Credit Loss
EWURA	Energy and Water Utilities Regulatory Authority
ICT	Information Communication Technology
IESBA	International Ethics Standards Board for Accountants
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
NBAA	National Board of Accountants and Auditors
NEMC	National Environment Management Council
OMC	Oil Marketing Companies
PBPA	Petroleum Bulk Procurement Agency
TBS	Tanzania Bureau of Standards
TFRS	Tanzania Financial Reporting Standard
TPA	Tanzania Ports Authority
TPDC	Tanzania Petroleum Development Corporation
WMA	Weights and Measures Agency

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Executive Director,
Petroleum Bulk Procurement Agency (PBPA),
P. O. Box 2634,
DAR ES SALAAM.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

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

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

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of the Petroleum Bulk Procurement Agency (PBPA), 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. 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 Report by those charged with Governance, statement of management responsibility, Declaration by the Head of Finance, but does not include the financial statements and my audit report thereon, which I obtained prior to the date of this auditor's report.

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS as issued by the International Public Sector Accounting Standard Board (IPSASB) 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 scepticism throughout the audit. I also:

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

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

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

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

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

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

Conclusion
Based on the audit procedures performed, I conclude that, except for the matter described below, Petroleum Bulk Procurement Agency (PBPA) generally complies, in all material respects, with the requirements of the Public Procurement laws in Tanzania.

- **Absence of the Head of the Procurement Unit**
  Section 39 of the Public Procurement Act, 2023 requires a procuring entity to establish a Procurement Management Unit, which shall be headed by a person with appropriate academic and professional qualifications and experience in procurement and supply, registered by the procurement and supply professional body. Furthermore, the HPMU shall report directly to the Accounting Officer. Additionally, Section 40 provided the PMU with the functions to manage all procurements and disposal activities of the Entity.

  However, I noted an absence of the Head of the Procurement Unit at PBPA. The position has been vacant since the financial year 2023/24, without any formal delegation or oversight, in contravention of legal and regulatory requirements. Moreover, I noted that the Agency's procurement worth TZS 1,026,376,494, including reviews and approvals in the NeST, was executed by the Senior Procurement Staff. This undermines the integrity of the procurement processes and adequate management.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution
I conducted a compliance audit of budget formulation and execution at the Petroleum Bulk Procurement Agency (PBPA) for the year ended June 30, 2025, as per the Public Finance Act (Budget Act), Cap: 348, and the Budget Guidelines issued by the Ministry of Finance. I

reviewed budget submissions, approval memoranda, commitment registers, ledger entries and variance analyses to confirm that the entity prepared estimates in the prescribed format, obtained timely authorisations before incurring obligations, recorded transactions accurately and reported variances as required.

Conclusion

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

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

AUDITOR GENER

2.0 FINANCIAL STATEMENTS

2.1 INTRODUCTION

In compliance with the Tanzania Financial Reporting Standard (TFRS) No. 1 on Report by Those Charged with Governance issued by the National Board of Accountants and Auditors of Tanzania (NBAA), the Management submits the Governance Report and Financial Statements of the Petroleum Bulk Procurement Agency (PBPA) for the year ended 30 June 2025. The Report by Those Charged with Governance for this year also incorporates, for the first time, sustainability disclosures in accordance with the International Sustainability Standards Board's IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 (Climate-related Disclosures), as now required by the NBAA.

2.2 ESTABLISHMENT OF THE AGENCY

Petroleum Bulk Procurement Agency PBPA is an Executive Agency established by Establishment Order GN NO 423 of 2015 under the Executive Agencies Act, Cap. 245, vested with the mandates of coordinating and managing efficient procurement of petroleum products through a bulk procurement system. This mandate emanates from the Petroleum Act NO. 21 of 2015 and is operationalised by the Petroleum Bulk Procurement Regulations, GN 198 of 2017, as amended in 2024. PBPA was established to take over the Petroleum Importation Coordinator Limited PICL functions.

The Agency was established to achieve the following general objectives:

a) Administer and manage the demand and requirements for petroleum products.
b) Ensure effective and efficient coordination of procurement and delivery of bulk petroleum products.

2.3 VISION, MISSION AND CORE VALUES

a. Vision

To be an effective and model institution in the procurement and delivery of quality and reliable petroleum products at national and regional levels.

b. Mission

To provide quality and cost-effective petroleum products through coordination and management of the bulk procurement system to ensure reliability and security of supply and contribute to the sustainable socio-economic and national development.

c. Core Values

Petroleum Bulk Procurement Agency shall achieve its Vision and Mission through a developed culture that has the following core values: -

(i) Transparency: We will conduct the Agency's functions without prejudice, with respect for the interests of all stakeholders, fairly and openly,
(ii) Integrity: Being consistently honest, responsible, accountable, respectful, and taking customers' opinions and requisites,

(iii) Customer Focused: We will be responsible for both internal and external customer satisfaction and deliver ever-increasing value in the market we serve,
(iv) Teamwork: We work collaboratively, develop and maintain productive working relationships based on mutual respect,
(v) Efficiency: We are committed to providing better and value-added services to our stakeholders,
(vi) Compliance: We are committed to promoting an organisational culture that encourages service delivery adherence to the legislation, standards, and procedures.

2.4 PRINCIPAL ACTIVITIES OF THE AGENCY

The principal activities of the Agency, as stipulated in the Establishment Order, are:
(i) To forecast the demand and supply of petroleum products,
(ii) To collect for and on behalf of Oil Marketing Companies OMCs the procurement requirements of petroleum and petroleum products, including but not limited to Automotive Motor Super Premium, Gasoil, Illuminating Kerosene, Jet A1, Heavy Furnace Oil HFO, Liquefied Petroleum Gas LPG, and any other product as the minister responsible for petroleum affairs may determine.
(iii) To conduct international competitive bidding for petroleum and petroleum products,
(iv) To conclude and administer contracts with OMCs and between the suppliers selected to import petroleum products in bulky quantities,
(v) To coordinate diligent receipt by Oil Marketing Companies of Petroleum products from the delivery vessels and
(vi) To relay information, on time, related to the Petroleum business to the Energy and Water Utilities Regulatory Authority (EWURA), Oil Marketing Companies' Ministry responsible for Petroleum Affairs, Tanzania Revenue Authority TRA, Tanzania Ports Authority TPA, Tanzania Bureau of Standards TBS, Weights and Measures Agency WMA and other relevant parties when requested.

2.5 FINANCING OF THE AGENCY

Regulation 7 of the Petroleum Bulk Procurement Regulations, 2017, as amended in 2024, provides for funding sources of the Agency to be:
(i) Contributions collected from Oil Marketing Companies at a rate of TZS 1:00 on each litre of petroleum product imported under BPS,
(ii) Contributions collected from Suppliers at a rate of TZS 2.50 on each litre of petroleum products imported under BPS,
(iii) Sale of pre-qualification and tender documents,
(iv) Membership Joining Fees,
(v) Income from Investments,
(vi) Income from Agency operations,
(vii) Grants and loans, and
(viii) Government subventions.

2.6 CORPORATE GOVERNANCE

The Agency's overall Management is conferred to the Agency's Management, which is required to ensure adherence to the governing laws and procedures. The Executive Director, who also serves as the Chief Executive Officer of the Agency, is responsible for the proper administration and management of the Agency's functions and affairs. The Agency's Management team, under the Executive Director's supervision, demonstrated the capability to handle all operational and administrative matters efficiently. Under the Executive Director, the Management is organised into two 2 Directorates and four 4 Units, which include the Director of Business Support, the Director of Operations, the Head of Internal Audit, the Head of Legal Unit, the Head of Procurement Management Unit and the Head of ICT and Statistics.

2.7 COMPOSITION OF MINISTERIAL ADVISORY BOARD (MAB)

The Board of Directors of PBPA is an advisory body comprising a chairman appointed by the President of the United Republic of Tanzania and three non-executive directors appointed by the Minister. The Executive Director is appointed by the Minister responsible for Energy and is the Secretary to the Board. The Chairman is serving his second term, while the other three members of the Board are serving for their first term and are eligible for reappointment for one further term of three years. The Board has been effective in its role of providing direction and oversight to Management and employees and advising the Minister of Energy. It exercised oversight of the implementation of strategy and operational plans by Management against agreed performance measures and targets. Generally, Board members were effective and responsible leaders.

2.7.1 BOARD COMPOSITION

During the year ended 30 June 2025, the Board comprised five (5) members as indicated below.

Table 1: Composition of Board Members

Name	Date of birth	Education	Nationality	Position	From	To
Dr. Lutengano Mwakahesya	07.06.1953	PhD (Petroleum Geology)	Tanzanian	Chairman	01.6.2023	To date
Mr. Godwin Samwel	20.01.1958	BSc, Mech Eng, MSc (Petroleum Eng), Dip. Imperial College	Tanzanian	Member	01.6.2023	To date
Mr. Yona Killagane	22.01.1954	MSc (Finance), FCCA, FCPA	Tanzanian	Member	01.6.2023	To date
Mr. Marwa Petro	18.07.1967	MSc Oil and Gas Management	Tanzanian	Member	01.6.2023	To date
Mr. Erasto Simon	07.06.1974	MSc Petroleum Geoscience	Tanzanian	Secretary	1.2.2018	To date

Mr Erasto Simon is the Agency's Chief Executive Officer and a Secretary to the Board. He was appointed to the Board on the date he assumed the Agency's Chief Executive Officer role.

As indicated above, PBPA's leadership is well-equipped with deep sectoral expertise.

The Board and key management personnel possess advanced qualifications and extensive experience in fields critical to the industry, including Petroleum Geology, Mechanical and Petroleum Engineering, Finance, Law, and Supply Chain Management. The effective oversight and management of sustainability-related issues, particularly complex topics like climate risk in the petroleum sector, require relevant skills and competencies. This collective expertise ensures that discussions and decisions regarding sustainability as well as climate-related risks and opportunities, such as the physical vulnerability of port infrastructure or the transition risks associated with global energy shifts, are informed by a thorough understanding of the technical, financial, and regulatory implications for the agency.

2.7.2 BOARD MEETINGS

Four ordinary meetings were planned for 2024/25. All ordinary board meetings were conducted as scheduled, and three extraordinary meetings were conducted.

Table 2: Attendance of Board Members in Board Meetings

SN	Member's name	Planned Ordinary Meeting	Ordinary meeting held	Ordinary Meetings attended	Extraordinary meeting held	Extraordinary Meetings attended
1.	Dr. Lutengano U. Mwakahesya	4	4	4	3	3
2.	Mr. Yona S.M. Killagane	4	4	4	3	3
3.	Mr. Marwa Petro	4	4	4	3	3
4.	Mr. Godwin Samwel	4	4	4	3	3
5.	Mr. Erasto M. Simon	4	4	4	3	3

2.8 AUDIT AND RISK MANAGEMENT COMMITTEE

In line with the principles of good governance, the Accounting Officer of PBPA established the Audit Committee as an independent and advisory organ of the Agency on 23 November 2023. The Audit Committee's objective is to promote and raise the standards of corporate accountability and governance within the Agency. The Committee is also responsible for overseeing the risk management system and monitoring the implementation of actions raised by internal and external auditors and regulators.

The Committee's mandate is central to sustainability governance. It is responsible for overseeing the agency's risk management system, which explicitly includes the identification and management of environmental risks. While the committee's charter does not yet expressly name "sustainability," "ESG," or "climate change" as standalone oversight areas, its existing mandate to oversee the full spectrum of enterprise risks makes it the de facto body for governing these issues. This structure provides a strong foundation; formalising this mandate, however, represents an opportunity to align more explicitly with the expectations of IFRS S1 and S2.

All members of the Audit Committee are Tanzanians. As stipulated in the Audit Committee charter, members serve a term of three years. The Committee reports to the Accounting Officer and is required to meet quarterly during the year.

2.8.1 Members of the Committee

The Audit Committee comprises five members (one member co-opted from MAB). All members are full members with equal standing with the PBPA committee members. Members of the Audit Committee who served during the year are indicated in the table below:

Table 3: Composition of Audit and Risk Management Committee members

S/N	Name	Position	Qualification	Date of Appointment	Date of Tenure End	Age (Years)
1.	Mr. Peter Mwambuja	Chairman	MBA (Finance), CPA(T)	23/11/2023	22/11/2026	50
2.	Mr. Leonard Kitoka	Member	MBA (Finance), CPA(T)	23/11/2023	22/11/2026	56
3.	Mr. Yona Kilagane	Member	MSc (Finance), FCCA, FCPA	1/08/2024	22/11/2026	71
4.	Mr. Gilbert Jungulu	Member	Adv. Diploma (Supply Logistics)	23/11/2023	11/11/2026	57
5.	Ms. Lilian Rwegimbura	Member	LLA, LLM, PG. Dip- Tax Mgt, MBA	23/11/2023	11/11/2026	45
6.	Mr. Juma H. Juma	Secretary	BAF and MSc. A&F, CPA(T)	23/11/2023	11/11/2026	41

2.8.2 Meetings and Attendance

During the year under review, the Audit and Risk Management Committee planned to conduct four ordinary meetings. However, during implementation, the Committee held seven meetings, comprising four ordinary and three extraordinary meetings. A summary of the number of meetings attended by individual members is indicated in the table below:

Table 4: Attendance of Audit and Risk Management Committee members

S/N	Name	Meetings	
		Ordinary	Extra Ordinary
1.	Mr. Peter Mwambuja	4	6
2.	Mr. Leonard Kitoka	4	6
3.	Mr. Yona Killagane	4	6
4.	Mr. Gilbert Jungulu	4	5
5.	Ms. Lilian Rwegimbura	4	6
6.	Mr. Juma Hamidu	4	6

2.8.3 AUDIT AND RISK MANAGEMENT RESPONSIBILITY

The Roles and Responsibilities of the Audit and Risk Management Committee include;

i) To review internal control system, risk management, compliance, and PBPA's annual budgets and Management's proposals for budget reallocation;
ii) To review and approve the Internal Audit Plan and its budget;
iii) To receive and deliberate on quarterly internal audit reports, risk management reports and procurement reports.
iv) To review quarterly, semi-annual, and annual financial performance review reports;
v) To review PBPA's annual reports;
vi) To review PBPA's strategic plans;
vii) To review internal and external audit plans and reports; and
viii) To perform such other functions as may be assigned by the Accounting Officer

2.8.4 AUDIT COMMITTEE ACTIVITIES PERFORMED DURING THE YEAR

The deliberations and recommendations performed by the Audit and Risk Management Committee during different meetings in the financial year 2024/25 include:

(i) Reviewed and recommended for Approval the Agency Financial Statements for the year 2023/24 before submission to CAG;
(ii) Reviewed and recommended on the External Auditor Plan;
(iii) Reviewed and recommended for approval of the Agency External Auditors' management letter;
(iv) Reviewed and approved the Internal Audit charter and the Committee charter;
(v) Reviewed and approved the MTEF (budget) and Action Plan 2025/26 for the Internal Audit unit;
(vi) Reviewed and approved Risk-Based Internal Audit Plan for 2025/26;
(vii) Review and recommend on the Risk Management Framework and Register of the Agency;
(viii) Review and recommend the Agency's Strategic Plan and Annual Action Plan;
(ix) Reviewed and approved internal audit reports;
(x) Reviewed and recommended for approval policy documents related to risk management, controls, and governance process;
(xi) Issued advice to the Management and Accounting Officer on the best way to improve the performance of the Agency;
(xii) Review the Management letter to confirm that Management responses address the CAG observation;
(xiii) Follow up on the implementation of CAG and Internal audit recommendations; and
(xiv) Participate in different capacity-building programs (Training for the committee).

