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OFISI YA RAIS, FEDHA NA MIPANGO**

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CBA.26/199/01/02/50

25 September 2023

All Chief Executive Officers (CEOs)
Public Investment Entities,
ZANZIBAR.

TREASURY REGISTRAR CIRCULAR NO. 2/2023

**RE: GUIDELINES FOR PREPARATION OF THE ANNUAL BUDGET FOR
PUBLIC INVESTMENT ENTITIES FOR FINANCIAL YEAR 2024/2025 AND
MEDIUM-TERM PROJECTIONS FOR FINANCIAL YEARS 2025/2026 AND
2026/2027**

1.0 INTRODUCTION

1.1 In accordance with the Office of the Treasury Registrar and Public Assets Management Act 2021, Section 9 (1) and Section 36 (3) requiring the Treasury Registrar (TR) to analyze and make recommendations on submitted corporate plans and annual plans of the Public Investment Entities (PIEs) for approval before commencement of the next financial year. Consequently, all PIEs are required to prepare and submit their proposed corporate and annual plans including proposed investments/development projects budgets, and recurrent budget for operations to the Office of the Treasury Registrar (OTR) before commencement of the next financial year for approval.

1.2 In submitting the proposed investments/development projects budget and recurrent budget for operations should indicate the projected revenue and expenditure for the budget

2.0 THE PURPOSE OF THE CIRCULAR

The purpose of this Circular is to provide guidelines for the preparation and submission of proposed corporate and annual plans including proposed investment/development projects budgets, and recurrent budget for operations for **Financial Year (FY) 2024/2025**.

3.0 GENERAL GUIDELINES

3.1 Preparation of this Guideline has considered Public Finance Management Act No. 12 of 2016; Public Procurement and Disposal of Public Assets Act No. 11 of 2016; and the five (5) years Zanzibar Development Plan – ZADEP (2021-2026).

3.2 In this regard therefore, in preparing the proposed budgets, PIEs are required to adhere and align the proposed budget to provisions cited in 3.1.

3.3 All Chief Executive Officers (CEOs) are responsible to ensure the preparation of annual budget are considering the Government strategic goals specified in the: -

- (a) CCM manifesto of 2020-2025;
- (b) Zanzibar Development Vision 2050 (ZDV 2050);
- (c) Sustainable Development Goals (SDGs), 2030;
- (d) Sensor statistics of 2022;
- (e) Implementation of various Presidential Directives; and
- (f) PIE's Strategic Plan;

4.0 SCOPE AND APPLICABILITY OF THIS CIRCULAR

This Circular shall apply to all Public Investment Entities as defined in Office of the Treasury Registrar and Public Assets Management Act, 2021.

5.0 IMPLEMENTATION OF THE CIRCULAR

All Public Investment Entities (PIEs) under the scope of this Circular, are required to comply with this Circular on preparation of their annual budget for the FY 2024/2025 and submit the same to the Office Treasury Registrar at least thirty (30) days before commencement of the next financial year for approval.

6.0 EFFECTIVE DATE OF THE CIRCULAR

This Circular shall come into operation with effect from the date of issue of this Circular.

7.0 PIEs BACKGROUND INFORMATION

All Public Investment Entities are required to present statement of background information, mandate/core functions, short-term objectives/strategic intend, performance review for the last financial year including challenges and strategic measures to overcome those challenges, and the outlook.

8.0 ESTIMATES OF REVENUE

All Public Investment Entities are required to disclose all revenues that accrue to the respective entity, including grants/Government Subvention and loan.

9.0 EXPENDITURE CONTROL

9.1 All Public Investment Entities are required to entrench prudent financial management practices in their planning. As a matter of priority, PIEs should enhance cost control measures with the aim of delivering services in the most cost-effective manner.

9.2 Chief Executives Officers (CEOs) of PIEs are reminded that incurring expenditures that are **NOT** approved by their Board of Directors and the Treasury Registrar is illegal & irregular and they will be held personally liable for such expenditures.

