



THE UNITED REPUBLIC OF TANZANIA  
NATIONAL AUDIT OFFICE



DODOMA URBAN WATER SUPPLY AND SANITATION AUTHORITY

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL AND  
COMPLIANCE AUDIT FOR THE  
FINANCIAL YEAR ENDED 30 JUNE 2024

---

Controller and Auditor General,  
National Audit Office,  
Ukaguzi House,  
Mahakama Road,  
P.O. Box 950,  
Tambukareli,  
41104 Dodoma, Tanzania.  
Tel: +255 (026) 2161200-9,  
E-mail : [ocag@nao.go.tz](mailto:ocag@nao.go.tz)  
Website: [www.nao.go.tz](http://www.nao.go.tz)

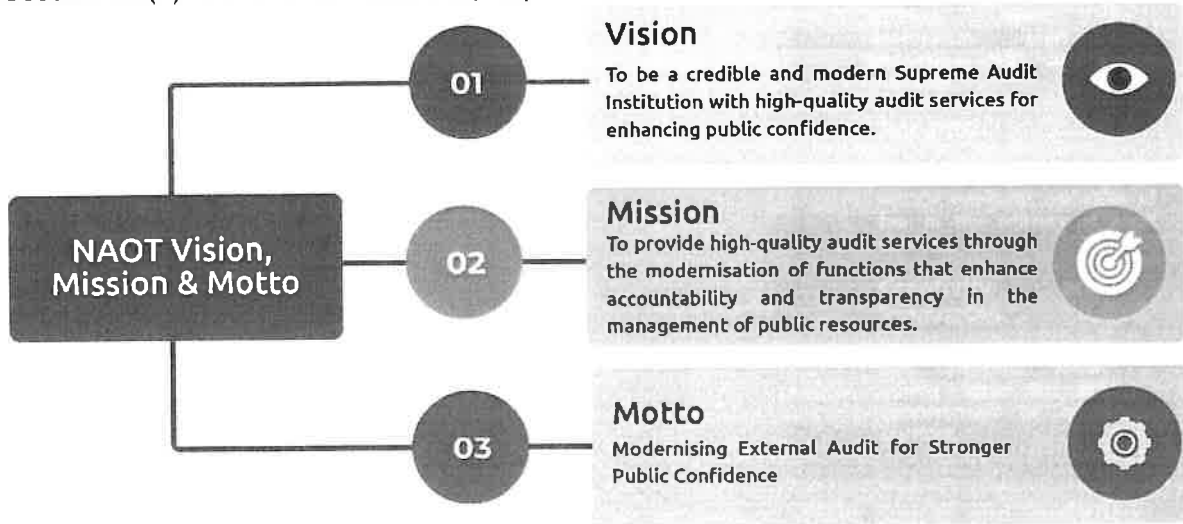
March 2025

AR/PA/DUWASA/2023/24

## 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.



### Independence and objectivity

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

### Teamwork Spirit

We value and work together with internal and external stakeholders.

### Results-Oriented

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



### Professional competence

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

### Integrity

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

### Creativity and Innovation

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

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

## Table of Content

1.0	INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL.....	1
1.1	REPORT ON THE AUDIT OF FINANCIAL STATEMENTS.....	1
1.2	REPORT ON COMPLIANCE WITH LEGISLATIONS .....	4
2.0	REPORT BY THOSE CHARGED WITH GOVERNANCE.....	6
3.0	STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE.....	35
4.0	DECLARATION OF THE HEAD OF FINANCE AND ACCOUNTS .....	36
5.0	FINANCIAL STATEMENTS .....	37



## Abbreviations

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

## 1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

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

### 1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

#### Unqualified Opinion

I have audited the financial statements of Dodoma Urban Water Supply and Sanitation Authority, which comprise the statement of financial position as at 30 June 2024, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Dodoma Urban Water Supply and Sanitation Authority, as at 30 June 2024, 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 and 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 scepticism throughout the audit. I also:

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

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

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

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, Cap. 410 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 the procurement of works, goods, and services in the Dodoma Urban Water Supply and Sanitation Authority for the financial year 2023/24 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 Dodoma Urban Water Supply and Sanitation Authority, for the financial year 2023/24 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 2025**



**Dodoma Urban Water Supply and Sanitation Authority**

**The Authority's Information**

<b>Official Name and Principal Place of Business:</b>	Dodoma Urban Water Supply and Sanitation Authority, P.o. Box 431, <b>Dodoma, Tanzania</b>
<b>The Parent Ministry:</b>	The United Republic of Tanzania Ministry of Water Government City Maji Street, P.O. Box 456 <b>Dodoma, Tanzania</b>
<b>Main Bankers:</b>	Bank of Tanzania, 16 Jakaya Kikwete Road 40184 P.O. Box 2320, Dodoma, Tanzania
	CRDB Bank Plc, P.O. Box 401, Dodoma, Tanzania
	NMB Bank Plc, Dodoma Branch, P.o. Box 1482, Road/Street, Dodoma, Tanzania
	NBC Ltd, Dodoma Branch, Kuu St, Dodoma, P.O. Box 1443, Dodoma, Tanzania.
<b>Auditors:</b>	Controller and Auditor General, National Audit Office of Tanzania, 4 Ukaguzi House, 41104 Tambukareli, P. O. Box 950, Dodoma, Tanzania.
<b>In collaboration with:</b>	JK Rafiki Auditors, Certified Public Accountants in Public Practice New NSSF Building - 2nd Floor, Door No.2, Aga khan Road, P. O. Box 7559, Moshi, Tanzania.

## **Dodoma Urban Water Supply and Sanitation Authority**

### **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 2024 which disclose the state of affairs of DUWASA here is referred as the “authority”.

#### **2.2 ESTABLISHMENT**

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

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

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

#### **2.3 MISSION, VISION CORE VALUES AND MAIN ACTIVITIES**

##### **2.3.1 Mission**

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

##### **2.3.2 Vision**

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

## Dodoma Urban Water Supply and Sanitation Authority

### 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. Accountability fosters a culture of responsibility, encouraging DUWASA to provide reliable and quality water supply and sanitation services by operates efficiently, meets its objectives, and fulfils its mandate to provide sustainable water supply and sanitation services to resident of Dodoma urban area.
- **Balance** - Taking a proactive stand to create and maintain a healthy work-life balance for workers which ensures that water supply and sanitation services are consistent, reliable, and meet customer demands. This includes balancing water production, distribution and infrastructure maintenance to avoid services interruptions, hence satisfied customers-built trust in DUWASA ability to meet their needs, fostering a positive relationship with the public.
- **Commitment** - Drives to achieve its mission of providing reliable water and sanitation services. It enhances operational efficiency, fosters transparency, and strengthens stakeholder relationships through trust, collaboration and accountability.
- **Community** -Contributing to society and demonstrating corporate social responsibility; and enhance the community's willingness and ability to pay for services directly affect DUWASA's financial stability and capacity to maintain and expand operation.
- **Diversity** - Respecting the diversity and giving the best of composition. Establishing an employee equity program; to create inclusive, innovative and adaptive strategies. By addressing the varied needs and perspectives of the communities it serves, the Authority can achieve its goals equitable and sustainable water and sanitation services delivery.
- **Empowerment** - Encouraging employees to take initiative and give the best. Adopting an error-embracing environment to empower employees to lead and make decisions on daily operations which can deliver more equitable, efficient, and resilient water and sanitation services
- **Innovation** - Drives employee's ability to provide efficient, sustainable and customer-centric water and sanitation services. By embracing new technologies and approaches, DUWASA can enhance its operational performance, adapt to changing environmental and social conditions.
- **Integrity** - fosters accountability trust, and efficiency, ultimately driving DUWASA's success in delivering high-quality water and sanitation services to the community.
- **Ownership** - Taking care of the Authority and customers as they feel sense of ownership to take responsibility for their outcomes leading to higher efficiency and reliability in operations.
- **Safety** - Ensuring the health and safety of employees and going beyond the legal requirements to provide an accident-free workplace;

## Dodoma Urban Water Supply and Sanitation Authority

- Team work - Staff plays a crucial role in ensuring efficient operation and high-quality service delivery. Effective collaboration allows staff to divide responsibilities and complete tasks on time
- 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 Authority's business along to others, who may then try the product or services offered for themselves and in their turn become repeat customers; and
- Politeness - In truth, politeness is good humour, it covers the natural want of it, and ends by rendering habitual a substitute nearly equivalent to the real virtue.

### 2.4 THE AUTHORITY MOTTO

“Water for Safe Living”, “Maji kwa Maisha Salama”.

### 2.5 PRINCIPAL ACTIVITIES

- i. The principal activities of DUWASA revolve around providing water supply and sanitation services to the Dodoma urban area which includes Production and distribution Water.
- ii. Sanitation services involve managing the collection and treatment and disposal of wastewater to prevent environment pollution.
- iii. Infrastructure Development and Maintenance which includes pipeline, treatment plants, reservoirs and sewer systems.
- iv. Handling customer inquiries, complaints, and services request and ensuring accurate metering, billing and payment collections for water and sanitation services.
- v. Compliance and Regulation by ensuring services meet national and international standards for water quality and sanitation by adhering to policies and guidelines set by Tanzania Government and regulatory authorities.

### 2.6 MEMBERS CHARGED WITH GOVERNANCE

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

### 2.7 COMPOSITION OF MEMBERS CHARGED WITH GOVERNANCE

The board of directors is comprised of executive and non-executive directors with a mix of skills, experience and diversity. The Directors who were in office from July 2023 to June 2024 are as follows below;

**Dodoma Urban Water Supply and Sanitation Authority**

Name	Position	Date of Appointment	Qualification/Discipline	Age	Gender	Nationality
Amb. Job Daudi Masima	Chairperson	22-Feb-23	Public Policy and Public Administration Master Degree	65	M	Tanzanian
Hon. Prof Davis George Mwamfupe	Vice Chairperson	22-Feb-23	Professor (Land use Management)	68	M	Tanzanian
Mr. Peter A. Mavunde	Member	22-Feb-23	Community Development	74	M	Tanzanian
Dr. Joyce Nemes	Member	22-Feb-23	Education Management and Administration (Dr)	50	F	Tanzanian
Mr. Chavuma Harun Taratibu	Member	22-Feb-23	Certificate of Secondary Ordinary Level	64	M	Tanzanian
Mr. John Lepesi Kayombo	Member	28-Jun- 23	Advanced Diploma in Accountancy and CPAT	46	M	Tanzanian
Ms. Mary A. Ntira	Member	21-Sept-23	Bachelor of arts, political science and Public Administration (BA, PS&PA)	45	F	Tanzanian
Kaspar K. Mmuya	Member	23-May-24	Master in Public Administration	46	M	Tanzania
Eng. Aron Joseph	Secretary	22-Feb-23	MSc. In Engineering Management (Project Management)	40	M	Tanzanian

*Source: Ministry of water appointment letter*

According to the Board Charter, the Board and its Committees of DUWASA is responsible for carrying out functions and managing the business and affairs of the Authority and shall meet four times a year or when the need arises. During the year, the Board held four meetings and two extraordinary meetings in which it comes out with the following directives: -

- Management to establish effective strategies to reduce NRW up to 20%. And report on the implementation of strategies'
- Management should make closely monitoring to contractor's activities to ensure Area and D sewer rehabilitation network project is completed on time.
- Management to establish effective and efficiency strategy to collect all outstanding bills to customers especially Government institutions.
- Management to develop a strategic plan for the implementation of the Parliamentary Committee (PAC) directive.
- To improve customer services in all areas including staff language to customers.
- Management to ensure all Projects are completed on time for ensuring availability of water in Dodoma urban areas.
- Management should adhere to and customize the Public Service Act and Public Service Regulations in daily operations concerning staff activities.