2.9 TENDER BOARD AND PROCUREMENT MANAGEMENT UNIT (PMU)

Section 37 of the Public Procurement Act, 2011 requires the Accounting Officer to form a Tender Board and PMU, respectively. The Petroleum Bulk Procurement Agency established the Tender Board and the Procurement Management Unit in July 2020. The current Tender Board Members with respective appointment dates are as indicated below: -

Table 5: Composition of Tender Board and Procurement Management Unit

No.	Name	Position	Date of Appointment	Date of Tenure End
1.	Ms. Joyce Gachuma	Chairperson	02 February 2023	01 February 2026
2.	Mr. Elias Nyale	Secretary	02 February 2023	01 February 2026
3.	Mr. Bruno Tarimo	Member	02 February 2023	01 February 2026
4.	Mr. Gilbert Jungulu	Member	02 February 2023	01 February 2026
5.	Ms. Angelique Kachuchuru	Member	02 February 2023	01 February 2026
6.	Ms. Sophia Kidimwa	Member	02 February 2023	01 February 2026
7.	Mr. Pantaleo Bayo	Member	02 February 2023	01 February 2026
8.	Mr. Moses Mgonja	Member	02 February 2023	01 February 2026

According to Section 33 (1) of the Public Procurement Act, Cap 410[R.E 2022] and its Regulations 2013 as amended 2023, the following are the responsibilities of the Tender Board;

(i) Deliberate on the recommendations from the Procurement Management Unit and approve the award of contracts,
(ii) Review all applications for variations, addenda, or amendments to ongoing contracts,
(iii) Approve tendering and contract documents,
(iv) Approve procurement and disposal by tender procedures; and
(v) Ensure that procuring entities strictly adhere to best practices in relation to procurement and disposal by tender.

2.10 FRAMEWORKS FOR ETHICAL AND TRANSPARENT OPERATIONS

A culture of integrity and transparency underpins a commitment to sustainability. PBPA has established comprehensive frameworks to ensure ethical conduct and accountability across all its operations.

2.10.1 ANTI-CORRUPTION AND FRAUD PREVENTION

PBPA maintains a zero-tolerance policy towards corruption and fraud. This commitment is operationalised through a multi-faceted framework. The Agency's anti-corruption efforts are guided by government tools, including the National Anti-Corruption Strategy and Action Plan Phase Four (NACSAP IV) for 2023-2030 and the Public Service Regulations of 2022. These findings are further supported by internal documents, including the detailed Fraud Risk Management Framework, approved in July 2025, as well as the PBPA Staff Rules and Regulations (2023) and the PBPA Whistleblowing Policy (2025). This comprehensive suite of tools establishes clear processes for identifying, preventing, detecting, and responding to risks. As a testament to this commitment, 78 employees received training on critical topics, including sexual corruption, whistle-blower protection, and witness protection, during the 2024/25 financial year, thereby embedding a culture of vigilance and integrity throughout the organisation.

During the year under review, PBPA incurred TZS 29,330,000 for anticorruption and fraud prevention compared to TZS 27,064,857 in the financial year 2023/24.

2.10.2 CODE OF ETHICS AND CONDUCT

The PBPA Staff Rules and Regulations provide a comprehensive Code of Ethics and Conduct that governs the behaviour of all employees. This code sets clear expectations regarding:

- Conflict of Interest: Employees must not use their positions for private advantage and must disclose any personal interests in matters they are handling.
- Confidentiality: The disclosure of information relating to the agency, its stakeholders, or its transactions is strictly prohibited unless officially authorised.
- Use of Agency Property: Agency property and funds must be protected and used only for authorised purposes.
- Accepting Gifts: Employees are prohibited from accepting gifts or valuable consideration from any person or firm with whom they may have official dealings.

2.10.3 STAKEHOLDER ENGAGEMENT AND TRANSPARENCY

Effective stakeholder engagement is critical for PBPA to fulfil its national mandate and maintain its social license to operate. The Agency's position as the central coordinator of the nation's fuel supply necessitates continuous and transparent communication with a diverse array of stakeholders. A systematic mapping of these stakeholders reveals several key groups:

i. Government and Regulatory Bodies:

This is the most critical group, defining PBPA's operating environment. Key partners and overseers include the Ministry of Energy, our parent ministry; EWURA, the primary sector regulator; the National Environment Management Council (NEMC) and the Occupational Safety and Health Authority (OSHA), which set environmental and safety standards; the Tanzania Ports Authority (TPA), which manages critical import infrastructure; Tanzania Bureau of Standards (TBS) which verify the quality of fuel imports; the Tanzania Revenue Authority (TRA), which relies on BPS data for revenue collection; the Public Procurement Regulatory Authority (PPRA); and the Parliamentary Accounts Committee (PAC), which provides legislative oversight.

ii. Industry Partners:

These are the operational actors within the BPS. They include the pre-qualified international suppliers who bid on tenders, as well as the domestic and regional Oil Marketing Companies (OMCs), who are the ultimate recipients and distributors of the procured products. The contractual relationship with these partners is PBPA's primary mechanism for engagement and influence.

iii. **Financial and Oversight Bodies:**
The Office of the Controller and Auditor General (CAG) is a key stakeholder, providing independent assurance on PBPA's financial health and compliance through its annual audits.

iv. **The Public and Civil Society:**
As a public agency, PBPA's ultimate stakeholder is the people of Tanzania, who depend on the energy security, economic stability, and environmental protection that the Agency is mandated to support.

PBPA utilises several mechanisms for engagement. Formal briefings and educational seminars are provided to the PAC to ensure legislative understanding of the complex BPS operations. The Agency collaborates at a high level with EWURA and the Bank of Tanzania to proactively manage strategic risks to the nation's fuel supply. For industry partners and the public, transparency is fostered through the public announcement of tenders and the publication of tender results, as well as other key documents, on the PBPA website. As PBPA formalises its ESG strategy, a more structured stakeholder engagement plan will be developed to ensure that the concerns and expectations of all parties are systematically integrated into its decision-making processes.

2.11 MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Under the Establishment Order GN No 423 of 2015, the Management is responsible for preparing Financial Statements that give an accurate and fair view of the state of affairs of the Authority at the end of each financial year. The Board of Directors confirms that applicable accounting policies have been consistently applied, and reasonable and prudent judgments and estimates have been made to prepare the Financial Statements for the year ended June 30, 2025. It is also confirmed that the International Public Sector Accounting Standards (IPSAS) accrual basis has been followed in conformity with the Public Finance Act, Cap. 348 [R.E. 2020]. The PBPA's management is responsible for maintaining proper accounting records, safeguarding the agency's assets, and designing, implementing, and maintaining internal controls relevant to the preparation and presentation of financial statements that are free from material misstatement caused by error, fraud, or other irregularities.

2.12 RESOURCES AND STRENGTH

PBPA has well-trained and capable employees who can effectively implement its mandates as outlined in the Petroleum Act of 2015. The resources and strengths that facilitate the PBPA's endeavour to achieve its strategic objectives include human, financial, and technological resources.

Regarding human capital, the Agency has a well-qualified and committed staff dedicated to long-term careers in the PBPA's operations. Management maintains a continuous training program for its staff to stay informed about global social, economic, and development issues. Likewise, management adheres to good governance and promotes labour relations that foster a conducive environment for discharging its mandates.

From a financial perspective, PBPA enhances its financial sufficiency by improving resource management, ensuring optimal utilisation through prioritisation, and implementing its activities within available financial funds.

PBPA continued to improve its Information Systems management by automating business processes in finance and accounts, human resources, procurement, records management, and its data management system.

2.13 STRATEGIC APPROACH TO SUSTAINABLE ENERGY SECURITY

2.13.1 PBPA's STRATEGY

As the coordinator of importation of petroleum products in the country and landlocked countries, the Petroleum Bulk Procurement Agency is responsible for ensuring the availability of petroleum products in the country at all times (security of supply), efficient procurement of petroleum products, competitive international tendering, and transparency in the BPS process. The Agency's strategies are specifically focused on enhancing the security of the country's petroleum product supply, increasing the participation of Tanzanians and international companies in BPS tenders, and ensuring that end consumers receive reliable and affordable petroleum products.

2.13.2 INTEGRATING SUSTAINABILITY INTO CORPORATE STRATEGY

The PBPA Strategic Plan for 2021/22-2025/26 serves as the roadmap for the agency's activities, and its objectives are deeply intertwined with sustainability outcomes. The primary purpose, "Sustainable and efficient petroleum Bulk Procurement System improved," explicitly frames efficiency and security of supply as sustainability goals. By preventing fuel shortages, controlling quality, and leveraging economies of scale to achieve competitive pricing, PBPA's strategy directly supports the nation's economic stability and social well-being.

This strategic alignment extends to the national level. PBPA's activities are a critical component of Tanzania's broader development ambitions, including the National Energy Policy and the Five-Year Development Plan. Furthermore, as a key factor in the energy sector, PBPA's strategy has significant implications for Tanzania's ability to meet the goals outlined in its National Climate Change Strategy (2021-2026). The energy sector is identified in the national strategy as a focal point for both climate change adaptation (e.g. securing energy infrastructure) and mitigation (e.g., transitioning to lower-emission technologies). PBPA's strategic decisions regarding procurement, logistics, and the types of fuel imported will therefore play a role in the nation's climate response.

2.13.3 CLIMATE-RELATED RISKS AND OPPORTUNITIES

As the coordinator of Tanzania's petroleum imports, PBPA is exposed to a range of climate-related risks and opportunities that could significantly affect its operations, financial performance, and strategic objectives. These are assessed across the short (1-3 years), medium (3-10 years), and long-term (10+ years).

2.13.3.1 Transition Risks

Transition risks arise from the global and national shift towards a lower-carbon economy.

i. Policy and Legal Risks (Medium to Long Term)

The potential introduction of carbon pricing mechanisms, stricter emissions standards for shipping (e.g., from the International Maritime Organization), or national policies favouring renewable energy could increase the landed cost of petroleum products. This could affect the pricing formula managed by EWURA and impact the affordability of fuel, a key component of PBPA's mission.

ii. Market and Technology Risks (Medium to Long Term)

A global acceleration in the adoption of electric vehicles or alternative fuels could, over the long term, lead to a structural decline in demand for traditional petroleum products like PMS and AGO. While this presents a long-term risk, it also creates a significant opportunity for PBPA. The agency's mandate allows it to procure "any other product as the minister responsible for petroleum affairs may determine," positioning it to become a facilitator for the importation of transition fuels such as Liquefied Natural Gas (LNG) or sustainable aviation fuels in the future, thereby supporting a managed energy transition.

2.13.3.2 Physical Risks

Physical risks stem from the direct impacts of climate change on infrastructure and operations.

i. Acute Risks (Short to Medium Term)

Tanzania's coastal ports, Dar es Salaam, Tanga, and Mtwara, are the lifelines of the BPS. These ports are increasingly vulnerable to extreme weather events, such as cyclones and intense flooding, which are projected to become more frequent and severe due to climate change. Such an event could cause significant disruption to port operations, leading to vessel delays, demurrage costs, and potential short-term fuel shortages, directly threatening PBPA's core mandate.

ii. Chronic Risks (Long Term)

Changes in sea level pose a long-term threat to the viability of port infrastructure, including jetties, storage tanks, and pipelines. The increased flood risk could require significant capital investment in coastal defences or the relocation of critical assets, impacting the entire petroleum supply chain that PBPA coordinates.

2.13.4 RESILIENCE OF BUSINESS MODEL AND STRATEGY

PBPA's business model and strategy have demonstrated considerable operational resilience amid significant disruptions. This resilience is not accidental but is a direct result of the strategic design of the BPS and proactive management decisions. This operational robustness is a key, though often understated, component of PBPA's contribution to sustainability, as it ensures the continuity of an essential service under adverse conditions.

2.13.4.1 Scenario Analysis and Demonstrated Resilience

i. Geopolitical and Commercial Disruptions

The BPS was tested in December 2024 when UK sanctions were imposed on 2Rivers DMCC, a supplier that had been awarded five tenders for delivery in early 2025. This event created significant risk, as it could have disrupted trade flows and delayed essential fuel supplies. PBPA's response, disqualifying the sanctioned entity and immediately recalling the next lowest bidder, M/S Sahara Energy Resources Limited, demonstrated the system's inherent resilience. The ability to pivot quickly to an alternative, pre-qualified supplier, successfully averted a potential supply crisis, showcasing the value of a structured, multi-supplier procurement system.

