



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



REPORT OF THE CONTROLLER AND AUDITOR GENERAL

**DODOMA URBAN WATER SUPPLY AND SANITATION AUTHORITY**

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE  
FINANCIAL STATEMENTS AND COMPLIANCE AUDIT FOR THE FINANCIAL  
YEAR ENDED 30 JUNE 2022**

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Month 2023

AR/ PA/DUWASA/2021/22

## 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.

### Vision

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

### Mission

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

**Motto:** "Modernizing External Audit for Stronger Public Confidence"

### Core values

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

- i. Independence and objectivity
- ii. Professional competence
- iii. Integrity
- iv. Creativity and Innovation
- v. Results-Oriented
- vi. Teamwork Spirit

### We do this by:

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

© This audit report is intended to be used by Dodoma Urban Water Supply and Sanitation Authority 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.

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## 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
IESBA	International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants
IPSAS	International Public Sector Accounting Standards
ISSAI	International Standards of Supreme Audit Institutions (ISSAIs)
MOFP	Ministry of Finance and Planning
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
UDOM	University of Dodoma
UWSAs	Urban Water Supply Authorities
WCF	Workers Compensation Funds
WSDP	Water Sector Development Program

## **AUTHORITY'S 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: +255262324245/2321179, Fax No. +255 262320060 Email: [md@duwasa.go.tz](mailto:md@duwasa.go.tz)/[info@duwasa.go.tz](mailto:info@duwasa.go.tz) We-b-site: [www.duwasa.go.tz](http://www.duwasa.go.tz).

### **PLACE OF BUSINESS**

Mkapa Road,  
Plot No.9 Block B,  
P.O. Box 431,  
**DODOMA**

### **LAWYER**

Adv. Ayubu Mganda,  
DUWASA,  
P.O. Box 431,  
**DODOMA**

### **ACCOUNTING OFFICER**

Eng. Aron Joseph  
DUWASA,  
P.O. BOX 431,  
**DODOMA**

### **AUDITORS**

Office of the Controller & Auditor General  
National Audit Office,

P.O. Box 950,  
**DODOMA**

### **BANKER V**

EQUITY BANK Ltd,  
CDA Street,  
P.O. Box 110183,

### **SUB CONTRACTED AUDITORS**

Auditax International,  
PPF Tower, 7th Floor Garden/Ohio Street  
P.O. Box 77949,  
**DAR ES SALAAM**

### **BANKERS I**

Bank of Tanzania,  
2 NCC Link,  
P.O. Box 2303,  
**DODOMA**

### **BANKERS II**

National Microfinance Bank,  
Dodoma Branch,  
P.O. Box 1482  
**DODOMA**

### **BANKERS III**

National Bank of Commerce Ltd,  
Dodoma Branch,  
P.O. Box 1443  
**DODOMA**

### **BANKERS IV**

CRDB Bank Ltd,  
  
Dodoma Branch,  
P.O. Box 40,  
**DODOMA**

### **BANK VII**

TANZANIA COMERCIAL BANK,  
P.O BOX 9300,  
**DODOMA.**

## **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 2022, 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 Dodoma Urban Water Supply and Sanitation Authority as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348

#### **Basis for Opinion**

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of 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. I have determined that there are no key audit matters to communicate in my report.

## **Other Information**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

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

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 2021/22 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**

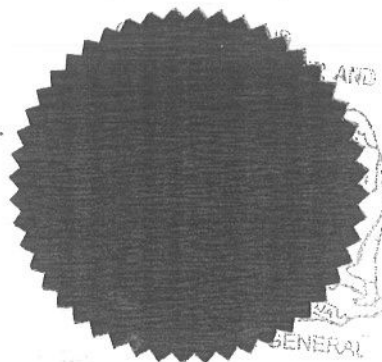
I performed a compliance audit on budget formulation and execution in the Dodoma Urban Water Supply and Sanitation Authority for the financial year 2021/22 as per the Budget Act and other Budget Guidelines.

#### 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, 2023



## **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 2022, 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 the 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 the 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 is 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 honor 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 humor, 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 comprised of executive and non-executive directors with a mix of skills, experience and diversity. The Directors who were in office from 01 July 2021 to June 2022 are,

Name	Position	Date of Appointment	Qualification/Discipline	Age	Nationality
Prof. Faustine Karrani Bee	Chairperson	3-Feb-20	Professor (Development Studies)	63	Tanzanian
Ms, Susan Eustace Bidya	Vice Chairperson	3-Feb-20	Advanced,Diploma (Community Development)	71	Tanzanian
Mrs. Neema Peter Majule	Member	3-Feb-20	Masters of Science in Community Economic Development	56	Tanzanian
Mr Maduka Paul Kessy	Member	3-Feb-20	MSc. Planning and Development	61	Tanzanian
Hon. Prof Davis George Mwamfupe	Member	3-Feb-20	Professor (Land use Management)	66	Tanzanian
Major Fabian Gurtu Awary	Member	3 February 2020-10 August 2021	Bachelor,Commerce (Accounting)	44	Tanzanian
Mr. Joseph Constantine Mafuru	Member	9-Sep-20	Msc,Public Administration	46	Tanzanian
Mr. Chavuma Harun Taratibu	Member	3-Feb-20	Certificate of Secondary Ordinary Level	62	Tanzanian
Mr. Prosper Buchafwe	Member	4-May-20	MSc. Public Policy in Economic Development	52	Tanzanian
Dr. Fatuma Mganga	Member	3 February to 9 December 2020	Msc. In Water Supply Engineer Services.	48	Tanzanian
Brig.Gen Leonidas David Mutalemwa	Member	19-Aug-21	National Defence course India, Advanced Diploma in IT	55	Tanzanian
Eng. Aron Joseph	Secretary	10-Dec-20	MSc. In Engineering Management (Project Management)	38	Tanzanian

Source: Ministry of water appointment letter

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

- Report of water leaks from stakeholders be acted upon expeditiously, also management should publicize any person found to be involved in water theft activities.
- Management should make effort on follow up of Title deeds of all plots owned by DUWASA.
- Management should continue to cooperate with e-Government Authority on developing best billing system to enhance the efficiency of DUWASA billing system.
- Management to organize a visit of the Board to the KIBAWASA and MPWUWSA Water Management Authorities. Which are under care of DUWASA Board of Directors
- The Board approved the payment of thirty-nine million shillings to the workers with claims from Kongwa Water Authority, before it was handed over to DUWASA.
- The Board approved DUWASA's strategic plan of debt collection and an implementation report to be issued to the Board.
- KIBAWASA should work closely with local government officials to resolve the challenge of raids on KIBAWASA water source as well as the Ministry of Water Resources through the Wami Ruvu Basin Office as the responsibility for the protection of water resources belongs to the Authority

Register of attendance of Board Members in the Board of Directors meetings for the year 2021/2022 is as follows below;

S/N	Member's Name	Total Number of Meetings attended		
		July 2021	June 2022	No. of Meeting
1	Prof. Faustine Karrani Bee	P	P	4
2	Ms. Susan Eustace Bidya	P	P	4
3	Mrs. Neema Peter Majule	P	P	4
4	Mr. Maduka Paul Kessy	P	P	1
5	Hon. Prof Davis George Mwamfupe	P	P	4
6	Major Fabian Gurtu Awary	P	P	1
7	Mr. Joseph Constantine Mafuru	P	P	3
8	Mr. Chavuma Harun Taratibu	P	P	4
9	Mr. Prosper Buchafwe	P	P	4
10	DR. Fatuma Mganga	P	P	3
11	Brig.Gen Leonidas David Mutalemwa	P	P	3
12	Eng. Aron Joseph	P	P	4

Source: DUWASA Board attendance register

P = Present

AP = Apology

AP-R = Absence with apology-Represented

N/A\* = The post/position was vacant

- i. Approving DUWASA Training Policy 2022.
- ii. Approving DUWASA training Program for the year 2021/2022.
- iii. DUWASA Transport and Management Policy 2022.
- iv. DUWASA health, safety and occupational Policy 2022.
- v. DUWASA ICT Policy 2022.
- vi. Making corporate and operational decisions;
- vii. Review of management performance and operations
- viii. Setting and approving Authority budget for the year 2022/2023
- ix. Approving Authority's Financial Statements for the year 2020/2021

### 2.7.1 Committees of the Board of Directors

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

### 2.7.2 Administration and Disciplinary Committee Members

Name	Position	Date of Appointment	Qualification	Age	Nationality
Mr Maduka Paul Kessy	Chairperson	3 February 2020- August 2021	MSc. Planning and Development	61	Tanzanian
Mr. Joseph Constantine Mafuru	Member	3 February 2020	MSc. Public Administration	46	Tanzanian
Ms, Susan Eustace Bidya	Vice Chairperson	3 February 2020	Advanced Diploma (Community Development)	71	Tanzanian
Dr. Fatuma Mganga	Chairperson	10 September 2021	Msc Business Administration (MBA) Masters in Public Health(MPH) Degree in Medicine (MD)	48	Tanzanian