**Dodoma Urban Water Supply and Sanitation Authority**

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

- i. Approving DUWASA Training Program for the year 2023/24.
- ii. Approving Annual Procurement Plan for the year 2024/25.
- iii. Approving DUWASA Five Years ICT Strategic Plan for the period of 2023/24 - 2027/28.
- iv. Review of management performance and operations for year 2023/2024.
- v. Setting and approving Authority budget for the year 2024/25

Register of attendance of Board Members in the Board of Directors meetings for the year 2023/24 is as follows below;

S/N	Member's Name	Attendance	No. of Meeting Attended
1	Amb. Job Daudi Masima	P	3
2	Kaspar K. Mmuya	P	1
3	Ally Senga Gugu	P	3
4	Dr. Joyce Nemes	P	4
5	Hon. Prof Davis George Mwamfupe	P	3
6	Mr. Chavuma Harun Taratibu	P	4
7	Mr. Issa kwissa Mwasanjobe	P	3
8	Gisela Gerald Mugumira	P	1
9	Mr. Peter A. Mavunde	P	4
10	Ms. Mary A. Ntira	P	3
11	Mr. John Lepesi Kayombo	P	3
12	Eng. Aron Joseph	P	4

Source: DUWASA Board attendance register

P = Present

AP = Apology

AP-R = Absence with apology-Represented

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

### 2.7.1 Committees of the Board of Directors

The board committees shall meet four times a year or when need arises. To ensure the smooth running of the Authority, the Board appointed three Board committees namely Administration and Disciplinary, Planning and Finance, and Audit committees as follows:

#### 2.7.1.1 Administration and Disciplinary Committee Members

Name	Position	Date of Appointment	Qualification	Age	Nationality
Prof. Davis Mwamfupe	Chairperson	22-Feb-23	Professor (Land use Management)	68	Tanzanian
Mr. Kaspar Mmuya	Member	23-May-24	Masters in Public Administration	46	Tanzanian
Mr. Chavuma Taratibu	Member	22-Feb-23	Certificate of Secondary Ordinary Level	64	Tanzanian

Source: Board chairperson appointment letters

Controller and Auditor General

AR/PA/DUWASA/2023/24

## Dodoma Urban Water Supply and Sanitation Authority

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

No	Resolution	Implementation
1.	The committee endorsed proposed Workers Council duties and responsibilities	An order has been implemented; two workers council meeting has been sat.
2.	The committee ordered follow up to be made to ensure all title deed for all DUWASA plot have been obtained.	An order has been implemented, title deed for two plots have been obtained.
3.	The committee endorsed proposed DUWASA training programme for year 2023/24 - 2025/26	DUWASA Training programme approved by board of Directors in April, 2024
5.	The committee endorsed proposed DUWASA Board Charter 2023	The DUWASA board Charter have been submitted to Treasury Registrar for approval.
6.	The committee endorsed proposed DUWASA Five years ICT Strategic Plan for the period of 2023/24-2027/28	Implemented

Source: Board meeting minutes

### 2.7.1.2 Audit committee

Name	Position	Date of Appointment	Qualification	Age	Nationality
Dr. Joyce Nemes	Chairperson	22 Feb 2023	MSc. Planning & Development	50	Tanzanian
Mr. John L. Kayombo	Member	28-Jun- 23	Advanced Diploma in Accountancy and CPAT	46	Tanzanian
Mr. Issa kwissa Mwasanjobe	Member	22 Feb 2023	Bachelor of Business Administration	54	Tanzanian

Source: Board appointment Letters

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

- i. Quarterly Internal Audit reports;
- ii. CAG's reports for the year 2022/23; and
- iii. Management Performance Reports.

## Dodoma Urban Water Supply and Sanitation Authority

### 2.7.1.3 Planning and Finance Committee

Name	Position	Date of Appointment	Qualification	Age	Nationality
Mr Peter A. Mavunde	Chairperson	22-Feb-23	Community Development	74	Tanzanian
Ms Mary Ntira	Member	21-Sept-23	Bachelor of arts, political science and Public Administration (BA, PS&PA)	45	Tanzanian
Eng. Aron Joseph	Secretary	22-Feb-23	<ul style="list-style-type: none"> <li>• MSc. (Water Supply Engineering)</li> <li>• BSC in Environmental Engineering</li> <li>• ERB Registered</li> </ul>	40	Tanzanian

Source: Board appointment letters

During the year, the Committee held four normal meetings and one extraordinary meeting to discuss and advise the Board on various Authority Technical and Financial issues.

The key issues discussed by the Planning and Finance Committee include: -

NO	RESOLUTION	IMPLEMENTATION
1.	The committee ordered Management to ensure that Production and Distribution of water supply maintained to 95%	Production and Distribution of water have been maintained to 89%
2.	The committee ordered Management to establish strategy to Improve revenue collection efficiency to 98	Collection strategy was established and collection efficiency increased to 98%
3.	Directing Management to establish controls and strategy to reduce non-revenue water to at least 24%	Non-Revenue water was reduced to 24%
5.	Approval of the DUWASA Budget for the 2023/24	Budget for year 2023/24 have been implement by 81% own source and external source by 36%.

## 2.8 CORPORATE GOVERNANCE

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

**Dodoma Urban Water Supply and Sanitation Authority**

**2.8.1 MANAGEMENT**

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

**I. DIRECTORATES ARE;**

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

**II. UNITS ARE;**

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

**III. ZONES OFFICES ARE;**

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

The following are names and positions of DUWASA Management Team:

No.	Name	Position	Date Of Appointment	Qualification	Age
1.	Eng. Aron Joseph	Managing Director	10 December 2020	<ul style="list-style-type: none"> <li>• MSc. (Water Supply Engineering),</li> <li>• BSc in Environmental Engineering</li> <li>• ERB Registered</li> </ul>	40
2	Eng. Emanuel Mwakabole	Acting Director of Water Supply and Sanitation Management.	1 November 2021	<ul style="list-style-type: none"> <li>• MSc. Hydrology &amp; Water Resource Engineering (Water supply and sanitation Engineering)</li> <li>• BSc in Civil Engineering</li> <li>• ERB Registered</li> </ul>	44
3.	Eng. Benard Rugayi	Acting Director of Water Supply and Sanitation Management.	11 March 2024	<ul style="list-style-type: none"> <li>• MSc. Integrated Water Resources Management</li> <li>• BSc in Civil and water Resources Engineering</li> <li>• ERB Registered</li> </ul>	44

**Dodoma Urban Water Supply and Sanitation Authority**

No.	Name	Position	Date Of Appointment	Qualification	Age
4.	CPA Leonard V. Challe	Director of Finance and Accounts.	19 February 2018	<ul style="list-style-type: none"> <li>• Msc. Accounting and Finance</li> <li>• Advanced Diploma in Accountancy</li> <li>• Associate Certified Public Accountant (ACPA T)</li> </ul>	47
5.	Mr. Alex Maheri	Director of Procurement Management Unit	03 April 2003	<ul style="list-style-type: none"> <li>• Degree of Masters of Business Administration</li> <li>• Bachelor Degree in Material Management</li> <li>• Certified Procurement &amp; Supplies Professionals (CPSP)</li> </ul>	53
6.	MS Ritha John Mpiuka	Acting Director of Human Resource Management and Administration.		<ul style="list-style-type: none"> <li>• B.A Political Science &amp; Public Administration, Master Degree in Business Administration</li> </ul>	41
7.	CPA Tadei Abdala	Chief Internal Auditor.	01 Sept 2015	<ul style="list-style-type: none"> <li>• MSC Finance</li> <li>• Advanced Diploma in Accountancy CPA(T)</li> </ul>	39
8.	Adv. Ayoub Mganda	Head of Legal Unit	01 Aug 2006	<ul style="list-style-type: none"> <li>• Bachelor in LLB</li> <li>• Registered Advocate</li> </ul>	44
9.	Rahel Mhando	Head of Communication and Public Relation Unit	03 Jun 2012	<ul style="list-style-type: none"> <li>• Bachelor degree of Arts in Mass Communication</li> </ul>	40
10.	Mr. Eliud Kitime	Acting Head of ICT and statistics Unit	2 Feb 2022	<ul style="list-style-type: none"> <li>• MSc-IT</li> <li>• Postgraduate in science computing Advanced Diploma in information technology</li> </ul>	40
11.	Mr. Jonathan Shenyagwa	Acting Head of Planning, Monitoring and Evaluation Unit.	29 Sept 2022	<ul style="list-style-type: none"> <li>• Bachelor Degree of Art in Economics</li> </ul>	35
12	Mr George Mwakamele	Zone Manager Chamwino	29 Sept 2022	<ul style="list-style-type: none"> <li>• B.A Cooperative Management and Accounting, PGD - Project Planning and Management</li> <li>• Master Degree in Public Administration</li> </ul>	41
12	Mr. Salum Haji	Zone Manager Bahi	25 January 2023	<ul style="list-style-type: none"> <li>• Advanced Diploma in Accountancy, PGD in Accountancy.</li> </ul>	39
13	Amran Gama	Zone Manager Kongwa	29 Sept 2022	<ul style="list-style-type: none"> <li>• Bachelor degree in Business Administration</li> </ul>	45