Similarly, PBPA's procurement activities in 2024–2025 were significantly affected by global oil market volatility, driven by OPEC+ production shifts, Middle East tensions, and Russian oil sanctions, which led to irregular FOB price fluctuations and higher freight costs, directly influencing tender pricing. Concurrently, exchange rate instability and USD liquidity shortages in Tanzania weakened the shilling and delayed the issuance of critical financial instruments, such as Letters of Credit (LCs), disrupting contract execution. These conditions eroded supplier confidence, with some withdrawing from tenders due to payment risk concerns, while others demanded higher margins, reducing competition and increasing procurement costs. PBPA mitigated these challenges through dynamic pricing strategies and enhanced supplier engagement, stabilising operations amid external pressures.

ii. Infrastructure and Logistical Failures

PBPA's Business Continuity Plan explicitly prepares for a scenario involving a "Dar es Salaam Port Operation shutdown" due to accidents or natural disasters. The primary mitigation strategy for this high-impact risk is the strategic use of alternative ports. The agency's successful expansion of BPS operations to include the ports of Tanga and Mtwara is a direct, tangible enhancement of its resilience against physical risks. This diversification reduces over-reliance on a single point of failure and ensures that petroleum products can continue to enter the country even if the primary port is compromised.

2.13.4.2 Anticipated Financial Effects

The financial implications of sustainability-related risks are a key concern. The agency's experience provides concrete examples. The disruption caused by the 2Rivers DMCC sanction, while managed effectively, led to the acceptance of higher premiums from the alternative supplier, thereby directly impacting the cost of fuel procurement. Similarly, logistical challenges, such as giving discharge priority to non-BPS vessels, led to an increase in average demurrage costs in FY 2024/25 to 2.8 USD per metric ton for SPM and 5.5 USD per metric ton for KOJ1, compared to 1.8 USD and 3.5 USD, respectively, in the previous year. These instances illustrate the direct and quantifiable financial effects of managing operational and geopolitical risks. Although these financial effects do not affect the PBPA's financial position, they significantly affect its key objective of providing affordable fuels to the public.

2.13.4.3 Technological Adaptation for Enhanced Resilience

PBPA is actively investing in technology to strengthen its operational efficiency, transparency, and resilience.

i. SCADA System

The procurement, installation, and commissioning of a Supervisory Control and Data Acquisition (SCADA) system has been a major strategic initiative. This system provides real-time tracking of petroleum product discharge from vessels to terminals, enabling the immediate detection of losses or discrepancies, including those associated with leaks and spills, thus enhancing control over the physical supply chain and protecting the environment.

ii. BPS Management Information System (BPS MIS)

The development of a digital BPS MIS, targeted for completion in June 2026, represents a significant step towards modernising procurement operations. This system will digitise and streamline core business processes, improving efficiency, record-keeping, and oversight, thereby reducing the risk of fraud and operational errors. These technological upgrades are critical investments in the long-term resilience, integrity and overall sustainability of BPS.

2.14 RISK MANAGEMENT AND INTERNAL CONTROL

2.14.1 RISK MANAGEMENT AND CONTROLS

The Board of Directors assume final responsibility for the risk management and internal control system of PBPA. It is the task of management to ensure that adequate internal financial and operational control systems are developed, improved, and maintained on an ongoing basis to provide reasonable assurance regarding the monitoring, compliance, and effectiveness of risk management, controls, and governance processes.

2.14.1.1 Risk Management

PBPA developed a Risk Management Framework that provides practical guidance and consistent application of risk management practices for identifying, evaluating, managing and monitoring all significant risks. During the year under review, the Risk Register was updated. Further significant risks identified include strategic, operational, financial, technological, environmental and regulatory risks.

PBPA continues to monitor its risk exposure by embedding risk management practices into operations, planning, budgeting and other management practices.

2.14.1.2 Internal Controls

PBPA has policies, procedures, and systems in place designed to provide reasonable assurance of the integrity and reliability of its financial statements and to protect, verify, and maintain adequate accountability for its assets. These internal controls are implemented by qualified and trained personnel within a system characterised by checks and balances. The effectiveness of internal controls is monitored by the PBPA's management and the Internal Audit Unit. All significant findings are reported to the Management and Audit Committee of PBPA.

PBPA and the internal audit unit are unaware of any material breakdown in the functioning of these internal controls and systems for the period under review.

2.14.2 MANAGING ENVIRONMENTAL RISKS

Recognising the significant potential for environmental harm inherent in the petroleum industry, PBPA has adopted a stringent stance on environmental risk. The agency's official Risk Management Policy establishes a "zero appetite" for environmental risks, particularly those related to product leakages and spillages during discharge and receipt operations. This policy is operationalised through a series of robust controls embedded within the BPS Implementation Manual.

Key preventive controls include:

i. Pre-Discharge Quality Assurance

Samples must be taken from every delivery vessel upon arrival and tested by the TBS. Products that do not meet the approved national specifications, including those contaminated with water, are not permitted to be discharged, preventing low-quality, contaminated fuel from entering the country's ecosystem. This assures our stakeholders of high-quality fuel with minimal environmental impact.

ii. Active Discharge Monitoring

During the discharge process, PBPA's Marine Petroleum Inspector has the authority to immediately halt operations if quality testing indicates potential contamination or gross amounts of water or dirt. This provides a critical real-time control to prevent environmental incidents.

iii. Terminal Operator Accountability

The BPS Manual explicitly places the responsibility on receiving terminal operators to take all necessary precautions and to immediately report any fuel contamination or spillage to both PBPA and EWURA, ensuring a rapid response protocol is in place.

While PBPA's internal controls are robust, the agency operates within a broader ecosystem where environmental risks are prevalent. This context reinforces the importance of PBPA's stringent internal controls and positions the agency as a standard-bearer for ecological diligence. It also points to an opportunity for PBPA to use its central coordinating role to advocate for and collaborate on raising environmental management and emergency response standards across all stakeholders in the Tanzanian petroleum supply chain.

2.14.3 MANAGING SOCIAL AND OPERATIONAL RISKS

PBPA's risk management framework encompasses critical social and operational risks that could impact its workforce, reputation, and ability to deliver on its mandate.

i. Workforce Health and Safety

The health and safety of employees is a paramount concern. The agency mitigates this risk by adhering strictly to OSHA requirements, ensuring a safe working environment free of occupational hazards. This is further detailed in the comprehensive policies outlined in the Staff Rules and Regulations.

ii. Supply Chain Integrity and Reliability

Supplier failure is a primary threat to national energy security. PBPA mitigates this through a rigorous supplier pre-qualification process. This process involves conducting due diligence and evaluating potential suppliers against strict criteria, including their financial stability, trading experience, and past performance on contracts with the agency. Only suppliers who meet these criteria are permitted to participate in BPS tenders, significantly reducing the risk of non-performance.

iii. Fraud and Corruption

The risk of fraud and corruption is managed through the detailed Fraud Risk Management Framework. This framework includes preventive measures such as employee screening, segregation of duties, and a strong code of conduct, as well as detective measures such as internal audits and whistleblowing mechanisms. The framework ensures a coordinated response to any suspected incidents, protecting the agency's financial resources and reputation.

2.15 MANAGEMENT AND ORGANISATION STRUCTURE

2.15.1 Management

According to the Executive Agencies Act 2015, the Executive Director heads the Agency. An Accounting Officer with the overall powers of managing daily activities reports directly to the Board of Directors. The Management team carries out the Agency's operations under the Executive Director. The Executive Director is assisted by two Directors and four Heads of Units. Therefore, the day-to-day responsibility for implementing the Board-approved sustainability strategy and managing related risks and opportunities lies with the Executive Director and the Senior Management Team.

2.15.2 Key Management Personnel of the Agency

The composition of the Management team is as indicated below;

Table 6: Composition of Management Team

S/N	Name	Qualifications/Discipline	2024/25
1.	Mr. Erasto M. Simon	Bachelor of Geology, MSc. in Petroleum Geology	Executive Director
2.	Mr. Bruno Tarimo	Bachelor of Mechanical Engineering, Master of Business Administration	Director of Operations
3.	Ms Joyce M. Gachuma	Bachelor of Laws, Master of Business Administration (MBA), Postgraduate Diploma in Legal Practice	Director of Business Support
4.	Mr Juma H. Juma	Bachelor of Accountancy and Finance, MSc. Accounting and Finance (MSc-AF), CPA (T)-ACPA	Head of Internal Audit
5.	Ms. Lilian Rwegimbura	Bachelor of Laws, Master of Business Administration (MBA), Master's in Corporate and Commercial Law (LLM), Postgraduate Diploma in Legal Practice.	Head of Legal Services
6.	Mr Kedron I. Mbwilo	Bachelor of Commerce in Finance, Master of Business Administration (MBA), CPA (T)-ACPA	Finance and Planning Manager
7.	Ms. Sophia Kidimwa	Bachelor of Engineering in Chemical and Processing, Master of Procurement and Supply Chain Management	Ag. Supply and Logistics Manager
8.	Mr Gilbert O. Jungulu	Advanced Diploma of Material Management	Petroleum Planning Manager
9.	Ms Angelique S. Kachuchuru	Bachelor of ICT, Master's in Information and Communication Technology	Ag. Head of ICT and Statistics

2.16 PERFORMANCE MEASUREMENTS

2.16.1 Strategies of the Agency

As the coordinator of petroleum product importation in the country and landlocked countries, a petroleum bulk procurement agency is responsible for ensuring the availability of petroleum products in the country at all times (security of supply), efficient procurement of petroleum products, competitive international tendering, and transparency in the BPS process. The Agency's strategies are specifically focused on enhancing the security of the country's petroleum product supply, increasing the participation of Tanzanians and international companies in BPS tenders, and ensuring that end consumers receive reliable and affordable petroleum products.

2.16.2 Key Performance Indicators (KPIs)

The Agency applies three criteria for performance indicators: relevance, measurability, and validity. Performance indicators must be measurable, although measurement may sometimes be qualitative. If indicators help change the mix of activities to achieve the most desirable industry outcomes, the responsibility for affecting different indicators and incentives for achieving good performance needs to be established.

a) Input Indicators
Input indicators measure resources needed for a business process or project. They are necessary for tracking resource efficiency in normal operating activities. The inputs for the Agency's activities include the resources available to supervise the discharge of petroleum products, funds to facilitate coordination activities, and the total full-time equivalent staff. The input volume should be adjusted to account for quality factors, such as the quality of the available equipment and staff capacity-building training.

b) Process Indicators
Given the input level, management and organisational decisions will affect how those resources are used to create different types of processes. A standard process indicator for Agency activities includes KPIs focused on cost-benefit analysis in coordination with the importation of petroleum products.

c) Output Indicators
Output indicators measure the success or failure of the process. This involves the results of the Agency's activities. The agency successfully coordinates the importation of petroleum products and ensures their availability to meet the country's demand at all times (security of supply).

2.16.3 General Performance Measurements

In the financial year (FY) 2024/25, PBPA Management achieved some of its goals outlined in its Annual Plan and Budget, which were derived from the Strategic Plan. Key planned activities and achievements during the financial year 2024/25 are as elaborated hereunder:

Table 7: Plan activities and Achievements

S/N	Planned activities	Achievement	Remarks
1.	To provide advice to the Minister on matters relating to BPS operation.	• The Government strengthened the BPS operation through the Ministry of Energy by reviewing and approving the PBPA Regulation and BPS. Manual and Standard Operating Procedures (SOP).	PBPA advised the Minister on several issues, which led to a review of the PBPA Regulation of 2017, as amended in 2024, and the BPS Manual of 2020, also amended in 2024.
2.	To ensure OMCs submit their monthly requirements as per market share	• Projection, forecast, and simulation were performed to ensure that OMC's submitted orders or requirements were within their market shares. This is done to ensure that the volume submitted each month meets the demand requirements of the country	The planned activity was monitored and implemented

S/N	Planned activities	Achievement	Remarks
3.	To supervise 120 vessels for petroleum products.	• The Agency managed to supervise the discharge of petroleum products from 120 vessels that tendered NOR within the country during the financial year 2024/25	The planned activity was monitored and implemented.
4.	To reduce the loss during the discharge of petroleum products to 0.1%	• The Agency managed to reduce loss below 0.1% during discharge, as it was in the previous financial year 2023/24, where the loss was 0.33%. • The achievement was due to the involvement of internal surveyors and the operationalisation of the SCADA system	The planned activity was monitored and implemented.
5.	To reduce the demurrage charge to below $ 2 per metric ton for SPM and $ 4 for KOJ1.	• The Agency managed to control demurrage costs by properly planning the delivered date range of every vessel to ensure that the vessels arrive and discharge within the scheduled time. • During the financial year 2024/25, the average demurrage for SPM and KOJ was 2.8 USD per metric ton and 5.5 USD per metric ton, respectively, compared to 1.8 USD per metric ton and 3.5 USD per metric ton for SPM and KOJ 1 in the financial year 2023/24. • The actual performance was the result of the increased number of non-BPS vessels to discharge in priority ahead of BPS vessels.	The planned activity was monitored and implemented.
6.	To ensure 13,000,000 metric tons of petroleum products for local use and 12,000,000 metric tons for transit are procured through BPS.	• During the financial year 2024/25, the availability of petroleum products in the country at all times (security of supply) was guaranteed. The country was safe due to the widespread availability of petroleum products. • Country stock levels were managed to ensure that timely actions were taken.	The planned activity was monitored and implemented.
7.	To operationalise the SCADA system	• PBPA operationalised the SCADA system that tracks the discharge of petroleum products from Vessels to terminals in real time. • This system ensures the detection of any loss during the discharge of petroleum from vessels to Terminals. It monitors the actual volume received by the Terminal in comparison with the government flow meter.	The planned activity was monitored and implemented.