10.0 PAYMENT OF DIVIDENDS.

All Public Investment Entities are expected to generate reasonable returns, declare and pay dividends to Government. In this regard, PIEs are required to develop a **Dividend Policy** and submit the same to the OTR for approval.

11.0 BORROWINGS

All Public Investment Entities are reminded that they should not procure any loan, overdraft facility and/or any form of credit facility with financial institution, unless such borrowing;

(a) Is permitted by and in accordance with Section 58 (6) of Public Financial Management Act, 2016; and

- (b) If is permitted by other law but not in conflict with Public Financial Management Act, 2016.

12.0 REVISION OF BUDGET

12.1 As Public Investment Entities implement approved annual budget for revenue and expenditure during the respective FY, it is possible that unforeseen and unavoidable events may impact their operations and revision of the budget becomes necessary. Consequently, any revision exceeding 15% of the approved budget for revenue and expenditure must be submitted for review and approval by the TR.

12.2 The information required in the submission of the FY 2024/2025 budget proposal is as outlined in the Templates attached to this Circular. All Public Investment Entities are therefore, required to submit ALL relevant information in the respective Templates.

13.0 SUBMISSION OF 2024/2025 ANNUAL BUDGET

13.1 Public Investment Entities are required to ensure complete and accurate data/information is fully provided and submitted to the OTR and should include the following:

14.1.1 Statement of the PIE's background information, short-term objectives, performance review for the last FY and outlook as approved by the Board, the degree to which a program will address the core mandate of the PIE;

14.1.2 Updated PIE Board of Directors/Governing Bodies and Top management if any;

14.1.3 Main assumptions including key economic parameters for the FY 2024/2025 and Medium Term (FY 2025/2026 and FY 2026/2027);

14.1.4 Concise explanatory notes on the proposed recurrent and capital budget.

14.1.5 Summary of the proposed recurrent and capital budget as per the attached templates to include all estimates of internally generated revenue, grants from Government and development partners.

13.2 The proposed capital and development budgets should clearly indicate: -

14.2.1 Ongoing projects: An implementation schedule clearly indicating when the project started, initial cost of the project, level of completion, projected work(s) and budget to completion as well as sources of funding.

14.2.2 New projects: These should be accompanied with feasibility study report and implementation schedule;

14.2.3 Capex: Budget for Capital Items are for normally procured items on a one-off basis to support the operations and maintenance of PIEs but whose useful life is beyond one financial year like motor vehicle, computers, office furniture, among others.

14.2.4 The Statement of Cash Flow and projections should be consistent with other statements in the submitted budget and should not reflect any overdrawn position (negative cash flow) unless the PIE has in place bank overdraft facilities which have been approved by relevant authorities.

15 DEADLINES FOR SUBMISSION OF FY 2024/2025 ANNUAL BUDGET AND FYs 2025/2026 & 2026/2027 PROJECTIONS

Annual budget for FY 2024/2025 and projections for the FYs 2025/2026 & 2026/2027 for PIEs should be submitted not later than **30th November 2023** for those PIEs with Calendar year (January -December) and **31st May 2024** for PIEs with Government FY.

14.0 REQUIREMENT FOR EXPLANATORY NOTES ON THE PROPOSED RECURRENT BUDGET AND CAPITAL/DEVELOPMENT BUDGET.

PIEs are required to provide explanatory notes on proposed recurrent budget as well as on proposed capital/development budget. These envisioned to substantiate line items shown in the **annexures**.

15.0 RESPONSIBILITY FOR SUBMISSIONS

15.1 Responsibility for ensuring that the PIE comply with the provisions of this Circular lies with the Board of Directors/Governing Bodies and Chief Executive Officer of the PIE.

15.2 Extracts of minutes of the relevant meeting of the Board of Directors/Governing Bodies at which the annual estimates and projections of revenue and expenditure were approved should be included in the submission. **The Board Resolution should clearly indicate the approved amount for recurrent and development expenditure.**

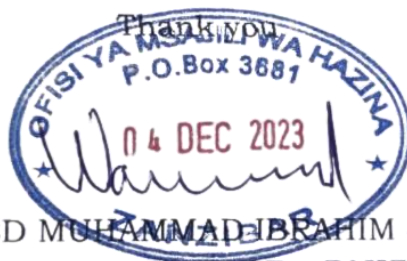
16.0 QUARTERLY PERFORMANCE REPORT

16.1 All Public Investment Entities are required to prepare quarterly budget implementation report in the format as attached and shown in the **Annexure XII**. The report will show status implementation of revenue budget, expenditure budget and project implementation.

