



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



ISO 9001:2015 Certified

DODOMA URBAN WATER SUPPLY AND SANITATION AUTHORITY
(DUWASA)

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

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National Audit Office,
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March 2024

AR/PA/DUWASA/2022/23



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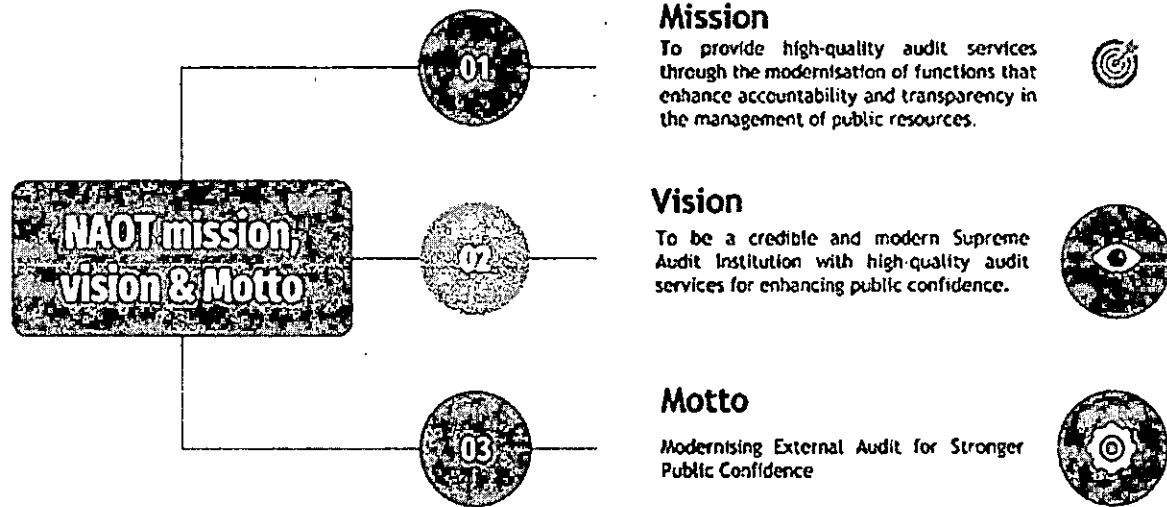
March 2024

AR/PA/DUWASA/2022/23

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[R.E 2021]



Independence and objectivity

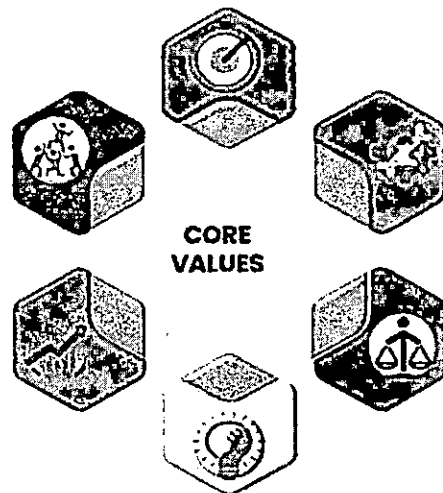
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

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



Professional competence

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

Integrity

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

Creativity and Innovation

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

© This audit report is intended to be used by Dodoma Urban Water Supply and Sanitation Authority (DUWASA) and may form part of the annual general report, which once tabled to National Assembly, becomes a public document; hence, its distribution may not be limited.

TABLE OF CONTENTS

Abbreviations..... iii

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL..... 1

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS..... 1

2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE..... 5

3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE.....25

4.0 DECLARATION OF THE HEAD OF FINANCE.....26

5.0 FINANCIAL STATEMENTS27

Abbreviations

CAG	Controller and Auditor General
CPD	Continued Profession Development
DUWASA	Dodoma Urban Water Supply and Sanitation Authority
EWURA	Energy and Water Utilities Regulatory Authority
HIV/AIDS	Human Immunodeficiency Virus, Acquired Immunodeficiency Syndrome
ISSAIs	International Standard of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
MOU	Memorandum of Understanding
MoW	Ministry of Water
NBAA	National Board of Accountants and Auditors
NRW	Non-Revenue Water
PSSSF	Public Service Social Security Fund
SACCOS	Savings and Credit Cooperatives
TRA	Tanzania Revenue Authority
TZS	Tanzania Shillings
UWSAs	Urban Water Supply Authorities

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

**Chairman of the Board,
Dodoma Urban Water Supply and Sanitation Authority,
P.O. Box 431,
Dodoma,
Tanzania.**

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Dodoma Urban Water Supply and Sanitation Authority, which comprise the statement of financial position as at 30 June 2023, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of the Dodoma Urban Water Supply and Sanitation Authority as at 30 June 2023, and its financial performance and 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 International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Dodoma Urban Water Supply and Sanitation Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. As indicated in note 29, the financial statements for the year ended 30th June 2022 were restated due to booking of amount receivable from the Ministry of Water based on the commitment to fund the projects

instead of booking based on the work done and certificates from the contractors. The correction of the error has led to the restatements of the 2021/22 financial statements.

Other Information

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

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

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

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

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

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

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

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered

material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

In addition, Section 10 (2) of the Public Audit Act, Cap 418 requires me to satisfy myself that, the accounts have been prepared in accordance with the appropriate accounting standards. Further, Section 48(3) of the Public Procurement Act, 2011 requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I performed a compliance audit on procurement of works, goods and services in the Dodoma Urban Water Supply and Sanitation Authority for the financial year 2022/23 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that procurement of goods, works and services of Dodoma Urban Water Supply and Sanitation Authority is generally in compliance with the requirements of the Public Procurement laws in Tanzania.

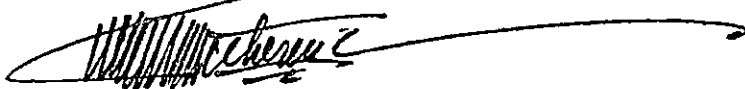
1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

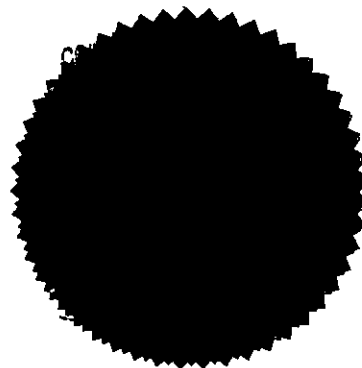
I performed a compliance audit on budget formulation and execution in the Dodoma Urban Water Supply and Sanitation Authority for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that Budget formulation and execution of Dodoma Urban Water Supply and Sanitation Authority is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.



Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March, 2024



2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE

2.1 INTRODUCTION

The members charged with governance submit their report together with the audited financial statements for the year ended 30 June 2023 which disclose the state of affairs of DUWASA here is referred as the “authority”.

2.2 ESTABLISHMENT

Dodoma Urban Water Supply and Sanitation Authority (DUWASA), is an autonomous water utility legally charged with the delivery of water supply and sewerage disposal services to urban residents of Dodoma City. The Authority was established under section 3(i) of Cap. 272 of 1997 as repealed by Water Supply and Sanitation Act No. 12 of 2009 and Act No. 5 of 2019.

It was declared a fully autonomous entity by order of the Minister responsible for water sector on 13 February, 1998; and was officially inaugurated on the 1 July 1998. The Authority has a mandate to provide water supply and sewerage disposal services in Dodoma City. During the year through amendment made in the Water and Sanitation Act, 2019 and order for amalgamation from Ministry of Water, added clustered towns of Bahi, Chamwino and Kongwa to the mandate of DUWASA. Being classified as a category “A” urban water Authority in Tanzania, DUWASA is required to cover full cost of its operations and maintenance costs, including part of its investment requirements.

DUWASA operates according to Water Supply and Sanitation Act, section 3(i) of Cap. 272 of 1997 as repealed by Water supply and Sanitation Act No. 12 of 2009 and Act No. 5 of 2019, Operation Guidelines and Memorandum of Understanding (MoU) signed between the Authority and the Ministry of Water (MoW) and the Treasurer Registrar. MoU forms the basis for the monitoring and regulation whereas the Operations Guidelines have been prepared to guide the Authority on the framework on which to operate. The Operation Guidelines form part of MoU and are signed every year.

2.3 MISSION, VISION CORE VALUES AND MAIN ACTIVITIES

2.3.1 Mission

The Mission is to provide a quality water supply and sewerage services to its customers within the designated area in Dodoma in a most cost-effective manner, and to maintain motivated, qualified, competent, committed and diligent workforce while applying the appropriate technologies which are environmentally friendly.

2.3.2 Vision

To be the most efficient Authority in providing clean, safe, portable water supply and sewerage disposal services in a sustainable and environmentally safe manner.

2.3.3 Core Values

DUWASA will pursue its vision and mission guided by principal stakeholders' participation. Through the principal core values of DUWASA which are:

- **Accountability** - Acknowledging and assuming responsibility for actions, products, decisions, and policies. It can be applied to both individual accountability on the part of employees and accountability of the Authority as a whole;
- **Balance** - Taking a proactive stand to create and maintain a healthy work-life balance for workers;
- **Commitment** - Committing to great product, service, and other initiatives that impact lives within and outside the organization;
- **Community** -Contributing to society and demonstrating corporate social responsibility;
- **Diversity** - Respecting the diversity and giving the best of composition. Establishing an employee equity program;
- **Empowerment** - Encouraging employees to take initiative and give the best. Adopting an error-embracing environment to empower employees to lead and make decisions.
- **Innovation** - Pursuing new creative ideas that have the potential to change the world;
- **Integrity** - Acting with honesty and honour without compromising the truth;
- **Ownership** - Taking care of the Authority and customers as they were one's own;
- **Safety** - Ensuring the health and safety of employees and going beyond the legal requirements to provide an accident-free workplace;
- **Team work** - Encouraging work done by several associates with each doing a part but all subordinating personal prominence to the efficiency of the whole Transparency - Operating in such a way that it is easy for others to see what actions are performed in terms of openness, communication, and accountability;
- **Diligence** - Steadfast application, assiduousness and industry the virtue of hard work.;
- **Excellent customer care** - Is all about bringing customers back and about sending them away happy - happy enough to pass positive feedback about your business along to others, who may then try the product or services offered for themselves and in their turn become repeat customers; and
- **Politeness** - In truth, politeness is good humour, it covers the natural want of it, and ends by rendering habitual a substitute nearly equivalent to the real virtue.

2.4 THE AUTHORITY MOTTO

"Water for Safe Living", "Maji kwa Maisha Salama".

2.5 PRINCIPAL ACTIVITIES

The main objective for which DUWASA was formed is the provision of clean and safe water and collection, treatment and disposal of waste water in Dodoma City.

2.6 MEMBERS CHARGED WITH GOVERNANCE

The board is responsible for appointing the management, adopting a corporate strategy, policies, procedures and monitoring operational performance including identifying risks impact the company. It is also responsible for managing good relationships with all the stakeholders, Chairman, vice Chairman, General Secretary, Secretary, and Treasurer.