S/N	Planned activities	Achievement	Remarks
8.	Establish a statistical database for all imported petroleum products.	• In implementing this activity, the Agency selected the dedicated staff to monitor, organise, and act as the central control of all data on imported petroleum products from establishing BPS to the current period.	Establishing the Petroleum database and ICT systems is in the final stages.
9.	To facilitate the preparation of financial and Audit reports, remittance of audit fees, and contribution to the Government of Tanzania and coordinate and participate in parliamentary committee meetings	• The periodic financial performance reports and annual financial statements for FY 2024/25 were prepared and submitted. • PPBA's contribution to the Government Consolidated Fund was remitted on time. • PPBA participated in all parliamentary committee meetings.	• Reports were submitted to the Government as required. • Issues related to petroleum importations and other Agency operations were successfully addressed during parliamentary committee meetings. • Issues related to Audited Financial Statements were addressed.
10.	Coordinate Board and Committee sessions during the financial year 2024/25.	• Mandatory and extraordinary board sessions were performed. • Mandatory Committee meetings and extraordinary meetings performed. • Training session for Board and Audit and Risk Management Committee members performed. • Board Remuneration was facilitated.	The activity was implemented as planned.
11.	To conduct seminars on HIV, AIDS, and non-communicable diseases, as well as sensitisation seminars on corruption issues and Good Governance.	• Two seminars on HIV, AIDS, and non-communicable diseases, as well as one seminar on Anti-corruption issues and Good Governance, were conducted for staff.	The activity was implemented as planned.
12.	To conduct capacity building for PBPA staff.	• In 2024/25, 78 staff were enhanced with relevant managerial and operational competencies within and outside the country compared to 61 staff trained in 2023/24.	The activity was performed as planned.

2.16.4 Key challenges

The Agency faced several challenges that affected the implementation of its planned activities. During the year 2024/25, the main difficulties were Global geopolitical situations that impacted the entire petroleum product production and supply system worldwide. The Demand shift for petroleum products after the sanctions on Russian products and the war between Iran and Israel, which led to challenges when one supplier failed to honour its contract. Additionally, the increase in non-BPS vessels during the period was one of the challenges that impacted the vessel line-up and discharge operations.

2.16.5 The way forward

The Agency continued to maintain close engagement with the Ministry of Energy, EWURA, TPA, TRA, and other stakeholders to facilitate the availability of petroleum products by ensuring proper discharge while monitoring non-BPS vessels.

2.16.6 PERFORMANCE METRICS AND TARGETS - ENVIRONMENTAL STEWARDSHIP

This section presents PBPA's performance on key environmental topics, providing quantitative and qualitative data where available.

2.16.6.1 Greenhouse Gas (GHG) Emissions

The combustion of petroleum products is a primary source of global greenhouse gas emissions. In Tanzania, the energy sector, which includes transportation fuelled by products procured by PBPA, is a significant contributor to the national GHG inventory.

As a coordinating agency, PBPA's direct operational footprint (Scope 1 and Scope 2 emissions) is primarily limited to its office facilities and administrative vehicle use. The agency does not currently have a comprehensive inventory of these emissions. The vast majority of emissions associated with PBPA's activities occur in the value chain (Scope 3), from the maritime transport of products to their final consumption.

While PBPA does not directly control these emissions, its role in the supply chain offers a significant opportunity to influence them. The agency's primary environmental impact is managed indirectly through the standards it upholds and the operational efficiency it promotes.

Recognising the importance of transparently managing its climate impact, PBPA commits to the following actions:

i. Develop a GHG Inventory: In the 2026 reporting cycle, PBPA will undertake a comprehensive assessment to calculate its Scope 1 and Scope 2 GHG emissions in accordance with the Greenhouse Gas Protocol Corporate Standard, as recommended by SASB.
ii. Explore Value Chain Emissions: PBPA will initiate engagement with key stakeholders, including shipping agents and OMCs, to explore methodologies for estimating and reporting on key Scope 3 emission categories associated with the BPS.

2.16.6.2 Environmental Compliance and Incident Management

PBPA operates in strict compliance with Tanzania's primary environmental legislation, the Environmental Management Act (EMA) of 2004, and is subject to the oversight of the NEMC. The agency's commitment to environmental protection is formalised in its "zero appetite" for environmental risks, including spills and contamination.

During the 2024/25 reporting period, there were zero major operational spills (defined as a loss of more than one metric tonne of product) directly attributable to the coordination and discharge oversight activities managed by PBPA.

The agency maintained full compliance with all relevant environmental regulations, with no notices of violation or penalties received from NEMC or other environmental authorities.

This strong performance is a direct result of the preventative controls embedded in the BPS, such as mandatory pre-discharge quality testing and the authority of on-site inspectors to halt operations.

2.16.6.3 Air Quality

Emissions of air pollutants such as nitrogen oxides (NOx), Sulphur oxides (SOx), and volatile organic compounds (VOCs) are an inherent risk in the storage and transportation of petroleum products. PBPA's primary mechanism for managing this impact is indirect, through the enforcement of stringent fuel quality specifications. The BPS Implementation Manual mandates that all imported products conform to the TBS standards. These standards place limits on components that contribute to air pollution, such as the sulphur content in diesel fuel. By ensuring only compliant, higher-quality fuels enter the Tanzanian market, PBPA helps mitigate the impacts of end-use combustion on air quality.

PBPA does not currently collect or aggregate data on direct air emissions (NOx, SOx, VOCs) from vessel operations during berthing and discharge or from storage terminals.

PBPA will initiate discussions with the TPA and major terminal operators to assess the feasibility of collecting and reporting on key air quality metrics at the primary ports of operation in future reporting cycles.

2.16.6.4 Water and Waste Management

The risk of water contamination is most acute during the transfer of petroleum products from vessels to shore-based terminals. PBPA's risk management framework addresses this through several procedural safeguards outlined in the BPS Manual. These include:

- Pre-discharge sampling and testing to confirm product quality and identify excessive water content.

- The authority of the Marine Petroleum Inspector to halt pumping if contamination is suspected.
- The contractual obligation of terminal operators to report any spillage or contamination immediately.

No significant incidents of water contamination resulting from BPS discharge operations were reported during the 2024/25 period. Data on the volume of water contaminated or waste generated by PBPA's direct administrative operations is not currently collected; however, it is considered immaterial to the agency's overall environmental impact profile.

2.16.7 PERFORMANCE METRICS AND TARGETS - SOCIAL RESPONSIBILITY

PBPA recognises that its people are its most valuable asset and that its operations have a significant impact on the broader community. The agency is committed to upholding the highest standards of social responsibility, focusing on workforce health and safety, human capital development, and meaningful stakeholder engagement.

2.16.7.1 Workforce Health, Safety, and Well-being

The health, safety, and well-being of every employee is a top priority for PBPA. The agency's commitment is formalised through comprehensive policies in its Staff Rules and Regulations and its adherence to the national Occupational Health and Safety Act, ensuring compliance with OSHA.

A cornerstone of the agency's employee welfare program is its comprehensive health coverage. All employees, their spouses, and up to four dependents are covered by the National Health Insurance Fund (NHIF). Recognising the limitations of the standard plan, PBPA offers an additional supplementary scheme in collaboration with NHIF to cover costs not included in the primary plan, ensuring employees have access to high-quality medical care.

Furthermore, HIV/AIDS workplace policy focuses on creating staff awareness of HIV/AIDS among staff members by providing them with updated information on HIV/AIDS, with an emphasis on preventive strategies and education against the pandemic. Further, the PBPA's Staff are encouraged to volunteer in HIV/AIDS testing, practice safe sex, abstain and be faithful to one partner. Additionally, PPBA sets aside funds to care for staff who have contracted the infection. This policy aligns with the National Policy on HIV/AIDS and guidelines issued by the President's Office - Public Service Management and Good Governance - Diversity Management Department. During the 2024/25 financial year, PBPA incurred TZS 77,690,000 for HIV/AIDS awareness, compared to TZS 91,520,000 in the 2023/24 financial year.

In addition, PBPA is committed to supporting employee well-being through targeted assistance programs, subject to budgetary availability and Management approval. During the reporting period, the Agency provided the following benefits to eligible employees: transport assistance to facilitate commuting, financial support for personal and professional needs, and housing assistance to improve living conditions. These programs are assessed and allocated based on available funding, employee needs, and Management's prioritisation. PBPA's approach ensures equitable access to welfare benefits while maintaining fiscal responsibility. PBPA incurred TZS 906,020,000 in the financial year 2024/25, while TZS 772,390,000 was incurred in the 2023/24 financial year

In the 2024/25 financial year, PBPA recorded zero work-related fatalities. Also, the Agency incurred TZS 267,854,303 in medical expenses for its staff, up from TZS 218,138,141 the previous year, reflecting its commitment to employee health. Furthermore, two dedicated seminars on HIV/AIDS and NCDs were conducted for all staff, enhancing awareness and promoting a healthy workforce.

2.16.7.2 Retirement Plan Contribution

PBPA fulfils its obligations under the mandatory defined contribution pension plan by remitting employer contributions directly to the Public Service Social Security Fund (PSSSF). During the reporting period, the Agency contributed 15% of eligible employee remuneration to the PSSSF, ensuring compliance with statutory requirements and safeguarding long-term employee welfare. This structured approach underscores PBPA's commitment to financial security for employees through retirement benefits, regulatory compliance with national social security frameworks, and transparent payroll practices that align with labour protections. During the financial year 2024/25, the Agency incurred TZS 486,312,750 in PSSSF contributions for its staff, an increase from TZS 371,659,500 in the financial year 2023/24.

2.16.7.3 Employees' Engagement Practices

PBPA maintains an active Workers Council, operating in compliance with statutory requirements to convene biannually. During the reporting period, the Council held two scheduled meetings to address key aspects of employee welfare and labour-management relations. Key discussion topics included annual budget allocations for staff welfare initiatives, action plans to enhance workplace conditions, and performance reports on employee-related programs. These engagements ensure structured dialogue between employees and Management, fostering a collaborative and transparent work environment. PBPA remains committed to upholding inclusive labour practices and continuous improvement in workforce well-being.

2.16.7.4 Human Capital Development

PBPA invests in its workforce to build the skills, knowledge, and competence required to manage the complex and dynamic petroleum supply chain. The agency's Training and Staff Development policy outlines a structured approach to capacity building, guided by an annual Training and Development Plan based on a comprehensive Training Needs Assessment. Training opportunities range from in-house courses and professional certifications to management development programs and overseas training when specialised skills are required. In FY 2024/25, 78 staff members participated in capacity-building programs, a significant increase from 61 staff in the previous year. The Agency incurred TZS 695,533,436 in the 2024/25 financial year compared to TZS 300,279,083 in the previous financial year.

2.16.7.5 Gender and Parity
PBPA is an equal opportunity employer with a formal policy that prohibits discrimination based on gender, race, religion, disability, or any other protected characteristic. The agency actively encourages gender parity and empowers its female employees through initiatives such as providing opportunities for advancement into higher positions and supporting the PBPA women's desk. As of June 30, 2025, PBPA's workforce consisted of 76 employees, with 46 males (61%) and 30 females (39%), compared to FY 2023/24, when 37 staff (61%) were males and 24 were females (39%). This represents a strong level of female participation in a traditionally male-dominated sector. PBPA treats its workforce fairly regardless of gender or sex. Furthermore, initiatives aligned with Government policy, guidelines and circulars to empower women were undertaken. They included giving opportunities for females to hold higher positions and supporting the PBPA women's desk.

2.16.7.6 Community Engagement and Corporate Social Responsibility (CSR)
The PBPA's core mission to ensure national energy security is its most significant contribution to the nation's sustainable development. By maintaining a stable supply of fuel, the agency underpins the entire economy.

In terms of direct community investment, PBPA's activities have been limited. During the financial year 2024/25, the Agency made a charitable contribution of TZS 30,000,000 and TZS 15,000,000 for the financial year 2023/24. Currently, PBPA does not have a formal, structured Corporate Social Responsibility (CSR) program or a dedicated community engagement strategy.

PBPA's operations are geographically concentrated in key port communities, including Dar es Salaam, Tanga, and Mtwara. This physical presence creates a clear need and opportunity for proactive community engagement. PBPA thus intends to develop a strategic CSR program that will not only fulfil the broader aspect of its mission but also mitigate potential social risks, build goodwill, and strengthen relationships with the communities that host its critical operations.

2.17 FINANCIAL PERFORMANCE REVIEW FOR THE YEAR 2024/25
2.17.1 Importation Performance
For the 2024/25 financial year, the Agency planned to import 8,744,898,864 litres of petroleum products on behalf of Oil Marketing Companies. During the year, the Agency imported 8,073,899,732 litres, 92% of the planned importation. During the financial year 2023/24, 8,012,956,846 litres were imported. The positive variance between the importation of the current financial year and the previous year has been attributed to the increase in demand for petroleum products.

2.17.2 Budget Performance

In the financial year 2024/25, the Agency estimated to earn revenue on an accrual basis from New OMCs Joining Fees, Contributions from OMCs and Suppliers, Sale of Tender Documents, Sale of Pre-Qualifications Documents, non-BPS fees, Income from Investments and Late LC Opening Penalty to the tune of TZS 39,139,908,677. The actual revenue earned was TZS,35,505,665,659 (90.7%), reflecting a decrease of 3,634,243,018, equivalent to 9.3%.

The approved budget for the Agency's operational expenses for the financial year 2024/25 was TZS 15,727,740,200 compared to TZS 13,616,856,860 in the previous financial year, 2023/24. The actual amount spent on operations activities was TZS 17,609,835,568, which is 112% of the budgeted amount. This increase was attributed to higher operations. During 2024/25, the Agency recorded depreciation and amortisation expenses of TZS 478,540,031, Foreign currency translation loss of TZS 470,567,214 and reviewed its receivables for impairment in accordance with the Accounting Principles (IPSAS), and provisioned receivables of TZS 15,330,416,455. The provisioned amount has not been considered in evaluating budgetary performance as it is a non-cash expenditure.

2.17.3 Financial Performance

Revenue earned increased by TZS 17,043,794,260, rising from TZS 18,461,871,399 in 2023/24 to TZS 35,505,665,659 in the financial year ended 30 June 2025, an increase of 92.3%. This growth is attributed to the adjustment of the OMCs contribution rate from TZS 0.50 to TZS 1.00, as well as the introduction of a new suppliers' contribution rate of TZS 2.50 per imported litre of petroleum products.