*Source: Authority organization structure*

**Dodoma Urban Water Supply and Sanitation Authority**

**2.9 FUTURE PROSPECTS OF THE AUTHORITY**

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

**2.10 OBJECTIVE AND STRATEGIES**

No.	Objective	Key Strategic Issue/Risks	Strategies/Mitigation Measures	Targets by FY 2023/2024
1	Water supply service Improved.	Inadequate water supply service	<p><b>Short-term</b> Drilling of boreholes and Installation of Casings, relevant submersible pumps and laying of water networks at nzughuni, Nala Dodoma town and zone areas of Chamwino, Bahi, Kongwa and Kibaigwa.</p> <p><b>Medium term</b> Construction of Farkwa Dam and its water supply infrastructure in Chemba District to increase water supply in DUWASA service areas.</p> <p><b>Long term.</b> Construction of water scheme from Lake Victoria to Dodoma which will provide reliable water supply.</p>	<p>To increase water supply by June 2024</p> <p>To increase water supply by June 2028</p> <p>To increase water supply by June 2030</p>
2	Sanitation Services Improved	Inadequate sewerage infrastructure	<p><b>Short-term;</b> Rehabilitation of existing sewerage network at area C and D, and Construction of new sewerage system at Magufuli Government City.</p> <p><b>Medium term</b> 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</p>	<p>To maintained and increase network and treatment capacity of wastewater by June 2027.</p> <p>To increase treatment capacity of waste water and network coverage within twenty-one wards of Dodoma Town by June 2028</p>

**Dodoma Urban Water Supply and Sanitation Authority**

No.	Objective	Key Strategic Issue/Risks	Strategies/Mitigation Measures	Targets by FY 2023/2024
3	Financial Sustainability Improved	Unstable financial capability	To improve collection efficiency from 96% to 98%	Replacement of old pipes, replacement of low performing (low registered)
4	Modern technology in daily operation Utilized	Under-utilization of modern technology in DUWASA operations	Use of GPS and GIS in collection and the management of data for Customers, Water and Sewerage networks	<ul style="list-style-type: none"> <li>Procurement of 8 GPS for New connection and Planning section</li> </ul>
5	Reduce High Non-Water Revenue.	High Non-Revenue Water	Replacement of 6000 under-registering water meters by June, 2024	24%

## 2.11 OPERATIONAL AND FINANCIAL PERFORMANCE REVIEW

### 2.11.1 Operational Performance Review

Major achievement has been made in the production and distribution areas. At present, water production system consists of 70 boreholes, which make capability of producing and transporting 93,269m<sup>3</sup>/day that is supplied to the areas covered with water supply network. Additionally, there are five boreholes at the University of Dodoma (UDOM) area with a capacity of producing about 2,400m<sup>3</sup>/day, these boreholes were developed to increase water supply to the University community as well as to serve as an alternative water source for the University of Dodoma. To date the total length of water supply network is 1,534.3km, where 88km is the main transmission (transportation pipeline) and 844.1km is the distribution network. As for sewerage disposal services, the existing Sewerage system has a total length of 123.45km, currently serving about 20% of the population occupying the metropolitan area.

Metering ratio is 100%, meaning that all customers served by DUWASA are metered. At the end of June, 2024, the Authority had a total of 84,071 water customers and 6,191 sewerage customers including Domestic, Institutions, Commercial and Domestic point users. The quality of water produced and supplied during the year continued to comply with acceptable and required Tanzania Standards. Random sampling is normally performed twice a month at different points from the water source to the distribution system. An average of 78 samples were collected and analysed monthly met the available Tanzania Standards by 99%. DUWASA uses its own water laboratory located at the water source (Mzakwe). The laboratory is used to analyse physical parameters on daily basis and chemical parameters once a month. The laboratory is also capable of analysing bacteriological parameters (Total Fecal coliform).

Non-Revenue Water (NRW) continued to be one of the major challenges to the Authority. Management has instituted various measures such as increasing manpower and equipment to deal with physical loss, replacing old and under registering class B water meters with class C water meters which are sensitive enough to record each drop of water passing through. During

**Dodoma Urban Water Supply and Sanitation Authority**

the year, the target was to reduce NRW to at most 26.5% by June 2024. However, the average actual NRW during the year 2023/24 was 26%.

**2.11.2 Project implemented during the financial year under review**

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

Extension Of Pipe Network In Dodoma City					
S/N	Area	Pipe Size (Outer Diameter)	Total Length	Aproximately Cost	Completed Status
1	Ngongona	50	750	5,025,000	100%
2	Michese	50mm	396	26,572,000	100%
3	Iyumbu - North	50mm	674	45,178,100	100%
4	Ihumwa	50mm & 32mm	600	2,220,000	100%
6	Iyumbu Kilimo Kwamba	63mm	300	2,610,000	100%
9	Kizota	50mm	300	2,010,000	100%
10	Msalato	50mm	450	3,01,500	100%
11	Iyumbu S/Mfano	50mm	450	3,015,000	100%
12	Iyumbu Kwa Mwinyi	50mm	300	201,000	100%
13	Iyumbu - Nhc	63mm	2250	19,575,000	100%
14	Miganga	63mm	1150	1,000,500	100%
15	Ntyuka - Bwawani	50mm	900	6,030,000	100%

**2.12 FINANCIAL REVIEW**

**OPERATION AND FINANCIAL REVIEW**

**2.12.1 Significant Aspects of the Statement of Financial Performance.**

The performance for the year is set out on the Statement of the Financial Performance for the year ended 30 June 2024. The Authority has made a net surplus of TZS 3,633,878,000 while for the year 2022/23 had a deficit of TZS 1,512,254,000. This change was caused by increase in day-to-day operation activities of DUWASA and adoption of new accounting standard IPSAS 41 contributed to the increase in surplus for year. Despite that management managed to contain the operational and administration costs within the range, however the Authority has established strategies to manage and control expenses and increasing income to sustain the increase in surplus and be in a further better position.

**1) Revenue from Exchange transactions.**

The Authority's total recognized revenue from exchange transactions during the year ended 30 June 2024 was TZS 28,883,191,000 (30 June 2023: TZS 26,174,459,000), which is an increase of annual recognized revenue by TZS 2,708,732,000, equivalent to an increase of 10.35%. The increase was attributed by the increase of water production by 11% hence reflect increase of

## Dodoma Urban Water Supply and Sanitation Authority

water sales, also significant increase in the other income which caused by net gain income from provisions of expected Credit loss to the tune of TZS 1,475,291,000.

### 2) Expenses

The Authority's expenses for the financial year ended 30 June 2024 amounted to TZS 36,182,575,000 including depreciation charge of TZS 6,880,025,000 (30 June 2023: TZS 35,768,182,000 including depreciation charge of TZS 7,875,991,000). The major components of expenditure during the year ended 30 June 2024 were: - Wages, salaries, and other employees benefit which increase to TZS 3,173,078,000 equivalent to 49% due to changes in DUWASA salary structure which reflect the increase in staff salary and other employees' benefit. On the side, other expenses go down significantly due gain on the provision of bad debts which was treated as other Income.

#### 2.12.2 Significant Aspects of Statement of Financial Position.

##### 1) Cash and Cash Equivalents.

The Authority's cash and cash equivalents as at 30 June 2024 was TZS 943,310,000 (30 June 2023: TZS 2,325,314,000), which is a decrease of TZS 1,382,000, equivalent to 59.4 %. This decrease was attributed by the external fund set aside to finance various project which was in progress at the year-end as shown under Note 10 of the financial statements.

##### 2) Trade Receivables in Exchange Transactions and Non-Exchange Transactions.

Trade receivables from exchange transactions as at 30 June 2024 stood at 4,970,562 (30 June 2023: TZS 3,936,175 resulting into an increase of TZS 1,034,387 which is an increase of 26%. This increase is due to expansion of the Authority's the new areas of operations which include Kibagwa, Kongwa and Bahi which has resulted into increase in number of customers.

Also, the Aging analysis of Receivable as at 30 June 2024 revealed that, the Authority had a total receivable from exchange transactions of TZS 2,588,249,387 which were overdue for more than one-year and mostly Government Institutions which represent 45% of the total outstanding debt. To limit growth of these debts the Authority has started installing prepaid water meters to all Government Institutions. Total number of installed prepaid water meters as at 30 June 2024 were 840 meters.

Furthermore, receivable from non-exchange transactions as at 30 June 2024 was TZS 2,511,636,000 (30 June 2023: TZS 1,491,391,000). There was significant increase on the same by TZS 1,020,245,000 which is equivalent to 68%. This was contributed mainly by failure by the the parent Ministry (Ministry of Water) to remit to the Authority the fund expected for implementation of the approved various water projects in Dodoma.

##### 3) Property, Plant and Equipment

The property, Plant and equipment during the year ended 30 June 2024 stood at TZS204,566,065,000 (Cost) (30 June 2023: TZS 200,978,184,000 (cost) which is an increase

## Dodoma Urban Water Supply and Sanitation Authority

of TZS 3,587,881,000(cost) equivalent to 1.8%. The increase was attributed by additions of assets by TZS 1,550,799,000 (cost) capitalisation of work in progress by TZS 1,766,176,000 (cost) and recognition of grant in respect of building granted to DUWASA by the Ministry of Water TZS 270,906,000.

#### 4) Trade and other Payables.

The payables and accrued expenses as at 30 June 2024 were TZS 6,599,257,000 (30 June 2023: TZS 5,696,674,000). Increase was attributed by outstanding liabilities in respect of VAT payable on Sewerage, EWURA Payable and staff salaries deduction which included in the payable as of 30 June 2024. The major part of the payables and accrued expenses are suppliers of goods and services whose their outstanding balances are within reasonable settlement period.

#### 5) Financial Performance and Financial Position

The Authority's Statement of Financial Position as at 30 June 2024 reported Net Assets amounting to TZS 178,010,003,000 (30 June 2023: TZS 174,376,125,000) which is attributed by the increase of retain earning of TZS 130,171,446,000 (30 June 2023: TZS 126,537,568,000) an increase of 2.8%

The general financial performance indicates that the Authority's existing sources of revenue can sustain the execution of the Authority's functions. However, the Authority shall continue to manage efficiently its working capital and closely monitor its current sources of revenue, explore other sources of revenue and improve collection efficiency to enable it to sustain its operational services to the public, monitor expenditure operations and control expenses within approved budgets.

#### RATIO ANALYSIS:

Particulars	2023/24	2022/23	Restated 2021/22	2021/22	2020/21
<b>Liquidity ratios</b>					
Current Ratio	1.38 Times	1.12 Times	1.52 Times	3.29 Times	6.55 Times
Acid Test Ratio	1.19 Times	0.99 Times	1.34 Times	3.12Times	5.24 Times
<b>Amount into TZS billion</b>					
Working Capital - TZS	2.65 Bill	0.96 bill	2.83 bill	13.05 bill	11.27 bill
<b>Net Worth - TZS (Total Assets - Total Liabilities)</b>	<b>178.02 Bill</b>	<b>174.23 bill</b>	<b>171.62 bill</b>	<b>179.15 bill</b>	<b>173.23 bill</b>
<b>Debt/Equity Ratio</b>	<b>0%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.01%</b>

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

#### Comments on the Ratio Analysis

Liquidity ratios and working capital position shows that, for the past 3 years to-date, DUWASA has maintained enough short-term assets to cover its short-term maturing liabilities/ obligations. This is due to different indicators such as increasing its sales volume and collecting

## Dodoma Urban Water Supply and Sanitation Authority

its debts or receivables and cash each year hence leading to stability in ensuring its strategic objectives are achieved in a foreseeable future.