2.7 COMPOSITION OF MEMBERS CHARGED WITH GOVERNANCE

The board of directors is comprised of executive and non-executive directors with a mix of skills, experience, and diversity. The Directors who were in office from 1 July 2022 to 21 February 2023 are,

Name	Position	Date of Appointment	Qualification /Discipline	Age	Nationality
Prof. Faustine Karrani Bee	Chairperson	3-Feb-20	Professor (Development Studies)	64	Tanzanian
Ms, Susan Bidya	Vice Chairperson	3-Feb-20	Advanced, Diploma (Community Development)	72	Tanzanian
Mrs. Neema Majule	Member	3-Feb-20	Master of Science in Community Economic Development	57	Tanzanian
Hon. Prof George Mwamfupe	Member	3-Feb-20	Professor (Land use Management)	67	Tanzanian
Mr. Joseph Constantine Mafuru	Member	9-Sep-20	Msc. Public Administration	47	Tanzanian
Mr. Chavuma Harun Taratibu	Member	3-Feb-20	Certificate of Secondary Ordinary Level	63	Tanzanian
Mr. Prosper Buchafwe	Member	4-May-20	MSc. Public Policy in Economic Development	53	Tanzanian
Dr. Fatuma Mganga	Member	3 February to 9 December 2020	Msc. In Water Supply Engineer Services.	49	Tanzanian
Brig.Gen Leonidas David Mutalemwa	Member	19-Aug-21	National Defence course India, Advanced Diploma in IT	56	Tanzanian
Eng. Aron Joseph	Secretary	10-Dec-20	MSc. In Engineering Management (Project Management)	39	Tanzanian

Source: Ministry of Water appointment letter

The board of directors is comprised of executive and non-executive directors with a mix of skills, experience and diversity. The Directors who were in office from 22 February 2023 to the date of this report are,

Name	Position	Date of Appointment	Qualification/Discipline	Age	Nationality
Amb. Job Daudi Masima	Chairperson	22-Feb-23	Public Policy and Administration Master Degree	64	Tanzanian
Ally Senga Gugu	Vice Chairperson	30-May-23	MSc. Planning and Development	49	Tanzanian
Dr. Joyce Nemes	Member	22-Feb-23	Education Management and Administration (Dr)	49	Tanzanian
Hon. Prof Davis George Mwamfupe	Member	22-Feb-23	Professor (Land use Management)	67	Tanzanian
Mr. Chavuma Harun Taratibu	Member	22-Feb-23	Certificate of Secondary Ordinary Level	63	Tanzanian
Mr. John Lepesi Kayombo	Member	28-Jun-23	Advanced Diploma in Accountancy and CPAT	45	Tanzanian
Mr. Issakwissa Mwasanjobe	Member	22-Feb-23	Bachelor of Business Administration	54	Tanzanian
Gisela Gerald Mugumira	Member	22-Feb-23	Masters in Human Resource Management	37	Tanzanian
Mr. Peter A. Mavunde	Member	22-Feb-23	Community Development	73	Tanzanian
Eng. Aron Joseph	Secretary	22-Feb-23	MSc. In Engineering Management (Project Management)	39	Tanzanian

Source: Ministry of water appointment letter

During the year, the Board held four meetings and two extraordinary meetings in which it comes out with the following directives: -

- Management to ensure immediate completion of compensation process at the Kibaigwa water source.
- Management should make closely monitoring to contractor's activities to ensure Area and D sewer rehabilitation network project is completed on time.
- Management to establish effective and efficiency strategy to collected all outstanding bills to customers especially Government institution.
- Management to develop a strategic plan for the implementation of the Parliamentary Committee (PAC) directive the committee's orders.
- Management to establish effective strategies to reduce NRW up to 20%. And report on the implementation of strategies'
- To improve customer services to customers in all areas including staff proper language.
- Management to prepare six months of Key Performance Indicators for all management members which will be assessed in every six months.

During the year, the Board has come out with the following resolutions: -

- i. Approving DUWASA Training Policy 2023.
- ii. Approving DUWASA training Program for the year 2022/2023.
- iii. DUWASA health, safety and occupational Policy 2023.
- iv. DUWASA ICT Policy 2023.
- v. Making corporate and operational decisions;
- vi. Review of management performance and operations
- vii. Setting and approving Authority budget for the year 2023/2024
- viii. Approving DUWASA strategic plan for the year 2023/2024 - 2027/2028
- ix. Approving DUWASA water Tariff

Register of attendance of Board Members in the Board of Directors meetings for the year 2022/2023 is as follows below: -

S/N	Member's Name	Total Number of Meetings attended		
		Jul - 2022	Feb - 2023	No. of Meeting
1	Prof. Faustine Karrani Bee	P	P	2
2	Ms. Susan Eustace Bidya	P	P	2
3	Mrs. Neema Peter Majule	P	P	2
4	Hon. Prof Davis George Mwamfupe	P	P	2
5	Mr. Joseph Constantine Mafuru	P	P	1
6	Mr. Chavuma Harun Taratibu	P	P	2
7	Mr. Prosper Buchafwe	P	P	2
8	DR. Fatuma Mganga	P	P	2
9	Brig. Gen Leonidas David Mutalemwa	P	P	2
10	Eng. Aron Joseph	P	P	2

Source: DUWASA Board attendance register

Register of attendance of Board Members in the Board of Directors meetings for the year 2022/2023 is as follows below;

S/N	Member's Name	Total Number of Meetings attended		
		Feb -2023	Jun - 23	No. of Meeting
1	Amb. Job Daudi Masima	P	P	2
2	Ally Senga Gugu	P	P	2
3	Dr. Joyce Nemes	P	P	2
4	Hon. Prof Davis George Mwamfupe	P	P	2
5	Mr. Chavuma Harun Taratibu	P	P	2
6	Mr. Issakwissa Mwasanjobe	P	P	1
7	Gisela Gerald Mugumira	P	P	1
8	Mr. Peter A. Mavunde	P	P	2
9	Mr. John Lepesi Kayombo			
10	Eng. Aron Joseph	P	P	2

Source: DUWASA Board attendance register

P = Present
 AP = Apology
 AP-R = Absence with apology-Represented
 N/A* = The post/position was vacant

2.7.1 Committees of the Board of Directors

To ensure the smooth running of the Authority, the Board appointed three Board committees namely Administration and Disciplinary, Planning and Finance, and Audit committees as follows:

2.7.1.1 Administration and Disciplinary Committee Members

Name	Position	Date of Appointment	Qualification	Age	Nationality
Prof. Davis Mwamfupe	Chairperson	22-Feb-23	Professor (Land use Management)	67	Tanzanian
Mr. Ally Senga Gugu	Member	30-May-23	MSc. Planning and Development	49	Tanzanian
Mr. Chavuma Taratibu	Member	22-Feb-23	Certificate of Secondary Ordinary Level	63	Tanzanian

Source: Board chairperson appointment letters

During the year committee held four normal meetings and one extraordinary meeting to discuss and advise the Board on various Authority matters. The key issues discussed by the Administration and Disciplinary Committee are as follows:

NO	RESOLUTION	IMPLEMENTATION
1.	The committee endorsed proposed DUWASA scheme of service and Structure for approval by the Permanent Secretary establishment	An order has been implemented where by proposed scheme of service was submitted to Permanent Secretary. It has been approved by February, 2023
2.	The committee endorsed proposed collective agreement Mkataba wa Hali Bora between DUWASA and TUGHE to be submitted for approval	An order has been implemented, collective agreement was submitted to Permanent Secretary it has been approved by March, 2023
3.	The committee endorsed proposed incentive scheme to be submitted to Permanent Secretary for approval	An order has been implemented Permanent Secretary still work on it not. Not yet approved.
5.	The committee ordered follow up to be made to public service secretariat office, in order to ensure and authorized vacant are filled	An order has been implemented where by two out of eight vacant already filled at particular permit from Permanent Secretary
6.	The committee endorsed and prosed reviewed DUWASA staff Regulation to be submitted to Board of DUWASA Board of Directors to be approval by	An order has been implemented DUWASA staff regulations approved by Board of Director in April, 2023
7	The committee endorsed proposed DUWASA training programme for year 2023/2024 - 2025/2026	DUWASA Training programme approved by board of Directors in April, 2023

2.7.1.2 Audit committee

Name	Position	Date of Appointment	Qualification	Age	Nationality
Dr. Joyce Nemes	Chairperson	22 Feb 2023	MSc. Planning & Development	49	Tanzanian
Mr. John L. Kayombo	Member	28-Jun- 23	Advanced Diploma in Accountancy and CPAT	45	Tanzanian
Mr. Issakwisa Mwasanjobe	Member	22 Feb 2023	Bachelor of Business Administration	54	Tanzanian

Source: Board chairperson appointment

During the year committee held four normal meetings and one extraordinary meeting to discuss and advise the Board on various Authority matters. The key issues discussed by the Audit Committee were;

- i. Quarterly Internal Audit reports;
- ii. CAG's reports for the year 2021/2022; and
- iii. Management Performance Reports.

2.7.1.3 Planning and Finance Committee

Name	Position	Date of Appointment	Qualification	Age	Nationality
Mr Peter A. Mavunde	Chairperson	22-Feb-23	Community Development	73	Tanzanian
Ms Gisela Mugumira	Member	22-Feb-23	Masters in Human Resource Management	37	Tanzanian
Eng. Aron Joseph	Secretary	22-Feb-23	<ul style="list-style-type: none"> • MSc. (Water Supply Engineering) • BSc in Environmental Engineering • ERB Registered 	39	Tanzanian

Source: Board chairperson appointment letters

During the year, the Committee held four normal meetings and one extraordinary meeting to discuss and advise the Board on various Authority Technical and Financial issues. The key issues discussed by the Planning and Finance Committee include: -

NO	RESOLUTION	IMPLEMENTATION
1.	Approval of the additional DUWASA procurement plan for the year 2022/2023 of TZSs. 4,789,586,850 to accommodate four contracts for Nzunguni which supply Project	Nzunguni water supply has been started end of 30 June 2023 was implemented by 70% work in progress
2.	Directing Management to establish strategy to collect all over dues receivables and increase collection efficient to 100%	Collection strategy was established and collection efficiency increase to 98%
3.	Directing Management to establish controls and strategy to reduce Non-Revenue water to at least 24%	Non-Revenue water was reduced to 27%
5.	Approval of the DUWASA Budget for the 2023/2024	Budget for year 2023/2024 are under way

2.8 CORPORATE GOVERNANCE

The Board of Directors of the Authority is responsible for the governance of the Authority by ensuring that the Authority complies with the law, standards of corporate governance, business ethics, and donor funding agreements. It takes overall responsibility for the running of the Authority, including effective and efficient implementation of various activities, monitoring operations and investment decisions, considering significant financial matters, and reviewing the performance of management plans and budgets. The Board is also responsible for identifying key risk areas and ensuring that a system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles. The powers and responsibilities of the Board are defined in section 12 of the Water Supply and Sanitation Act No. 12 of 2009 and its Regulations as repealed by Act No. 5 of 2019 and its regulations.

MANAGEMENT

The overall responsibility of the Authority is vested in a Board of Directors, while the day-to-day affairs of the Authority are supervised by the Managing Director. Under the managing Director, there are three Directorates, Eight Units and three Zone Offices.

I. DIRECTORATE ARE;

- a) Water supply and Sanitation Management,
- b) Customer Services,
- c) Human Resource Management and Administration.