Source: Board chairperson appointment letters

During the year committee held four (4) normal meetings and one (1) 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
1.0	LEGAL UNIT (April - June, 2022) for Fiscal Year 2021/2022. Chronic customer debt (1.2B):- The committee instructed the following on the issue of debt: Legal unit should asses and satisfy themselves and suggest appropriate measures to be taken on collecting long	An order has been implemented whereby the Unit in collaboration with the committee constituted by the Director has conducted a review and determined as of 29/09/2022 the debt of chronic customers is Tsh. 124,999,715.00 (617 customers) who are now chronic clients subject to legal action. During the tenth month the unit has written

	term debt of TZS 1.2 Billion from chronic customers	letters to 23 customers including 12 institutions with 30, 45 and up to 60 days' notice.
2.0	Government Institutions that are located in Dodoma and owed, the list should be sent to the RAS office for seeking repayment of their debts within a short period of time.	An order has been implemented whereby preliminary steps have now been taken by writing letters to the parties to verify their debts. After the response and time have passed, the list will be forwarded to the RAS.
3.0	Case Management, Proceedings and Jurisdiction Disputes The committee ordered close monitoring of all cases involving DUWASA, the dates of each case be monitored to avoid cases taking too long.	This order has been implemented and continues to be observed, all DUWASA cases are closely monitored to ensure they go according to the rules and regulations.
4.0	Information Technology Unit The committee directed that the systems developed in DUWASA be fully managed and functioning properly, emphasized accelerating the putting in place the necessary systems so that DUWASA is more modern and the systems can be operational quickly.	This order has been observed
5.0	KIBAWASA office building The committee ordered the new office building which has not yet been completed to be completed within a month from now using local revenue.  Purchase of equipment (Car and Motorcycle) The committee directed KIBAWASA to have a mechanism to allocate an amount of money that would help afford to purchase various equipment such as cars and motorcycles. This followed after the Ministry failed to provide support for a vehicle request that KIBAWASA requested.	The order has been implemented, construction has already started and has reached seventy-five (75) percent of its entirety.  Order taken for execution.
	Purchase of equipment (Car and Motorcycle) The committee directed the MPWUWSA to have a mechanism to allocate an amount of money that would help afford to purchase various equipment such as cars and motorcycles.	The order has been observed and continues to be enforced.

### 2.7.3 Audit committee

Name	Position	Date of Appointment	Qualification	Age	Nationality
Mrs. Neema Peter Majule	Chairperson	3 February 2020	Master of Science in Community Economic Development	56	Tanzanian
Major Fabian Gurtu Awary	Member	3 February 2020-10 August 2021	B com (Accounting)	44	Tanzanian
Mr. Chavuma Harun Taratibu	Member	3 February 2020	Certificate of Secondary Education Ordinary Level	62	Tanzanian
Brig.Gen Leonidas David Mutalemwa	Member	19 August 2021	National Defence course India, Advanced Diploma in IT	55	Tanzanian

Source: Board chairperson appointment

During the year committee held four (4) normal meetings and one (1) 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 2020/2021; and
- iii. Management Performance Reports.

### 2.7.4 Planning and Finance Committee

Name	Position	Date of Appointment	Qualification	Age	Nationality
Hon. Prof Davis George Mwamfupe	Chairperson	3 February 2020	Professor (Land use Management)	66	Tanzania n
Mr. Prosper Buchafwe	Member	04 May 2020	MSc. Public Policy in Economic Development	52	Tanzania n
Eng. Aron Joseph	Secretary	10 December 2020	MSc. (Water Supply Engineering), BSC in Environmental Engineering ERB Registered	38	Tanzania n

Source: Board chairperson appointment letters

During the year, the Committee held four (4) normal meetings and one (1) 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.	<p>Title deeds of 6 Plots of DUWASA to be processed Area la Filter DOWICO (Plot No. 2 Block AA Chinyoya). The Committee directed that management to pay TZS 10,993,815/- in order title deeds for Filter DOWICO (Plot No. 2 Block AA Chinyoya) to be processed.</p> <p>Makulu Booster Water Pumping Plant Area (Makulu Booster). The committee directed that Management to pay TZS 1,500,000/- for title deeds of makuru pumping station(Makulu Booster) be paid within the fourth quarter of 2021/2022.</p> <p>PlotNo.480 Nursery C Nkuhungu. The committee ordered a map of the area to be made available. And procedures to obtain Title deed should start immediately.</p> <p>Swaswa Sewerage Treatment Area. The committee directed the City Council Director, DUWASA and the Land Commissioner to meet to resolve the issue of map revision.</p>	<p>The management has implemented this order, whereby a total payment of TZS 10,993,815/- has been made in respect of land costs, surveying and legal fees for the area. The Dodoma City Council is continuing other procedures towards the preparation of documents.</p> <p>The management has implemented this order, whereby a total payment of TZS 1,500,000/- the cost of surveying has been paid.</p> <p>Management has been made efforts and follow up so as the map shown the location of this plot is obtained. Management also wrote a letter to city director with REF : No. DUWASA/W.10/3/VOL.IV/44 dated 16/05/2022 to commemorate the implementation of this matter.</p> <p>Preliminary Urban Planning testing to identify area use has been completed and DUWASA has been provided with the map. The next step is a survey of setting location measurements to move towards the document preparation stage.</p>
2.	<p>Iyumbu Bore hole Areas No. 3, 4 and 5. The Committee directed management to close monitor payment of compensation in Iyumbu boreholes area of Where TZS 293.6M/- was obtained from Ministry of finance to pay for compensation of that area.</p>	<p>The management has implemented this order, Where by. 293.6 M/- have been paid to beneficiaries around area within 60 meters of wells (water sources) . DUWASA has also written to the Dodoma City Director to information and requested documentation procedures for the relevant areas to continue.</p>
3.	<p>The Unified MAJI-IS Ankara system to be capable of providing value added tax (VAT) information. The Committee agreed that, the Board member representative of the Ministry and the Dodoma Regional Administrative Secretary as Board Members of DUWASA took</p>	<p>The management has implemented this directive by contacting eGA, where communication between the Ministry of Water Resources (MoW) and eGA has already been made, the ongoing work is the integration between the unified WATER IS system and the TRA Tax System. The agreement is that the</p>

	up the matter to the Ministry of Water to find immediate solution to avoid the impact of obtaining tax charges from the TRA.	systems should start processing the data within the financial year 2022/2023. However, DUWASA using local experts continues to process tax calculations based on data from customers with sewage connections.
5.	The challenge of DUWASA not getting enough cooperation from the Police. The committee directed that the DUWASA Management should contact the Dodoma Regional Administrative Secretary so that the matter can be referred to the Regional Committee on Defense and Security to request cooperation from the relevant agencies.	DUWASA through a lawyer has held meetings with the District Police on issues of sabotage being carried out against DUWASA where there is currently a special force deployed for DUWASA matters and so far cooperation is improving.
6.	Request for a vehicle from the Ministry of Water Resources. The committee directed that the MPWUWSA management contact the Ministry of Water Resources for talks and write a letter of reminder of the matter. A monitoring report should be submitted to the 84th Board Meeting.	The MPWUWSA management has implemented the order by contacting the Ministry of Water Resources (MoW), also submitting a report to the 84th Board Meeting, however it was unsuccessful in locating the vehicle instead referred to a letter containing REF. No. EA/189/290/02 dated 31/05/2022 to allocate funds in the Internal Budget for the purchase of equipment including motorcycles and vehicles.

## 2.8 CORPORATE GOVERNANCE

The Board of Directors of the Authority is responsible for the governance of the Authority by ensuring that Authority complies with the law, standards of the corporate governance, business ethics and donor funding agreements. It takes overall responsibility for the running of 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 responsibility of the Board are defined in section 12 of the Water Supply and Sanitation Act no. 12 of 2009 and its Regulations of as repealed by Act No. 5 of 2019 and its regulations.