The total expenditure during the year under review amounted to TZS 33,410,819,237 compared to actual expenditures of TZS 16,829,961,700 in the 2023/24 financial year. The increase in expenditure of TZS 16,580,857,537, representing a 98.5% rise, was mainly due to a 96% increase in the provision for Expected Credit Loss, which rose by TZS 15,330,416,455, from TZS 7,626,255,212 in 2023/24 to TZS 22,956,671,667 in 2024/25. Additionally, total expenditure included depreciation and amortisation expenses amounting to TZS 478,540,031.

2.17.4 Financial Position

As of June 30, 2025, the Agency's total assets amounted to TZS 50,534,631,690, up from TZS 43,269,341,677 as of June 30, 2024, representing an increase of TZS 7,265,290,013, or 17%.

Accounts receivable and prepayments as of June 30, 2025, amounted to TZS 12,232,630,028 and TZS 32,832,061, respectively, compared to TZS 26,009,574,575 and TZS 47,732,377 as of June 30, 2024. The decrease in receivables of TZS 13,776,944,547 is attributed to the increase in Expected Credit Loss.

Cash and cash equivalents as of June 30, 2025, were TZS 8,502,858,880 compared to TZS 13,687,203,935 as of June 30, 2024.

Accounts payable and accruals stood at TZS 21,970,804 as of June 30, 2025, from TZS 10,460,817 as of June 30, 2024, representing an increase of 110%. This rise was attributed to the delayed receipt of invoices for services received in June 2025, amounting to TZS 13,390,338, and a retention amount of TZS 8,580,466.

Deposits by suppliers and OMCs, cash guarantees, and other deposits totalled TZS 12,990,599,755 as of June 30, 2025, up from TZS 7,831,666,153 as of June 30, 2024, an increase of 66%.

2.17.5 Prior year adjustments

The LGD used in the previous year was treated as a refund of TZS 7,500,000, resulting in an understatement of ECL by TZS 162,000. The amount stated initially was TZS 183,049,063. The correct ECL for the year 2022/23 is TZS 183,211,063. The understated amount has been reinstated in both Cash and Cash Equivalents and Accumulated Surplus, and the corresponding adjustments have been reflected in the opening balances for the 2023/24 fiscal year.

SN	Description	Original Amount 30 June 2023	Restated Amount 30 June 2023	Difference	Reason For Restatement
		TZS	TZS	TZS	
1	Cash and Cash Equivalent	16,309,813,230	16,309,651,230	162,000	Adjustment of Expected Credit Loss on Cash and Cash Equivalents held in Commercial Banks. The LGD used is considered a refund of TZS 7,500,000, resulting in an understating of ECL by TZS162,000. For comparative purposes, the figures in the balances of Cash and Cash Equivalent and Accumulated Surplus for 2022/23 have been reinstated.
2	Expected Credit Loss	183,049,063	183,211,063	162,000	
3	Accumulated Surplus	32,869,770,501	32,869,608,501	162,000	

2.17.6 Expected Credit Loss (ECL)

Following the implementation of IPSAS 41, the provision for Expected Credit Loss (ECL) on receivables amounted to TZS 22,956,671,667 as of 30 June 2025, up from TZS 7,626,255,212 in the 2023/24 financial year. This reflects an increase of TZS 15,330,416,455, which was attributed to the penalty for the late opening of the LC.

On the other hand, the provision for ECL on cash and cash equivalents decreased to TZS 166,437,413 from TZS 173,250,605 in the 2023/24 financial year, representing a reduction of TZS 6,813,192.

2.18 RELATED PARTY TRANSACTIONS

Related party expenses for the 2024/25 period were TZS 1,041,125,000, and for the 2023/24 period were TZS 723,500,000. The increase in related party transactions was attributed to the approval of the Staff Incentive Scheme and to changes in the salary structure from the President's Office, Public Service Management, and Good Governance. Details of related party transactions are contained in the financial statements, Notes 3.9 and 4.

Table 8: Related Party Transactions

GROUP	2023/24 (TZS)	2024/25 (TZS)	CHANGE (TZS)
Management	692,000,000	1,009,625,000	317,625,000
Ministerial Advisory Board (MAB)	31,500,000	31,500,000	NIL
Total	723,500,000	1,041,125,000	317,625,000

RELATIONSHIP WITH STAKEHOLDERS

The Agency's main stakeholders include the Ministry of Energy, the Ministry of Finance, TPDC, Oil Companies undertaking upstream activities, EWURA, TBS, WMA, TPA, NEMC, TRA, and other Government Agencies. During the 2024/25 year, the Agency maintained good relationships with these stakeholders, as it had in the previous year.

2.19 PREJUDICIAL ISSUES

For the year under review, the Agency has no prejudicial issues that impact the fulfilment of its objectives.

2.20 CAPITAL STRUCTURE OF PBPA

PBPA is a government agency established under Establishment Order GN NO 423 of 2015 under the Executive Agencies Act, Cap. 245, vested with the mandate of coordinating and managing the efficient procurement of petroleum products through a bulk procurement system. This mandate emanates from the Petroleum Act NO. 21 of 2015 and is operationalised by the Petroleum Bulk Procurement Regulations, GN 198 of 2017.

The capital structure (Net Assets) of PBPA as at 30 June 2025, was TZS 37,522,061,130, compared to TZS 35,427,214,707 in the previous financial year, 2023/24, which reported an increase of TZS 2,094,846,423, equivalent to 6%.

2.21 SOLVENCY

Since its establishment, the Agency has financed its operations through the sources specified in the Establishment Order. Based on its financial position as of June 30, 2025, as outlined in these financial statements and the accompanying notes, management considers the agency to be solvent.

2.22 STATEMENT OF COMPLIANCE

PBPA financial statements comply with the International Public Sector Accounting Standards (IPSAS). The financial statements have been prepared based on a going-concern assumption. Moreover, the financial Statements have been prepared in accordance with Public Finance Act CAP 348, [R.E. 2020] Circulars, and Guidelines issued by the Accountant General's Department. In addition, the sustainability-related financial disclosures contained in this report comply with all requirements of IFRS S1 (General Requirements for Disclosure of Sustainability-Related Financial Information) and IFRS S2 (Climate-related Disclosures).

2.23 AUDIT MANDATE

The Controller and Auditor General (CAG) is the Statutory Auditor of the Petroleum Bulk Procurement Agency by virtue of Article 143 of the Constitution of the United Republic of Tanzania (URT) as amplified in the Public Audit Act, Cap. 418 [R.E. 2021] and Section 232 of the Petroleum Act, 2015

2.24 APPROVAL

The report by those charged with governance of the Agency was approved and signed by the Chief Executive Officer of those charged with governance.

Erasto M. Simon
Executive Director
Date:

1 STATEMENT OF MANAGEMENT RESPONSIBILITY

The Management of the Agency, which is charged with the Agency's governance, is responsible for the preparation of the annual financial statements that give an accurate and fair view of Petroleum Bulk Procurement Agency, comprising the Statement of Financial Position as of 30 June 2025, Statements of Financial Performance, Changes in Equity, Cash Flows for the period, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Public Sector Accounting Standards IPSAS on Accrual Basis and in the manner required by the Petroleum Act 2015, Executive Agency Act, The Agency Establishment Order 2015 and the BPS Regulations 2024. In addition, the sustainability-related financial disclosures contained in this report comply with all requirements of IFRS S1 (General Requirements for Disclosure of Sustainability-Related Financial Information) and IFRS S2 (Climate-related Disclosures).

Management is also responsible for such internal control as is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Management accepts responsibility for these Financial Statements, which have been prepared in accordance with the appropriate accounting policies, supported by reasonable and prudent judgments and estimates, and in conformity with IPSASs. The management believes that the financial statements provide a true and fair view of the agency's financial position and its operating results. The Management further accepts responsibility for maintaining accounting records that may be relied upon in the preparation of Financial Statements, as well as for establishing adequate systems of internal financial controls.

Management has assessed the agency's ability to continue as a going concern and has no reason to believe it will not be a going concern in the year ahead.

Approval of annual financial statements
The Petroleum Bulk Procurement Agency's annual financial statements, as identified in the first paragraph, were approved by the Executive Director on 30 August 2025.

Erasto M. Simon
Executive Director
Date:

2 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 by a Statement of Declaration issued by the Head of Finance/Accounting responsible for preparing the entity's financial statements.

It is the duty of a professional accountant to assist the management in discharging the responsibility of preparing financial statements of an entity showing an accurate and fair view of the position of the entity in accordance with International Public Sector Accounting Standards (IPSAS) and statutory reporting requirements. Full legal responsibility for the financial statements rests with management, as stated in the Statement of Management Responsibility on an earlier page.

I, **CPA Kedron Issah Mbwilo,** Head of Finance at the Petroleum Bulk Procurement Agency, hereby acknowledge my responsibility to ensure that the financial statements for the period ended 30 June 2025 have been prepared in compliance with applicable accounting standards and statutory requirements.

Thus, I confirm that the financial statements comply with applicable accounting standards and statutory requirements as of that date and have been prepared based on properly maintained financial records.

Signed:

Name: CPA. Kedron Issah Mbwilo

Position: Head of Finance Department

NBAA Membership No.: ACPA 1493

Date:

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Note	2024/25 TZS	2023/24 (Restated) TZS
ASSETS			
Current Asset			
Cash and Cash Equivalents	62	8,502,858,880	13,687,203,935
Receivables	67	12,232,630,028	26,009,574,575
Prepayments	69	32,832,061	47,732,377
Total Current Asset		**20,768,320,969**	**39,744,510,887**
Non-Current Asset			
Property, Plant and Equipment	97	2,956,428,709	2,421,819,406
Intangible Assets	98	989,882,013	1,103,011,384
Financial Investments	96	25,820,000,000	0
Total Non-Current Asset		**29,766,310,721**	**3,524,830,790**
TOTAL ASSETS		**50,534,631,690**	**43,269,341,677**
LIABILITIES			
Current Liabilities			
Payables and Accruals	89	21,970,804	10,460,817
Deposits	95	12,990,599,755	7,831,666,153
Total Current Liabilities		**13,012,570,559**	**7,842,126,970**
TOTAL LIABILITIES		**13,012,570,559**	**7,842,126,970**
Net Assets		**37,522,061,130**	**35,427,214,707**
NET ASSETS/EQUITY			
Capital Contributed by:			
Taxpayers/Share Capital		925,696,510	925,696,510
Accumulated Surpluses / (Deficits)		36,596,364,620	34,501,518,197
TOTAL NET ASSETS/EQUITY		**37,522,061,130**	**35,427,214,707**

Erasto M. Simon

Executive Director

Date:

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

		2024/25		2023/24
REVENUE	Note	TZS		TZS
Revenue from Exchange	17	3,025,179,687		2,545,890,617
Revenue from non-Exchange				
Fees, Fines, Penalties and Forfeits	19	605,100,360		8,568,461,859
Investment Income	21	992,000,000		0
Fair Value Gains on Assets and Liabilities	24	6,813,192		9,960,458
Contributions	31	30,876,572,420		4,006,478,423
Gain on Foreign Currency Translation	27			3,331,080,042
Subtotal non-Exchange Revenue		**32,480,485,972**		**15,915,980,782**
TOTAL REVENUE		**35,505,665,659**		**18,461,871,399**
EXPENSES AND TRANSFERS				
Expenses				
Wages, Salaries and Employee Benefits	34	5,172,971,618		4,147,333,421
Use of Goods and Services	35	10,680,732,355		8,186,582,920
Maintenance Expenses	36	214,751,338		121,353,173
Loss on Foreign Currency Translation	45	470,567,214		0
Other Expenses	52	397,380,227		366,377,995
Expected Credit Loss	54	15,330,416,455		3,528,347,229
Depreciation of Property, Plant and Equipment	97	365,410,658		271,684,619
Amortization	98	113,129,373		28,282,343
Total Expenses		**32,745,359,237**		**16,649,961,700**
Transfers				
Other Transfers	60	665,460,000		180,000,000
Total Transfer		665,460,000		180,000,000
TOTAL EXPENSES AND TRANSFERS		**33,410,819,237**		**16,829,961,700**
Surplus / (Deficit) for the period		**2,094,846,422**		**1,631,909,697**

Erasto M. Simon
Executive Director
Date:

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2025

	Tax Payer's Fund	Accumulated Surplus/(Deficit)	Total
	TZS	TZS	TZS
Opening Balance as of 01 Jul 2024	925,696,510	34,501,518,198	35,427,214,708
Surplus for the Year	-	2,094,846,422	2,094,846,422
Closing Balance as at 30 Jun 2025	925,696,510	36,596,364,620	37,522,061,130
Opening Balance as of 01 Jul 2023	925,696,510	32,869,608,501	33,795,305,011
Surplus for the Year	-	1,631,909,697	1,631,909,697
Closing Balance as at 30 Jun 2024	**925,696,510**	**34,501,518,198**	**35,427,214,708**

Erasto M. Simon
Executive Director
Date:

CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

	Note	2024/25 TZS	2023/24 TZS
CASH FLOW FROM OPERATING ACTIVITIES RECEIPTS			
Revenue Exchange Transactions		3,025,179,687	2,545,890,617
Revenue non-Exchange			
Contributions		30,165,089,495	3,938,033,926
Increase in Deposit		5,158,933,602	2,219,404,498
Investment Income		150,000,000	0
Fees, Fines, Penalties and Forfeits		605,100,360	0
Total Receipts		**39,104,303,144**	**8,703,329,041**
PAYMENTS			
Wages, Salaries and Employee Benefits		5,153,699,029	4,138,765,655
Use of Goods and Services		10,477,290,823	8,226,210,642
Other Transfers		665,460,000	180,000,000
Other Expenses		467,440,227	366,377,995
Maintenance Expenses		340,984,137	121,353,174
Total Payments		**17,104,874,216**	**13,032,707,466**
NET CASH FLOW FROM OPERATING ACTIVITIES		**21,999,428,927**	**(4,329,378,425)**
CASH FLOW FROM INVESTING ACTIVITIES			
Investing Activities			
Increase in Government Securities		(25,820,000,000)	0
Acquisition of Property, Plant and Equipment		(900,019,960)	(959,740,560)
Acquisition of Intangibles		0	(674,368,811)
Total Investing Activities		**(26,720,019,960)**	**(1,634,109,371)**
NET CASH FLOW FROM INVESTING ACTIVITIES		**(26,720,019,960)**	**(1,634,109,371)**
CASH FLOW FROM FINANCING ACTIVITIES			
Financing Activities			
Receipts from Sales of Government Assets		0	0
Total Financing Activities		0	0
NET CASH FLOW FROM FINANCING ACTIVITIES		0	0
Net Increase		(4,720,591,033)	(5,963,487,796)
Effect of Foreign Currency Changes		(470,567,214)	3,331,080,042
Cash and cash equivalents at the beginning of the period		13,860,454,539	16,492,862,293
Cash and cash equivalents at the end of the period		**8,669,296,292**	**13,860,454,539**