II. UNITS ARE;

- a) Finance and Accounts
- b) Internal Audit Unit
- c) Procurement Management Unit
- d) Legal Service Unit
- e) Planning, Monitoring and Evaluation Unit.
- f) Communication and Public Relation Unit.
- g) ICT and Statistics Unit

III. ZONES OFFICES ARE;

- a) Chamwino office
- b) Kongwa office
- c) Bahi office

The following are names and positions of DUWASA Management Team:

NA	NAME	POSITION	DATE OF APPOINTMENT	QUALIFICATION	AGE
1.	Eng. Aron Joseph	Managing Director	10 December 2020	<ul style="list-style-type: none"> MSc. (Water Supply Engineering), BSC in Environmental Engineering ERB Registered 	39
2.	Eng. Emmanuel Mwakabole	Acting Director of Water Supply and Sanitation Management.	1 November 2021	<ul style="list-style-type: none"> MSc. Hydrology & Water Resource Engineering (Water supply and sanitation Engineering) BSC in Civil Engineering ERB Registered 	44
3.	CPA Leonard V. Challe	Director of Finance and Accounts.	19 February 2018	<ul style="list-style-type: none"> Msc. Accounting and Finance Advanced Diploma in Accountancy Associate Certified Public Accountant (ACPA T) 	47
4.	Mr. Alex Maheri	Director of Procurement Management Unit	03 April 2003	<ul style="list-style-type: none"> Degree of Masters of Business Administration Bachelor Degree in Material Management Certified Procurement & Supplies Professionals (CPSP) 	53
5.	MS Ritha John Mpiuka	Acting Director of Human Resource Management and Administration.		<ul style="list-style-type: none"> B.A Political Science & Public Administration, Master Degree in Business Administration 	41
6.	CPA Tadei Abdala	Head of Internal Audit Unit	01 Sept 2015	<ul style="list-style-type: none"> MSC Finance Advanced Diploma in Accountancy CPA(T) 	39
6.	Adv. Ayoub Mganda	Head of Legal Unit	01 Aug 2006	<ul style="list-style-type: none"> Bachelor in LLB Registered Advocate 	44
7.	Mr. Edwin Mwijage	Acting Head of Communication and Public Relation Unit	03 Jun 2012	<ul style="list-style-type: none"> Bachelor degree of Arts in Mass Communication 	40
8.	Mr. Eliud Kitime	Acting Head of ICT and statistics Unit	2 Feb 2022	<ul style="list-style-type: none"> MSc-IT Postgraduate in science computing Advanced Diploma in information technology 	40
9.	Mr. Jonathan Shenyagwa	Acting Head of Planning, Monitoring and Evaluation Unit.	29 Sept 2022	<ul style="list-style-type: none"> Bachelor Degree of Art in Economics 	35

NA	NAME	POSITION	DATE OF APPOINTMENT	QUALIFICATION	AGE
10	Mr George Mwakamele	Zone Manager Chamwino	29 Sept 2022	B.A Cooperative Management and Accounting, PGD - Project Planning and Management Master Degree in Public Administration	41
11	Khalifa Ibrahim	Zone Manager Bahi	29 Sept 2022	Advanced Diploma in Accountancy, PGD in Accountancy, MSC in Finance	39
12	Amran Gama	Zone Manager Kongwa	29 Sept 2022	Bachelor degree in Business Administration	45

Source: Authority organization structure

2.9 FUTURE PROSPECTS OF THE AUTHORITY

The authority's current performance has been based on the standards and service levels contained in the Performance Agreement between the Water Supply and Sanitation Authority and EWURA as part of the licensing procedure. These standards and service levels in the agreement comprise overall standards, guaranteed standards performance indicators for water supply and performance indicators for sewerage service. The Authority intends to improve its performance to match or even go beyond the targets set in the Performance Agreement between DUWASA and EWURA as part of the licensing procedure.

2.10 OBJECTIVE AND STRATEGIES

No.	Objective	Key Strategic Issue/Risks	Strategies/Mitigation Measures	Targets by FY 2022/2023
1	Water supply service Improved.	Inadequate water supply service	Drilling of boreholes and Installation of Casings, relevant submersible pumps and laying of water networks at Nzughuni and Bihawana.	To increase water supply by June 2023
2	Sanitation Services Improved	Inadequate sewerage infrastructure	Construction of a new Wastewater treatment plant at Nzuguni area, including the Construction of 5kms of Trunk main, from the existing ponds to new ponds at Nzuguni	<ul style="list-style-type: none"> • Procurement of Concrete pipes • Trench excavation and backfilling
3	Financial Sustainability Improved	Unstable financial capability	To improve collection efficiency from 96% to 98%	Replacement of old pipes, replacement of low performing (low registered
4.	Modern technology in daily operation Utilized	Under-utilization of modern technology in DUWASA operations	Use of GPS and GIS in collection and the management of data for Customers, Water and Sewerage networks	<ul style="list-style-type: none"> • Procurement of 8 GPS for New connection and Planning section
5	Reduce High Non-Water Revenue.	High Non-Revenue Water	Replacement of 5000 under-registering water meters by June, 2023	20%

2.11 OPERATIONAL AND FINANCIAL PERFORMANCE REVIEW

2.11.1 Operational Performance Review

Major achievement has been made in the production and distribution areas. At present, water production system consists of 45 boreholes, which make capability of producing and transporting 81,629m³/day that is supplied to the areas covered with water supply network. Additionally, there are five boreholes at the University of Dodoma (UDOM) area with a capacity of producing about 2,400m³/day, these boreholes were developed to increase water supply to the University community as well as to serve as an alternative water source for the University of Dodoma. To date the total length of water supply network is 932.1km, where 88km is the main transmission (transportation pipeline) and 844.1km is the distribution network. As for sewerage disposal services, the existing Sewerage system has a total length of 122.1km, currently serving about 20% of the population occupying the metropolitan area.

Metering ratio is 100%, meaning that all customers served by DUWASA are metered. At the end of June, 2023, the Authority had a total of 76,801 water customers and 6,191 sewerage customers including Domestic, Institutions, Commercial and Domestic point users. The quality of water produced and supplied during the year continued to comply with acceptable and required Tanzania Standards. Random sampling is normally performed twice a month at different points from the water source to the distribution system. An average of 78 samples were collected and analysed monthly met the available Tanzania Standards by 99%. DUWASA uses its own water laboratory located at the water source (Mzakwe). The laboratory is used to analyse physical parameters on daily basis and chemical parameters once a month. The laboratory is also capable of analysing bacteriological parameters (Total Fecal coliform).

Non-Revenue Water (NRW) continued to be one of the major challenges to the Authority. Management has instituted various measures such as increasing manpower and equipment to deal with physical loss, replacing old and under registering class B water meters with class C water meters which are sensitive enough to record each drop of water passing through. During the year, the target was to reduce NRW to at most 26.5% by June 2023. However, the average actual NRW during the year 2022/23 was 28.4%.

2.11.2 Project implemented during the financial year under review

During the financial year under review DUWASA manage to implement several water distributions projects by using own fund to different areas as shown in the table below.

EXTENSION OF PIPE NETWORK IN DODOMA CITY

S/N	AREA	PIPE SIZE (OUTER DIAMETER)	TOTAL LENGTH	APROXIMATELY COST	COMPLETED STATUS
1	NGONGONA	50	300	1,500,000.00	100%
2	MICHESE	50mm	150	750,000.00	100%
3	IYUMBU - NORTH	50mm	300	1,500,000.00	100%
4	IHUMWA	50mm & 32mm	350	1,240,000.00	100%

EXTENSION OF PIPE NETWORK IN DODOMA CITY

S/N	AREA	PIPE SIZE (OUTER DIAMETER)	TOTAL LENGTH	APROXIMATELY COST	COMPLETED STATUS
5	MPAMAA YA MIYUJI	50mm	300	1,500,000.00	100%
6	IYUMBU KILIMO KWAMBA	63mm	850	5,950,000.00	100%
7	KIKUYU - SGR	10mm	475	7,780,000.00	100%
8	MTUMBA (GPSA)	63mm & 50mm	1150	6,950,000.00	100%
9	KIZOTA	50mm	525	2,625,000.00	100%
10	MSALATO	50mm	960	4,800,000.00	100%
11	MWANGAZA	63mm	300	2,100,000.00	100%
12	CHINANGALI	32mm	300	490,000.00	100%
13	IYUMBU S/MFANO	50mm	300	1,500,000.00	100%
14	IYUMBU KWA MWINYI	50mm	300	1,500,000.00	100%
15	IYUMBU - NHC	63mm	1050	7,350,000.00	100%
16	KIKUYU	50mm	210	1,050,000.00	100%
17	MIGANGA	63mm	450	3,150,000.00	100%
18	CRJE - PSRS	75mm	250	4,250,000.00	100%
19	AIRPORT - JESHI LA ANGA	75mm	70	1,215,500.00	100%
20	NTYUKA - BWAWANI	50mm	500	2,500,000.00	100%
21	KIKUYU KUSINI	63mm, 50mm & 32mm	2400	12,690,000.00	100%

2.12 FINANCIAL REVIEW

2.12.1 Performance for the year

The performance for the year is set out on the Statement of the Financial Performance for the year ended 30 June 2023. The authority has made a net surplus of TZS 2,587,777,559/= while the re-stated for the year 2021/22 has a net loss of TZS 78,321,000/=. This significant change was caused by adjustments made to rectify prior year errors and misstatements. Despite that management managed to contain the operational and administration costs within the range, the authority should put more effort in increasing income and controlling expenses to sustain the increase in surplus and be in a further better position.

RATIO ANALYSIS:

PARTICULARS	2022/2023	Restated 2021/2022	2021/202 2	2020/202 1	2019/202 0
Liquidity ratios					
Current Ratio	1.53 Times	1.52 Times	3.29 Times	6.55 Times	5.07 Times
Acid Test Ratio	1.39 Times	1.34 Times	3.12Times	5.24 Times	3.94 Times
Amount into TZS billion					
Working Capital - TZS	4.16 bill	2.83 bill	13.05 bill	11.27 bill	9.26 bill
Net Worth - TZS (Total Assets - Total Liabilities)	177.01 bill	171.62 bill	179.15 bill	173.23 bill	157.78 bill

Source: Authority Audited financial statements 2019/20, 2020/21, 2021/22, 2022/23

Comments on the Ratio Analysis

Liquidity ratios and working capital position shows that, for the past 3 years to-date, DUWASA has maintained enough short-term assets to cover its short-term liabilities. Stable Working Capital Position is a reflection of increasing sales volume, accounts receivable and cash year after year. DUWASA's consistent increasing Net Worth demonstrates organization's good financial health.

2.13 SOLVENCY

The Board of Directors confirms that applicable accounting standards have been complied with and that the financial statements have been prepared on a going concern basis. The Board of Directors has reasonable expectation that Dodoma Urban Water Supply and Sanitation Authority will have adequate resources to continue in operational existence for the foreseeable future.

The state of affairs of the Organization as at 30 June 2023 is set out on page 28 of these financial statements,

2.14 COMMERCIAL AND OPERATIONAL RISKS

Risk is an inherent feature of the activities of any institution. Dodoma Urban Water Supply and Sanitation Authority endeavours to manage risk by having in place appropriate functional structures, systems and procedures. These structures, systems and procedures evolve continuously in response to changes in the environment in which the Authority operates. The following are the main types of risks the Authority is exposed to in the course of executing its operations:

- Operational Risk
- Liquidity Risk
- Credit risk
- Taxation

2.14.1 Operational Risk

Operational risk is the risk of loss both financial and non-financial resulting from inadequate systems, management failures, ineffective internal control processes, fraud, theft, and human errors. The Authority addresses this risk inter alia through ensuring existence of a sound internal control system.

Managing operational risk in the Authority is an integral part of the day-to-day operations by the management. This risk is closely monitored by management and the Board of Directors.

2.14.2 Liquidity Risk

Liquidity risk is the risk that the Authority faces by not having adequate funds to settle day to day obligations as they fall due. The Authority has a prudent liquidity risk management through which it maintains sufficient cash to cover committed credit facilities received; working capital as well as capital project requirements. Liquidity risk management by the Authority includes forward planning and close monitoring by the finance department.

2.14.3 Credit Risk

Potential credit risk involves short term cash deposits and trade and other receivables. Risk relating to short term cash deposits is managed through ensuring that cash surpluses are deposited with banks of high credit standing.

Management of risk associated with trade and other receivables includes prompt invoicing, close follow up and requiring regular customers to deposit money in advance to cover for services to be rendered.