### 2.8.1 MANAGEMENT

The overall responsibility of the Authority is vested in a Board of Director, while the day-to-day affairs of the Authority are supervised by the Managing Director. Under the managing Director, there are three Directorate, 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 were names and positions of DUWASA Management Team:**

NA.	NAME	POSITION	DATE OF APPOINTMENT	QUALIFICATION	AGE
1.	Eng. Aron Joseph	Managing Director	10 December 2020	MSc. (Water Supply Engineering), BSC in Environmental Engineering ERB Registered	38
2.	Eng. Emanuael Mwakabole	Acting Director of Water Supply and Sanitation Management.	1 November 2021	MSc. Hydrology & Water Resource Engineering (Water supply and sanitation Engineering) BSC in Civil Engineering ERB Registered	43
3.	CPA Leonard V. Challe	Director of Finance and Accounts.	19 February 2018	Msc. Accounting and Finance Advanced Diploma in Accountancy Associate Certified Public Accountant (ACPA T)	46
4.	Mr. Alex M Mpagama	Director of Customer Services.	25 June 2016	Degree of Master of Business Administration (MBA - FINANCE) Bachelor Degree in Business Administration - Finance	46
5.	Mr. Alex Maheri	Director of Procurement	03 April 2003	Degree of Masters of Business Administration	52

		Management Unit		Bachelor Degree in Material Management Certified Procurement & Supplies Professionals (CPSP)	
6	MS Ritha John Mpiuka	Acting Director of Human Resource Management and Administration.		B.A Political Science & Public Administration, Master Degree in Business Adiminstration	40
6.	CPA Tadei Abdala	Head of Internal Audit Unit	01 September 2015	MSC Finance Advanced Diploma in Accountancy CPA(T)	38
7.	Adv. Ayoub Mganda	Head of Legal Unit	01 August 2006	Bachelor in LLB Registered Advocate	43
8.	Mr. Edwin Mwijage	Acting Head of Communication and Public Relation Unit	03 June 2002	Bachelor degree of Arts in Mass Communication	46
9.	Mr. Eliud Kitime	Acting Head of ICT and statistics Unit	2 February 2022	MSc-IT Postgraduate in science computing Advanced Diploma in information technology	39
10	Mr. Jonathan Shenyagwa	Acting Head of Planning, Monitoring and Evaluation Unit.	29 September 2022	Bachelor Degree of Art in Economics	34
11	Mr George Mwakamele	Zone Manager Chamwino	29 September 2022	B.A Cooperative Management and Accounting, PGD - Project Planning and Management Master Degree in Public Administration	40
12	Khalifa Ibrahim	Zone Manager Bahi	29 September 2022	Advanced Diploma in Accountancy, PGD in Accountancy, MSC in Finance	38
13	Amran Gama	Zone Manager Kongwa	29 September 2022	Bachelor degree in Business Administration	44

Source: Authority organization structure

## 2.9 FUTURE PROSPECTS OF THE AUTHORITY

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

	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	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	Procurement of 8 GPS for New connection and Planning section
5	Reduce High Non-Water Revenue.	High Non-Revenue Water	Replacement of 14,500 under-registering water meters by June, 2023	20%

## 2.11 OPERATIONAL AND FINANCIAL PERFORMANCE REVIEW

### 2.11.1 Operational Performance Review:

Metering ratio is 100%, meaning that all customers served by DUWASA are metered. At the end of June, 2022, the Authority had a total of 66,479 water customers and 6,086 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 723 samples were collected and analyzed 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 analyze physical parameters on daily basis and chemical parameters once in a month. The laboratory is also capable of analyzing 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 2022. However, the average actual NRW during the year 2021/22 was 33.60 %.

### 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.

PROGRESS REPORT FOR PIPELINE EXTENSIONS AS AT 30 JUNE 2022					
S/N	AREA	PROJECT DESCRIPTION	TOTAL LENGTH	EXPECTED NUMBER OF NEW CUSTOMERS	COMPLETED
1	ZUZU	Extension of water network	1950	390	100%
2	NGONGONA	Extension of water network	150	30	100%
3	MKALAMA	Extension of water network	5220	1044	100%
4	ILAZO	Extension of water network	1635	327	100%
5	IHUMWA	Extension of water network	4724	944.8	100%
6	MPAMAA	Extension of water network	5706	1141.2	100%
7	NTYUKA	Extension of water network	750	150	100%
8	NDACHI	Extension of water network	900	180	100%
9	KIZOTA	Extension of water network	1150	230	100%
10	MAHUNGU	Extension of water network	900	180	100%
11	NKUHUNGU	Extension of water network	3660	732	100%
12	ITEGA	Extension of water network	820	164	100%
13	IYUMBU	Extension of water network	7193	1447	100%
14	KIKUYU	Extension of water network	600	120	100%
15	CHAMWINO	Extension of water network	15280	3056	100%
16	MIYUJI	Extension of water network	890	178	100%
17	CHIMWAGA	Extension of water network	300	60	100%
18	MKONZE	Extension of water network	750	150	100%
19	NJEDENGWA	Extension of water network	9067	1813.4	100%
20	UDOM	Extension of water network	750	150	100%
21	NHC	Extension of water network	11850	2370	100%
22	MAKULU	Extension of water network	923	184.6	100%
23	KINYAMBWA	Extension of water network	300	60	100%
24	BAHI	Extension of water network	7306	1461.2	100%
25	MSALATO	Extension of water network	3580	716	100%
26	KONGWA	Extension of water network	7740	1548	100%
27	BAHI COVID	Extension of water network	10104	2020.8	100%
28	NTYUKA COVID	Extension of water network	5300	1060	100%
29	KILIMANI	Extension of water network	300	60	100%
30	SWASWA	Extension of water network	580	116	100%
31	KIKUYU KUSINI	Extension of water network	2012	402.4	100%
32	VEYULA	Extension of water network	1550	310	100%

SEWERAGE PROJECTS					
1	Chang'ombe	Extension of sewerage network	350	21-35	100%
2	Kinyambwa	Extension of sewerage network	384	30-50	100%
3	Area A kisebuje	Extension of sewerage network	372	13-23	100%
4	Kikuyu Kaskazini	Extension of sewerage network	300	10-25	43%

## 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 2022. The net surplus for the year 2021/22 was TZS 2,337,251,000 representing a decrease of 29.1% when compared to the surplus recorded in 2020/21 of TZS 3,295,750,000. The decrease in net surplus was due to increase in operational cost compared to previous financial year.

**TABLE 1: RATIO ANALYSIS:**

PARTICULARS	2021/20 22	2020/20 21	2019/20 20	2018/20 19	2017/20 18
Liquidity ratios					
Current Ratio	3.21 Times	6.48 Times	5.07 Times	4.1 Times	4.50 Times
Acid Test Ratio	3.04 Times	5.19 Times	3.94Time s	3.51 Times	3.81 Times
Amount into TZS billion					
Working Capital - TZS	12.90 Bill	11.25 Bill	9.26 bill	7.12 Bill	7.280 Bill
Net Worth (Total Assets - Total Liabilities) - TZS	179.02Bill	173.23 Bill	157.78 bill	157.3 Bill	52.85 Bill

Source: Authority Audited financial statements 2017/2018, 2018/2019, 2019/2020, 2020/2021

### 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. On the Net Worth Position, the sharp rise in net worth was contributed by asset obtained from completed projects which have been capitalized and add value to net asset. 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 2022 is set out on page 36 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 endeavors 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: -

S N	KPI	DEFINITION	WEIGH T (%)	BENCHMARK or STANDARD	Baseline		Indicato r Target Value
					2019/20	2020/2 1	
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 6 people and one public stand post serves 220 people	4	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)	4	85	57.3	57.3	65
3	Proportion	Population served	4	30	14%	14%	23%

S N	KPI	DEFINITION	WEIGH T (%)	BENCHMARK or STANDARD	Baseline		Indicato r Target Value
					2019/20	2020/2 1	2021/22
	of population connected with sewerage network (%)	(household connections) / total population 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.					
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%	4	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	3	24	22	13	24

S N	KPI	DEFINITION	WEIGH T (%)	BENCHMARK or STANDARD	Baseline		Indicato r Target Value
					2019/20	2020/2 1	2021/22
		household connection or the public stand post.					
9	Annual Energy Servings	Savings in total energy used for operations as compared to previous year (Kwh/m3)	2	Maximum 5%	0	0	5%
	Total		30				
10	Payment of Statutory and annual fees	Proportion of statutory and annual fees payment against dues	2	100%	100%	100%	100%
11	Billing Efficiency	Billing efficiency = $\frac{\text{Billed Volume}}{\text{Total Billable Volume}} \times 100\%$	2	95%	90%	90%	95%
12	Revenue collection efficiency	Proportion of revenue collected compared to total amount of billing during the year.	2	95%	93%	96%	96%
13	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. (y1 - y0/y0)	3	At least 10%	14%	4%	10%
14	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%
15	Personnel	Percentage of	1	Maximum 30	28%	26%	30%

S N	KPI	DEFINITION	WEIGH T (%)	BENCHMARK or STANDARD	Baseline		Indicato r Target Value
					2019/20	2020/2 1	2021/22
	expenditure as percentage of collection from water and sewerage services	revenue collection used in personnel expenditures.		%			
16	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
17	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
18	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%
19	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%

S N	KPI	DEFINITION	WEIGH T (%)	BENCHMARK or STANDARD	Baseline		Indicato r Target Value
					2019/20	2020/2 1	2021/22
20	Employee's efficiency ratio	Employee cost/operating revenue.	1	Maximum 30%	28%	26%	30%
21	Debt to equity ratio	Total liabilities divided by total shareholder's equity.	1	Maximum 50%	40%	42%	50%
22	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%
	Total		20				

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

Note: PT - Performance Target, F-Favorable, U- Unfavorable,

## 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 2021/22. Management conducted twelve (12) meetings with all employees. There was also one (1) meeting between Board of Directors and all employees and two (2) workers council meetings. In these meetings employees had 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 138,295,000 for the year 2021/22 for training at all levels. This is higher compared to last year such that TZS 29,539,000. This was mainly due to demand increase on staff training.