Erasto M. Simon

Executive Director

Date:

Statement of Comparison of Budget and Actual Amounts for the Year Ended 30 June 2025

	Original Budget 2024/25	Final Budget 2024/25 (A)	Actual Amount on Comparison Basis 2024/25(B)	Difference Final Budget and Actual (B-A)	%	Reasons
REVENUE	**TZS**	**TZS**	**TZS**	**TZS**		
Contributions Income	5,603,335,992	34,439,355,307	30,165,089,495	4,274,265,812	12%	Vessels which were expected to discharge in May and June 2025 did not discharge due to congestion at Dar Es Salaam Port. They were discharged in the year of income 2025/26
Investment Income	-	836,000,000	150,000,000	686,000,000	82%	Only TZS 150,000,000 matured and received
Penalties	9,714,404,208	1,154,553,370	605,100,360	549,453,010	48%	Increased compliance
Total revenue from non-exchange transactions	**15,317,740,200**	**36,429,908,677**	**30,920,189,855**	**5,509,718,822**	15%	
Tender Documents	2,400,000,000	2,400,000,000	2,660,025,276	(260,057,906)	(11%)	An increased number of bidders who participated in BPS tenders
Prequalification Documents	200,000,000	200,000,000	185,154,410	14,845,590	7%	
New OMCs Joining Fees	110,000,000	110,000,000	180,000,000	(70,000,000)	(64%)	More new Oil Marketing Companies joined BPS than anticipated.
Total revenue from exchange transactions	2,710,000,000	2,710,000,000	3,025,179,686	315,212,316		
Total Revenue	**18,027,740,200**	**39,139,908,677**	**33,945,369,541**	**5,824,931,138**		
EXPENSES						
Employment Costs	4,168,315,200	4,168,315,200	5,153,699,029	(985,383,829)	(24%)	Salary increases to existing staff, staff transferred to PBPA from other institutions and approval of the new salary structure.
Administrative Costs/Other Charges (OC)	10,802,965,000	10,802,965,000	11,205,655,187	(402,690,187)	(4%)	
Transfer to Treasury	665,460,000	665,460,000	665,460,000	0	0%	
Audit fees	91,000,000	91,000,000	80,060,000	10,940,000	12%	Under budgeting of the CAG current Bill
Total Expenditure	15,727,740,200	15,727,740,200	17,104,874,216	(1,377,134,016)	(9%)	
Surplus/(Deficit) for the period	**2,300,000,000**	**23,412,168,477**	**16,840,495,325**	**4,447,797,122**	19%	

Erasto M. Simon

Executive Director

Date:

1.1 Reporting Entity

The Petroleum Bulk Procurement Agency, the "Agency," is an Executive Agency established by Establishment Order No. 423 of 2015 under the Executive Agencies Act, Cap. 245, and domiciled in the United Republic of Tanzania. The Agency's financial statements cover the period ended June 30, 2025.

The address of the office is as follows:
Tanzania Port Authority,
One Stop Centre Building,
11th Floor,
P. O. Box 2634,
DAR ES SALAAM

1.2 Establishment and Principal Activities

Petroleum Bulk Procurement Agency PBPA is an Executive Agency established by Establishment Order GN NO. 423 of 2015 under the Executive Agencies Act, Cap. 245. It is mandated to coordinate and manage the efficient procurement of petroleum products through a bulk procurement system. This mandate emanates from the Petroleum Act NO. 21 of 2015 and is operationalised by the Petroleum Bulk Procurement Regulations, GN 198 of 2017. PBPA was established to take over the functions of the Petroleum Importation Coordinator Limited (PICL).

The Agency was established to achieve the following general activities:

c) Administer and manage the demand and requirements for petroleum products.
d) Ensure effective and efficient coordination of procurement and delivery of bulk petroleum products.

1.3 Submission Date

The Petroleum Bulk Procurement Agency (PBPA)'s financial statements for the year ended June 30, 2025, were submitted for audit to the Controller and Auditor General on August 29, 2025.

1.4 Authorisation Date

The authorised date for issuing Financial Statements to the Public is after the Controller and Auditor General has issued an opinion and the Financial Statements have been tabled in Parliament.

2.0 Basis of Preparation

2.1 Statement of Compliance

The financial statements have been prepared in accordance with International Public Sector Accounting Standards IPSASs under the Accrual Basis of Accounting, Regulation 8 of The Petroleum Bulk Procurement Regulations, 2015, GN 508, with amendments in GN 198 of 2017, as amended in 2024 and the Public Finance Act, as amended.

2.2 Summary of Significant Accounting Policies

PBPA Financial Statements are prepared and presented in accordance with the accrual basis of IPSASs. The significant accounting policies outlined below have been consistently applied throughout the year.

2.3 Basis of Measurements

The financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value through profit or loss. The statement of cash flows is prepared using the direct method.

2.4 Going concern

The Executive Director, as the Agency's Accounting Officer, reasonably expects that the Agency has adequate resources to continue operating for the foreseeable future. Therefore, the Agency continues to apply the going concern basis in preparing its annual financial statements.

2.5 Use of Estimates and Judgements

Preparing financial statements in conformity with IPSASs requires management to make judgments, estimates, and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed continuously and accounted for prospectively.

2.6 Reporting Period

The reporting period for these financial statements is the Agency's financial year, which runs from 1 July 2024 to 30 June 2025.

2.7 New Standards on issues not yet adopted by the Agency

Newly issued Standards by the International Public Sector Accounting Standards Board (IPSASB) include:

2.7.1 IPSAS 43 - Leases

IPSAS 43 Leases contains a model that requires a single classification model for leases. IPSAS 43 introduces a right-of-use model that will replace the risks and rewards incidental to the ownership model in IPSAS 13 Leases. For lessors, IPSAS 43 substantially carries forward the risks and rewards incidental to the ownership model in IPSAS 13. IPSAS 43 has an effective date of 1 January 2025, with earlier application permitted.

2.7.2 IPSAS 44 - Assets held for sale and discontinued operations

IPSAS 44 Non-current Assets Held for Sale and Discontinued Operations specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. The new standard includes additional public sector requirements, particularly the disclosure of the fair value of assets held for sale measured at their carrying amounts when the carrying amount is materially lower than their fair value. IPSAS 44 is effective from 1 January 2025, with earlier application permitted. Currently, the standard does not apply to PBPA, as the Agency has no assets held for sale.

2.7.3 IPSAS 45 - Property, Plant and Equipment

IPSAS 45 replaces IPSAS 17, Property, Plant, and Equipment by adding current operational value as a measurement basis in the updated current value model for assets within its scope, identifying the characteristics of heritage and infrastructure assets, and adding new guidance on how these essential types of public sector assets should be recognised and measured. The effective date of IPSAS 45 is January 2025, with earlier application permitted.

2.7.4 IPSAS 46: Measurement

The IPSASB-approved IPSAS 46, Measurement, which brings measurement guidance together in a single standard, introduces a public sector-specific current value measurement basis for assets held for their operational capacity and provides additional generic guidance on fair value. This completes the initial phase of the measurement project; now, the IPSASB will consider the broader impact of this new guidance across IPSAS in the ongoing Measurement - Application Phase project. IPSAS 46 will be effective for periods beginning on or after 1 January 2025, with earlier application permitted.

2.7.5 IPSAS 47 Revenue

The IPSASB approved IPSAS 47, Revenue, a standard for accounting for revenue transactions in the public sector. IPSAS 47 replaces the existing three revenue standards and presents accounting models that will improve financial reporting and support effective public sector financial management. IPSAS 47 will be effective for periods beginning on or after 1 January 2026, with earlier application permitted.

2.7.6 IPSAS 48: Transfer Expenses

The IPSASB approved IPSAS 48, Transfer Expenses, which guides a significant area of expenditure for governments and other public sector entities. IPSAS 48 fills a gap that had previously led to ambiguity and inconsistency in accounting policies in the public sector. IPSAS 48 will be effective for periods beginning on or after 1 January 2026, with earlier application permitted.

3.0 APPLICABLE SIGNIFICANT ACCOUNTING POLICIES FOREIGN CURRENCY TRANSACTIONS

3.1 Functional and Presentation Currency

Items included in the Agency's financial statements are measured using the currency of the primary economic environment in which the entity operates (the 'functional currency'). The financial statements are presented in **Tanzanian Shillings (TZS),** which is the Agency's functional and presentation currency, and amounts are rounded accordingly.

3.2 Transactions and Balances

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance.
Monetary assets and liabilities denominated in foreign currencies as of the reporting date are translated into the functional currency using the exchange rate prevailing at the reporting date. The exchange rate as of 30 June 2025 was TZS 2,618.32/USD (compared to TZS 2,626.93/USD in 2023/24).

Non-monetary assets and liabilities denominated in foreign currencies, measured at fair value, are translated into the functional currency at the exchange rate at which the fair value was determined.

3.3 Revenue Recognition

3.3.1 Revenue from Exchange Transactions

The Agency obtains revenue categorised as exchange transactions from the following sources: -

(i) Sale of Tender Documents
(ii) Pre-qualification Documents
(iii) New OMCs Joining fee

The agency will only recognise revenue from exchange transactions where it acts as a principal and is exposed to the significant risks and rewards associated with rendering the services.

In the financial year 2024/25, revenue from exchange transactions was recognised, leading to reclassifications of Revenues for 2023/24 as shown in the following table.

SN	Component	Note	Amount as per signed AR 2023/24 (TZS)	Amount as presented in the AR 2024/25 (TZS)	Reasons for re-classification
1	Revenue from exchange transaction	17	-	2,545,890,617.00	Note 17 has been introduced to accommodate the requirement to separate Revenue from Exchange and Non-Exchange Transactions, which were reported in Notes 19 and 31. Results for the year 2023/24 have been reclassified accordingly.
2	Fees, Fines, Penalties and Forfeits	19	8,633,461,859.00	8,568,461,859.00	
4	Fair Value Gains on Assets and Liabilities	24	9,960,458.00	9,960,458.00	
5	Contributions	31	-	4,006,478,423.00	
6	Other revenue	31	6,487,369,040.00	-	
7	Gain/loss on Foreign Currency Translation	27	3,331,080,042.00	3,331,080,042.00	
			18,461,871,399.00	**18,461,871,399.00**	

3.3.2 Revenue from non-exchange transactions

The Agency obtains revenue categorised as non-exchange transactions from the following sources: -

(i) Contributions from OMCs
(ii) Contributions from Suppliers
(iii) Income from Investments
(iv) Penalties and fines

Revenue from non-exchange transactions is measured at fair value and recognised upon obtaining control of the asset, cash, goods, services, property, plant, and equipment if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the Agency and can be measured reliably.

3.4 Property, Plant and Equipment

3.4.1 Recognition and Measurement

Property, plant, and equipment acquired by the Agency are initially stated at cost. Cost includes expenditures directly attributable to the acquisition of the asset. Subsequently, property, plant and equipment are measured at cost less accumulated depreciation and impairment. Depreciation is charged to the statement of financial performance on a straight-line basis over the asset's useful economic life. Impairment losses are recognised in the statement of financial performance as and when they arise.

Property, plant and equipment acquired through non-exchange transactions are recorded initially at fair value, which is assumed to be the asset's cost.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items' significant components of property and equipment.

3.4.2 Depreciation

Depreciation is charged based on an asset's useful life. It is calculated to allocate the asset's cost, less any estimated residual value, over its remaining useful economic life. Annual depreciation rates are based on the useful life as follows:

Class of asset	Useful life
Office furniture	10 years
Office equipment	10 years
Computers (Desktops, Laptops, Tablets, etc.)	8 years
Motor Vehicles	10 years
Motor Cycles	7 years
Intangible Assets	10 years

The assets' residual values and useful economic lives are reviewed and adjusted, as appropriate, at the time of purchase and at the end of each reporting period.

3.4.3 Estimated Useful Lives

The estimated useful lives of the assets were reviewed by management at the end of the financial year based on the newly approved Public Finance (Property Management Regulations) of 2024

3.4.4 De-recognition

Property, plant, equipment, and/or any significant part of an asset are derecognised upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising from the derecognition of the asset is calculated as the difference between the net disposal proceeds and the asset's carrying amount, and is included in the surplus or deficit when the asset is derecognised.

3.5 Financial Instruments

A financial instrument is any contract that gives rise to one entity's financial asset and another entity's financial liability or equity instrument.

3.5.1 Financial asset

A financial asset is any asset that is Cash, an equity instrument of another entity, or a contractual right to receive cash or a financial asset from another entity or to exchange financial assets or liabilities under potentially favourable conditions.

3.5.2 Financial liability

A financial liability is any liability that is a contractual obligation to deliver cash or to deliver another financial asset, or to exchange financial assets or liabilities under potentially unfavourable conditions.

3.5.3 Equity Instrument

An equity instrument is any contract that evidences a residual interest in an entity's assets after deducting all its liabilities.

3.5.4 Recognition

A financial asset or financial liability shall be recognised in the statement of financial position when and only when an entity becomes a party to the contractual provisions of the instruments.

3.5.5 De-recognition

Financial assets or liabilities shall be derecognised in the statement of financial position when and only when the contractual rights/obligations to the cash flows from the financial asset/ liability expire, are waived, or are transferred.

3.5.6 Classification of Financial Assets

Financial assets are classified as measured at amortised cost, estimated at fair value through net assets, and measured at Fair value through surplus or deficit (FVTSD).
The agency's financial assets are classified under Financial Assets Measured at Amortised Cost because they have passed the cash flow test, where their cash flow is

comprised of principal and interest, and the Management Modal test, as they are held to collect.