Working capital position shows that for the past three years to-date, DUWASA has maintained a stable Working Capital Position, this is a reflection of increasing sales volume and a reduction of liabilities year after year. DUWASA's consistent increasing Net Worth demonstrates organisation's good financial health in a foreseeable future.

### Capital structure

This refers to the amount of debt and/equity employed by a firm to fund its operations and finance its assets. For the past three years DUWASA has been financed by equity by 99.9% and debt by 0.01%. Currently DUWASA's capital structure is financed by equity in fully 100% due to the nature of its operations. Hence its debt-to-equity ratio is 0%. DUWASA is encouraged to adopt both equity and debt source of finance.

### 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 2024 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 endeavours to manage risk by having in place appropriate functional structures, systems and procedures. These structures, systems and procedures evolve continuously in response to changes in the environment in which the Authority operates. The following are the main types of risks the Authority is exposed to in the course of executing its operations:

- Operational Risk
- Liquidity Risk
- Credit risk
- Taxation
- Environmental

#### 2.14.1 Operational Risk

Operational risk is the risk of loss both financial and non-financial resulting from Water Supply Disruption due to failures in water treatment plants, pumps and pipelines leading to services

## Dodoma Urban Water Supply and Sanitation Authority

interruptions, High level of non-revenue water due to leaks. Illegal connections, inaccurate metering, 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.

The Authority established several mitigation strategies such as investing to modern equipment and reduce non-revenue water, implementing smart metering and providing regular training and recruitment of skilled personnel. 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 is in fairly healthy liquidity position it has more current asset than current liabilities which implies it should be able to cover its short-term obligation without difficulty for 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 improving revenue collection efficiency and reducing non-revenue water.

### **2.14.3 Credit Risk**

Potential credit risk involves the possibility that customers, institutions or other entities may fail to meet their financial obligations to DUWASA which can significantly impact its operation such as revenue loss, cashflow challenges, operation constraints, increase debt collection cost and reputational impact.

Management of credit risk includes timely and accurate billing to avoid disputes, adopting digital payment systems to make it easier for customer to pay, offer flexible payment plans for vulnerable customers to reduce default risk and implementing proactive measures such as reminder systems, early collections, and negotiations for overdue accounts, and educate customers on the importance of paying bills to support reliable water and sanitation services.

### **2.14.4 Taxation Risk**

Change in taxation policy is affecting our organisation operations due to taxes such as corporate tax, skills and development levy (SDL) and others. This has a negative impact to the Authority's operations since a lot of money that could be used for development activities is being expended through the payment of taxes.

### **2.14.5 Environmental Risk**

Environmental risk stems from natural events, human activities and climate related change impacting DUWASA in various ways such Water Source Depletion which include droughts due to

**Dodoma Urban Water Supply and Sanitation Authority**

reduced rainfall and prolonged dry seasons can lead to diminished water levels in the boreholes, Climate changes impact due to heavy rains and flooding can damage infrastructures such as pipelines, treatment plants, distribution system and disrupting services.

In Mitigating this risk, the Authority has implemented sustainable groundwater extraction practises and diversify water source by drilling boreholes in different areas in Dodoma.

Moreover, the organisation through environmental department, has planted over 3,000trees to different sources of water and other areas in collaboration with stakeholders to protect and restore natural water catchment areas.

**2.15 KEY PERFORMANCE INDICATORS AS PER MOU SIGNED BETWEEN THE AUTHORITY AND THE TREASURY REGISTRAR.**

The Authority operates by following the Key Performance Indicators approved by the Ministry of Water, EWURA and Treasury Registrar to monitor implementation of the planned activities.

The detailed performance for the year ended 30 June 2024 has been clearly detailed in items 2.15.1(General Financial Metrics),2.15.2 (Industry Specific metrics) and 2.15.3 (Operational Efficiency). 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 Treasury Registrar. 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: -

**2.15.1 GENERAL FINANCIAL METRICS**

The metric measures compliance with Financial Regulations, Circulars, Standards, and Best Practices. It measures how an entity manages financial risks, ensures profitability, controls costs, attracts future investments and customers, and generates a return to Stakeholders while serving its core service delivery.

S N	Key Performance Indicators	Metric category	Descriptions	Benchma rk	Baseline Data		Indicator Target Value	Weight (%)
					2021/2 2	2022/23	2023/24	
	Current Ratio	Liquidity	Compares a company's current assets to current liabilities. (Current Assets/Current Liabilities)	2:1	3.2:1	1.12:1	1.38:1	2

Dodoma Urban Water Supply and Sanitation Authority

S N	Key Performance Indicators	Metric category	Descriptions	Benchmark	Baseline Data		Indicator Target Value	Weight (%)
					2021/22	2022/23	2023/24	
	Quick Ratio	Liquidity	An indicator of a company's short-term liquidity position. Measures a company's ability to meet its short-term obligations with its most liquid assets. (Liquid Assets/Current Liabilities)	1:1	3.04:1	0.99	1.19	2
	Operating Cash Flow Ratio	Liquidity	Demonstrates whether the cash generated from ongoing activities is enough to pay for your company's current liabilities. (Cash flow from Operations/Current Liabilities)	1:1	1.4:1	1.5:1 0.3:1	1.5:1 0.13:1	1
	Staff Cost to Total Costs	Efficiency	Proportion of employee costs to total costs during a year (Staff Cost /Total Operating Costs)	Max 40%	26.2%	18.2%	26.7%	2
	Operating Revenue Growth Rate	Efficiency	Calculated by subtracting the previous period's revenue from the current period's revenue, and then divide that number	Min 10%	6%	7%	10% 16.2%	2

**Dodoma Urban Water Supply and Sanitation Authority**

S N	Key Performance Indicators	Metric category	Descriptions	Benchmark	Baseline Data		Indicator Target Value	Weight (%)
					2021/22	2022/23	2023/24	
			by the previous period's revenue.  (Current period revenue - previous period revenue) / previous period revenue*100)					
	Cash Conversion Cycle	Efficiency	CCC expresses how many days it takes a company to convert the cash it spends on inventory back into cash by selling its product.	Max 45 days	20 days	25 days	20 days	2
	Revenue per Employee	Efficiency	RPE measures the average revenue each employee contributes.	Use Sector Average as Benchmark	TZS110,211,000	TZS 147,374,627 147,022	TZS 150,000,000 170,886	3
	Cost to Income Ratio	Efficiency	Proportion of operating expenses to operating revenue	Max 60%	92%	70% 104.4%	60% 90.1%	3
	Debt to Equity	Solvency	D/E is calculated by dividing a company's total liabilities by its shareholder equity. It is a measure of the degree to which a company is financing its operations with debt	Max 60%	50%	48% 16.4%	50% 14,7%	1

**Dodoma Urban Water Supply and Sanitation Authority**

S N	Key Performa nce Indicators	Metric category	Descriptions	Benchma rk	Baseline Data		Indicator Target Value	Weight (%)
					2021/2 2	2022/23	2023/24	
			rather than its own resources.					
	Debt to Assets	Solvency	The debt-to-total-assets ratio shows how much of a business is owned by creditors compared with how much of the company's assets are owned by shareholders.	Max 40%	15%	17% 4.3%	20% 3.8%	1
	Debt Service Capacity	Solvency	Is a key measure of an institutes' ability to repay its loans. This includes liquidity and long-term payments.	Min 2.5 times	4.5times	4 times	4 times	2
	Remittance to Consolidated Fund	Fiscal	All revenues received by the government by way of direct taxes and indirect taxes, money borrowed and receipts from loans given by the Government flow into the Consolidated Fund.	Should grow Year over Year and is associated with the Operating revenue growth	50Mill	50 Mill	55 Mill	2
	Water user fee		% compliance to water user fee	Grow year over year as a function increasing	100%	100%	100%	2
	Direct Employment Created	Fiscal	Direct jobs that exist to produce goods and services	Grow Year over Year as a function	14	9	44	2

**Dodoma Urban Water Supply and Sanitation Authority**

S N	Key Performance Indicators	Metric category	Descriptions	Benchmark	Baseline Data		Indicator Target Value	Weight (%)
					2021/22	2022/23	2023/24	
			needed by the institution.	of increase in activity				
	Indirect Employment Created	Fiscal	Mentioning indirect jobs that exist to produce goods and services needed by the institution.	Grow Year over Year as a function of increase in activity (Water bowser)	25	33	41	3
<b>TOTAL</b>								<b>30</b>

*Source: Treasury Registrar performance contract between Treasury Registrar with water authorities*

**2.15.2 INDUSTRY SPECIFIC METRICS**

The metrics measure the progress of the Authority in achieving its core mandate. They are usually tracked based on KPIs performance which provides information to indicate whether DUWASA has achieved its goals as planned.

S N	Key Performance Indicators	Metric category	Descriptions	Benchmark	Baseline Data		Indicator Target Value	Weight (%)
					2021/22	2022/23	2023/24	
1.	Non-Revenue Water	Water	Amount of water produced less the amount of water sold to consumers compared to amount of water produced/purchased from other entities	Max 20%	26%	26%	24%	8
2.	Average Hours of Supply	Water	Are the hours per day a consumer can draw drinking water from the tap at his household connection or the public stand post.	Desired period is 24 hours	12 hours	12 hours	13 hours	8
3.	Operational Area Coverage Rate	Water	Measures the extent to which community relates to water services	Min 80%	65%	68%	82%	8

**Dodoma Urban Water Supply and Sanitation Authority**

SN	Key Performance Indicators	Metric category	Descriptions	Benchmark	Baseline Data		Indicator Target Value	Weight (%)
					2021/22	2022/23	2023/24	
4.	Metering Ratio	Water	Measures the volume of water used	100%	100%	100%	100%	8
5.	Collection Efficiency	Billing	Proportion of revenue collected compared to total amount of billing during the year.	Min 95%	95%	96%	98%	8

*Source: Treasury Registrar performance contract between Treasury Registrar with water authorities*

**2.15.3 OPERATIONAL EFFICIENCY**

This criterion measures how well the Authority performs its mandated functions in terms of time management, costs, and quality. It covers the metrics categories; People Management, Good Governance & Compliance, Customer Service and Core functions.