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.

## **2.19 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 213 employees, 163 were male and 50 were female.

## **2.20 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.

## **2.21 WORKERS COMPENSATION SCHEME**

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

## **2.22 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.

## **2.23 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.

## **2.24 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).

## **2.25 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.

## **2.26 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.

## **2.27 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.

## **2.28 POLITICAL AND CHARITABLE DONATIONS**

The Authority has contributed a total of TZS 20,697,436.36 as donations to various charitable institutions, NGO's and Political events in Dodoma city as party of its Cooperate Social Responsibilities (CSR). Also, DUWASA incurred TZS 1,783,281 included under Note 9.3 for supplying 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 2022 receiving five 20ltrs buckets 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: -

08/07/2021	MWENGE WA UHURU WILAYA YA DODOMA	300,000
12/07/2021	MWENGE WA UHURU - CHAMWINO	1,105,000
20/07/2021	MBIO ZA MWENGE WA UHURU CHAMWINO	500,000
02/08/2021	TAMASHA TUZO ZA DODOMA YA KIJANI	800,000
05/08/2021	POLICE COMMAND CANTEEN DODOMA - MUROTO	300,000
12/08/2021	MCHANGO WA VIFAA VYA SHULE	200,000
11/09/2021	MCHANGO KWA CHAMA CHA VIZIWI	300,000
15/10/2021	UJENZI WA KITUO CHA POLISI IHUMWA	322,437
25/10/2021	UJENZI WA HOSTEL- CBE MBEYACAMPUS	500,000
25/10/2021	Donation - DODOMA CC MISCDEPOSIT	500,000
04/11/2021	UMOJA WA VIJANA WA CCM	500,000
08/11/2021	SHIRIKISHO LA VYAMA VYA WENYE ULEMAVU - DODOMA	360,000
10/11/2021	UVCCM WILAYA YA CHAMWINO	1,000,000
12/11/2021	KUWEZESHA KIKAO CHA MAMENEJA UFUNDIWA MAMLAKA - TABORA	1,000,000
19/11/2021	OFISI NA MADARASA - MAKUTUPORA KATA	300,000
24/11/2021	SIKU YA UKIMWI DUNIANI	300,000
15/12/2021	JUKWAA LA UWEZESHAJI WANAWAKE KIUCHUMI	180,000
16/12/2021	POLISI MKOA WA DODOMA	500,000
25/01/2022	KUWEZESHA MAFUNZO KWA MAMLAKA - MOROGORO	300,000
04/02/2022	TUZO YA ELIMU KWA WANAFUNZI WA KIDATO CHA NNE	2,000,000
04/02/2022	KUWEZESHA MAFUNZO KWA MAMLAKA - TABORA	1,000,000
09/02/2022	ALMANAHILUL ILFAN ISLAMIC CENTRE	200,000
09/02/2022	MAADHIMISHO YA SIKU YA WANAWAKE DUNIANI	300,000
11/02/2022	SHIRIKI MALEZI ENDELEU	200,000
25/02/2022	FOUTAIN GATE SPORT ACADEMY	300,000
01/03/2022	SHEREHE ZA USIKU WA MWANAMKE	500,000
04/03/2022	ACTION FOR DISABILITY SPORTS DEVELOPMENT CENTRE	80,000
14/03/2022	MAJI WEEK SCIENTIFIC CONFERENCE	2,000,000
16/03/2022	KUHAMASISHA LUGHA YA KISWAHILI	300,000
18/03/2022	SIKU YA WANAWAKE DUNIANI	1,000,000
04/04/2022	SHEREHE ZA MEI MOSI	300,000
21/04/2022	CFM RADIO - IFTAL COST	1,500,000
22/04/2022	STAFF IFTAL COST	1,250,000
01/06/2022	MBIO ZA MWENGE WA UHURU WILAYA YA DODOMA	500,000
	TOTAL	20,697,437

## 2.29 ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Authority participates fully in carrying out Environmental and Social Impact Assessment study in accordance with guidelines and procedure 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.

### 2.30 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.

### 2.31 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 and the Section 10 of the public Audit Act, Cap 418. However, in accordance to section 33 of the Public Audit Act, Cap 418, M/S Auditax International of P.O.Box 77949 Dar salaam located at PPF Tower, registered under Accountant and Auditors registration acts 1972 as amended in 1985 with PF Number 222 and TIN 110-747-985 was authorized to audit the Financial Statements of the Authority in collaboration with Controller and Auditor General.

#### BY ORDER OF THE BOARD



Prof. Faustine Karrani Bee

Chairperson of the Board



Eng. Aron Joseph

Managing Director

Date: 20.3.2023

### 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.

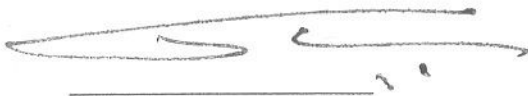
To the best of our knowledge, the system of internal control has operated adequately throughout the reporting period and that the records and underlying accounts provide a reasonable basis for preparation of the Financial Statements for the year ended 30 June 2022.

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



Prof. Faustine Karrani Bee

Chairperson of the Board



Eng. Aron A. Joseph

Managing Director

Date: 20.3.2023

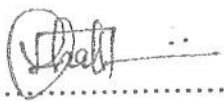
#### 4.0 DECLARATION OF THE HEAD OF FINANCE

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 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 2022 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: 20.3.2023

5.0 FINANCIAL STATEMENTS

5.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

DETAILS	NOTE	2021/22 TZS '000'	2020/21 TZS '000'
<b>CURRENT ASSETS</b>			
Cash and Cash equivalents	14	369,256	478,902
Trade Receivables	15	5,507,734	6,434,072
Other Receivables	15(i)	11,870,803	3,733,860
Inventories	20	986,914	2,653,644
		<b>18,734,707</b>	<b>13,300,478</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	23	152,273,654	145,286,377
Intangible Assets	13	22,275	31,181
Capital Work in Progress	24	13,830,397	16,663,192
		<b>166,126,326</b>	<b>161,980,750</b>
<b>TOTAL ASSETS</b>		<b><u>184,861,033</u></b>	<b><u>175,281,228</u></b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	16	5,651,749	1,864,795
Deposits by Ministry and Others	21	34,220	166,828
Current Portion of Long term Loan	18	20,937	20,937
		<b>5,706,907</b>	<b>2,052,560</b>
<b>TOTAL LIABILITIES</b>		<b><u>5,706,907</u></b>	<b><u>2,052,560</u></b>
<b>NET ASSETS</b>		<b><u>179,154,126</u></b>	<b><u>173,228,668</u></b>
Retained Surplus	17	133,381,132	127,455,674
Reserved Capital	19	45,772,994	45,772,994
<b>TOTAL NET ASSETS</b>		<b><u>179,154,126</u></b>	<b><u>173,228,668</u></b>

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



Prof. Faustine Karrani Bee  
Chairperson of the Board



Eng. Aron A. Joseph  
Managing Director

Date: 20.3.2022

5.2 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE, 2022

DETAILS	NOTES	2021/22 TZS '000'	2020/21 TZS '000'
<b>INCOME</b>			
Revenue from exchange transactions	3	23,805,660	19,412,468
Revenue from non-exchange transactions	4	9,766,090	9,960,278
Other Income	5	1,049,152	405,394
<b>Total Income</b>		<b>34,620,902</b>	<b>29,778,140</b>
Water Production Expenses	6	5,593,044	4,561,643
Distribution Cost	7	6,465,887	5,201,811
Sewerage Expenses	8	388,210	181,957
Other Operating Expense	9	10,457,255	8,396,362
Depreciation and Amortisation Expenses	10	7,242,644	6,857,852
Financial Cost	11	26,591	25,636
Transfer to other water authorities	12	2,110,020	1,257,129
<b>Total Expenses</b>		<b>32,283,651</b>	<b>26,482,390</b>
<b>Net Surplus</b>		<b>2,337,251</b>	<b>3,295,750</b>