2.15 KEY PERFORMANCE INDICATORS AS PER MOU SIGNED BETWEEN THE AUTHORITY AND THE MINISTRY OF WATER.

The Authority operates by following the Key Performance Indicators approved by the Ministry of Water. During the year under review, DUWASA had a good performance especially on increased number of connections and continued water quality compliance which is in line with the performance targets set by the Ministry of Water. However, the areas for more improvement include more investment in water supply and sewerage infrastructure as a way to reach uncovered areas and meet financial and economic sustainability targets. The performance of the Authority against Ministerial performance indicators (KPI) and explanations on the observed variations are as follows: -

SN	KPI	DEFINITION	WEIGHT (%)	BENCHMARK or STANDARD	Baseline		Indicator Target Value 2022/23
					2020/21	2021/22	
1	Percentage of urban population with access to safe and clean water	Measure of urban population that is supplied with clean and safe water. The urban population supplied with water includes household connections and public stand posts. On average one household connection serves 7 people and one public stand post serves 250 people	3	95	82	82	90
2	Percentage of peri-urban population with access to safe and clean water	Measure of peri-urban population that is supplied with clean and safe water. The peri-urban population supplied with water includes household connections and public stand posts (peri-urban means gazetted service areas)	2	85	57.3	57.3	65
3	Proportion of population	Population served (household connections) / total population	3	30	17.9%	12.9%	

SN	KPI	DEFINITION	WEIGHT (%)	BENCHMARK or STANDARD	Baseline		Indicator Target Value 2022/23
					2020/21	2021/22	
	connected with sewerage network (%)	living in the service areas multiplied by 100. The number of household connections shall be multiplied by the average members living in a household or using a sewer connection.					23%
4	Percentage of new water connections	Percentage of new water connections at the reporting period is established by dividing new connections to total number of connections of previous year X100	3	Minimum 10%	13.1%	13.1%	13.5%
5	Water quality compliance to standards	Proportion of samples passed for Turbidity and E-coli parameters	3	100%	100%	100%	100%
6	Wastewater quality compliance to standard	Proportional of samples passed for BOD5 and COD parameters.	3	100%	15%	15%	100%
7	Non - Revenue Water (NRW)	Amount of water produced less the amount of water sold to consumers compared to amount of water produced/purchased from other entities	3	Maximum 20%	26.6%	26%	20%
8	Average hours of supply	Are the hours per day a consumer can draw drinking water from the tap at his household connection or the public stand post.	3	24	22	13	24
9	Annual Energy Servings	Savings in total energy used for operations as compared to previous year (Kwh/m ³)	2	100% Maximum 5%	0	0	5%
11	Payment of Statutory and annual fees	Proportion of statutory and annual fees payment against dues	2	100%	100%	100%	100%
12	Billing Efficiency	Billing efficiency = $\frac{\text{Billed Volume}}{\text{Total Billable Volume}} \times 100\%$	2	95%	90%	90%	95%
13	Revenue collection efficiency	Proportion of revenue collected compared to total amount of billing during the year.	2	95%	93%	96%	96%
14	Revenue growth rate	The rate at which revenue grows year on year to measure business growth (current year's revenue less previous as a percentage i.e. $(y_1 - y_0/y_0)$)	3	At least 10%	14%	4%	10%
15	Contribution to Capital investment	Percentage of revenue collection of The Water Authority spent on capital investment (Expanding water service and replacement of network).	2	Minimum 15%	6.7%	12.4%	30%
16	Personnel expenditure as percentage of collection from	Percentage of revenue collection used in personnel expenditures.	1	Maximum 30%	28%	26%	30%

SN	KPI	DEFINITION	WEIGHT (%)	BENCHMARK or STANDARD	Baseline		Indicator Target Value 2022/23
					2020/21	2021/22	
17	water and sewerage services Operating ratio	This is the proportion of operating costs (including depreciation, interest and debt service) to operating revenue.	1	Maximum 1.0	0.7	1	1
18	Working ratio	This is the proportion of operating expenses (excluding depreciation, interest and debt service) to operating revenue.	1	Maximum 0.67	0.50	0.55	0.67
19	Cost Recovery Ratio	This is the ratio which measures the extent to which the revenue generated covers the Authority's operating costs. It is the ratio of revenue (collection) to total operating costs (excluding depreciation).	2	Minimum 100%	105%	107%	100%
20	Debt to Asset ratio	Measures the level of debt (long and short liabilities) in relation to the Water Authority's assets.	1	Maximum 50%	14%	15%	15%
21	Employees efficiency ratio	Employee cost/operating revenue.	1	Maximum 30%	28%	26%	30%
22	Debt to equity ratio	Total liabilities divided by total shareholder's equity.	1	Maximum 50%	40%	42%	50%
23	Contribution to Government Consolidated Fund	Proportion contribution compared to the previous year.	1	At least 10%	100% (No contribution was given for previous year)	10%	10%

Source: Ministry of water performance contract between Ministry of water with water authorities

Note: PT - Performance Target, F-Favourable, U- Unfavourable,

2.16 TAXATION

DUWASA is a Public Institution established for purpose of provision of water supply and sewerage removal services in Dodoma Municipality. Second Schedule; Sec 1(b) of Income Tax Act, Cap. 332 exempts the Authority from paying Corporate Tax.

2.17 USES OF RESOURCES

The good relationship between employees and management continued to exist for the year 2022/23. Management conducted 12 meetings with all employees. There was also one meeting between Board of Directors and all employees and two workers council meetings. In these

meetings employees had the opportunity to meet and air their views to the Management and Board of Directors. During the year, there were no unresolved complaints received by Management from the employees. A healthy relationship continues to exist between management and employees' trade union.

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

The relationship between Employees and Management continued to be good. There were no significant unresolved conflicts or complaints received by Management from the employees themselves and the TUGHE workers' representatives.

The Authority spent a sum of TZS 158,934,645 for the year 2022/2023 for training at all levels.

The Authority meets fully the cost of medical consultation and treatment for all employees and their immediate family dependants. Medical services are under medical insurance scheme contracted to National Health Insurance Fund (NHIF).

DUWASA continued to assist its staff by guarantying loans issued to staff by financial institutions including SACCOS. Employees are encouraged to obtain short- and long-term loans from DUWASA SACCOS Limited. To ensure employees are well served with credit facilities, DUWASA has provided office and pays for office utilities to DUWASA SACCOS.

The Authority contributes statutory deductions towards employees' pension scheme administered by the Public Service Social Security Fund (PSSSF).

2.18 RELATIONSHIP WITH STAKEHOLDERS

The Authority's operations cut across various stakeholders' interests. The Authority enjoys good and cooperative support from all stakeholders. Key to this relationship has been prompt and informed communication system in form of press releases, public information media, public seminars to mention few; timely handling of customers' inquiries on water related issues; participation in various communities supporting activities and events and collaborating with government and private entities in fostering provision of various services.

2.18.1 GENDER POLICY

The Authority has an equal opportunity employment policy as far as gender issues are concerned. Every effort is made to ensure that the Authority's employment policy maintains gender balance subject to technical and experience considerations. To promote gender equality women are given priority in cases where the equal top scorers include a woman. Out of the 233 employees, 177 were male and 56 were female.

2.18.2 HIV/AIDS AWARENESS PROGRAMME

The Authority has an HIV/AIDS awareness programme in operation. The Authority encourages her employees to undergo regular voluntary HIV tests and for those in need of medical assistance are provided with such assistance free of charge by the Authority, in addition, the infected employees are given a token amount of money to cater for their nutrition expenses.

2.18.3 WORKERS COMPENSATION SCHEME

DUWASA complies with the requirement of the Tanzania Workers Compensations Scheme as provided by the Worker's Compensation Act, 2008. The Authority contributes 0.5% of the annual wage bills every month to the Workers Compensation Fund for compensation of injured employees or incapacitated in the course of employment.

2.19 STATEMENT OF COMPLIANCE

Those charged with governance confirm compliance of the report with the provision of Tanzania Financial Reporting Standards (TFRS 1) and all other laws, rules and regulation in the Country which guaranteed smooth operation of the Authority's business during the year.

2.20 INTERNAL AUDIT

The Public Finance Act of 2001 Sections 28 - 35 requires the Management to establish an Internal Audit Unit. DODOMA Urban Water Supply and Sanitation Authority has established an effective internal audit unit.

2.21 TENDER BOARD

DODOMA Urban Water Supply and Sanitation Authority has established a Tender Board and Procurement Management Unit to handle all purchases of goods and consultancy services as required by the Public Procurement Act No. 9 of 2011 (amended in 2016).

2.22 AUDIT COMMITTEE

DODOMA Urban Water Supply and Sanitation Authority has in place an effective Audit Committee as required by Regulation 28 of the Public Finance Regulations of 200.

2.23 DIRECTORS INTEREST

No Director of the DODOMA Urban Water Supply and Sanitation Authority has any personal interest in the Authority's affairs that warrants disclosure in this report.

2.24 RELATED PARTY TRANSACTIONS

DUWASA is a whole owned entity of the government through its Parent Ministry, the Ministry of Water. The Government and the Parent Ministry, through the Board of Directors of DUWASA,

significantly influences the roles of the Authority as well as being its major financier. In some cases, the Authority enters into transactions with other Government owned Urban Water Authorities (UWSAs), Government departments, entities, State-owned enterprises and Agencies.

2.25 POLITICAL AND CHARITABLE DONATIONS

The Authority has contributed a total of TZS 37,160,000 as donations to various charitable institutions, NGO's and Political events in Dodoma city as party of its Cooperate Social Responsibilities (CSR). Also, DUWASA managed to supply free water to poor families and people with special needs who are not able to pay for water supply service. These families were identified and proposed by Municipal Local leaders and approved by DUWASA Board of Directors. DUWASA had 120 identified poor individuals/families as at 30 June 2023 receiving five buckets of 20Ltr of water (i.e., 100ltrs each) per day. The Authority has a policy of aligning its activities with the social, economic and environmental expectations of its stakeholders as shown in the table below: -

2.26 ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Authority participates fully in carrying out Environmental and Social Impact Assessment studies in accordance with guidelines and procedures stipulated in the Environmental Impact Assessment and Audit Regulations G.N. No. 349 of 2005. Catchments of water sources have been given priority in protection against contamination and unauthorized abstraction.

2.27 EVENT AFTER THE REPORTING DATE

There were no subsequent events that have occurred which were either to be disclosed or to be adjusted in the financial statements that could materially affect the financial statements.

2.28 AUDIT MANDATE

Controller and Auditor General (CAG) is a statutory auditor for Dodoma Urban Water Supply and Sanitation Authority (DUWASA) pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977(revised 2005) and the Section 10 of the public Audit Act, Cap 418 (R.E 2021). However, in accordance to section 33 of the Public Audit Act, Cap 418 (R.E 2021), M/S ABA Alliance of P.O. Box 11621 Dar salaam located at PSSSF Commercial Complex, registered under Accountant and Auditors Registration Act of 1972 as amended in 1985 with PF Number 216 and TIN 107-712-089 was authorized to audit the Financial Statements of the Authority in collaboration with Controller and Auditor General.

BY ORDER OF THE BOARD

.....
Amb. Job Daudi Masima
Chairperson of the Board
.....
Date

.....
Eng. Aron Joseph
Managing Director
.....
Date

3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The members charged with governance accept responsibility for preparation of the annual Financial Statements, which give a true and fair view of the entity's state of affairs and its operating results in accordance with the applicable standards, rules, regulations and legal provisions. The members also confirm compliance with the provisions of the requirements of Tanzania Financial Reporting standard 1 (TFRS 1) and International Public Sector Accounting Standards (IPSAS) Accruals Basis, in conformity with the provision of the Public Finance Act No. 6 of 2001 section 25 (2) & (4) (as revised in 2004). This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and presentation of the financial statements that are free from material misstatement, whether on account of fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances which provide reasonable assurance that the transactions recorded are within statutory authority, and properly record the use of all public financial resources accordingly.

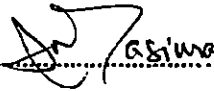
To the best of our knowledge, the system of internal control has operated adequately throughout the reporting period and that the records and underlying accounts provide a reasonable basis for preparation of the Financial Statements for the year ended 30 June 2023.