SN	Key Performance Indicators	Metric category	Benchmark	Baseline Data		Indicator Target Value	Weight (%)
				2021/22	2022/23	2023/24	
1.	Employee satisfaction rate	People Management	Increase Year on Year	82%	85%	90%	1
2.	% of Staff Trained	People Management	100% implementation of Training Program	80%	85%	92%	1
3.	Employee Retention Rate	People Management	70%-80%	99%	96%	96%	1
4.	% of grievance resolved	People Management	100%	95%	90%	95%	1
5.	% of PLHA provided with care and support	People Management	100%	100%	100%	100%	1
6.	No of Sensitization Programs Conducted for (HIV), NCD and Mental Health	People Management	Min One (1) per year	1	1	1	1
7.	Number of corruption cases reported	Good Governance & Compliance	Declining Year on Year	0	0	0	1
8.	Audit Opinion	Good Governance & Compliance	Unqualified Audit opinion	Unqualified	Unqualified	Unqualified	1
9.	% of audit findings resolved by the deadline	Good Governance & Compliance	100%	90%	90%	94%	1
10.	Board Assessment Score	Good Governance	Min 70%	90%	90%	95%	1

**Dodoma Urban Water Supply and Sanitation Authority**

SN	Key Performance Indicators	Metric category	Benchmark	Baseline Data		Indicator Target Value	Weight (%)
				2021/22	2022/23	2023/24	
		& Compliance					
11.	Compliance with Business continuity plan	Good Governance & Compliance	100%	50%	50%	60%	1
12.	% of Risks with Mitigations implemented	Good Governance & Compliance	100%	85%	85%	90%	1
13.	Average response time in serving client	Customer Service	As per client service charter of the respective PSC (the lower the better)	5 hours to 7 hours	5 hours to 7 hours	5 hours to 7 hours	1
14.	% of outreach programs implemented	Customer Service	100% of the Annual communication strategies	80%	85%	90%	1
15.	Customer satisfaction survey score	Customer Service	Min 80%	80%	80%	85%	1
16.	Customer retention rate	Customer Service	100%	95%	95%	98%	1
17.	% of customers complaints resolved on time	Customer Service	100%	95%	95%	97%	1
18.	% of urban population with access to safe and clean water	Core Function	95%	82%	90%	92%	2
19.	Proportion of population connected with sewerage network (%)	Core Function	30%	12.9%	23%	26	2
20.	Percentage (%) of new water connections	Core Function	Refer to SP / Annual Budget	13.5%	22%	29%	1
21.	Percentage (%) of operational equipment's (installations and maintenance equipment) availability	Core Function	100%	100%	100%	100%	2
22.	Average Revenue per Unit Produced	Core Function	Increasing Year on Year	935	956	992.4	1
23.	Down time	Core Function	- Within 24 hours. -As per Service Client Charter	24 hours	24 hours	24 hours	1
24.	Percentage (%) of pending orders	Core Function	Max 5%	4%	5%	5%	1
25.	Average Cost per Unit Produced	Core Function	Total Cost of production divided by number of units produced	612	618	615	1

**Dodoma Urban Water Supply and Sanitation Authority**

SN	Key Performance Indicators	Metric category	Benchmark	Baseline Data		Indicator Target Value	Weight (%)
				2021/22	2022/23	2023/24	
			(decreasing Year on Year)				
26.	Wastewater quality compliance standard to	Core Function	100% (Proportional of samples passed for BOD5 and COD parameters.)	15%	15%	25%	1
27.	Water quality compliance standards to	Core Function	100% (Proportion of samples passed for Turbidity and E-coli parameters)	100%	100%	100%	1
<b>TOTAL</b>							<b>30</b>

*Source: Treasury Registrar performance contract between Treasury Registrar with water authorities*

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

## 2.16 TAXATION

DUWASA is a Public Institution established for the purpose of provision of water supply and sewerage removal services in Dodoma City and currently its roles have been extended to other areas including Kongwa, Kibaigwa, Chamwino and Bahi. DUWASA pays taxes as required by the rule of law.

## 2.17 RESOURCES

The composition and management of DUWASA resources for the year ended 30<sup>th</sup> June 2024 are as detailed below;

### a) Intellectual Resources

DUWASA uses intellectual resources to influence its operational efficiency where by management their knowledge to optimise the water supply systems, reduce non-revenue water and improve service delivery.

This includes the mapping of DUWASA network system through GIS and the use of Leakage management system, enabled the timely detection and attendance of water leakages and planning maintenance schedules efficiently to reduce non-revenue water. The use of automated billing system (Maji IS) and use of smart meters enhanced better financial resources management.

### b) Human Resources

DUWASA plays a crucial role in providing essential water services to the rapidly growing population of Dodoma city including Kongwa, Chamwino, Kibaigwa and Bahi. During the year

## Dodoma Urban Water Supply and Sanitation Authority

2023/24 DUWASA had 251 staff in which 180 were men and 63 were female with various education levels from standard seven to master's degree.

A key factor in DUWASA's ability in creating long term value is its human resources directorate, which focuses on enhancing employee's performance through targeted training program. The performed staff needs assessment identified skill gaps that were covered by various training. A total of TZS 260,078,220 was spent for the training program for the year 2023/24

The good relationship between employees and management continued to exist for the year 2023/24. Management conducted 12 meetings with all employees. There was also one meeting between Board of Directors and all employees and two workers' council meetings. In these meetings employees had the opportunity to meet and air their views to the Management and Board of Directors.

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.

### c) Natural Resources

DUWASA focuses on the sustainable utilization and management of natural resources particularly ground water whereby over 75% of its water is extracted from the 24 deep boreholes located at Makutopora basin. This strategic utilization of ground water resources ensures the reliable water supply across the DUWASA service area.

DUWASA has an approach to natural resource management that aligns with sustainable practices by implementing measures to prevent over extraction of groundwater, ensuring long term availability and regularly maintaining and upgrading water and sewerage infrastructure to minimize losses and environmental impact. The promotion of water conservation awareness among residents to encourage responsible water use is practiced.

### d) Financial Resources

Adequate financial resources enable DUWASA to invest in essential infrastructure maintenance and upgrades. These include the development and upkeep of water supply networks and sewerage systems, ensuring reliable service delivery to the community. Financial stability allows for timely repairs and technological advancement, reducing service disruption and operational inefficiencies.

## Dodoma Urban Water Supply and Sanitation Authority

Effective risk management practices help DUWASA in identifying and assessing financial risks that have a significant impact to DUWASA operation and defining their mitigation strategies which are well covered in the authority's risk register. This practice helps in risk reduction, transfer and acceptance and therefore improve efficiency.

### 2.18 RELATIONSHIP WITH STAKEHOLDERS

The Authority's operations cut across various stakeholders' interests. The key stakeholders are Customers, Suppliers, EWURA and the Government. The needs of stakeholders vary from one group to another.

#### a) Customers

DUWASA maintains good customer relations by, among other things, providing a quality service, keeping customers informed of their intentions and responding to customer needs. DUWASA has continuously been reviewing its customer relations; identify areas of improvement and device means for improving and maintaining good customer relations.

#### b) Creditors/suppliers

A strong relationship with creditors ensures timely access to funds for infrastructure development, system upgrade and system expansion. Delayed payments or poor credit worthiness can hinder operation. DUWASA maintains a good supplier relationship that ensures timely delivery of materials, offering better pricing and credit terms that help in reducing operational expenses.

#### c) EWURA

Maintaining good relations ensures compliance with water quality, environmental and safety regulations in which non-compliance would attract to fines and penalties. EWURA often oversees water pricing and therefore a cooperative relationship facilitates timely tariff adjustments and ultimately ensuring financial sustainability without conflicting with customers.

#### d) Government (Ministry of Water)

The Ministry of Water provides national policies, regulations and guidelines that DUWASA must follow to ensure sustainable and efficient water and sanitation services and monitor compliances. The ministry of water often plays a central role in securing funds from the National budget and international donors. These funds are allocated to DUWASA to develop and maintain infrastructure.

#### 2.18.1 GENDER POLICY

The Authority has an equal opportunity employment policy as far as gender issues are concerned. Every effort is made to ensure that the Authority's employment policy maintains gender balance subject to technical and experience considerations. The general gender

## **Dodoma Urban Water Supply and Sanitation Authority**

imbalance observed at DUWASA has to be viewed within a broader national and societal context. The imbalance is a reflection of the patriarchy system that has been in existence and is perpetuated by the social economic, political, cultural and legal frameworks that are in place. While significant efforts have been made to redress gender inequality, DUWASA is still one of the institutions that continue to be affected by the historical gender imbalance in the country such as low number of women employees. By June 2024, female staff at DUWASA were only 25%, 40% in managerial position, 16% of supervisory level, 17% of technical staff.

### **2.18.2 HIV/AIDS AWARENESS PROGRAMME**

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

### **2.18.3 WORKERS COMPENSATION SCHEME**

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

## **2.19 STATEMENT OF COMPLIANCE**

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

## **2.20 INTERNAL AUDIT**

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

## **2.21 TENDER BOARD**

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

## **2.22 AUDIT COMMITTEE**

DODOMA Urban Water Supply and Sanitation Authority has in place an effective Audit Committee as required by Regulation 28 of the Public Finance Regulations of 2001.

## Dodoma Urban Water Supply and Sanitation Authority

### 2.23 DIRECTORS INTEREST

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

### 2.24 RELATED PARTY TRANSACTIONS

DUWASA is a whole owned entity of the Government through its Parent Ministry, the Ministry of Water. The Government and the Parent Ministry, through the Board of Directors of DUWASA, significantly influences the roles of the Authority as well as being its major financier. In some cases, the Authority enters into transactions with other Government owned Urban Water Authorities (UWSAs), Government departments, entities, State-owned enterprises and Agencies.

### 2.25 POLITICAL AND CHARITABLE DONATIONS

The Authority has contributed a total of TZS 7,615,000 as donations to various charitable institutions, NGO's as party of its Cooperate Social Responsibilities (CSR). There were no any contributions made for political activities during the year. Also, DUWASA managed to supply free water to poor families and people with special needs who are not able to pay for water supply service. These families were identified and proposed by Municipal Local Leaders and approved by DUWASA Board of Directors. DUWASA had 135 identified poor individuals/families as at 30 June 2024 receiving five buckets of 20Ltr of water (i.e., 100ltrs each) per day. The Authority has a policy of aligning its activities with the social, economic and environmental expectations of its stakeholders as shown in the table below: -

### 2.26 ENVIRONMENTAL, SOCIAL AND GOVERNANCE

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

During the year 2023/24, DUWASA used TZS.25,743,000 to conduct Environmental Impact Assessment (EIA) for five projects which are Nzuguni Water Supply project, Construction of waste water stabilization ponds at Nzuguni and extension of sewerage network for extension of water supply project at Magufuli, construction of waste water stabilization ponds at Chamwino and extension of sewerage network, drilling of boreholes at Zuzu-Nala and Conducting Environmental Impact Assessment (EIA) for extension of water supply project at Magufuli City. The reports showed that all the projects could not have negative impact to the environment.