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



Prof. Faustine Karrani Bee  
Chairperson of the Board



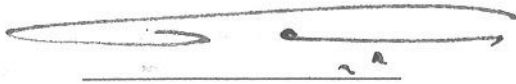
Eng. Aron A. Joseph  
Managing Director

Date: 20.3.2023

5.3 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE, 2022

	Accumulated surplus TZS '000'	Capital Reserve TZS '000'	Total TZS'000'
As at 01 July 2020	124,159,924	45,772,994	169,932,918
Net surplus /loss for the year	3,295,750	-	3,295,750
As at 30 June 2020	127,455,674	45,772,994	173,228,668
As at 01 July 2021	127,455,674	45,772,994	173,228,668
Prior year adjustments (Note 27)	3,543,660	-	3,543,660
Restated balance	130,999,334	45,772,994	176,772,328
Net surplus /loss for the year	2,337,251	-	2,337,251
Adjustment for Accumulated depreciation written off for restated useful life plant	44,547	-	44,547
As at 30 June 2022	133,381,132	45,772,994	179,154,126

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



Prof. Faustine Karrani Bee  
Chairperson of the Board



Eng. Aron A. Joseph  
Managing Director

Date: 20.3.2023

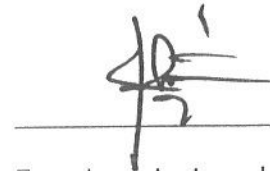
5.4 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

DETAILS	NOTE	2021/22 TZS '000'	2020/21 TZS '000'
<b>Cash Flow from Operating Activities</b>			
Cash Received	24(iii)	27,210,367	29,652,575
Cash Paid to Suppliers and Employees	24(ii)	(19,488,818)	(21,068,060)
<b>Net Cash from Operating Activities</b>		<u>7,721,549</u>	<u>8,584,515</u>
<b>Cash Flow from Investing Activities</b>			
WIP-own source	23	(1,500,664)	(855,550)
WIP-payments from Parent Ministry Deposits	23	(5,127,978)	(8,144,444)
Sale/Purchase of Property, Plant and Equipment	22	<u>(1,202,553)</u>	<u>(1,171,651)</u>
<b>Net Cash Flow Used in investing Activities</b>		<u>(7,831,195)</u>	<u>(10,171,645)</u>
<b>Net Increase/decrease in Cash and Cash Equivalents</b>		(109,646)	(1,587,130)
Cash and Cash Equivalents at 01 July		<u>478,902</u>	<u>2,066,032</u>
<b>Cash and Cash Equivalent at 30 June 2022</b>		<u>369,256</u>	<u>478,902</u>

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



Prof. Faustine Karrani Bee  
Chairperson of the Board



Eng. Aron A. Joseph  
Managing Director

Date.....20.3.2023.....

5.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

Budget approved	Original budget [A] TZS '000'	Adjustment [B] TZS '000'	Final budget [C=A-B] TZS '000'	Actual amount on accrual basis [D] TZS '000'	Accrued Amount [E] TZS '000'	Actual Amount in comparable basis [F] TZS '000'	Difference [C-F] TZS '000'	Reasons NOTE
<b>Receipts</b>								
Revenue from exchange transactions	29,577,058	-	29,577,058	23,805,660	824,304	24,629,964	4,947,094	(A)
Revenue from non- exchange transactions	425,938	-	425,938	1,049,152	-	1,049,152	(623,214)	(B)
Grant and other transfer Receipt	27,322,874	-	27,322,874	9,766,090	(8,301,990)	1,464,100	17,556,784	(C)
	<b>57,325,870</b>	<b>-</b>	<b>57,325,870</b>	<b>34,620,902</b>	<b>(7,477,686)</b>	<b>27,143,216</b>	<b>22,704,968</b>	
<b>Payments</b>								
Water Production Expenses	5,728,519	-	5,678,519	5,593,044	(3,786,954)	1,806,090	3,922,429	(D)
Distribution Cost	5,398,048	(50,000)	5,468,048	6,465,887	(1,666,730)	4,799,157	668,891	(E)
Sewerage Expenses	598,190	70,000	381,990	388,210	-	388,210	(6,220)	(F)
Operating Expenses	12,491,864	(216,200)	12,492,154	10,457,256	(231,113)	10,226,142	2,266,012	(G)
Financial expenses	1,145,558	(290,000)	1,145,558	26,591	-	26,591	1,118,967	(H)
Grant & Transfer payments	27,322,874	-	27,322,874	2,110,020	132,608	2,242,628	25,080,246	(C)
Depreciation and amortization	-	-	-	7,242,644	(7,242,644)	-	-	(I)
Additional WIP and Purchase of assets	4,640,817	-	5,127,017	2,703,217	-	7,831,195	(2,704,178)	
	<b>57,325,870</b>	<b>486,200</b>	<b>57,616,160</b>	<b>34,986,869</b>	<b>(12,794,834)</b>	<b>27,320,013</b>	<b>30,346,147</b>	
Net cash outflow				<b>(365,967)</b>				

## 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 29,577,058,000 from own sources, up to June 2022 we successful collected TZS 24,629,964,000 which is equivalent to 83.3% 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:

Increase in number of projects funded by the Ministry of Water such as Bihawana water project, Chamwino state house water project, Dodoma town and Magufuli city water and sewerage project have led immensely increase in demand of fund from ministry, hence Increase in number of Ministry receivable.

#### Note D:

Budgeted electricity costs for production Included Bihawana boreholes, Chamwino Ikulu boreholes, Nala and Zuzu borehole which unfortunately up to the end of the year was not available for production, hence contribute to under-utilization of budget in production.

#### Note E:

This was mainly due to decrease in repair and maintenance cost for water pipes due to huge effort of replacing dilapidated pipe lines in previous year.

**Note F:**

This was mainly due to budget reallocation as original budget was reduced to reflect expenditure.

**Note G:**

During under review we expected to employ pump operators, meter readers, to fill vacancies arise from cluster areas and headquarter unfortunately we didn't get permission from responsible ministry, besides that we budgeted to implement new salary structure (scenario two) which also we fail to obtain permission from responsible ministry, hence there is underutilization of budget In operation costs.

**Note H:**

During the year under review Authority expected to obtain loan from commercial banks so as to extended water network to various areas which does not covered with water network, so we budgeted financial cost to Includes loan repayments and other financial costs related with loan, up year end the procedures are still on progress, therefore financial cost budget is higher than actual cost.

**Note I:**

Capital expenditure such as purchase of motorcycles, pumps and motors, buildings and boreholes were prioritized during this year. Further, most of the projects were capitalized to related assets.

## NOTES TO THE FINANCIAL STATEMENT

### 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 a certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the institutes accounting policies. The areas involving higher degree of judgments or complexity, or areas where assumptions and estimates are significant to the financial statements are separately disclosed in a note.

#### 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.

#### (i) New and amended standards that were effective and adopted by the authority.

##### TFRS 1, The Report by Those Charged with Governance

The reports by Those Charged with Governance (TCWG) previously known as Director's report is guided by Tanzania Financial Reporting Standard (TFRS) No 1 which is issued by National Board of Accountants and Auditors (NBAA).

The standard was initially issued on 01 January 2010 and revised on 22 June 2020. The focus of the revised is to assist TCWG in setting out a "forward-looking" analysis of the entity's operations and financial review. This in turn will enable users of financial statements to assess viability of a company's strategies and the value creating potential over short, medium and long-term.

For public sector entities, the requirement to present "Service Performance Information" as a part of the report by those charged with governance brings openness, transparency and accountability in the public sector. This is due to increased information disclosure requirements that aim at empowering general stakeholders in assessing the extent, efficiency and effectiveness of the entity's service performances.

The revised standard is effective for financial statements for financial year 2021/22 with earlier adoption encouraged. The standard was adopted by the Authority during the accounting period.

(ii) **New standards that are not yet effective and have not been early adopted are as follows;**

#### **IPSAS 41, Financial Instruments**

In August 2018, IPSASB released IPSAS 41. This standard establishes new requirements for classifying, recognizing and measuring financial instruments replacing IPSAS 29, Financial Instruments: Recognition and measurement. The objective of this standard is to establish principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing, and uncertainty of an entity's future cash flows. The key difference between IPSAS 29 and IPSAS 41 is that IPSAS 29 lacks classification of financial assets and financial liabilities. On the other hand, IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:

Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;

Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and

Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

The effective date of IPSAS 41 is January 1, 2022, with earlier adoption encouraged. IPSAS 41 is applied retrospectively in accordance with IPSAS 3, Accounting Policies, Change in Accounting Estimates and Errors unless specific conditions are met. The standard was not adopted by the Authority during the accounting period. Management has assessed the requirement of this amendment on the Authority's financial reports and is of the opinion that upon adoption, the Authority will be required to review its impairment policy in line with the requirement of this standard in order to, among other things, recognise expected credit loss even without an occurrence of a credit event.