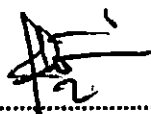
Procurement of goods, works and consultancy and non-consultancy service to the extent that they are reflected in these financial statements have been done in accordance with the Public Procurement Act No 9 of 2011 (amended in 2016) and its underlying Regulations of 2013 (amended in 2016).

We accept responsibility for the integrity of these financial statements, the information they contain and their compliance with the Public Finance Act No. 6 of 2001 (as revised in 2004) and International Public Sector Accounting Standards (IPSAS) Accrual basis; and Guidelines issued or may be issued from time to time by the Authority's Board.

In our opinion, nothing has come to the attention of the Management that the financial statements do not present fairly all material respect of the operations of the entity and will not remain a going concern for the next twelve months from the date of these statements.

BY ORDER OF THE BOARD OF THOSE CHARGED WITH THE GOVERNANCE


.....
Amb. Job Daudi Masima
Chairperson of the Board


.....
Eng. Aron Joseph
Managing Director

8.3.2024
.....
Date

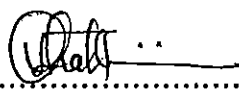
4.0 DECLARATION OF THE HEAD OF FINANCE

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

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

I, CPA Leonard V. Challe, being Certified Public Accountant and Director of Finance and Accounts of Dodoma Urban Water Supply and Sanitation Authority hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2023 have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) Accruals Basis and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Dodoma Urban Water Supply and Sanitation Authority as on that date and that they have been prepared based on properly maintained financial records.

Signed by: 

Position: Director of Finance and Accounts

NBAA Membership No.: ACPA 3099

Date: 8.3.2024

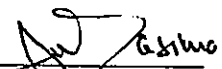
5.0 FINANCIAL STATEMENTS


5.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

DETAILS	NOTE	2022/23	Re-stated 2021/22
		TZS '000'	TZS '000'
CURRENT ASSETS			
Cash and Cash equivalents	3	2,429,483	369,256
Trade Receivables	4	7,029,542	6,162,734
Other Receivables	5	1,491,390	794,216
Inventories	6	<u>1,061,662</u>	<u>986,914</u>
		12,012,078	8,313,120
NON-CURRENT ASSETS			
Property, Plant and Equipment	8	153,292,961	155,196,334
Intangible Assets	7	-	-
Capital Work in Progress	9	<u>19,624,668</u>	<u>13,590,761</u>
		172,917,629	168,787,095
TOTAL ASSETS		<u>184,929,707</u>	<u>177,100,215</u>
CURRENT LIABILITIES			
Trade and Other Payables	10	5,696,674	5,426,070
Deposits by Ministry and Others	11	<u>2,138,762</u>	<u>34,220</u>
		7,835,436	5,460,290
NON-CURRENT LIABILITIES			
Long-term Loan	12	<u>20,937</u>	<u>20,937</u>
		20,937	20,937
TOTAL LIABILITIES		<u>7,856,373</u>	<u>5,481,227</u>
NET ASSETS		<u>177,073,334</u>	<u>171,618,988</u>
Accumulated Surpluses		129,234,777	125,845,994
Capital Reserve	13	<u>47,838,557</u>	<u>45,772,994</u>
TOTAL NET ASSETS		<u>177,073,334</u>	<u>171,618,988</u>

Note 2-27 form part of the financial statements.

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


 Amb. Job Daudi Masima
 Chairperson of the Board


 Eng. Aron A. Joseph
 Managing Director

Date: 8.3.2024

5.2 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

		2022/23	Re-stated 2021/22
	NOTES	TZS '000'	TZS '000'
INCOME			
Revenue from exchange transactions	14	26,174,459	23,805,660
Revenue from Non-Exchange Transaction	15	7,400,830	7,081,479
Other Income	16	<u>680,798</u>	<u>746,631</u>
Total Income		34,256,087	31,633,770
Water Production Expenses	17	6,581,967	5,593,178
Distribution Expenses	18	5,902,979	6,278,622
Sewerage Expenses	19	547,164	388,210
Operating Expenses	20	11,231,613	10,457,319
Depreciation and Amortization Expenses	21	7,378,236	6,858,152
Financial Cost	22	26,350	26,591
Transfer to other water authorities	23	<u>-</u>	<u>2,110,020</u>
Total Expenses		31,668,309	31,712,092
Net Surplus (deficit)		2,587,778	(78,321)

5.3 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

	Accumulated surpluses TZS '000'	Capital Reserve TZS '000'	Total TZS '000'
<i>Re-stated</i>			
As at 1 July 2021	127,455,674	45,772,994	173,228,668
Adjustment for overstated Accumulated Depreciation	(1,531,359)	-	(1,531,359)
Adjustments during the year	-	-	-
Net loss for the year	<u>(78,321)</u>	<u>-</u>	<u>(78,321)</u>
As at 30 June 2022	125,845,994	45,772,994	171,618,988
As at 1 July 2022 - DUWASA	125,845,994	45,772,994	171,618,988
As at 1 July 2022 - Kibaigwa	801,005	2,065,563	2,866,568
Net surplus for the year	<u>2,587,778</u>	<u>-</u>	<u>2,587,778</u>
As at 30 June 2023	<u>129,234,777</u>	<u>47,838,557</u>	<u>177,073,334</u>

5.4 CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

DETAILS	NOTE	2022/23 TZS '000'	Re-stated 2021/22 TZS '000'
Cash Flow from Operating Activities			
Cash Received	26	35,303,772	27,210,366
Cash Paid to Suppliers and Employees	25(ii)	<u>(24,668,082)</u>	<u>(19,488,818)</u>
Net Cash from Operating Activities		10,635,690	7,721,548
Cash Flow from Investing Activities			
WIP-Own source	9	(1,800,642)	(1,500,664)
WIP Payments - Parent Ministry Deposits	9	(5,940,207)	(5,127,978)
Purchase of Property, Plant and Equipment	8	<u>(834,613)</u>	<u>(1,202,553)</u>
Net Cash Flow Used in Investing Activities		(8,575,462)	(7,831,195)
Net Increase(decrease) in Cash and Cash Equivalents		2,060,228	(109,647)
Cash and Cash Equivalents at 1 July		<u>369,255</u>	<u>478,902</u>
Cash and Cash Equivalent at 30 June 2023		<u>2,429,483</u>	<u>369,255</u>

5.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT

Budget approved	Original budget	Adjustment [B]	Final budget	Actual amount on accrual basis	Accrued Amount	Actual Amount in comparable basis	Difference	Reasons
	[A]		[C=A-B]	[D]	[E]	[F]	[C-D]	NOTE
	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	
Receipts								
Revenue from exchange transactions	32,121,909	-	32,121,909	26,173,889	(866,325)	25,307,564	6,814,345	(A)
Revenue from non-exchange transactions	30,470,000	-	30,470,000	8,560,757	(2,138,762)	6,421,996	24,048,004	(C)
Other Income/Receipt		-	-	681,377	369,256	1,050,633	(1,050,633)	(B)
	62,591,909	-	62,591,909	35,416,023	(2,635,830)	32,780,193	27,175,886	
Payments								
Water Production Expenses	6,081,431	-	6,081,431	6,581,967	422,241	6,159,726	-78,295	(D)
Distribution Cost	6,832,039	-	6,832,039	5,902,979	-	5,902,979	929,060	(E)
Sewerage Expenses	433,411	-	433,411	547,164	-	547,164	-113,753	(F)
Operating Expenses	13,301,228	-	13,301,228	11,231,613	202,044	11,029,568	2,271,660	(C)
Financial expenses	1,998,310	-	1,998,310	26,350	-	26,350	1,971,960	
Grant and other transfer payments	30,470,000	-	30,470,000	6,660,622	238,627	6,421,995	24,048,005	(G)
Depreciation and amortization	-	-	-	7,378,236	7,378,236	-	-	
Additional WIP and Purchase of assets	<u>3,475,490</u>	<u>-</u>	<u>3,475,490</u>	<u>2,671,629</u>	<u>269,950</u>	<u>2,401,679</u>	<u>1,073,811</u>	<u>(H)</u>
	62,591,909	-	62,591,909	41,000,560	8,511,098	32,489,461	29,028,636	
Net cash outflow		-		(5,584,537)		290,722		

EXPLANATION FOR MATERIAL VARIATIONS

ORIGINAL AND FINAL BUDGETS

Authority budget is prepared on cash basis using a classification based on function and covers the same period (01 July 2021 to 30 June 2022) as the financial statements. The Authority budget was approved by the Board of Directors. The budget and financial statements are prepared using different basis from the financial statements. The financial statements are prepared on an accrual basis using a classification based on function in the Statement of Financial Performance, whereas budget was prepared on cash basis. The amount in financial statement were recast from the accrual basis and reclassified by presentation to be made on the cash basis

Note A:

During the year under review DUWASA planned revenue was TZS 32,121,908,948.42 from own sources, up to June 2023 the authority successful collected TZS 26,173,889,000 which is equivalent to 84% of budgeted revenue. Main reasons for this failure are shortage of water production, non-revenue water and decrease in number of new sewerage connection.

Note B:

Increase in a number of identified cases/incidents of water theft and other related illegal activities by our customers. This resulted from strengthening of the inspection in collaboration with Police Force, an increase in income from penalties and fines which form significant part of the revenue from non-exchange transactions.

Note C:

Decrease in fund disbursed from the Parent Ministry of Water for Project implementation compared to the budget.

Note D:

Increase in Electricity consumption for Water Production due to increased number of boreholes. DUWASA have increase number of Boreholes in areas of Iyumbu, Ihumwa, Nala, Zuzu, Chamwino Ikulu, Bahi, Ntyuka, Kongwa, Kibaigwa, Mkonze and Nzinje.

Note E:

This was caused by increase in maintenance cost of the distribution infrastructures due to rehabilitation of distribution network.

Note F:

Repair and maintenance of sewerage network was increased due to the fact that during the year most of sewerage budgeted fund was placed to Sewerage Projects at Swaswa pond, area C and D project, Kikuyu Mission and Bahi road Project.

Note G:

Most of the carryover projects have been implemented and completed during year which caused increase in expenditure.

Note H:

Decrease in number of implemented projects compared to targeted projects which were budgeted during the year under review. Most of these projects were not completed on time due to shortage of fund as expected.

NOTES TO THE FINANCIAL STATEMENT

1.0 GENERAL INFORMATION

DUWASA is a Public Institution established for purposes of provision of clean and safe water and disposal of sewerage services in Dodoma city. DUWASA office is located in Dodoma along Mkapa Road, Plot No. 9 Block B, NICC Link (Mlimani), P.O. Box 431, Dodoma. Tel:+255 262324245/2321179, Fax No.+255262320060 Email: md@duwasa.go.tz/info@duwasa.go.tz Website: www.duwasa.go.tz.

2.0 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

2.1 Basis of preparation

These financial statements of DUWASA have been prepared in accordance with and comply with International Public Sector Accounting - Accrual (IPSAS-Accrual). These financial statements have been prepared under cost model. The cash flow statement is prepared using the direct method. The financial statements are presented in Tanzanian Shillings and all values are rounded to the nearest Thousand Shillings TZS ('000').

The preparation of financial statements in conformity with IPSAS-Accrual requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Authority's accounting policies. The areas involving a higher degree of judgments or complexity, or areas where assumptions and estimates are significant to the financial statements are separately disclosed in a note.

The Minister responsible for water clustered Chamwino Water Supply and Sanitation Authority (CHAWASA), Kongwa Water Supply and Sanitation Authority (KOUWASA) and Kibaigwas Water Supply and Sanitation Authority (KIBAWASA) into Dodoma Urban Water Supply and Sanitation Authority (DUWASA) and also extended the responsibilities of water supply services within Bahi town to DUWASA. The clustering transferred the assets and liabilities owned by those water utilities to DUWASA.