3.5.7 Classification of Financial Liabilities

Financial liabilities are classified as either financial liabilities at amortised cost or financial liabilities at fair value through profit or loss. The Agency's financial liability is measured at amortised cost.

3.5.8 Measurement

3.5.8.1 Initial Measurement

It shall be measured at its fair value plus transaction costs, except for short-term receivables, which are measured at their original invoice value. The Agency measures the financial assets at their invoice price.

3.5.8.2 Subsequent Measurement

Shall be measured at amortised cost using the effective interest method

3.5.8.3 Measurement of Financial Liabilities Measured at Amortised Cost

3.5.8.4 Initial Measurement

It shall be measured at its fair value minus transaction cost, except for short-term payables, which are measured on their original invoice. The Agency measures financial liabilities at its invoice price.

3.5.8.5 Subsequent Measurement

Shall be measured at amortised cost using the effective interest method

3.6 Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to cash and subject to an insignificant risk of change in value.

For the Cash Flow Statement, Cash and Cash Equivalents comprise cash at the bank and cash on hand.

3.7 Provisions for Expenses

A provision for expenses is recognised if, as a result of a past event, the Agency has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.8 Taxation

The Agency is empowered by The Petroleum Bulk Procurement Regulation, 2015, published by Government Notice 508, as amended by G.N. No. 40 of 2024 under The Petroleum Act, CAP 392. It has been registered as an Agency under the Ministry of Energy and has no motive to make profits.

Being a Government Agency with no motive to make profits, no provision for taxes has been made.

The Agency deducted all statutory deductions, such as PAYE and Withholding Taxes, and remitted them to the Tanzania Revenue Authority (TRA) on time.

3.9 Related Parties

The Agency regards a related party as a person or entity that can exert control individually or jointly, or exercise significant influence over the Agency or vice versa. Board members and Members of key management are also regarded as related parties. Where transactions are not at arm's length or not in the ordinary course of business, the transactions and resultant balances are disclosed in related party notes in the financial statements. Related-party transactions have been reported in Note 4.

3.10 Receivables

Receivables represent amounts due from OMCs, suppliers, staff and other parties who received goods and services in the normal course of business.

3.11 Payables

The Agency recognises payables when the service or good has been received but not paid for.

3.12 Financial Risk Management

The Agency is exposed to the following risks from its use of financial instruments:

a) Credit risk
b) Liquidity risk
c) Market risk
d) Currency risk
e) Interest rate risk

This note provides information about the Agency's exposure to the above risks, its objectives, policies, and processes for measuring and managing risk, as well as its capital management. Further quantitative disclosures are included throughout these financial statements. The Agency's Management is responsible for establishing and overseeing the Agency's risk management framework.

The Agency's risk management policies are established to identify and analyse the risks faced by the Agency, to set appropriate risk limits and controls, and to monitor risk adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products, and services offered. Through its training and management standards and procedures, the Agency aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Management is responsible for monitoring compliance with the risk management policies and procedures and for reviewing the adequacy of the risk management framework in relation to the risk faced by the Agency.

a) Credit Risk

Credit risk is the risk of financial loss to the Agency if a customer or counterparty to a financial instrument fails to meet its contractual obligations, arising principally from the Agency's receivables from customers, including the Oil Marketing Companies registered by the Agency. Other receivables do not have standard credit characteristics; they differ depending on whether they are regular prepayments and deposits, "governed by specific prepayment and deposits terms," or the creditworthiness of the entity from which they are receivable.

b) Liquidity Risk

Liquidity risk is the risk that the Agency will be unable to meet its financial obligations as they become due. The Agency's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damaging the Agency's reputation.

The Agency monitors its exposure to liquidity risk using projected cash flows from operations. The Agency's exposure to liquidity risk is considered low due to sufficient cash and bank balances. The Agency has a policy of not using debt or overdraft facilities.

c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, etc., will affect the Agency's income or the value of holdings in its financial instruments. Market risk management aims to manage and control market risk exposures within acceptable parameters while optimising the return.

d) Currency risk

The Agency is exposed to currency risk on purchases denominated in a currency other than its respective functional currency, the Tanzanian Shillings TZS. These transactions are primarily denominated in USD and Tanzanian shillings TZS.

The Agency's strategy for managing its foreign currency exposure is to transact mainly in its functional currency.

The Agency invoices its principal and other customers in Tanzanian Shillings, which is the Agency's functional currency. Therefore, no currency risk is attached to trade receivables.

Specific other debtors, prepayments, creditors and bank balances are denominated/ transacted in USD, which exposes the Agency to some currency risk.

e) Interest rate risk

The Agency's exposure to changes in market interest rates primarily relates to its cash and bank balances. Bank account balances are monitored monthly and kept at the lowest possible operational balance. A fluctuation in interest rates due to changes in economic conditions is not expected to have a material impact on the Agency's financial position; therefore, no sensitivity analysis has been presented.

4.0 Related Party Transactions

The management of the Agency comprises the Board of Directors, Executive Director, Director of Business Support, Director of Operations, Head of Internal Audit, Finance and Planning Manager, Legal Services Manager, Head of ICT and Statistics, Supply & Logistics Manager, and Petroleum Planning Manager. The management team is considered a related party under IPSAS 20. Given the above, the financial statements of the Agency include emoluments paid to management as follows;

GROUP	2023/24 (TZS)	2024/25 (TZS)	CHANGE (TZS)
Management	692,000,000	1,009,625,000	317,625,000
Ministerial Advisory Board (MAB)	31,500,000	31,500,000	NIL
Total	723,500,000	1,041,125,000	317,625,000

5.0 Contingent Liabilities and Other Commitments

There is no known contingent liability as at the end of the period.

6.0 Cases and or Litigations

In February 2021, one Supplier won a tender to supply petroleum products under BPS for both local and transit. The supplier failed to deliver and refused to cancel the LCs and return the funds advanced by Oil Marketing Companies (OMCs). The matter was lodged at the International Chamber of Commerce arbitration stage. The case was funded by an encashed supplier's bank guarantee and contributions from beneficiaries, such as oil marketing companies (OMCs).

The Arbitral Tribunal rendered its final award in favour of the Claimants after carefully considering the evidence and arguments presented by both parties.

The award was rendered in accordance with Article 36 (6) of the ICC Rules, 2021, which stipulates;

"The arbitral tribunal shall render its final award in writing. The award shall state the reasons it is based unless the parties agree that no reasons will be given. The award shall be final and binding on the parties. The parties undertake to carry out the award without delay and shall ensure that any court or other authority enforces it as a judgment or order."

The Tribunal order was as follows:

i. The Supplier is to refund OMCS USD 9,710,651.45, which the Purchasers (OMCs) paid to the Supplier.

ii. The Supplier is to pay the Petroleum Bulk Procurement Agency USD 1,140,048 as penalties for distorting BPS.
iii. The Supplier is to pay all case costs.

The award of USD 1,140,048 (equivalent to TZS 2,994,824,400) as Distortion Penalties, which is payable to the Agency, has been accrued as revenue for the year 2023/24 and is appearing as receivables in the year 2024/25.

7.0 Capital Commitments

The Agency had no capital commitments as of 30 June 2025.

8.0 Comparative Figures

Previous year's figures have been re-arranged whenever considered necessary to make them comparable with current year's figures.

9.0 Subsequent Events

At the date of signing the financial statements, the Agency Management was not aware of any other matter or circumstance arising since the end of the reporting period that was not otherwise dealt with in these financial statements and that significantly affected the agency's financial position and results of operations.

10.0 Reconciliation of Net Cash Flows from Operating Activities to Surplus/(Deficit) for the period ended 30 June 2025

	2024/25 TZS	2023/24 TZS
Surplus/ Deficit for the Period	2,094,846,422	1,631,909,697
Add/ (Less) Non-Cash Item		
Amortization of Intangible Assets	113,129,373	28,282,343
Depreciation of Property, Plant and Equipment	365,410,658	271,684,619
Expected Credit Loss Impairment	15,330,416,455	3,528,347,229
Fair value Gains on Assets and Liabilities	(6,813,192)	(9,960,458)
Gain on Foreign Currency Translation	470,567,214	(3,331,080,042)
Add/ (Less) Change in Working Capital		
Other Receipt	5,158,933,602	2,219,404,498
Payables and Accruals	11,521,004	(47,740,728)
Prepayments	14,900,316	16,680,772
Receivables	(1,553,482,925)	(8,636,906,356)
Net Cash Flow from Operating Activities	21,999,428,927	(4,329,378,425)

Note:13 Age analysis of Receivables

Description	**Balance as at 30 June 2025** **TZS**	**0-12 Months** **TZS**	**More than 12 Months** **TZS**
OMCs Contribution Receivables	100,403,656	90,992,920	9,410,736
Suppliers Contribution Receivables	4,211,164,429	4,211,164,429	0
Penalty Receivables in USD	20,872,116,830	174,395,770	20,697,721,060
Penalty Receivables in TZS	4,690,425,227	0	4,690,425,227
Over and Under delivery Penalties	476,386,515	75,451,880	400,934,635
BPS Distortion	130,916,000	0	130,916,000
Staff loan and advance	781,984,668	514,431,990	267,552,678
Security Deposit	48,103,724	0	48,103,724
Suppliers ICC Court Penalty	2,985,010,479	0	2,985,010,479
Government fees	50,747,593	50,747,593	0
Bond interest receivable	842,000,000	842,000,000	0
TOTAL	**35,189,259,121**	**5,959,184,582**	**29,230,074,539**

Notes	**2024/25** **TZS**	**2023/24** **TZS**
17 - Revenue from Exchange Transactions		
Application fee	185,154,410	329,560,767
Registration Fees	180,000,000	65,000,000

Notes	2024/25 TZS	2023/24 TZS
Tender Documents	2,660,025,276	2,151,329,850
Total	**3,025,179,686**	**2,545,890,617**

Revenue from non-Exchange Transactions		
19 - Fees, Fines, Penalties and Forfeits		
Fines, Penalties and Forfeits	605,100,360	8,568,461,859
21 - Investment Income		
Interest on Other Accounts Receivable	992,000,000	0
24 - Fair Value Gains on Assets and Liabilities		
Reversal of provision for impairment of Receivables (ECL)	6,813,192	9,960,458
31-Contributions from OMCs and Suppliers	30,876,572,420	4,006,478,423
27 - Gain on Foreign Currency Translation		
Foreign Exchange differences (Gain) - Monetary	0	3,331,080,042
Total	**32,480,485,972**	**15,915,980,782**

34 - Wages, Salaries and Employee Benefits		
Civil Servants	3,293,995,683	2,620,543,580
Court Attire Allowance	5,000,000	5,000,000
Extra-Duty	84,390,000	74,570,000
Field (Practical Allowance)	95,040,000	61,790,000
Fuel Allowance	0	44,800,000
Housing allowance Expenses	488,900,000	383,400,000
Leave Travel	315,897,655	229,118,000
Medical and Dental Refunds	73,322,589	92,600,756
Statutory Contributions	816,425,691	635,511,085
Total	**5,172,971,618**	**4,147,333,421**

35 - Use of Goods and Services		
Advertising and publication	3,000,000	102,957,910
Advertising and Publication - Communication & Information	81,368,223	58,570,000
Air Travel Tickets Training - Domestic	58,731,020	33,326,600
Air Travel Tickets Training - Foreign	142,387,168	40,663,281
Air Travel Tickets Travel - In - Country	191,689,140	172,774,900
Air Travel Tickets Travel Out of Country	188,127,280	87,653,883
Books, Reference and Periodicals	6,333,400	300,000
Catering Services	1,372,277,560	1,261,798,955

Notes	2024/25 TZS	2023/24 TZS
Communication Network Services	8,994,300	0
Computer Software - Use of goods and Services	17,963,900	6,259,447
Computer Supplies and Accessories	10,373,895	12,629,976
Conference Facilities	135,383,882	134,399,600
Diesel	189,352,715	149,132,811
Electricity - Utilities, Supplies, and Services	30,989,040	30,466,618
Entertainment - Hospitality Supplies and Services	237,456,965	158,306,620
Exhibition, Festivals and Celebrations	212,750,458	0
Food and Refreshments	367,106,136	160,323,414
Gifts and Prizes	17,000,000	0
Ground Transport (Bus, Train, Water)	16,110,000	2,000,000
Ground travel (bus, railway, taxi, etc) Travel - In - Country	157,407,220	198,387,642
Ground travel (bus, railway, taxi, etc) Travel Out of Country	1,064,400	0
Health Insurance Training - Foreign	3,424,383	2,000,000
Internet and Email connections	172,812,827	106,633,803
Mobile Charges	83,766,100	62,976,400
Newspapers and Magazines	9,512,400	3,656,400
Office Consumables (papers, pencils, pens and stationery)	200,426,356	200,719,521
Outsourcing Costs (includes cleaning and security services)	10,070,441	18,712,480
Per Diem - Domestic	3,263,603,709	2,637,959,541
Per Diem - Foreign	1,645,903,015	1,034,538,866
Posts and Telegraphs	354,000	0
Printing and Photocopy paper	48,000,000	31,191,000
Printing and Photocopying Costs	66,423,500	44,470,200
Protective Clothing, footwear and gears	15,678,000	13,560,694
Publicity	170,641,025	27,050,000
Remuneration of Instructors	6,502,100	8,100,000
Rent - Office Accommodation	742,272,136	618,613,862
Special Foods (diet food)	4,401,000	0
Subscription Fees	486,461,093	453,879,905
Telephone Charges (Land Lines)	0	5,340,798
Training Allowances	29,799,700	16,730,000
Tuition Fees Training - Domestic	214,175,900	285,094,483
Tuition Fees Training - Foreign	3,169,261	0
Uniforms -Clothing, Bedding, Footwear and Services	50,000,000	0
Visa Application Fees	6,783,710	5,403,310
Total	**10,680,732,355**	**8,186,582,920**