#### **IPSAS 42, Social Benefits**

The standard provides guidance on accounting for social benefits expenditure. It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effect of social risk. Specific examples include state retirement benefits, disability benefits, income support, and unemployment benefits. The new standard requires an entity to recognize an expense and a liability for the next social benefit payment.

The standard seeks to improve the relevance, faithful representativeness, and comparability of the information that a reporting entity provides in its financial statements about social benefits. To accomplish this, IPSAS 42 establishes principles and requirements for:

- a. Recognizing expenses and liabilities for social benefits;
- b. Measuring expenses and liabilities for social benefits;
- c. Presenting information about social benefits in the financial statements; and
- d. Determining what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the social benefits provided by the reporting entity

The authority adopts this standard which becomes effective from 1st January 2022. The normal operations of the authority particularly in handling sewage disposal may expose staff and the community to social risks which give rise to expenses and liabilities for social benefits. There were no expenses and liability for social benefits reported during the year as there were no reported cases of staff/ or community exposure to social risk for the year ended.

#### **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 monthly basis (this case for postpaid customers), for the case of pre-paid customers

### **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.

### 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 are stated at the lower of cost and current replacement cost whereas inventories 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%
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%
Amortization Rate	33%

### **2.5.1. Intangible Assets:**

Generally, costs associated with maintaining computer software programs and accounting packages such as Sage Pastel Evolution, 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 amortised 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 5% 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.

**NOTE 3: REVENUE FROM EXCHANGE TRANSACTIONS  
DETAILS**

	2022/2021	2021/2020
	<u>TZS '000'</u>	<u>TZS '000'</u>
Water Consumption	19,343,759	15,774,630
Sewerage Disposal Charges	1,264,814	1,564,339
Sludge Disposal	222,604	54,835
New Water Connections Fee	2,881,257	2,007,329
Sewerage Connection Fees	93,226	11,335
<b>TOTAL</b>	<u><u>23,805,660</u></u>	<u><u>19,412,468</u></u>

**NOTE 4: REVENUE FROM NON-EXCHANGE TRANSACTIONS  
DETAILS**

	2022/2021	2021/2020
	<u>TZS '000'</u>	<u>TZS '000'</u>
Amortised grant revenue	9,766,089	7,993,159
Increase in ministry receivable	-	1,967,119
	<u>9,766,089</u>	<u>9,960,278</u>

**NOTE 5: OTHER INCOME  
DETAILS**

	2022/2021	2021/2020
	<u>TZS '000'</u>	<u>TZS '000'</u>
Water reconnection Fees	98,850	64,292
Tozo /Meter damage Income	99,344	83,982
Line maintenance Income	538,514	248,477
Coupons	1,745	8,081
Other receipts	203,648	562
Gain on income from slow moving items	102,034	-
Unclaimed fund /staff Imprest	5,017	-
<b>TOTAL</b>	<u><u>1,049,152</u></u>	<u><u>405,394</u></u>

**NOTE 6: WATER PRODUCTION EXPENSES  
DETAILS**

	2022/2021	2021/2020
	<u>TZS '000'</u>	<u>TZS '000'</u>
Electricity for water Production	5,033,576	4,046,537
Water chemical /Treatment and Lab cost	126,076	97,369
Repair and maintenance Water Production Infrastructure	198,569	172,930
Water User Fee	221,318	235,858
Hardship Allowance/Working tools - Production	13,505	8,949
<b>TOTAL</b>	<u><u>5,593,044</u></u>	<u><u>4,561,643</u></u>

**NOTE 7: DISTRIBUTION EXPENSES****DETAILS**

	<b>2022/2021</b>	<b>2021/2020</b>
	<b><u>TZS '000'</u></b>	<b><u>TZS '000'</u></b>
Electricity For Water Distribution	2,130,427	1,721,490
Maintenance of Distribution Machineries	118,043	56,386
New Water Connections Expenses	2,189,394	1,473,106
Maintenance of Water Pipe-lines	1,991,302	1,914,635
Working Tools- Water distribution network	36,721	23,484
Customer Survey	-	12,710
<b>TOTAL</b>	<b><u>6,465,887</u></b>	<b><u>5,201,811</u></b>

**NOTE 8: SEWERAGE EXPENSES****DETAILS**

	<b>2022/2021</b>	<b>2021/2020</b>
	<b><u>TZS '000'</u></b>	<b><u>TZS '000'</u></b>
Repair/Maintenance of Sewerage Infrastructure	370,272	144,847
Environmental Fees - NEMC	6,000	750
New Sewerage	5,663	3,786
Working Tools - Sewerage	3,065	30,393
Customer Survey - Sewerage	3,210	2,181
<b>TOTAL</b>	<b><u>388,210</u></b>	<b><u>181,957</u></b>

**NOTE 9: OPERATING EXPENSES****DETAILS**

	<b>2022/2021</b>	<b>2021/2020</b>
	<b><u>TZS '000'</u></b>	<b><u>TZS '000'</u></b>
Employees Benefit (Note 9.1)	6,017,842	5,329,658
Administration Expenses (Note 9.2)	2,032,896	758,135
Other Expenses (Note 9.3)	2,406,517	2,308,570
<b>TOTAL</b>	<b><u>10,457,255</u></b>	<b><u>8,396,363</u></b>

**NOTE 9.1: EMPLOYMENT BENEFITS****DETAILS**

	<b>2022/2021</b>	<b>2021/2020</b>
	<b><u>TZS '000'</u></b>	<b><u>TZS '000'</u></b>
Basic Salary	3,632,313	3,023,169
Wages	186,201	158,525
Employer's Contributions PSSF	535,551	454,751
Reimbursement of staff fuel Expenses	301,662	290,582
Other staff incentives	28,000	-
House Allowance	205,640	199,504
Travelling on leave allowance	9,999	64,094

Transport allowance	76,440	96,846
Acting allowance	17,454	-
Subsistence Allowance	14,080	53,310
Medical And Burial Expenses	135,407	213,910
Extra Duty Allowance	528,713	238,318
Skills Development Levy (SDL)	169,154	147,306
Workers Compensation Funds (WCF)	20,925	18,413
Terminal benefit and gratuity Expenses	6,816	222,266
Utility allowance (water and Electricity)	149,487	148,664
<b>TOTAL</b>	<b>6,017,842</b>	<b>5,329,658</b>

**NOTE 9.2: ADMINISTRATION EXPENSES  
DETAILS**

	2022/2021	2021/2020
	<u>TZS '000'</u>	<u>TZS '000'</u>
land/Office Rent & Rates	17,953	30,862
Postage & Courier Charges	3,270	2,909
Telephone Fax and Radio call Charges	2,124	1,297
Insurance-Motor Vehicle/Cycles Licenses	60,465	56,613
Office Stationeries	127,550	59,304
Office Fuel for motor vehicles and Cycles	431,748	297,019
Printing materials	876	-
Computers Stationery and Consumables	14,806	19,134
Computer & Software Maintenance Expenses	53,865	65,165
Electricity for Office	61,422	42,671
Office Water/Sewerage Disposal Expenses	50,063	51,468
Office Running Cost/Office General Expense	477,216	162,665
Security Expenses	500,425	342,825
Provisional for Bad Debts	231,113	(373,797)
<b>TOTAL</b>	<b>2,032,896</b>	<b>758,135</b>

**NOTE 9.3: OTHER EXPENSES  
DETAILS**

	2022/2021	2021/2020
	<u>TZS '000'</u>	<u>TZS '000'</u>
Public Relations Communications/Education Expenses	293,298	261,430
Workers Council Meeting	52,910	35,694
Staff Training Costs	174,217	138,295
Audit Fees	84,317	90,284
CAG Supervision costs	7,000	25,080