Changes in accounting policy and disclosures

The accounting policies adopted by the Authority are consistent with those in previous financial year. The Authority recognizes the effect of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

New standards that are not yet effective and have not been early adopted are as follows;

IPSAS 43, Leases

IPSAS 43 introduces a right-of-use model that replaces the risks and rewards incidental to ownership model for lessee to be applied to all leases (i.e., all leases are treated as finance

leases), whilst retaining the same approach for lessors (i.e., finance and operating leases). Lessees will be recognizing a right-of-use asset and a lease liability on the commencement of a lease. The asset is initially recognized at the amount of the lease liability plus initial direct costs; it is subsequently measured using the cost model unless the underlying asset is investment property measured at fair value or PPE measured under the revaluation model. The liability is initially measured at the present value of the lease payments over the lease term, discounted at the rate implicit in the lease or incremental borrowing rate.

On the other hand, Lessors classify leases as either operating or finance leases depending on whether all risks and rewards incidental to ownership of the leased assets have been substantially transferred to the lessee. Further, IPSAS 43 provides an exemption to leases with a term of fewer than 12 months and leases for which the leased asset is of low value. In this case lease payments are recognized as an expense on a straight-line basis, or another systematic basis, over the lease term (i.e., operating lease treatment).

IPSAS 43 will replace IPSAS 13 for reporting periods beginning on or after 1 January 2025 with early adoption encouraged.

IPSAS 44, Non-current Assets Held for Sale and Discontinued Operations

The Standard requires assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:

Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

IPSAS 44 become effective for the reporting periods beginning on or after 1 January 2025 with early adoption encouraged.

2.2 Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the supply of water and provision of sewerage services in the ordinary course of the Authority's activities. The Authority recognizes revenue when billed and the amount of revenue can be reliably measured, and it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Authority's activities as described below.

2.2.1 Revenue from exchange transaction Supply of water

The Authority provides water supply services to its customers within Dodoma Urban. The Authority's customers are grouped into four major categories namely Domestic, Commercial Institutions, Religious and Kiosks. Over 94% of water connections are for domestic consumptions. DUWASA uses progressive tariff structure to calculate the value of water consumption. This provides flexibility to consumers as they are charged according to their levels

of consumption. The Authority reads water meters and bills its customers on a monthly basis (this case for postpaid customers), and for the case of pre-paid customers revenue are recognized as per consumption of water up to the tune of payment made during the period.

2.2.2 Sewerage Disposal Services

The Authority provides sewerage disposal services to its customers in Dodoma Urban. The sewerage charge is calculated at 40% of water consumption. Customers connected to the Sewerage system are required to pay the Sewerage charges.

2.2.3 Revenue from non - exchange transactions

With exception of meter damage, line maintenance and defaulters' fines (TOZO), other income earned by the Authority are recognized on accrual basis.

2.2.4 Grants

Grants from the Government are recognized as Income once there is reasonable certainty that the Authority will comply with the conditions attached to the grants and that grant will be received, Grant relating to Asset are generally recognized over the lives of the asset concerned.

The authority shall recognize an asset in respect of transfers such as grants when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset. An entity obtains control of transferred resources either when the resources have been transferred to the entity, or the entity has an enforceable claim against the transferor. Many arrangements to transfer resources become binding on all parties before the transfer of resources takes place. However, sometimes one entity promises to transfer resources, but fails to do so. Consequently, only when a claim is enforceable, and the entity assesses that it is probable that the inflow of resources will occur will assets, liabilities and or revenue be recognized. Until that time, the entity cannot exclude or regulate the access of third parties to the benefits of the resources proposed for transfer.

2.3 Inventory

DUWASA maintains inventories for its water production, transmission and distribution infrastructure maintenance as well as for sale to its new customers. Inventories for water production, transmission and distribution infrastructure maintenance and for sale to customers are stated at the lower of cost and current replacement cost. Cost is determined on weighted-average basis and comprises all purchase cost, conversion cost (materials, labour, and overhead), and other costs to bring inventory to its present location and condition, but not foreign exchange differences and selling costs. Trade discounts, rebates, and other similar items are deducted in determining the costs of purchase. Net realizable value represents the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution. Any obsolete items are provided for in the year they are detected.

2.4 Property, Plant and Equipment (PPE)

PPE are initially recorded at cost, which are those costs directly attributable to bring them to the location and condition necessary for them to be capable of operating in the manner intended by Management.

Subsequently, Property Plant and equipment are carried at cost less accumulated depreciation and impairment if any.

2.5 Depreciation

Land is not depreciated. Depreciation on other assets is calculated using straight line method to allow their costs or revalue amounts to their residual values over their expected useful lives.

The depreciation rates	(Annual rate)
Land	0.0%
Buildings	2.0%
Motor Vehicles Light, and Motor Cycles	20.0%
Motor Vehicles Heavy, Pumps and Machines	10.0%
Major Pipes, Trunk Water and Sewer Mains	1.5%
Boreholes	1.3%
Reservoir	5.0%
Ponds	5.0%
Office Furniture, Fittings and Equipment	20.0%
Intangible asset amortization rate	33%

2.5.1 Intangible Assets

Generally, costs associated with maintaining computer software programs such as Smart Billing Manager, Maji Is, Government electronic payment gateway and ARUT Payroll Solutions are recognized as expense as they are incurred. However, costs that is clearly associated with an identifiable and unique product, which will be controlled by the Authority and has a probable benefit accruing to the Authority beyond one year, are recognized as an intangible asset. Intangible assets are amortized for 3 years.

Expenditure which enhances and extends the computer software programme beyond their original specification and lives is recognized as a capital improvement and added to the original cost of the software. Computer software development costs recognized as assets are amortized using the straight-line methods over their useful lives, estimated at three years.

2.6 Foreign currency translation

Transactions in foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions. At each Statement of Financial Position date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on

the Statement of Financial Position date. All exchange gains or losses are dealt with through the Statement of Financial Performance.

2.7 Receivables from exchange transactions

The Trade Receivables are initially recognized at fair value and subsequently measured at cost less specific provision for bad and doubtful debts. Specific provision is made in the account against receivables from exchange transactions when it is not possible to collect all amounts due according to the original claims. The amount of the provision if any is recognized in the Statement of Financial Performance. The Bad debts are written off after all steps to recover them have failed, and subject to the approval of the Board of Directors.

2.8 Receivables from non-exchange transactions

Receivables other than trade receivables and service in kind that meet the definition of an asset, are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

2.9 Trade and other payables from exchange transactions

Trade payables are obligation to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as noncurrent liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Other payables also include deposits by water customers for bills paid in advance.

2.10 Provision for liabilities and charges

Provisions are recognized when the Authority has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, Provisions are not recognized for future operating losses.

2.11 Impairment

At each Statement of Financial Position date, the Authority reviews the carrying amounts of its financial assets, tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss is recognized in the Statement of Financial Performance whenever the carrying amount of the asset exceeds its recoverable amount.

2.12 Cash and cash equivalents

The Cash and Cash Equivalents are carried in the Statement of Financial Position at cost. For the purpose of Cash flow Statements Cash and Cash equivalents comprise the cash on hand, demand and call deposits that existed as at the year end.

2.13 Employees benefits

The Authority has defined contribution plan scheme for its employees. A defined contribution plan is a pension plan under which the Authority pays fixed contributions into a separate entity. The Authority has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Authority makes statutory contributions to the Public Service Social Security (PSSSF). The Authority's obligations in respect of these contributions are 15% of the employees' gross emoluments. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or reduction in the future payments is available.

2.14 EWURA Levy

EWURA levy has been computed as 1% of the total revenue. This is in accordance with section 43(3) of the Water Supply and Sanitation Act No.12 of 2009.

3.0 CASH AND CASH EQUIVALENT

DETAILS	Re-stated	
	2022/23 TZS '000'	2021/22 TZS '000'
CRDB - Main 01J1081566700	122,087	35,162
CRDB - Admin 01J1081566701	24,477	9,510
CRDB - Develop. 01J1081566703	251	84,428
CRDB - Project - 01J1082706200	1,509,628	34,220
NBC - Revolving 029103000880	398,034	178
Petty Cash	421	421
Loan Servicing A/C 01J1083106001	166,801	20,401
NMB Collection A/C 51706600174	8,772	7
NMB expenditure A/C - 53010000293	545	22,183
BOT Deposit Account-9925261601	169,993	160,925
TIB Corporate	1,562	1,562
Tanzania Postal Bank-223208000001 TCB	470	-
Kibaigwa Bank Balance	26,442	-
Equity Bank-3009211625555	-	259
TOTAL	<u>2,429,483</u>	<u>369,256</u>

4.0 TRADE AND OTHER RECEIVABLES

Trade receivables	7,434,282	6,717,265
Provision for bad debt	(404,740)	(323,418)
Increase/Decrease in Impairment	-	(231,113)
NET BALANCE AS AT 30 JUNE 2023	<u>7,029,542</u>	<u>6,162,734</u>

5.0 OTHER RECEIVABLES

Advance to Contractors	295,961	-
Pre-Payment	12,354	-
Ministry receivable (Note 5.1)	<u>1,183,075</u>	<u>794,216</u>
TOTAL	<u>1,491,390</u>	<u>794,216</u>

5.1 MINISTRY RECEIVABLE THE YEAR 2022/2023

No.	DESCRIPTIONS	2021/22		Additional Project cost TZS '000'	2022/2023	
		Original Receivable balance 1 July 2022	Re-stated Receivable Balance TZS '000'		Amount Received during the year	Receivable Balance TZS '000'
1	KONGWA PROJECT IBWAGA	129,228	129,228	-	-	129,228
2	SEWER PROJECT AREA C& D	3,331,387	-	478,283	-	478,283
4	MAGUFULI ANNEX PROJECT	222,596	-	-	-	-
5	UNUNUZI PUMP MBILI & PVC	632,940	664,987	-	664,987	-
6	DODOMA TOWN PROJECT	781,560	-	-	-	-
7	BIHAWANA 23 BOREHOLES	773,092	-	-	-	-
8	UBORESHAJI WA HUDUMA - CHAMWINO	2,000,000	-	-	-	-
9	UBORESHAJI HUDUMA - DODOMA MJINI	4,000,000	-	-	-	-
10	ZUZU, NALA WATER PROJECT	-	-	374,239	150,000	224,238
12	WASTE WATER PROJECT STATE HOUSE	-	-	226,145	100,000	126,145
13	WATER TREATMENT PLANT - STATE HOUSE	-	-	325,181	100,000	225,181
	TOTAL****	11,870,803	794,215	1,403,848	1,014,987	1,183,075

*** The receivable balance at 30 June 2022 has been restated in correction of error after the inclusion of commitments amounts from the Ministry of Water to fund various the projects. In 2021/22, the amount receivable from the Ministry of Water was reported as TZS 11,870,803,000 instead of TZS 794,215,000. The effect of the inclusion was to overstate the Ministry Receivable and understate/overstate other accounts including account payable, accumulated surplus, grants/revenue, and expenditures for the year ended 30 June 2022 by a total TZS 11,076,588,000/=.