Dodoma Urban Water Supply and Sanitation Authority

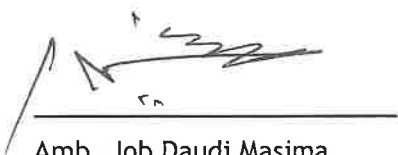
**2.27 EVENT AFTER THE REPORTING DATE**

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

**2.28 AUDIT MANDATE**

Controller and Auditor General (CAG) is a statutory auditor for Dodoma Urban Water Supply and Sanitation Authority (DUWASA) pursuant to the provisions of Article 143 of the Constitution of the United Republic of Tanzania of 1977(revised 2005) and the Section 10 of the public Audit Act, Cap 418. However, in accordance to section 33 of the Public Audit Act, Cap 418 (R.E 2021), M/S JK Rafiki Auditors of P.O. Box 7559 Moshi located at new NSSF Building, registered under Accountant and Auditors Registration Act of 1972 as amended in 1985 PF Number 444 and TIN 153-289-158 was authorized to audit the Financial Statements of the Authority in collaboration with Controller and Auditor General.

**BY ORDER OF THE BOARD**



Amb. Job Daudi Masima  
Chairman of the Board



Eng. Aron Joseph  
Managing Director

Date: 20.3.2025



Dodoma Urban Water Supply and Sanitation Authority

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 2024.

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

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

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

BY ORDER OF THE BOARD OF THOSE CHARGED WITH THE GOVERNANCE



Amb. Job Daudi Masima  
Chairperson of the Board



Eng. Aron Joseph  
Managing Director

Date: 20.3.2025

Dodoma Urban Water Supply and Sanitation Authority

4.0 DECLARATION OF THE HEAD OF FINANCE AND ACCOUNTS

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

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

I, **CPA Leonard V. Challe**, being Certified Public Accountant and Director of Finance and Accounts of Dodoma Urban Water Supply and Sanitation Authority hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2024 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

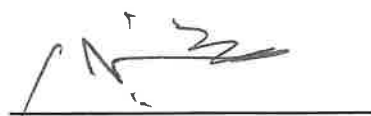
Date: 20.3.2025 .....

**Dodoma Urban Water Supply and Sanitation Authority**

**5.0 FINANCIAL STATEMENTS**

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024**

DETAILS	NOTE	2023/24	Re-stated 2022/23
		TZS '000'	TZS '000'
<b>CURRENT ASSETS</b>			
Cash and Cash equivalents	3	943,310	2,325,314
Receivables from Exchange Transactions	4	4,970,562	3,936,175
Receivables from Non-Exchange Transactions	5	2,511,636	1,491,391
Inventories	6	1,303,868	1,061,662
<b>TOTAL CURRENT ASSETS</b>		<b>9,729,376</b>	<b>8,814,542</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	9	150,345,241	153,637,385
Intangible Assets	7	143,143	155,902
Capital Work in Progress	10	24,867,262	19,624,669
<b>TOTAL NON-CURRENT ASSETS</b>		<b>175,355,646</b>	<b>173,417,956</b>
<b>TOTAL ASSETS</b>		<b>185,085,022</b>	<b>182,232,498</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	8	6,599,257	5,696,674
Deposits by Ministry and Others	11	475,762	2,138,762
Current Portion of Long-term Loan	12	0	20,937
<b>TOTAL LIABILITIES</b>		<b>7,075,019</b>	<b>7,856,373</b>
<b>NET ASSETS</b>		<b>178,010,003</b>	<b>174,376,125</b>
Accumulated Surplus		130,171,446	126,537,568
Tax Payers' Fund	13	47,838,557	47,838,557
<b>TOTAL NET ASSETS</b>		<b>178,010,003</b>	<b>174,376,125</b>



Amb. Job Daudi Masima  
Charman



Eng. Aron Joseph  
Managing Director

Date: 20.3.2025

**Dodoma Urban Water Supply and Sanitation Authority**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024**

DETAILS	NOTES	2023/24	Re-stated 2022/23
		TZS '000'	TZS '000'
<b>INCOME</b>			
Revenue from exchange transactions	14	28,883,191	26,174,459
Revenue from non-Exchange transactions	15	8,497,469	7,400,830
Other Income	16	2,435,793	680,798
<b>Total Income</b>		<b>39,816,453</b>	<b>34,256,087</b>
<b>EXPENSES</b>			
Water Production Expenses	17	6,426,404	6,581,967
Distribution Cost	18	6,560,569	5,903,000
Sewerage Expenses	19	630,652	547,164
Other Operating Expense	20	15,644,056	14,833,626
Depreciation Expenses	21	6,880,025	7,886,832
Amortization Expenses	21	20,449	-
Financial Cost	22	20,420	26,593
<b>Total Expenses</b>		<b>36,182,575</b>	<b>35,779,182</b>
<b>Net Surplus/ (Deficit)</b>		<b>3,633,878</b>	<b>(1,523,095)</b>



Amb. Job Daudi Masima  
Chairperson of the Board



Eng. Aron Joseph  
Managing Director

Date: 20.3.2025

**Dodoma Urban Water Supply and Sanitation Authority**

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024**

	Accumulated surplus/(Loss) TZS '000'	Taxpayers' Fund TZS '000'	Total TZS '000'
<b><i>Re-stated</i></b>			
As at 1 July 2022	125,845,994	45,772,994	171,618,988
Kibaigwa's net worth transferred to DUWASA (Note 32)	801,005	2,065,563	2,866,568
Adjustment for Bad Debts Provision and Review of Assets Useful life (Note 33)	1,252,154	-	1,252,154
Understatement of Motor Vehicle (Note 34)	161,510	-	161,510
Net surplus /(loss) for the year	(1,523,095)		(1,523,095)
As at 30 June 2023	126,537,568	47,838,557	174,376,125
As at 1 July 2023	126,537,568	47,838,557	174,376,125
Net surplus /(loss) for the year	3,633,878	-	3,633,878
As at 30 June 2024	<u>130,171,446</u>	<u>47,838,557</u>	<u>178,010,003</u>



Amb. Job Daudi Masima

Chairperson of the Board



Eng. Aron Joseph

Managing Director

Date: 20.3.2025

Dodoma Urban Water Supply and Sanitation Authority

CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

DETAILS	NOTE	Re-stated	
		2023/24	2022/23
		TZS '000'	TZS '000'
<b>Cash Flow from Operating Activities</b>			
Receipts	25	38,055,811	35,304,035
Cash Paid to Suppliers and Employees	24(ii)	(30,716,737)	(24,772,514)
<b>Net Cash from Operating Activities</b>		<b>7,339,074</b>	<b>10,531,521</b>
<b>Cash Flow from Investing Activities</b>			
WIP-own source	10	(759,051)	(1,800,642)
WIP-payments from Parent Ministry Deposits	10	(6,249,718)	(5,940,207)
Sale/Purchase of Property, Plant and Equipment	9	(1,550,799)	(996,123)
<b>Net Cash Flow Used in investing Activities</b>		<b>(8,559,568)</b>	<b>(8,736,972)</b>
<b>Net Increase/(decrease) in Cash and Cash Equivalents</b>		<b>(1,220,494)</b>	<b>1,794,549</b>
Cash and Cash Equivalents at 1 July		2,163,804	369,255
<b>Cash and Cash Equivalent at 30 June 2024</b>		<b>943,310</b>	<b>2,163,804</b>



Amb. Job Daudi Masima  
Chairperson of the Board



Eng. Aron Joseph  
Managing Director


Date: 20.3.2025

Dodoma Urban Water Supply and Sanitation Authority

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT

Budget approved	Original budget [A]	Adjustment [B]	Final budget [C=A+B]	Actual Amount in comparable basis D	Difference [E]	VARIANCE E (%) [F]	Reasons NOT E
	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'		
<b>Receipts</b>							
Revenue from exchange transactions	34,868,004	1,147,625	36,015,628	28,597,840	7,417,788	21	(A)
Revenue from non- exchange transactions	658,713	-	658,713	960,502	(301,789)	(46)	(B)
Grant and other transfer Receipt	66,500,000	-	66,500,000	8,497,469	58,002,531	87	(C)
	<b>102,026,717</b>	<b>1,147,625</b>	<b>103,174,341</b>	<b>38,055,811</b>	<b>65,118,530</b>		
<b>Payments</b>							
Water Production Expenses	6,486,976	-	6,486,976	8,200,785	(1,713,809)	(26)	(D)
Distribution Cost	7,154,529	-	7,154,529	6,257,062	897,468	13	(E)
Sewerage Expenses	353,501	-	353,501	630,652	(277,151)	(78)	(F)
Operating Expenses	17,716,638	1,147,625	18,864,262	15,607,817	3,256,445	17	
Financial expenses	1,699,000	-	1,699,000	20,420	1,678,580	99	
Grant and other transfer payments	65,200,000	-	65,200,000	6,249,718	58,950,282	90	(G)
Depreciation and amortization	-	-	-	6,880,025	6,880,025	-	
Additional WIP and Purchase of assets	3,416,073	-	3,416,073	2,309,850	1,106,223	32	(H)
	<b>102,026,717</b>	<b>1,147,625</b>	<b>103,174,341</b>	<b>46,156,331</b>	<b>70,778,062</b>	<b>69</b>	
<b>Net cash outflow</b>				<b>(8,100,520)</b>			

  
 Amb. Job Daudi Masima  
 Chairperson of the Board

  
 Eng. Aron Joseph  
 Managing Director

Date: 20.3.2025

### 5.1.1 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 2023 to 30 June 2024) 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 36,015,628,057.61 from own sources, up to June 2024 the authority successful made revenue amounting to TZS 28,597,840,000 which is reflecting the underperformance by 21% of budgeted revenue. Main reasons is the shortage of water production, unstable non-revenue water and decrease in number of new sewerage connection.

#### **Note B:**

Revenue from non-Exchange has gone up beyond planned budget by 46% due to 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:**

Grants and other transfer Declined by 87%. Planned budget was 66,500,000,000 compared to TZS 8,497,469,000 actual amount received to implement several Water Projects but there were no funds received up to 30 June 2024 caused some of the projects to delay including Improvement of Sewerage project in Dodoma City. .

#### **Note D:**

There is huge increase in the Water Production Expenses which gives the unfavorable variance of 26% due to increase in cost of repair and maintenance of water production infrastructures, caused by establishment of the NRW reduction campaign in all areas and reclassification of cost item from Distribution cost to Production cost including electricity.

**Dodoma Urban Water Supply and Sanitation Authority**

**Note E:**

The distribution Costs has gone down by 13% due to cost reclassification after the review of electricity costs and been transferred to Production costs.

**Note F:**

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

**Note G:**

Most of the carryover projects have been implemented and completed during the year and capitalised.