Professional Fees & CPD Attendance Costs	3,780	3,505
Consultation Fees	-	10,264
Internet And Website Hosting Expenses	211,272	156,216
Provision for slow moving item	-	-
Free Water for Poor people (Maji Bure) expenses	1,783	3,229
Annual report calendar and news paper	4,088	6,927
Seminars & Conferences expenses	12,950	4,776
AWEC Contributions and meeting Expenses	26,100	26,063
Management Meeting	41,501	27,326
Fire Fighting & Fumigation Expenses	4,270	1,460
Tender Board meeting/Activities Expenses	28,860	28,275
May Day (Workers Day)	18,126	20,835
Donation to Public and NGO's Events	18,697	11,320
Maji Week Expenses	5,075	4,720
Nane nane expenses	2,000	-
UWSA's Annual Meeting	12,837	2,120
Repair & Maintenance Motor vehicles & Motorcycle	353,380	263,233
Repair & Maintenance- Building	175,153	257,120
Board Meeting& Activities Expenses	153,913	124,825
Mobile charges	63,759	46,309
Travelling on duty (per diem domestic)	273,240	206,137
Budget and business Planning	49,848	47,902
Staff Uniform Expenses	95,252	43,051
Legal expenses	4,763	12,455.00
Entertainment and Hospitality	86,154	41,866
Receivable Collection Expenses	123,231	44,904
Impairment of assets	-	243,884
Asset valuation cost	23,388	89,670
Provision for contribution to government (CHANGIZO)	-	25,000
Office working tools cost	1,355	4,395
<b>TOTAL</b>	<b>2,406,517</b>	<b>2,308,570</b>

**NOTE 10: DEPRECIATION EXPENSES**

DETAILS	2022/2021	2021/2020
	TZS '000'	TZS '000'
Depreciation from water production assets	4,702,684	4,529,073
Depreciation from water distribution assets	1,179,009	1,239,381

Depreciation from sewerage	607,277	493,192
Depreciation from operational assets	731,402	565,026
Amortization of Intangible Asset	<u>22,272</u>	<u>31,180</u>
<b>TOTAL</b>	<b><u>7,242,644</u></b>	<b><u>6,857,852</u></b>

**NOTE 11: FINANCIAL COST**

DETAILS	2022/2021	2021/2020
	TZS '000'	TZS '000'
Bank Charges	<u>26,591</u>	<u>25,636</u>
<b>TOTAL</b>	<b><u>26,591</u></b>	<b><u>25,636</u></b>

**NOTE 12: TRANSFER TO OTHER AUTHORITIES**

DETAILS	2022/2021	2021/2020
	TZS '000'	TZS '000'
Kibaigwa/Ndulugumi	100,000	451,379
Monduli water supply scheme	1,890,027	
Ntomoko Project	<u>119,993</u>	<u>805,750</u>
<b>TOTAL</b>	<b><u>2,110,020</u></b>	<b><u>1,257,129</u></b>

**NOTE 13: INTANGIBLE ASSETS**

DETAILS	2022/2021	2021/2020
	TZS '000'	TZS '000'
As at 1 July (Intangible Asset Restated)	155,902	155,902
Addition	-	-
As at 30 June 2022	155,902	155,902
Amortization		
As at July	(124,721)	(93,541)
Adjustments due to restated useful life	<u>13,366</u>	<u>-</u>
Accumulated Amortization(After restatement of useful of Intangible Asset)	(111,355)	(93,541)
Net book value of Intangible Asset after restatement	<u>44,547</u>	<u>62,361</u>
Amortization charge for the year	<u>(22,272)</u>	<u>(31,180)</u>
Total Amortization	<u>(133,627)</u>	<u>(124,721)</u>
As at 30 June 2022	<b><u>22,275</u></b>	<b><u>31,181</u></b>

Adjustment has been performed to reflect revision of useful life of intangible assets from initial 5 years to 7 years. As a result carrying amounts has been restated to TZS 44.5 Mil.

**NOTE 14: CASH AND CASH EQUIVALENT AS AT 30 JUNE 2022**

DETAILS	2022/2021	2021/2020
	<u>TZS '000'</u>	<u>TZS '000'</u>
CRDB - Main 01J1081566700	35,162	114,630
CRDB - Admin 01J1081566701	9,510	12,210
CRDB - Develop. 01J1081566703	84,428	69,922
CRDB - Project - 01J1082706200	34,220	166,828
NBC - Revolving 029103000880	178	173
Petty Cash	421	1,141
Loan Servicing A/C 01J1083106001	20,401	641
NMB Collection A/C 51706600174	7	156
NMB expenditure A/C - 53010000293	22,183	2,111
BOT Deposit Account-9925261601	160,925	109,528
TIB Corporate	1,562	1,562
Tanzania Postal Bank-223208000001	-	-
Equity Bank-3009211625555	259	-
<b>TOTAL</b>	<b>369,256</b>	<b>478,902</b>

**NOTE 15: TRADE AND OTHER RECEIVABLES**

DETAILS	2022/2021	2021/2020
	<u>TZS '000'</u>	<u>TZS '000'</u>
Trade receivables	6,062,265	6,757,490
<b>Sub Total</b>	<b>6,062,265</b>	<b>6,757,490</b>
<b>Provision for impairment of receivables</b>		
Provision for bad debt	(323,418)	(697,215)
Decrease in Impairment	(231,113)	373,797
As at 30 June	(554,531)	(323,418)
<b>NET BALANCE AS AT 30 JUNE 2021</b>	<b>5,507,734</b>	<b>6,434,072</b>

**NOTE: 15(i) OTHER RECEIVABLES**

Unretired imprest by staff	-	165,047
Ministry receivable	11,870,803	3,568,813
<b>TOTAL</b>	<b>11,870,803</b>	<b>3,733,860</b>

**NOTE 16: PAYABLES FROM EXCHANGE TRANSACTIONS & NON-EXCHANGE TRANSACTIONS**

DETAILS	2022/2021	2021/2020
	<u>TZS '000'</u>	<u>TZS '000'</u>
Payables from exchange transactions	4,098,315	693,542
payables from non-exchange transactions	1,272,276	816,775

Other Payable - MoW	225,679	
Other Payable - Customer Payable	30,479	351,824
Contribution to Government	25,000	
Other Payable - STAFF	-	2,654
<b>TOTAL</b>	<b>5,651,749</b>	<b>1,864,795</b>

Dramatical increase of payable is mainly due to the increase of DUWASA operation and Investment activities especial the increase of Number of Borehole and Network coverage in Dodoma town and clustered areas.

**NOTE 17: RETAINED SURPLUS**

DETAILS	2022/2021 TZS '000'	2022/2021 TZS '000'
As at 01 July	127,455,674	124,159,924
Prior year adjustments (Note 27)	3,543,660	-
Restated balance	130,999,334	-
Adjustment for restated useful life plant	44,547	-
Net surplus for the year	2,337,251	3,295,750
<b>As at 30 June 2022</b>	<b>133,381,132</b>	<b>127,455,674</b>

**NOTE 18: CURRENT PORTION OF LONG-TERM LOAN**

DETAILS	2022/2021 TZS '000'	2021/2020 TZS '000'
Treasure of Loan	20,937	20,937
<b>TOTAL</b>	<b>20,937</b>	<b>20,937</b>

**NOTE 19: CAPITAL RESERVE**

DETAILS	2022/2021 TZS '000'	2021/2020 TZS '000'
As at 01 July	45,772,994	45,772,994
<b>As at 30 June 2022</b>	<b>45,772,994</b>	<b>45,772,994</b>

**NOTE 20: INVENTORIES**

DETAILS	2022/2021 TZS '000'	2021/2020 TZS '000'
Pipes and Fittings	1,004,377	2,154,252
Water Meters	92,196	572,908
Stationeries	28,112	74,279

Electrical Equipment	169,164	210,474
Lubricant	369	6,256
Working Tools	6,794	48,711
Spare parts Motors Vehicle & Cycles	80,251	83,146
<b>Gross Total</b>	<b>1,381,263</b>	<b>3,150,026</b>
Less Provision for slow moving and obsolete stocks		
As at 10 July 2020	496,382	496,382
Less: Decrease in provision	102,033	-
As at 30 June 2021	394,349	496,382
<b>NET BALANCE AS AT 30 JUNE 2022</b>	<b>986,914</b>	<b>2,653,644</b>

**NOTE 21: MOVEMENTS OF DEPOSIT MINISTRY MADE DURING THE YEAR 2021/2022**

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	Government city project		193,223	193,223	-
2	Kongwa peoject Ibwaga	128,816	300,000	394,596	34,220
3	Bahi Project	38,012		38,012	-
4	Installation of Disalination Plant		64,044	64,044	-
5	Ntomoko water project	-	119,993	119,993	-
6	Bihawana borehole project		300,000	300,000	-
7	Uvico 19 water project		1,100,987	1,100,987	-
8	Kibaigwa(ndulugumi)		100,000	100,000	-
9	Dodoma university water supply and sewage works		2,183,953	2,183,953	-
10	Water supply scheme Monduli		1,890,027	1,890,027	-
11	Iyumbu compersation		293,694	293,694	-
12	Dodoma town		429,096	429,096	-
13	sewer project area C& D		627,244	627,245	-
14	Mzakwe borehole project		511,890	511,890	-
15	Buigiri tank	-	123,310	123,310	-
16	Ihumwa-Njedengwa project	-	1,396,019	1,396,019	-