16.2 Budget quarterly performance for each quarter for PIEs should be submitted in hard and softcopy to OTR **not later than 15th day** after reference quarter. The OTR shall issue guideline and procedure for submitting the report in softcopy through OTRMIS system.

17.0 CONCLUSION

The OTR will only approve or recommend approval for the proposed budgets that submitted in line with this Circular. Further, Accounting Officers and CEOs are reminded to ensure that PIE commences the implementation of programs or incurs expenditure for the financial year where approval of the proposed budget has been granted by the Treasury Registrar.



WAHEED MUHAMMAD IBRAHIM SANYA
TREASURY REGISTRAR - ZANZIBAR.

Copied to:

Private Secretary to the President of Zanzibar
ZANZIBAR.

State House - Chief Secretary
Office of Revolutionary Council,
ZANZIBAR.

Minister,
(PO) Finance and Planning
ZANZIBAR

Controller and Auditor General **(CAG)**
Office of Controller and Auditor General Zanzibar
ZANZIBAR

Internal Auditor General **(IAG)**
Department of Internal Auditors General Zanzibar
ZANZIBAR

1. STATEMENT OF FINANCIAL PERFORMANCE/RECURRENT BUDGET

1.1 STATEMENT OF FINANCIAL PERFORMANCE/RECURRENT BUDGET

	Actual	Forecast	Proposed Budget	Projected Budget	Projected Budget
	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Details					
Recurrent Revenue					
Sales (Goods or Services)					
Cost of Sales (Goods or Service)					
Gross Profit					
Other Income					
Impairment on Financial Assets					
Other Gain/(Losses)					
Total Recurrent Revenue					
Operating Expenses					
Personnel Emoluments					
Administrative Expenses					
Selling and Distribution Cost					
Other Operating Expenses					
Depreciation & Amortization					
<i>NB.: PIE can add rows and include other items</i>					

Total Operating Expenses					
Operating Profit/ Loss/ Surplus /Deficit					
Interest Income					
Interest Expenses					
Taxes					
Net Operating Profit/ Loss/ Surplus /Deficit					

1.2 CONCISE EXPLANATORY NOTES ON THE PROPOSED RECURRENT BUDGET

2. CAPITAL AND DEVELOPMENT BUDGET
 2.1 CAPITAL PROJECTS

	Details	Initial Cost	Revised Cost (If Any)	Project Start Date	Actual Accumulated Expenditure	Amount required to Completion	Source of Fund	Proposed Budget
	Ongoing-Projects							
1								
2								
3								
	Total On-Going Project							
	New Projects							
1								
2								
3								
	Total New Projects							
	Total Capital/ Development Projects							

2.2 EXPENDITURE ON CAPITAL ITEM

	Details	Source of fund	Proposed Budget
1			
2			
3			
4			
5			
	TOTAL		

2.3 CONCISE EXPLANATORY NOTES ON THE PROPOSED CAPITAL/DEVELOPMENT BUDGET.

3. STATEMENT OF FINANCIAL POSITION

3.1 STATEMENT OF FINANCIAL POSITION

Details/Date	Actual As at 30 th June 2023	Forecast As at 30 th June 2024	Projection End Budget Year As at 30 th June 2025
ASSETS			
Non-Current Assets			
Property, Plant & Equipment			
Right of Use Assets			
Intangible Assets			
Investment Properties			
Work in Progress			
Deferred Tax Asset			
Lease prepayment			
Long Term Government Securities			
Financial Assets (Long Term)			
<i>NB.: List all non-current assets</i>			
Total Non-Current Assets			
Current Assets			
Inventory			
Receivables & Prepayments			
Fixed Deposit with Banks			
Short Term Government Securities			
Intercompany Debtors			
Financial Assets (Short-term)			
Cash & Cash Equivalents			
Income Tax Recoverable			