**Note H:**

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

## Dodoma Urban Water Supply and Sanitation Authority

### 6.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLIICIES AND DISCLOSURES

#### 6.1.1 GENERAL INFORMATION

Dodoma Urban Water Supply and Sanitation Authority (DUWASA), is an autonomous water utility legally charged with the delivery of water supply and sewerage disposal services to urban residents of Dodoma City. The Authority was established under section 3(i) of Cap. 272 of 1997 as repealed by Water Supply and Sanitation Act No. 12 of 2009 and Act No. 5 of 2019. It was declared a fully autonomous entity by order of the Minister responsible for water sector on 13 February, 1998; and was officially inaugurated on the 1 July 1998. The Authority has a mandate to provide water supply and sewerage disposal services in Dodoma City. During the year through amendment made in the Water and Sanitation Act, 2019 and order for amalgamation from Ministry of Water, added clustered towns of Bahi, Chamwino and Kongwa to the mandate of DUWASA. Being classified as a category “A” urban water Authority in Tanzania, DUWASA is required to cover full cost of its operations and maintenance costs, including part of its investment requirements. DUWASA operates according to Water Supply and Sanitation Act, section 3(i) of Cap. 272 of 1997 as repealed by Water supply and Sanitation Act No. 12 of 2009 and Act No. 5 of 2019, Operation Guidelines and Memorandum of Understanding (MoU) signed between the Authority and the Ministry of Water (MoW) and the Treasurer Registrar. MoU forms the basis for the monitoring and regulation whereas the Operations Guidelines have been prepared to guide the Authority on the framework on which to operate. The Operation Guidelines form part of MoU and are signed every year. DUWASA office is located in Dodoma along Mkapa Road, Plot No. 9 Block B, NICC Link (Mlimani), P.O. Box 431, Dodoma. Tel:+255 262324245/2321179, Fax No. +255262320060 Email: [md@duwasa.go.tz](mailto:md@duwasa.go.tz)/[info@duwasa.go.tz](mailto:info@duwasa.go.tz) Website: [www.duwasa.go.tz](http://www.duwasa.go.tz).

#### 6.1.2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below:

##### **Basis of Financial Statement Preparation**

The financial statements of DUWASA are prepared in compliance with International Public Sector Accounting Standards (IPSAS) accrual basis. Except where otherwise stated in the accounting policies, the initial measurement applied is the historical cost and subsequent measurement is at cost less accumulated depreciation and accumulated impairment. The Report of Those Charged with Governance has been prepared in line with the requirements of the Tanzania Financial Reporting Standard (TFRS) No. 1 as issued by the National Board of Accountants and Auditors (NBAA).

The preparation of financial statements is in conformity with IPSAS that require the use of estimates and assumptions. The standards also require the management to exercise its judgment in the process of applying the Authority’s accounting policies. The areas involving a

## Dodoma Urban Water Supply and Sanitation Authority

higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed separately in the notes.

However, the basis of Budget preparation is on accruals basis in which the forecasted revenue will be the same as the forecasted expenditure.

The financial statements are presented in Tanzanian Shillings and all values are rounded to the nearest Thousand Shillings TZS ('000').

### Reporting Period

The reporting period for these financial statements is the financial year of the University which runs from 1 July 2023 to 30 June 2024.

### Change in Accounting Policy and Disclosures

IPSAS 41-Financial Instruments, was effective on or after 1 January 2022, but postponed to 1 January 2023. The introduction of IPSAS 41 substantially modifies IPSAS 29 and it sets out requirements for recognition and measurement of financial instruments, including impairment, de-recognition, and general hedge accounting. DUWASA is applying it for the first time in the financial period ended 30 June 2024. The standard provides a single forward-looking model that eliminates the threshold for impairment recognition. It is no longer necessary for a trigger event to occur prior to recognizing a credit loss. Thus, IPSAS 41 requires recognizing ECLs from day one and all times.

### The Impact of Change in Accounting Policy

The impact of introducing IPSAS 41 is the emergence of Expected credit loss /gain in the Financial Statements by having different figures reported in the Statement of Financial Position, statement of performance and the Statement of Cash flows with Exposure at Default (EAD) (Balance) at the end of the financial year.

Financial Instruments are contracts that give rise to both a financial asset in one entity and a financial liability or an equity instrument in another. Financial instruments for the Authority include receivables arising from sale of water and sewerage services to public and private sector, cash and bank balances held with commercial banks and payables.

Dodoma Urban Water Supply and Sanitation Authority has evaluated this standard and developed the forward-looking impairment model that is designed to provide users of financial statements with information on expected credit losses (ECL) that is more useful and timelier. For financial assets, the expected credit loss is the difference between the contractual cash flows that are due to an entity and the cash flows that an entity expects to receive. The judgments include considerations of inputs such as liquidity risk, credit risk, volatility and changes in assumptions about these factors which affect the reported fair value of financial instruments.

## Dodoma Urban Water Supply and Sanitation Authority

During the reporting period, the two approaches advocated by the standard in accounting for financial instruments which are general approach and simplified approach were used to compute ECL for bank balances and receivables respectively as follows:

### Model Assumptions of ECL on receivables

DUWASA receivables are of two categories. One category relates to government institutions and the second category is the private sector customers. The model used in computation of ECL for receivables is the loss rate approach as summarised below:

#### i) ECL for Receivables relating to Government Institutions

- Historical loss rate was computed by using the receivables data of last three years starting from 2020/21 to 2022/23.
- Age band of receivables in the provisional matrix starts from 0-30days to above 730 days and above

#### ii) ECL for Receivables relating to Private Sector

- Historical loss rate was computed by using the receivables data of last five years starting from 2018/19 to 2022/23.
- Age band of receivables in the provisional matrix starts from 0-30days to above 365 days.

In Calculation of ECL for DUWASA, different Macroeconomic Data have been considered.

**Loss rate forecast (LRF)** is a predictive measure used in various industries to estimate the future losses that a business, financial institution, or other organization might experience over a certain period. The loss rate is typically calculated as the proportion of losses relative to a specific metric such as revenue, total assets, or loans. Forecasting the loss rate helps organizations prepare for potential financial impacts and make informed decisions regarding risk management and budgeting.

Hence after regression of our data we took those R-square which is highly related and then we introduce in loss rate forecast model via **Vasicek Approach**

$$PIT PD_i = \Phi \left( \frac{\Phi^{-1}(TTC PD) - \sqrt{\rho} \times \text{Macroeconomic factor}}{\sqrt{1 - \rho}} \right) \times 100$$

Where,

$\Phi$  = Cumulative standard normal distribution function

P = Asset correlation

Loss rate forecasting involves collecting historical data, selecting the appropriate model, and adjusting the model based on expected changes in the environment. The loss rate forecast can

**Dodoma Urban Water Supply and Sanitation Authority**

be useful in a wide range of industries, particularly in finance, insurance, retail, and any field where losses due to defaults, claims, or other risks need to be managed.

Application of the model and economic variable assumptions produced the Expected Credit Losses on Receivable and its movement as summarised in table 1 and table 2 below:

**Table 1: ECL on Receivables**

	2023/24	2022/23
	TZS	TZS
Private	2,041,481,578	2,275,492,264.92
Government	2,041,481,578.70	1,278,554,285.63
<b>Expected Credit Losses</b>	<b>2,122,771,912.51</b>	<b>3,554,046,550.55</b>

**Table 2: Movement of ECL on Receivables**

	2023/24	2022/23
	TZS	TZS
Provision for ECL b/f	3,554,046,550.55	-
Increase / (Decrease) during the year	(1,431,275.1)	3,554,046,550.55
<b>Provision for ECL c/f</b>	<b>2,122,771,912.51</b>	<b>3,554,046,550.55</b>

The ECL movement for receivables as at the end of the year as shown above has been deducted from exposure at default (EAD) of receivables as per Note 4 to the financial statements.

**Model Assumptions for ECL on Cash at Bank Balance**

The Authority operates several commercial banks as detailed in Note 3 to the financial statements. The ECL for cash at bank was computed by using General Approach whereby the following three functions are considered by the following formula (i.e.  $ECL = EAD \times PD \times LGD$ ).

Whereby,

- **Exposure at default (EAD).** This is the amount of principal to which the calculated probability of default rate and the loss given default rate is applied. A repayment rate is calculated based on an historic analysis of repayments in the period to default.  $EAD = \text{The principal amount outstanding} \times (1 - \text{the calculated repayment rate in the period to default})$ .
- **Probability of default (PD).** This is an estimate of the likelihood of default over a given period. PD is determined based on the historical loss experience of an entity. This historic PD is then adjusted by a factor, determined by reviewing the historic relationship between key economic parameters such as GDP and unemployment and PD. Forward-looking macro-economic information relating to, say, future GDP and/or unemployment is then considered and the calculated historical PD is adjusted.
- **Loss given default (LGD).** This is an adjustment to the ECL calculation for post-default recoveries. These can be in the form of cash repayments, proceeds from the

## Dodoma Urban Water Supply and Sanitation Authority

realisation of security or sale of the debt to a third party. The LGD is based on an analysis of historical post-default recoveries.  $LGD = 1 - \text{the post-default recovery rate}$ .

- Other assumptions
  - i) Given from Credit Rating Agencies (Moody`s and Fitch)- any silence use  $PD=0.61$  i.e for Unrated banks
  - ii)  $LGD = 1 - R / C\&CE \text{ Balance}$ . (It is Calculated when C&CE bal. are greater than 7,500,000):  
Where  $R = \text{TZS } 7,500,000$
  - iii) Estimated loss to be considered when Commercial banks undergo bankruptcy  
Cash and bank balance held with the bank of Tanzania were not included as are considered risk free.

Application of the model and economic variable assumptions produced Expected Credit Losses on Cash and Cash Equivalent and its movement as summarised in table 3 and table 4 below:

**Table 3: ECL on Cash and Cash Equivalent**

No	Name of the Bank	2023/24	2022/23
		TZS	TZS
1	CRDB -Administration	671,705.23	
3	NMB - Collection		353,154.55
2	CRDB-Project	3,279,697.15	47,614,333.93
	<b>Total</b>	<b>3,951,402.38</b>	<b>47,967,488.48</b>

**Table 4: Movement of ECL on Cash and Cash Equivalent**

	2023/24	2022/23
	TZS	TZS
Provision for ECL b/f	47,967,488.48	-
Increase / (Decrease) during the year	(44,016,086.09)	47,967,488.48
	3,951,402.38	47,967,488.48
<b>Provision for ECL c/f</b>	<b>3,951,402.38</b>	<b>47,967,488.48</b>

The ECL movement for cash and cash equivalent as at the end of the year as shown above have been deducted from exposure at default (EAD) of cash and cash equivalent as per Note 3 to the financial statements.