	TOTAL	166,828	9,633,481	9,766,089	34,220
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**NOTE 22 PROPERTY, PLANT AND EQUIPMENT**

PARTICULARS	LAND	BUILDINGS	PLANT	RESERVOIR	PUMPS & MACHINERY	MOBILE MACHINES HEAVY VEHICLES & CYCLES	MAJOR PIPES/DISTRIBUTION NETWORK	MOTOR VEHICLES & CYCLES	FURNITURE & FITTINGS & EQUIPMENT	PONDS	TRUNK WATER MAINS	SEWERAGE NETWORK TRUNK MAIN	BOREHOLES	Total 30.06.2021
	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'
As at 1 July 2021	8,691,333	4,033,787	860,950	28,463,723	28,944,706	1,289,940	24,602,601	1,444,430	977,319	6,214,032	49,493,840	12,165,998	9,560,899	176,742,958
Adjustments (Note 27)	3,543,660													3,543,660
Additions OWN					1,033,565			29,290	139,698					1,202,553
Capitalization from WIP		179,238	860,950	1,130,463			684,121			2,183,953	3,820,056	325,879	1,137,727	9,461,437
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
DEPRECIATION														
Opening balance As at 1 July 2021		549,347	516,570	7,070,246	13,502,454	562,208	1,613,964	1,047,898	742,023	1,422,808	3,251,099	810,026	367,939	31,456,582
Charge for the year		84,261	86,095	1,479,679	2,997,827	128,994	379,304	284,744	223,403	419,899	799,708	187,378	139,082	7,220,372
Disposals														
Accumulated Depreciation As at 30 June 2022		633,608	602,665	8,549,925	16,500,281	691,202	1,993,265	1,342,642	965,426	1,842,707	4,050,807	997,404	507,021	38,676,954
NET BOOK VALUE														
Carrying Amount As at 30 June 2022	12,234,993	3,579,418	288,285	21,043,661	13,477,990	598,738	23,293,457	131,078	151,591	6,555,278	49,263,089	11,494,473	10,191,605	152,273,654

**NOTE 23: CAPITAL WORK IN PROGRESS**

PARTICULARS	NEW CONNECTION HOUSE	BUIGIRI TANK - 2500*3	FARKWA WATER PROJECT	NZUGUNI SEWERAGE PROJECT	EXTENSIO N OF WATER SUPPLY IN DODOMA TOWN	CHAKWI NO OFFICE BUILDING	IHUMWA - NJEBENG WA	MZAKWE 3. BH. PROJEC T	KONGWA BH. PROJEC T	BAHI BH.	SWASYA SEWER MAIN	AREA C & D	NORPLAN WATER AND SEWER NZUGUNI PONDS	COVID 19 - DODOMA TOWN WATER PROJECT	NALA BOREHO LES PROJEC T	BIHAWANA BH PROJECT	UDOM SEWER PROJECT
	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'
As at July 2021	10,580	1,130,463	7,969,918	622,378	819,005	36,544	2,796,019	957,319	283,656	45,050	-	1,239,658	752,602	-	-	-	-
ADD: Addition- Grants	-	-	90,185	-	-	-	-	-	474,706	56,870	325,879	627,244	-	1,100,987	-	268,154	2,183,953
ADD: Work done Own	18,907	-	-	-	1,293,556	113,207	-	-	-	-	-	-	-	1,538	73,456	-	-
Sub Total	29,487	1,130,463	8,060,103	622,378	2,112,561	149,751	2,796,019	957,319	758,362	101,920	325,879	1,866,902	752,602	1,102,525	73,456	268,154	2,183,953
Add price variance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Capitalize d Project	29,487	1,130,463	-	-	684,121	149,751	2,796,019	957,319	-	101,920	325,879	-	1,102,525	-	-	-	2,183,953
As at 30 June 2022	-	-	8,060,103	622,378	1,428,440	-	-	-	758,362	-	-	1,866,902	752,602	-	73,456	268,154	-

In the Financial year 2021/2022 DUWASA Received TZS 2.18 billion in respect of UDOM SEWER PROJECT which implemented by MS SINO HYDRO. The project was expected to be completed in November 2015. Due to Fund delaying from the Government, the project attract interest to the tune of mentioned amount. Interest charged form part of Project cost hence we capitalized to UDOM SEWER PROJECT.

**NOTE 24: CASH FLOW RECONCILIATION**

**OPERATING CASH FLOW RECONCILIATION (i)**

	' 2022/2021	'2021/2020
Net Surplus for the Year.	2,337,251	3,295,750
<b>Adjustment non-cash items</b>		
Depreciation for the year	7,242,644	6,857,852
Gain on income from slow moving items	(102,034)	
Impairment loss	-	243,884
Decrease in Provision for bad debt	231,113	(373,798)
<b>Net adjustment</b>	<b>7,371,723</b>	<b>6,727,938</b>
<b>Operating Profit Before Working Capital Changes:</b>	<b>9,708,974</b>	<b>10,023,688</b>
<b>Changes in-operating asset and liabilities</b>		
Increase in Inventories	1,666,730	(42,043)
Increase in Other receivables	(8,234,839)	(288,069)
Increase in trade receivable	926,338	162,503
Trade and Other Payables	3,786,954	(111,699)
Deposits by Ministry and Others	(132,608)	(1,159,865)
<b>Total changes</b>	<b>(1,987,425)</b>	<b>(1,439,173)</b>
<b>Net cash provided by operating activities</b>	<b>7,721,549</b>	<b>8,584,515</b>
<b>RECONCILIATION OF CASH PAYMENT (ii)</b>		
Water production Expenses	5,593,044	4,561,643
Distribution Expenses	6,465,887	5,201,811
Sewerage Expenses	388,210	181,957
Operating Expenses	10,457,255	8,396,362
Depreciation and Amortization Expenses	7,242,644	6,857,852
Transfer to other cluster water authorities	2,110,020	1,257,129
Financial Expenses	26,591	25,636
<b>Total Expenses</b>	<b>32,283,651</b>	<b>26,482,390</b>
<b>Less: Non - Cash items</b>		
Depreciation and amortization	(7,242,644)	(6,857,852)
Impairment loss	-	(243,884)
Provisional for Bad Debts	(231,113)	373,797
<b>NET CASH PAYMENT</b>	<b>(7,473,757)</b>	<b>(6,727,939)</b>

**Movement of working capital**

Decrease in inventories	(1,666,730)	42,043
Increase in trade and other payables	(3,786,954)	1,271,566
Decrease payables Deposits by Ministry and Others	132,608	-
	<b>(5,321,076)</b>	<b>1,313,609</b>
<b>NET CASH PAYMENT</b>	<b>19,488,818</b>	<b>21,068,060</b>

**RECONCILIATION OF CASH RECEIPTS (iii)**

	' 2022/2021	' 2021/2020
Revenue from exchange transactions and other income	24,854,812	19,817,862
Revenue from Ministry	9,766,090	8,965,590
(Increase)/Decrease in trade and other receivables	926,338	1,242,920
Gain on income from slow moving items	(102,034)	-
Decrease in provisional for Bad Debts	-	373,797
Other Receivables	(8,234,839)	-
<b>Total Receipts</b>	<b>27,210,366</b>	<b>29,652,575</b>

**NOTE 25: CONTINGENT LIABILITY**

For the year 2021/222, 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 canceled the legal procedures and alternatives.	The case has been disposed off in favour of DUWASA.

Source: High court land registry Dodoma

**NOTE 26: COMPARATIVES**

Where necessary, the comparative figures have been reclassified to conform to changes in presentation in the current year.

**NOTE 27: PRIOR YEAR ADJUSTMENTS**

Prior year adjustments for the year ended 30 June 2022 is made to adjust value of Land TZS 3,543,660,000 which was not recognised as there was no value on it. Following its valuation in 2022 the adjustments was made by debiting Land and crediting the accumulated surplus.

**NOTE 28: RELATED PARTY TRANSACTIONS**

Transfer of resources and/or obligations between related parties in DUWASA during the year ended 30 June 2022 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:

	30 June 2022 TZS'000'
Board Meetings and Related Expenses	21,937
Directors Fees	96,181
<b>TOTAL</b>	<b>118,118</b>

**Remuneration of Key Management Employees**

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

	30 June 2022 TZS'000
Short-term employee benefits	16,915
Key Management Staff	989,913
	<b>1,006,828</b>