Notes	2024/25 TZS	2023/24 TZS
36 - Maintenance Expenses		
Computers, printers, scanners, and another computer related equipment	109,686,999	19,820,879
Motor Vehicles and Water Craft	81,211,017	46,771,514
Outsource maintenance contract services - Machinery, Equipment and Plant	17,447,894	26,534,095
Repair and Maintenance of Furniture	6,405,428	28,226,686
Total	**214,751,338**	**121,353,174**
45 - Loss on Foreign Currency Translation		
Foreign Exchange differences (Loss) - Monetary	470,567,214	0
52 - Other Expenses		
Audit fees Expenses	80,060,000	79,830,000
Internal Audit expenses	32,000,000	22,970,000
Bank Charges and Commissions	10,037,397	5,750,005
Burial Expenses	0	20,000,000
consultancy fees	60,084,200	115,908,651
Contingencies Item	0	49,225,000
Director's Fee	31,500,000	20,300,000
Legal fees Expenses	10,000,000	15,000,000
Parking Expenses	0	6,119,684
Specialized Equipment and Supplies	170,000,000	0
Sundry Expenses	0	31,274,655
Tax expense on Investment	3,698,630	0
Total	**397,380,227**	**366,377,995**
54 - Expected Credit Loss		
Expected Credit Loss	15,330,416,455	3,528,347,229
Total	**15,330,416,455**	**3,528,347,229**
60 - Other Transfers		
15% Contribution to Consolidated Fund	665,460,000	180,000,000
Total	**665,460,000**	**180,000,000**
62 - Cash and Cash Equivalents		
BOT Own source Collection Account	463,337,690	633,092,614
Deposit Account USD	6,243,898,723	6,757,919,595
Deposit Cash Account	370,739,740	253,916,239
Development Revenue Account	0	0
Own source Collection Account -CRDB	0	4,716,380

Notes	2024/25 TZS	2023/24 TZS
Own source Recurrent Expenditure GF	372,891,892	410,622,928
USD BOT Collection Account	624,075,682	5,206,500,603
USD Commercial Collection Account	594,352,566	593,686,180
Total Cash and Cash Equivalents before provision for ECL	**8,669,296,293**	**13,860,454,539**
Provision for ECL (Note 101)	(166,437,412)	(173,250,605)
Net present value of Cash and Cash Equivalents after provision for ECL	**8,502,858,880**	**13,687,203,935**
67 - Receivables		
OMCs Contributions	100,403,656	464,818,591
Suppliers Contributions	4,211,164,429	0
Penalty in TZS	592,541,782	620,537,523
Penalty in USD	2,013,328,608	19,506,119,401
Over and Under delivery penalties	476,386,515	980,970,025
BPS Distortion	130,916,000	131,346,500
Staff Loan Advance	781,984,668	720,044,848
Security Deposit	48,103,724	48,103,724
Al Chemist Energy Enc	0	542,755,972
Suppliers ICC Court Penalty	2,985,010,479	2,994,824,400
Government Institution fees	50,747,593	0
Bond Interest Receivable	842,000,000	0
Withholding Tax receivable	42,574	53,591
Total receivables net of ECL	**12,232,630,028**	**26,009,574,575**
Workings for Penalty receivables		
Penalty receivable in TZS as at 30th June 2025	4,690,425,227	4,718,420,968
Less Total Provision for ECL in TZS	(4,097,883,445)	(4,097,883,445)
Penalty receivable in TZS as at 30th June 2025 net of Provision for ECL	**592,541,782**	**620,537,523**
Penalty receivable in USD as at 30th June 2025	20,872,116,830	23,034,466,630
Less Total Provision for ECL in USD	(18,858,788,222)	(3,528,347,229)
Penalty receivable in USD as at 30th June 2025 net of Provision for ECL	**2,013,328,608**	**19,506,119,401**
69 - Prepayments		
Prepayment - Employee Benefit Expenses	25,133,530	44,406,119
Prepayment Consumables	7,698,531	3,326,258
Total	**32,832,061**	**47,732,377**

Note-74 -Effects of Foreign Currency Changes
Foreign currency transactions are translated into Tanzanian Shillings at the exchange rates prevailing on the transaction dates. Foreign exchange gains and losses resulting from the settlement of such

Notes	2024/25 TZS	2023/24 TZS

transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of financial performance.

Foreign exchange gains and losses resulting from the settlement	**TZS**
Total foreign exchange gains resulting from the settlement	111,781,812

Foreign exchange gains and losses resulting from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies

	Balance in TZS before revaluations	Equivalent Balance in USD	Exchange rate at the year-end	Revalued Balance (TZS)	Gain(loss) - TZS
Receivable	25,723,465,571	9,801,071	2,618	25,662,341,268.05	-61,124,303
Payables	10,855,257,344	4,032,017	2,618	10,557,111,458.39	298,145,885
Cash Balance	8,281,697,579	2,850,044	2,618	7,462,326,970.43	-819,370,609
Total Foreign exchange losses resulting from translation	44,860,420,494	16,683,133		43,681,779,697	**-582,349,026**
Total Foreign exchange losses					**-470,567,214**

89- Payables and Accruals	**2024/25**	**2023/24**
Mobile phone airtime		6,280,000
Internet connectivity	1,540,000	1,275,000
Electricity	5,866,848	2,905,817
Email hosting	5,983,490	-
Retention payable	8,580,466	-
Total	**21,970,804**	**10,460,817**

Note 94: Deposit Payable Analysis	**2025/26 TZS**	**2024/25 TZS**
Demurrage due to Cascading Effect	1,482,187,579	349,658,476
Contributions toward the contaminated jet A1 investigation (2017)	156,196,051	156,709,682
Encashed Performance Bank Guarantee	17,698,099	293,525,749
Suppliers Penalties	1,374,367,190	1,830,350,266
Demurrage due to Suppliers	4,551,611,146	-
Cash Guarantee	615,055,800	615,055,800
Other Deposit in TZS	2,766,305	3,166,845
Other Deposit in USD	4,386,896,813	4,386,896,813
Government Institution Fees		196,052,442
Alchemist Energy	206,226,631	-

	2025/26	2024/25
Note 94: Deposit Payable Analysis	**TZS**	**TZS**
Equal Pricing Compensation	194,294,142	-
Unapplied	3,300,000	250,000
Total	**12,990,599,756**	**7,831,666,073**

	2025	2024
Note 95: Collection from Deposits	**TZS**	**TZS**
Closing Deposit	12,990,599,756	7,831,666,153
Opening Deposit	7,831,666,153	5,612,261,655
Collection from Deposits	5,158,933,602	2,219,404,498

Note 96: Income From Investments

Investment type	Bank	Investment - TZS	Interest Rate	Earned and Accrued Income	Actual amount received	Total Earned Income
FDR	TCB	10,600,000,000	12%	742,000,000	-	742,000,000
BOND	CRDB	5,000,000,000	12%	100,000,000	150,000,000	250,000,000
FDR	TCB	10,220,000,000	13%	-	-	-
Total		**25,820,000,000**		**842,000,000**	**150,000,000**	**992,000,000**

Note 97 - (a) PPE Movement Schedule as at 30 June 2025

Financial Year 2024/25	Office equipment	Office Furniture and Fittings	Motor vehicles	Motorbikes and bicycles	Total
	TZS	TZS	TZS	TZS	TZS
As at 01 July 2024 (COST)	1,842,435,978	486,143,527	1,828,939,091	9,500,000	4,167,018,596
Additions Monetary	397,864,612	502,155,348			900,019,960
As at 30 June 2025	**2,240,300,590**	**988,298,875**	**1,828,939,091**	**9,500,000**	**5,067,038,556**
DEPRECIATION					
As at 01 July 2024	608,129,536	124,931,208	1,006,165,113	5,973,333	1,745,199,190
Charge for the year	172,255,642	60,294,927	131,940,088	920,000	365,410,658
As at 30 June 2025	**780,385,178**	**185,226,135**	**1,138,105,201**	**6,893,333**	**2,110,609,848**
Net Carrying Value 30 June 2025	**1,459,915,412**	**803,072,740**	**690,833,890**	**2,606,667**	**2,956,428,708**

Note 97 - (b)PPE Movement Schedule as at 30 June 2024

Financial Year 2023/24	Office equipment	Office Furniture and Fittings	Motor vehicles	Motorbikes and bicycles	Total
	TZS	TZS	TZS	TZS	TZS
As at 01 July 2023 (Cost)	1,069,106,074	299,732,871	1,828,939,091	9,500,000	3,207,278,036
Additions Monetary	773,329,904	186,410,656			959,740,560
As at 30 June 2024	1,842,435,978	486,143,527	1,828,939,091	9,500,000	4,167,018,596
DEPRECIATION					
As at 01 July 2023	500,494,861	93,741,799	874,224,578	5,053,333	1,473,514,571
Charge for the year	107,634,675	31,189,409	131,940,535	920,000	271,684,619
As at 30 June 2024	608,129,536	124,931,208	1,006,165,113	5,973,333	1,745,199,190
Net Carrying Value 30 June 2024	**1,234,306,442**	**361,212,319**	**822,773,978**	**3,526,667**	**2,421,819,406**

Note 98 - Intangible Asset Movement Schedule as at 30 June 2025

Descriptions	Cost as of 01-July-2023	Transfers Monetary assets (from WIP)	Addition - Monetary	Total Additions	30-Jun-24	Amortisation as at 01-Jul-2024	Amortisation charge for the year	30-Jun-25	Carrying Value
	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Computer Software	0	0	0	1,131,293,729	1,103,011,385	28,282,343	113,129,373	141,411,716	989,882,013
Total	**0**	**456,924,918**	**674,368,811**	**1,131,293,729**	**1,103,011,385**	**28,282,343**	**113,129,373**	**141,411,716**	**989,882,013**

Note 100 (a) - Provision for Expected Credit Loss - Penalties Receivables	**2025**	**2024**
	TZS	**TZS**
Opening balance	7,626,255,212	4,097,907,983
Expected Credit Loss for the year	15,312,156,646	3,528,347,229
Closing balance	**22,938,411,858**	**7,626,255,212**

Note 100 (b) - Provision for Expected Credit Loss - Contribution Receivables	**2025**	**2024**
	TZS	**TZS**
Opening balance	-	-
Expected Credit Loss for the year	18,259,809	-
Closing balance	**18,259,809**	-

Assumptions of the Loss Rates using the Simplified Modal

Buckets	**Loss Rates**
0-30 Days	0.6%
31-60 Days	0.6%
61-90 Days	0.7%
91-120 Days	0.7%
121-150 Days	0.8%
151-180 Days	0.8%
181-210 Days	0.9%
211-240 Days	0.9%
241-270 Days	1.0%
271-300 Days	16.6%
301-330 Days	16.6%
331-365 Days	16.7%
365-730 Days	16.7%
Above 730 Days	100.0%

The Expected Credit Loss of TZS 22,956,671,667 as at 30th June 2025 is made up of TZS 22,938,411,858 and TZS 18,259,809 for penalties and contributions respectively. For the financial year 2023/24 the Expected Credit Loss stood at TZS 7,626,255,212 for penalties only, there was no ECL for contributions.

A provision for Expected Credit Loss of TZS15,330,416,455 which is made up of TZS 15,312,156,646 and Tshs 18,259,809 for penalties and contributions have been provided for the financial year 2024/25, the significant increase in Expected Credit Loss is due to penalty receivables that have accumulated over a long period. These receivables were submitted to the Solicitor General for legal actions, as some of the OMCs had their business licences revoked by EWURA.

Note 101- Provision for Expected Credit Loss Cash& Cash Equivalent	2025	2024
	TZS	TZS
Provision for ECL	166,437,412	173,250,605

Workings for ECL- Cash and Cash Equivalent										
Financial Year	Account identified	Bank Name	Rating Agency	Score by Rating Agency	Cash Balance (EAD)	PD	LGD	Expected Credit Loss (ECL) in a year	Adjusted cash Balance	ECL CHARGE FOR THE YEAR
Currency					TZS	%	%	TZS	TZS	TZS
2023/24	Various Accounts	CRDB BANK	Moodys	b2	8,020,861,322	2.16	100	173,250,605	7,847,610,717	9,960,458
2024/25	Various Accounts	CRDB BANK	Moodys	b2	7,705,435,772	2.16	100	166,437,413	7,538,998,359	6,813,192

Note 102: LIST OF TRANSACTIONS/BALANCES WITH OTHER GOVERNMENT ENTITIES FOR THE YEAR FY 2025				
SN	GOODS/SERVICE RECEIVED	NAME OF ENTITY PROVIDED GOODS/SERVICE	AMOUNT PAID (TZS)	BALANCE (TZS)
1.	RENT /DAR	TANZANIA PORTS AUTHORITY	578,984,617	
2.	HEALTH	NATIONAL HEALTH INSURANCE FUND	267,854,303	
3.	RENT/DODOMA	PSSSF COLLECTION ACCOUNT	28,335,497	
4.	EMAIL HOSTING	TANZANIA TELECOMMUNICATION LTD	144,481,778	5,983,490
5.	FUEL	GOVERNMENT PROCUREMENT SERVICES AGENCY	14,718,529	
6.	AUDIT SERVICE	CONTROLLER AND AUDITOR GENERAL COLLECTION ACCOUNT	80,060,000	
7.	SUBSCRIPTION FEES	ENGINEERS REGISTRATION BOARD	780,000	
8.	KIBALI CHA MALIPO YA VITABU	GOVERNMENT PRINTER	13,300,000	
9.	SUBSCRIPTION FEES	PROCUREMENT AND SUPPLIES PROFESSIONALS BOARD	320,000	
10.	SERVICE CHARGE	TANZANIA PORTS AUTHORITY	131,410,085	
11.	ELECTRICITY	TANZANIA PORTS AUTHORITY	29,997,353	5,866,849
12.	GOVERNMENT CONTRIBUTION	TREASURY REGISTRAR	665,460,000	
13.	TRAINING FEES	OPEN UNIVERSITY TANZANIA	35,220,000	
14.	EXHIBITION EXPENSES	TANZANIA TRADE DEVELOPMENT AUTHORITY	13,895,022	
15.	PSSSF CONTRIBUTION	EMPLOYER'S CONTRIBUTION	486,312,750	
	TOTAL		**2,491,129,934**	**11,850,339**