<i>NB.: List all current assets</i>			
Total Current Assets			
Total Assets			
Financed By			
Capital and Reserves:			
Non-Controlling Interest			
Capital grants			
Share Capital			
Share Premium			
Capital Reserve			
Reserves			
Revaluation Reserve			
Accumulated Profit/(Loss)			
Total Capital and Reserves			
Liabilities			
Non-Current Liabilities			
Long Term Borrowings			
Lease Liability (Non-Current)			
Deferred Tax			
Due from Related Parties			
Defined Benefit Obligation			
Loans from Shareholders			
Retirement Benefit Obligation			
Security Deposits			
<i>NB.: List all non-current Liabilities</i>			
Total Non-Current Liabilities			
Current Liabilities			
Payables and Accruals			
Provisions			
Derivative Liabilities			
Lease Liabilities (Current)			

Due to Related Parties			
Dividend Payable			
Bank Overdraft			
Income Tax Payable			
Short Term Borrowings			
<i>NB.: List all current Liabilities</i>			
Total Current Liabilities			
Total Liabilities:			
Total Equity & Liabilities			

3.2 CONCISE EXPLANATORY NOTES ON STATEMENT OF FINANCIAL POSITION

4. STATEMENT OF CASH-FLOW

4.1 STATEMENT OF CASH-FLOW

	Actual	Forecast	Budget Year
Details/Financial Year	2022/2023	2023/2024	2024/2025
Cash Flows from Operating Activities			
Cash Generated from Operations			
Interest Received			
Dividend Received			
Operations & Administrative Expenses			
Management Fees Paid			
Interest Paid			
Tax paid			
Dividend paid			
Net Cash flows from Operating Activities			
Cash flows from Investing Activities			
Purchase of Property, Plant and Equipment			
Purchase of Intangible Assets			
Disposal of PPE/Intangible Asset			
Net Cash flows generated from (used in) Investing Activities			
Cash flows from Financing Activities			
Proceeds from Borrowings			
Repayment of Borrowings			
Net Cash flows generated from (used in) Financing Activities			
Effect of Exchange rate changes on cash and cash equivalents			
Increase (Decrease) in Cash & Cash Equivalents			
Cash and Cash Equivalent at Beginning of the Year			
Cash and Cash Equivalent at End of the Year			

4.2 CONCISE EXPLANATORY NOTES ON THE STATEMENT OF CASH FLOW

5. STATEMENT OF FINANCIAL PERFORMANCE FOR SOCIAL SECURITY FUNDS

5.1 STATEMENT OF FINANCIAL PERFORMANCE/RECURRENT BUDGET

	Actual	Forecast	Proposed Budget	Projected Budget	Projected Budget
	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Revenue					
Contributions & Benefits					
Contributions					
Penalty on Delayed Contributions					
Benefit expenses					
Gross Income from dealing with Members					
Investment income					
Interest income					
Dividend income					
Rental income					
Net changes in fair values					
Share of Profit of Associates & Joint Ventures					
Net investment income					
Other Income					
Total income before expenses					

Expenses					
Investment Expenses					
Impairment on Investments					
Administrative Expenses					
Employee Expenses					
Depreciation & Amortization					
Statutory expenses					
Benefit Expenses					
Total Expenses					
Increase in net assets for the year					
Income tax charge					
Increase in net assets for the year after income tax					
Net assets available for benefit at the start of the year					
Net assets available for benefit at the end of the year					