6.0 INVENTORIES**DETAILS**

	2022/23	Re-stated 2021/22
	TZS '000'	TZS '000'
Pipes and Fittings	898,067.	1,004,377
Water Meters	220,613	92,196
Stationeries	79,686	28,112
Electrical Equipment	72,704	169,164
Lubricant	1,105	369
Working Tools	5,183	6,794
Spare parts Motors Vehicle & Cycles	<u>118,969</u>	<u>80,251</u>
Gross Total	1,396,327	1,381,263
<i>Less Provision for slow-moving and obsolete stocks</i>		
As at 1 July 2022	394,349	496,382
Less: Decrease in provision	<u>59,684</u>	<u>102,033</u>
As at 30 June 2023	<u>334,665</u>	<u>394,349</u>
NET BALANCE AS AT 30TH JUNE 2023	<u>1,061,662</u>	<u>986,914</u>

7.0 INTANGIBLE ASSETS

As at 1 July (Intangible Asset Restated)	155,902	155,902
Addition	<u>-</u>	<u>-</u>
As at 30 June 2023	155,902	155,902
<u>Amortization</u>		
As at July	155,902	(133,627)
Adjustments due to restated useful life	<u>-</u>	<u>-</u>
Accumulated amortization	155,902	(133,627)
Amortization charge for the year	<u>-</u>	<u>(22,275)</u>
Total Amortization	155,902	155,902
As at 30 June 2023	<u>-</u>	<u>-</u>

8.0 PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	LAND	BUILDINGS	PLANT TZS `000`	RESERVOIR	PUMPS & MACHINERY	MOBILE	MAJOR	MOTOR VEHICLES & CYCLES	FURNITURE FITTINGS & EQUIPMENT	PONDS	TRUNK WATER MAINS	SEWERAGE NETWORK TRUNK MAIN	BOREHOLES	Total 30.06.2023
						MACHINES) HEAVY VEHICLES	DISTRIBUTIO N NETWORK							
	TZS 000	TZS `000`		TZS `000`	TZS `000`	TZS `000`	TZS `000`	TZS `000`	TZS `000`	TZS `000`	TZS `000`	TZS `000`	TZS `000`	TZS `000`
As at 30 June 2022	12,234,993	4,213,025	860,950	29,593,586	29,978,271	1,289,940	25,286,722	1,473,720	1,117,017	8,397,985	53,313,896	12,491,877	10,698,626	190,950,608
Adjustments	315,188	270,906	-	1,017,520	1,353,069	-	1,228,749	800	22,488	-	-	-	14,140	4,222,860
30/06/2022 - Re-stated	12,550,181	4,483,931	860,950	30,611,106	31,331,340	1,289,940	26,515,471	1,474,520	1,139,505	8,397,985	53,313,896	12,491,877	10,712,766	195,173,468
As at 1 July 2022	12,550,181	4,483,931	860,950	30,611,106	31,331,340	1,289,940	26,515,471	1,474,520	1,139,505	8,397,985	53,313,896	12,491,877	10,712,766	195,173,467
Kibaigwa Cluster	74,936	250,000	-	1,045,500	107,327	-	593,888	2,000	48,932	-	-	-	66,000	2,188,583
Additions	-	(5)	-	-	401,677	-	9,048	-	31,350	-	-	-	392,542	834,613
Capitalization from WIP	566,448	-	-	-	826,287	-	-	-	-	-	1,227,276	-	-	2,620,011
As at 30 June 2023	13,191,565	4,733,926	860,950	31,656,606	32,666,631	1,289,940	27,118,407	1,476,520	1,219,787	8,397,985	54,541,172	12,491,877	11,171,308	200,816,674
DEPRICIATION														
As at 30 June 2022	-	633,608	602,665	8,549,925	16,500,281	691,202	1,993,265	1,342,643	965,426	1,842,707	4,050,807	997,404	507,021	38,676,954
Adjustments	-	(60,505)	258,285	611,148	(787,723)	56,167	162,103	48,510	(160,579)	460,844	556,718	2	155,210	1,300,180
30/06/2022 - Re-stated	-	573,103	860,950	9,161,073	15,712,558	747,369	2,155,368	1,391,153	804,847	2,303,551	4,607,525	997,406	662,231	39,977,134
As at 1 July 2022	-	573,103	860,950	9,161,073	15,712,558	747,369	2,155,368	1,391,153	804,847	2,303,551	4,607,525	997,406	662,231	39,977,134
Kibaigwa Cluster	-	10,000	-	104,550	18,225	-	16,310	800	16,742	-	-	-	1,716	168,343
Charge for the year	-	94,679	-	1,582,830	3,266,663	128,994	406,776	84,567	243,958	419,899	817,265	187,378	145,227	7,378,236
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 30 June 2023	-	677,782	860,950	10,848,453	18,997,446	876,363	2,578,454	1,476,520	1,065,547	2,723,450	5,424,790	1,184,784	809,174	47,523,713
NET BOOK VALUE														
As at 30 June 2023	13,191,565	4,056,144	-	20,808,153	13,669,185	413,577	24,539,953	-	154,240	5,674,535	49,116,382	11,307,093	10,362,134	153,292,961
As at 30 June 2022 (Restated)	12,550,181	3,910,827	-	21,450,033	15,618,782	542,571	24,360,103	83,367	334,658	6,094,434	48,706,371	11,494,471	10,050,535	155,196,334

9.0 CAPITAL WORK IN PROGRESS

PARTICULARS	FARKWA WATER PROJECT	NZUGUNI SEWERAGE PROJECT	MTUMBA MAGUFULI CITY PROJECT	EXTENSION OF WATER SUPPLY IN DODOMA TOWN	KONGWA BH. PROJECT	AREA C&D	CHAMWINO IKULU WATER & SEWER PROJECTS	NORPLAN WATER AND SEWER - NZUGUNI PONDS	ZUZU, NALA PROJECT	NZUGHUNI WATER PROJECT	KIBAIGWA WATER PROJECT	BIHAWANA BH PROJECT	Total
	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'
As at 30 June 2022	8,060,103	622,378	-	1,428,441	758,362	1,866,902	-	752,602	73,455	-	-	268,154	13,830,397
Adjustments					22	(239,658)							(239,636)
<u>Re-stated</u>													
30 June 2022	8,060,103	622,378	0	1,428,441	758,384	1,627,244	-	752,602	73,455	-	-	268,154	13,590,761
As at 1 July 2022	8,060,103	622,378	-	1,428,441	758,384	1,627,244	-	752,602	73,455	-	-	268,154	13,590,761
Addition-Grants	-	-	447,114	1,248,449	-	1,587,742	860,312	-	374,238	1,422,352	-	-	5,940,207
Work done	-	-	-	1,766,176	34,444	-	-	-	-	-	-	-	1,800,642
WIP - kibaigwa											831,573		831,573
Adjustment						81,518							81,518
Sub Total	8,060,103	622,378	447,114	4,443,066	792,828	3,296,504	860,312	752,602	447,693	1,422,352	831,573	268,154	22,244,679
Less:													
Capitalized Project				2,620,011									2,620,011
As at 30 June 2023	8,060,103	622,378	447,114	1,823,055	792,828	3,296,504	860,312	752,602	447,693	1,422,352	831,573	268,154	19,624,668

10.0 TRADE AND OTHER PAYABLES DETAILS	2022/23 TZS '000'	Re-stated 2021/22 TZS '000'
Payables from exchange transactions	5,124,163	5,370,591
payables for exchange transactions	-	-
Other Payable - MoW	-	-
Other Payable - Customer Payable	6,699	30,479
Contribution to Government	25,000	25,000
Other Payable	309,059	-
Retention Account	<u>231,753</u>	<u>-</u>
TOTAL	<u>5,696,674</u>	<u>5,426,070</u>
11.0 DEFERRED GOVERNMENT GRANT		
Deposit by Ministry of Water (Note 24)	<u>2,138,762</u>	<u>34,220</u>
As at 30th June 2023	<u>2,138,762</u>	<u>34,220</u>
12.0 LONG-TERM LOAN		
Treasure of Loan	<u>20,937</u>	<u>20,937</u>
TOTAL	<u>20,937</u>	<u>20,937</u>
13.0 CAPITAL RESERVE		
As at 1st July	45,772,994	45,772,994
Add: Tax Payer Fund from Kibaigwa Cluster	<u>2,065,563</u>	<u>-</u>
As at 30th June 2023	<u>47,838,557</u>	<u>45,772,994</u>
14.0 REVENUE FROM EXCHANGE TRANSACTION		
Water Consumption	20,562,612	19,343,759
Sewerage Cost Charges	1,848,162	1,264,814
Sludge Disposal	155,204	222,604
New Water Connections Fee	2,815,962	2,881,257
Sewerage Connection Fees	<u>792,519</u>	<u>93,226</u>
TOTAL	<u>26,174,459</u>	<u>23,805,660</u>

15.0 REVENUE FROM NON-EXCHANGE TRANSACTION

DETAILS	2022/23	Re-stated 2021/22
	TZS '000'	TZS '000'
Amortised grant revenue	<u>7,400,830</u>	<u>7,081,479</u>
TOTAL	<u>7,400,830</u>	<u>7,081,479</u>

16.0 OTHER INCOME

Water reconnection Fees	114,990	98,850
Tozo /Meter damage Income	217,187	99,344
Line Maintenances Income	108,793	538,514
Coupons	-	1,745
Other receipts	50,217	213
Gain from slow moving items/other income	59,104	-
Unblocking Sewer	130	880
Miscellaneous Receipt	-	2,068
Illegal connection fines	600	-
Fines, penalties & Forfeiture	1,120	-
Water Theft Fees	16,415	-
Unclaimed fund.	<u>112,242</u>	<u>5,017</u>
TOTAL	<u>680,798</u>	<u>746,631</u>

17.0 WATER PRODUCTION EXPENSES

Electricity for water Production	6,309,910	5,033,576
Water chemical /Treatment and Lab cost	120,038	126,210
Repair of Water Production Infrastructure	67,016	198,569
Water User Fee	-	221,318
Hardship Allowance/Working tools - Production	<u>85,003</u>	<u>13,505</u>
TOTAL	<u>6,581,967</u>	<u>5,593,178</u>

18.0 DISTRIBUTION EXPENSES

Electricity For Water Distribution	1,684,931	2,285,623
Maintenance of Distribution Machineries	220,101	117,038
New Water Connections Expenses	2,192,720	2,363,215
Maintenance of Water Pipe lines	1,747,132	1,475,020
Working Tools- Water distribution network	<u>58,095</u>	<u>37,726</u>
TOTAL	<u>5,902,979</u>	<u>6,278,622</u>

19.0 SEWERAGE EXPENSES**DETAILS**

	2022/23	Re-stated 2021/22
	TZS '000'	TZS '000'
Repair/Maintenance of Sewerage Infrastructure	543,504	370,272
Environmental Fees - NEMC	-	6,000
New Sewerage connection	3,660	5,663
Working Tools - Sewerage	-	3,065
Customer Survey - Sewerage	-	3,210
TOTAL	<u>547,164</u>	<u>388,210</u>

20.0 OPERATING EXPENSES

Employees Benefit (Note 20.1)	6,500,441	6,017,807
Administration Expenses (Note 20.2)	2,083,290	2,032,994
Other Expenses (Note 20.3)	<u>2,647,882</u>	<u>2,406,517</u>
TOTAL	<u>11,231,613</u>	<u>10,457,318</u>

20.1 EMPLOYMENT BENEFITS

Basic Salary	3,613,694	3,632,278
Wages	250,864	186,201
Employer's Contributions PSSF	541,944	535,551
Reimbursement of staff fuel Expenses	278,780	301,662
Other staff incentives	-	28,000
House Allowance	220,932	205,640
Travelling on leave allowance	295,518	9,999
Transport allowance	59,940	76,440
Acting allowance	29,921	17,454
Subsistence Allowance	20,999	14,080
Medical And Burial Expenses	116,475	135,407
Extra Duty Allowance	315,075	528,713
Skills Development Levy (SDL)	173,694	169,154
Workers Compensation Funds (WCF)	21,935	20,925
Terminal benefit and gratuity Expenses	35,732	6,816
Utility allowance (water and Electricity)	148,417	149,487
Bonus / Performance	<u>376,521</u>	<u>0</u>
TOTAL	<u>6,500,441</u>	<u>6,017,807</u>