5.2 CONCISE EXPLANATORY NOTES ON THE PROPOSED RECURRENT BUDGET

6. STATEMENT OF FINANCIAL POSITION FOR SOCIAL SECURITY FUNDS

6.1 STATEMENT OF FINANCIAL POSITION

Details/Date	Actual As at 30 th June 2023	Forecast As at 30 th June 2024	Projection End Budget Year As at 30 th June 2025
Assets			
Investment Assets			
Investment Properties			
Investment in Associate & Joint Ventures			
Investment in Subsidiaries			
Equity investments			
Investment in Government Securities			
Corporate Bonds			
Loan investments			
Fixed Deposits			
Deposit with financial institutions			
Other investment balance			
Tradeable inventories			
Investments assets			
Other Assets			
Cash and Cash equivalent			
Prepayments			
Contribution and other receivables			
Property, Plant & Equipment			
Intangible Assets			
Stationery and Consumables			
Other Tax Recoverable			
Deferred income Tax Assets			
Corporation tax recoverable			

Total other assets			
Total Assets			
Liabilities			
Deferred income Tax Liabilities			
Benefits Payables			
Other payables			
Provisions			
Payable to subsidiaries			
Corporate tax payables			
Total Liabilities			
NET ASSETS AVAILABLE FOR BENEFITS			

6.2 CONCISE EXPLANATORY NOTES ON STATEMENT OF FINANCIAL POSITION

7. STATEMENT OF CASH-FLOW FOR SOCIAL SECURITY FUNDS

7.1 STATEMENT OF CASH-FLOW

	Actual	Forecast	Budget Year
Details/Financial Year	2022/2023	2023/2024	2024/2025
Cash Flows from Operating Activities			
Administration expenses (Net of depreciation)			
Other income			
Inventory			
Members' contributions, other receivable and institutional loan			
Benefit Liabilities and other liabilities			
Un Earned Rent			
Net cash flows from operating activities			
Cash flow from investing activities			
Return on Investment			
PPE			
Work in Progress (WIP)			
Investment Property			
Investment in Equity			
Investment in Government Security			
Fixed Deposit			
Institution Loan			
Net cash flows from Investing activities			
Cash Flows from financing activities			
Contribution and Penalties received			
Refund and Payments to pensioners			
Net cash Flows from Financing Activities			
Net increase/ (decrease) in cash and cash equivalent			
Cash and cash equivalent at beginning			
Cash and cash equivalent at end of the Year			

7.2 CONCISE EXPLANATORY NOTES ON THE STATEMENT OF CASH FLOW

8. STATEMENT OF FINANCIAL PERFORMANCE/RECURRENT BUDGET FOR BANKS

8.1 STATEMENT OF FINANCIAL PERFORMANCE/RECURRENT BUDGET

	Actual	Forecast	Proposed Budget	Projected Budget	Projected Budget
	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Details					
Interest income					
Interest expense					
Net interest income					
Bad debts written off					
Impairment losses on Loans and Advances					
Non-Interest Income:					
Foreign Currency Dealings & Translation Gains/(Loss)					
Fees and Commission					
Dividend Income					
Other Operating Income					
Non-Interest Expense:					
Salaries and Benefits					
Fees and Commission					
Other Operating Expenses					

Operating Income/(Loss)					
Income tax expense					
Net Income/(Loss) after Income Tax					
Other Comprehensive Income, net of tax					
Total comprehensive income for the year					

8.2 CONCISE EXPLANATORY NOTES ON THE PROPOSED RECURRENT BUDGET

9. STATEMENT OF FINANCIAL POSITION FOR BANKS

9.1 STATEMENT OF FINANCIAL POSITION

Details/Date	Actual As at 30 th June 2023	Forecast As at 30 th June 2024	Projection End Budget Year As at 30 th June 2025
Assets			
Cash			
Balances with Bank of Tanzania			
Investment in Government Securities			
Balances with Other Banks and Financial Institutions			
Cheques and Items for clearing			
Inter branch float items(lend)			
Bills Negotiated			
Customers' liabilities for acceptances			
Interbank loans receivables			
Investment in other securities			
Loans, Advances and Overdrafts (Net of Allowances for Probable Losses)			
Other Assets			
Equity Investments			
Underwriting Accounts			
Property, Plant & Equipment			
Intangible Asssets			
Right of Use Assets			
Total Assets			
Liabilities			
Inter branch float items(borrow)			
Lease Liabilities			
Deposits from Other Banks and Financial Institutions			

Customer Deposits			
Cash letters on Credit			
Special Deposits			
Payment Orders/Transfer Payable			
Bankers' cheques and draft issued			
Accrued taxes and expenses payable			
Acceptance outstanding			
Unearned income and Other deferred charges			
Other Liabilities			
Borrowings			
Total Liabilities			
Net Assets/(Liabilities)			
Shareholder's Fund			
Paid up Share Capital			
Capital Reserves			
Retained Earnings			
Other Capital Accounts			
Minority Interests			
Total Shareholder's Fund			

9.2 CONCISE EXPLANATORY NOTES ON STATEMENT OF FINANCIAL POSITION

10. STATEMENT OF CASH-FLOW FOR BANKS

10.1 STATEMENT OF CASH-FLOW

	Actual	Forecast	Budget Year
Details/Financial Year	2022/2023	2023/2024	2024/2025
Cash flow from Operating Activities:			
Cash generated/(used in) Operations			
Tax Paid			
Net cash provided (used) by Operating Activities			
Cash flow from Investing Activities:			
Dividend Received			
Purchase of Non-current Assets			
Proceeds from Sale of Non-Current Assets			
Purchase of Non-Dealing Securities			
Proceeds from Sale of Non-Dealing Securities			
Net cash provided (used) by Investing Activities			
Cash flow from Financing Activities:			
Repayment of Long-term Debt			
Proceeds from Issuance of Long-term Debt			
Proceeds from Issuance of Share Capital			
Payment of Cash Dividends			
Net cash provided (used) by Financing Activities			
Net Movement in Cash and Cash Equivalent			
Cash and cash equivalents at Start			
Cash and Cash Equivalents at End			

10.2 CONCISE EXPLANATORY NOTES ON THE STATEMENT OF CASH FLOW

11. STATEMENT OF CASH RECEIPTS AND PAYMENT / RECURRENT BUDGET FOR IPSAS CASH ENTITIES

11.1 STATEMENT OF CASH RECEIPTS AND PAYMENT / RECURRENT BUDGET

	Actual	Forecast	Proposed Budget	Projected Budget	Projected Budget
	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027
Details					
Receipt					
Taxation					
External Assistance					
Domestic Grants and Loans					
Dividends					
Other Receipts (Non-Tax)					
Total Receipt					
Payment and Transfers					
Personal Emoluments					
Current Grants, Transfers and Subsidies					
Suppliers - goods, works and services					
Routine Maintenances and Repair					
Social Benefits					
Other Payments					
Purchase of Assets					
Loan and interest repayments					

Development expenditure					
Total payments & Transfers					
Net in Cash Increase/(Decrease)					
Cash at the beginning of the period					
Cash at the End the period					
Net in Cash Increase/(Decrease)					

11.2 CONCISE EXPLANATORY NOTES ON THE PROPOSED RECURRENT BUDGET

12. BUDGET QUARTERLY REPORT

12.1 REVENUE AND EXPENDITURE

	BUDGET			ACTUAL		VARIANCE		REMARKS
	ANNUAL	CUMULATIVE	QUARTERLY X _{FYt}	CUMULATIVE	QUARTERLY X _{FYt}	CUMULATIVE	QUARTERLY X _{FYt}	
Receipt								
Taxation								
External Assistance								
Domestic Grants and Loans								
Dividends								
Other Non-Tax								
Total Receipt								
Payment and Transfers								
Personal Emoluments								
Current Grants, Transfers and Subsidies								
Suppliers - goods, works and services								
Routine Maintenances and Repair								
Social Benefits								
Purchase of Assets								
Loan and interest								
Development expend.								
Total payments & Transfers								

12.2 PROJECTS IMPLEMENTATION

	BUDGET			ACTUAL		VARIANCE		REMARKS
	ANNUAL	CUMULATIVE	QUARTERLY X _{FYt}	CUMULATIVE	QUARTERLY X _{FYt}	CUMULATIVE	QUARTERLY X _{FYt}	
Project A								
Project B								
Project C								
Project D								
Project E								
Project F								
Project G								