20.2 ADMINISTRATION EXPENSES

Re-stated

DETAILS

	2022/23	2021/22
	TZS '000'	TZS '000'
land/Office Rent & Rates	39,595	17,953
Postage & Courier Charges	4,641	3,270
Telephone Fax and Radiocall Charges	32,943	2,124
Insurance-Motor Vehicle/Cycles Licenses	63,510	60,465
Office Stationeries	163,930	127,550
Office Fuel for motor vehicles and Cycles	652,111	431,846
Printing materials	-	876
Computers Stationery and Consumables	-	14,806
Computer Supplies and Accessories - Maintaining good and quality condition of ICT equipment.	84,453	-
Software License Fees - Maintaining good and quality condition of ICT equipment.	99,132	-
Computer &Software Maintenance Expenses	32,583	53,865
Electricity for Office	32,845	61,422
Office Water/Sewerage Disposal Expenses	24,921	50,063
Office Running Cost/Office General Expense	296,234	477,216
Security Expenses	556,392	500,425
Provisional for Bad Debts expenses	-	231,113
TOTAL	<u>2,083,290</u>	<u>2,032,994</u>

20.3 OTHER EXPENSES

Public Relations Communications /Education Expenses	142,240	293,298
Workers Council Meeting	52,900	52,910
Staff Training Costs	158,935	174,217
Audit Fees	231,754	84,317
CAG Supervision costs	-	7,000
Professional Fees & CPD Attendance Costs	-	3,780
Consultation Fees	37,117	-
Internet And Website Hosting Expenses	<u>130,110</u>	<u>211,272</u>
Sub Total C/F	753,056	826,794

20.3 OTHER EXPENSES (Continued)

Re-stated

DETAILS

	2022/23	2021/22
	TZS '000'	TZS '000'

Sub Total B/F	753,056	826,794
Free Water for Poor People expenses	-	1,783
Annual report calendar and news paper	20,494	4,088
Seminars & Conferences expenses	21,883	12,950
AWEC Contributions and Meeting Expenses	1,980	26,100
Management Meeting	178,165	41,501
Fire Fighting & Fumigation Expenses	5,149	4,270
Tender Board meeting/Activities Expenses	50,827	28,860
May Day (Workers Day)	-	18,126
Donation to Public and NGO's Events	37,160	20,481
Maji Week Expenses	-	5,075
Nane Nane expenses	-	2,000
UWSA's Annual Meeting	-	12,837
Repair & Maintenance Motor vehicles & cycle	237,937	353,380
Repair & Maintenance- Building	403,414	175,153
Board Meeting& Activities Expenses	142,700	153,913
Mobile charges	201,347	63,759
Traveling on duty (per diem domestic)	350,235	273,240
Budget and Business Planning	16,445	49,848
Staff Uniform Expenses	11,600	95,252
Legal expenses	-	4,763
Entertainment and Hospitality	121,573	86,154
Receivable Collection Expenses	35,975	123,131
Asset valuation cost	-	23,387
Office working tools cost	19,037	1,455
Subscription Fees	<u>38,905</u>	<u>-</u>
TOTAL	<u>2,647,882</u>	<u>2,406,517</u>

21.0 DEPRECIATION EXPENSES

Depreciation from water production assets	4,994,720	1,269,468
Depreciation from water distribution assets	1,224,041	3,606,486
Depreciation from sewerage	607,278	1,617,298
Depreciation from operational assets	552,197	333,720
Amortization of Intangible Asset	<u>-</u>	<u>31,180</u>
TOTAL	<u>7,378,236</u>	<u>6,858,152</u>

22.0 FINANCIAL COST		
Bank Charges	<u>26,338</u>	Re-stated <u>26,591</u>

23.0 TRANSFER TO OTHER AUTHORITIES		
Transfer to other authorities	<u>-</u>	<u>2,110,020</u>

24.0 MOVEMENT OF MINISTRY MADE DURING THE YEAR 2022/23

No.	Descriptions	Opening balance TZS '000'	Total fund received during the year TZS '000'	Total expenditure during the year TZS '000'	Balance TZS '000'
1	Kongwa Project Ibwaga	34,220	-	34,220	-
2	Zuzu, Nala water project	-	150,000	150,000	-
	Improvement of water supply in				
3	Chamwino state house projects	-	912,092	912,092	-
5	Ntomoko water project	-	117,713	117,713	-
6	Bihawana borehole project	-	321,928	-	321,928
7	Nzughuni water Project	-	1,372,000	1,363,471	8,529
	Ihumwa Compensation &				
8	Improvement	-	727,748	566,448	161,300
	Improvement of water supply in				
9	Dodoma city	-	737,787	-	737,787
	Improvement of water supply in				
10	Chamwino Ikulu	-	340,744	-	340,744
11	Dodoma town Project	-	1,248,449	1,248,449	-
12	Transfer to other authorities	-	400,297	400,297	-
13	Farkwa Project	-	121,360	-	121,360
14	Sewer Project area C& D	-	1,587,743	1,587,743	-
15	Magufuli City Project	-	522,896	75,782	447,114
	TOTAL	34,220	8,560,757	6,456,215	2,138,762

25.0 OPERATING CASH FLOW RECONCILIATION

	2022/23 TZS'000'	Re-stated 2021/22 TZS'000'
I. NET SURPLUS FOR THE YEAR	2,587,778	2,337,251
Adjustment non-cash items		
Depreciation for the year	7,378,236	7,242,644
Gain on slow moving items/other income	-	(102,034)
Decrease in Provision for bad debt	-	<u>231,113</u>
Net adjustment	<u>7,378,236</u>	<u>7,371,723</u>
Operating Profit Before Working Capital Changes:	9,966,014	9,708,974
<u>Changes in operating assets and liabilities</u>		

Increase in Inventories	(74,747)	1,666,730
Increase in Other receivables	(670,607)	(8,234,839)
Increase in trade receivable	(866,808)	926,338
Trade and other Payable	(270,604)	3,786,954
Deposit by Ministry and Other	<u>2,104,542</u>	<u>(132,608)</u>
Total changes	<u>221,776</u>	<u>(1,987,425)</u>
Net cash provided by operating activities	<u>10,187,790</u>	<u>7,721,549</u>

II. RECONCILIATION OF CASH PAYMENT

Water production Expenses	6,581,967	5,593,044
Distribution Expenses	5,902,979	6,465,887
Sewerage Expenses	547,164	388,210
Operating Expenses	11,231,613	10,457,255
Depreciation and Amortisation Expenses	7,378,236	7,242,644
Transfer to other cluster water authorities	400,000	2,110,020
Pre-Payments & Advances	12,354	-
Financial Expenses	<u>26,350</u>	<u>26,591</u>
Total Expenses	<u>32,080,663</u>	<u>32,283,651</u>

Less: Non - Cash items

Depreciation and amortization	(7,378,236)	(7,242,644)
Provisional for Bad Debts	(223,950)	(231,113)
NET CASH PAYMENT	<u>(7,602,186)</u>	<u>(7,473,757)</u>

Movement of working capital

Increase in inventories	(74,747)	(1,666,730)
Increase in trade and other payables	270,603	(3,786,954)
Decrease payables Deposits by the Ministry and Others	<u>(6,251)</u>	<u>132,608</u>
	<u>189,605</u>	<u>(5,321,076)</u>
NET CASH PAYMENT	<u>24,668,083</u>	<u>19,488,818</u>

26.0 RECONCILIATION OF CASH RECEIPTS

	2022/23	2021/22
	TZS'000'	TZS'000'
Actual cash collection	26,855,257	24,854,812
Revenue from Ministry	8,560,757	9,766,090
(Increase)/Decrease in trade and other receivables	(866,808)	926,338
Gain/loss on other income	(112,242)	(102,035)
Other Receivables	-	<u>(8,234,839)</u>
Total Receipts	<u>35,303,772</u>	<u>27,210,366</u>

27.0 CONTINGENT LIABILITY

For the year 2022/223, the Authority had handled 1 case in different tribunals and courts in Tanzania, the facts and status of the pending cases are as herein under shown

No.	Case Number	Place	Claim	Source of Claim	Stage of the claim	Consequences	Current status
1	Case No.03 of 2019. Between 5M General Supplies Co. Ltd (claimant) against DUWASA (debtor)	High Court land unit Dodoma Region	Land compensation amounting to TZS 312,000,000	The allegations stem from DUWASA taking over the Ihumwa areas for water wells in the Ihumwa areas and the government town.	This case continues to be heard on 26 April 2021.	There are no signs of harm on our part as the evaluation cancelled the legal procedures and alternatives.	The case has been disposed off in favour of DUWASA.

Source: High court land registry Dodoma

28.0 COMPARATIVES

The comparatives have been changed in respect of the restatement effects described in note 29 below.

29.0 RESTATEMENT OF FINANCIAL STATEMENTS

During the year the Authority migrated from Sage Pastel to EMRS accounting package. As the results of migration from Sage Pastel to EMRS accounting package, inconsistencies were noted during the opening balance tests at 1st July 2022 from the closing balances in Sage Pastel to the opening balances in EMRS. The table below, among others shows the restatement effects of the inconsistencies noted.

And as disclosed under note 5.1 the originally reported amount of receivable balance from the Ministry of Water at 30 June 2022 was TZS 11,870,803,000. Subsequently, during the current year audit it was noted that the receivable balance was overstated by including commitments from the Ministry Water to fund various projects, the effect of which was to overstate the receivable balance by TZS 11,076,588,000 as adjusted below;

Description	Original TZS '000'	Adjustment TZS '000'	Re-stated TZS '000'
Statement of Financial Position as at 30 June 2022			
Trade Receivables	5,507,734	655,000	6,162,734
Other Receivables	11,870,803	(11,076,587)	794,216
Property, Plant and Equipment	152,273,654	2,922,680	155,196,334
Intangible Assets	22,275	(22,275)	-

Description	Original TZS '000'	Adjustment TZS '000'	Re-stated TZS '000'
Capital Work in Progress	13,830,397	(239,636)	13,590,761
Total Assets	<u>183,504,863</u>	<u>(7,760,817)</u>	<u>175,744,046</u>
Trade and Other Payables	5,651,749	(225,679)	5,877,428
Retained Surplus	133,381,132	(7,535,138)	125,845,994
Total Liabilities	<u>139,032,881</u>	<u>(7,760,817)</u>	<u>131,723,422</u>

Statement of Comprehensive Income as at 30 June 2022

Revenue from Non-Exchange transactions	9,766,089	(2,684,610)	7,081,479
Other Income	<u>1,049,152</u>	<u>(302,521)</u>	<u>746,631</u>
Total Revenue	<u>10,815,241</u>	<u>(2,987,131)</u>	<u>7,828,110</u>
Water Production Expenses	5,593,044	134	5,593,178
Distribution Cost	6,465,887	(187,265)	6,278,622
Other Operating Expense	10,457,255	64	10,457,319
Depreciation and Amortisation	<u>7,242,644</u>	<u>(384,492)</u>	<u>6,858,152</u>
Total	<u>29,758,830</u>	<u>(571,559)</u>	<u>29,187,271</u>

30.0 RELATED PARTY TRANSACTIONS

Transfer of resources and/or obligations between related parties in DUWASA during the year ended 30 June 2023 included the following:

I. Board Expenses

The Board of Directors is the body of appointed members who jointly oversee the activities of the Authority. Their expenses are set out below:

DETAILS	2022/23 TZS '000'	2021/22 TZS '000'
Board Meetings and Related Expenses	27,141	21,937
Directors Fees	<u>102,130</u>	<u>96,181</u>
TOTAL	129,271	118,118

II. Remuneration of Key Management Employees

Key management personnel include the Managing Director and Directors and Managers, Management has responsibility for planning, directing, and controlling the activities of the Authority. Their remunerations are set out below:

	2022/23 TZS'000'
Short-term employee benefits	18,230
Key Management Staff	<u>985,415</u>
	1,003,645