### Financial Instruments.

#### Financial Assets

#### Initial Measurement/Recognition

Initial recognition and measurement financial assets within the scope of IPSAS 41 Financial Instruments: A financial asset is measured at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. In case financial asset at fair value

## Dodoma Urban Water Supply and Sanitation Authority

through surplus or deficit, transaction cost are expensed in the statement of surplus/deficit as they are incurred.

### Subsequent Measurement

Financial assets are subsequently measured at fair value through net asset/equity if they meet both of the following conditions;

- (a) The financial asset is held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- (b) The contractual terms of the financial asset give rise on specified dates cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets are subsequently measured at fair value through surplus or deficit when they have failed to meet the above criteria.

### Derecognition

The Authority derecognizes a financial asset, or, where applicable, a part of a financial asset or part of a group of similar financial assets, when:

- (i) The rights to receive cash flows from the asset have expired or are waived.
- (ii) The Authority has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:
  - The Authority has transferred substantially all the risks and rewards of the asset, or
  - The Authority has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

### Impairment of Financial Assets

The Authority applies a simplified approach to determine the impairment of its financial assets, specifically by recognizing loss allowances for expected credit losses (ECL) on trade and other receivables. At each reporting date, the Authority evaluates whether the credit risk associated with a financial instrument has increased significantly since its initial recognition.

To determine whether the risk of default of a financial instrument has increased significantly since initial recognition, the Authority compares the current risk of default at the reporting date with the risk of default on initial recognition. A loss allowance for lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased since initial recognition.

The Authority measures ECL on an individual basis, or on a collective basis for financial instrument that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's

## Dodoma Urban Water Supply and Sanitation Authority

original effective interest rate, regardless of whether it is measured on an individual basis or a collective basis.

The ECL is determined by projecting the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD) for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted). This effectively calculates an ECL, which is then discounted back to the reporting date and summed.

PD - the probability at a point in time that counterparty will default, calibrated over the lifetime of the asset. The lifetime PD is developed by applying a maturity profile to the assets by at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the instrument. The maturity profile is based on historical observed data.

EAD - the expected balance sheet exposure at the time of default, considering the expected change in exposure over the lifetime of the exposure. The lifetime EADs are determined based on the expected payment profile.

LGD - The loss that is expected to arise on default which represents the difference between the contractual cash flows due and those that the Authority expects to receive. The lifetime LGDs are determined based on the factors which impact the recoveries made post-default. The assumptions underlying the ECL calculation - such as how the maturity profile of the PDs is monitored and reviewed on an annual basis.

### Financial Liabilities

Initial Recognition and Measurement of financial liabilities within the scope of IPSAS 41 are recognized at fair value upon initial recognition, with loans and borrowings measured at fair value plus directly attributable transaction costs. The Authority classifies its financial liabilities as either at fair value through surplus or deficit or at amortized cost, depending on the nature of the liability at initial recognition.

- Financial Liabilities at Fair Value Through Surplus or Deficit: These include financial liabilities held for trading and those designated at fair value through surplus or deficit upon initial recognition. Any gains or losses from these liabilities are recognized in surplus or deficit.
- Financial Liabilities at Amortized Cost: The Authority measures other financial liabilities, such as trade payables and borrowings, at amortized cost using the effective interest method.

Financial liability is derecognized when the Authority's obligation is discharged, cancelled, or expires. If an existing liability is exchanged or modified substantially with the same lender, it is treated as a derecognition of the original liability and recognition of a new one, with any difference in carrying amounts recognized in surplus or deficit.

## Dodoma Urban Water Supply and Sanitation Authority

Financial Liabilities and Financial Assets are offset and reported on a net basis in the statement of financial position only if there is an enforceable legal right to offset the amounts and an intention to settle them on a net basis or simultaneously.

### Trade Receivables

The Authority recognizes trade receivables initially at original invoice amount which is fair value at transaction date. The Financial and economic assumptions are used to establish expected credit loss (ECL) from the trade receivable and the effects on the same are reflected on the Financial Statements. The computation of ECL for the financial year 2023/24 is shown under paragraph above.

### Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Cash equivalents are short term deposits with original maturities of three months or less. Equivalent figures reported in the Statement of Financial Position and the Statement of Cash flows with Exposure at Default (EAD Balance) at the end of the financial year net of expected credit loss (ECL).

### Liquidity and Credit Risks

The liquidity and credit risks associated with cash and cash equivalents is limited to the extent that the banks into which the funds have been deposited have high credit-ratings assigned by international credit-rating agencies. Risks associated with trade and other receivable is moderate as it is less likely for water and sanitation receivables to default payment significantly.

### Currency Risk

The Authority takes on exposure to effects of fluctuations in prevailing foreign currency exchange rates on its financial position and cash flows. The Authority sets limits on the level of exposures by currency and these limits are monitored from time to time.

### Trade and Other payables

Trade and other payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value.

## Provisions

The Authority recognizes provisions when it 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 and a reliable estimate of the amount can be made. Where the Authority expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

### 6.1.3 SIGNIFICANT JUDGEMENT AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Authority's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in future periods.

#### Judgements

In the process of applying the Authority's accounting policies, Management has made judgments, which have the most significant effect on the amounts recognized in the financial statements. Judgments are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

#### Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Authority based its assumptions and estimates on parameters available when the financial statements were prepared.

However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Authority. Such changes are reflected in the assumptions when they occur. Thus, the key assumptions are:

##### (i) Useful Lives and Residual Values

Depreciation rates used are those provided in the Public Finance (Management of Public Property) Regulations, 2024 for equipment and their residual values. The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal: -

- (a) The condition of the asset based on the assessment of experts /professional valuers engaged by the Authority;

**Dodoma Urban Water Supply and Sanitation Authority**

- (b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- (c) The nature of the processes in which the asset is deployed;
- (d) Availability of funding to replace the asset;
- (e) Changes in the market in relation to the asset;
- (f) Impairment of financial assets; and
- (g) Estimates are required to be made of what would be the impact of a loss event that has occurred after the initial recognition of a financial asset and which would affect the estimated future cash flows. The Authority assessed, at the reporting date, whether a financial asset or group of financial assets have been impaired. Only if there is objective evidence of impairment or a loss event, then the financial asset is deemed to be impaired. Refer to note 14 of the Financial Statements on the information of impairment.

**(ii) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Authority is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

**(iii) Fair value of Financial Instruments**

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**6.1.4 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES**

The accounting policies adopted are consistent with those of the previous financial year except for the trade receivable impairment policy was changed as per application of IPSAS 41. Revenue Recognition

## **Dodoma Urban Water Supply and Sanitation Authority**

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.

### **Revenue from exchange transaction Supply of water**

The Authority provides water supply services to its customers within Dodoma Urban and Rural areas such as Kibaigwa, Kongwa and Bahi. The Authority's customers are grouped into four major categories namely Domestic, Commercial Institutions, Religious and Kiosks. Over 94% of water connections are for domestic consumptions. DUWASA uses progressive tariff structure to calculate the value of water consumption. This provides flexibility to consumers as they are charged according to their levels of consumption. The Authority reads water meters and bills its customers on a monthly basis (this case for postpaid customers), and for the case of pre-paid customer's revenue are recognized as per consumption of water up to the tune of payment made during the period.

### **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.

### **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.

### **Grants**

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

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

**Dodoma Urban Water Supply and Sanitation Authority**

**Inventory**

DUWASA maintains inventories for its water production, transmission and distribution infrastructure maintenance as well as for sale to its new customers. Inventories for water production, transmission and distribution infrastructure maintenance and for sale to customers are stated at the lower of cost and current replacement cost. Cost is determined on weighted-average basis and comprises all purchase cost, conversion cost (materials, labor, 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.

**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.

**Depreciation**

Land is not depreciated. Depreciation on other assets is calculated using straight line method to allow their costs or revalued 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	17.0%
Motor Vehicles Heavy, Pumps and Machines	11.0%
Major Pipes, Trunk Water and Sewer Mains	5.0%
Boreholes	5.0%
Reservoir	4.0%
Ponds	14.0%
Office Furniture, Fittings and Equipment	11.0%
Intangible asset amortization rate	33%

**Intangible Assets**

Generally, costs associated with maintaining computer software programs such as Smart Billing Manager, Maji Is, Government electronic payment gateway and ARUT Payroll Solutions are recognized as expense as they are incurred. However, costs that is clearly associated with an

## Dodoma Urban Water Supply and Sanitation Authority

identifiable and unique product, which will be controlled by the Authority and has a probable benefit accruing to the Authority beyond one year, are recognized as an intangible asset. Intangible assets are amortized for 33%.

Expenditure which enhances and extends the computer software program 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.

### **2.4 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.

### **2.5 Receivable From exchange transactions**

The Trade Receivables are initially recognized at fair value and subsequently measured at cost.

### **2.6 Receivable 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.

### **2.7 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.

### **2.8 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.

## 2.9 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.

## 2.10 Employees benefits

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

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

## 2.11 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.

**2.24 New standards that are not yet effective and have not been early adopted are as follows:**

- a) **IPSAS 43 Leases**, the effective date of is 1 January, 2025, with earlier application permitted for entities that apply IPSAS 41, Financial Instruments at or before the date of initial application of this Standard. IPSAS 43 sets out a comprehensive model for the identification of lease arrangements and the treatment in the financial statements of both lessees and lessors. A notable aspect of IPSAS 43 is that the lessee and lessor accounting models are asymmetrical.
- b) **IPSAS 44 Non-Current Assets Held for Sale and Discontinued Operations**, the effective date of IPSAS 44 is 1 January 2025, with earlier application permitted. IPSAS 44 aligned with IFRS 5, Non-current Assets Held for Sale and Discontinued Operations which will specify the: Accounting for assets held for sale; and Presentation and disclosure of discontinued operations. It requires assets that meet the criteria to be classified as held for sale to be:

**Dodoma Urban Water Supply and Sanitation Authority**

- Measured at a lower of carrying amount and fair value less costs to sell and depreciation on such asset to cease; and
  - Presented separately in the statement of financial position and results of discontinued operations to be presented separately in the Statement of financial performance
- c) **IPSAS 45, Property, Plant, And Equipment**, the effective date of IPSAS 45 is 1 January 2025, with earlier application permitted for entities that apply IPSAS 43, Leases, IPSAS 44, Non-Current Assets Held for Sale and Discontinued Operations, and IPSAS 46, Measurement at or before the date of initial application of this Standard. IPSAS 45 updates principles drawn from IPSAS 17, Property, Plant, and Equipment by adding new guidance for heritage assets, infrastructure assets, and measurement of property, plant, and equipment. The standard applies to PPE used to develop or maintain the biological assets related to agricultural activities other than bearer plants, Mineral rights and mineral reserves such as oil, natural gas and similar non-regenerative resources and the recognition and measurements of exploration and evaluation assets.
- d) **IPSAS 46, Measurement**, the effective date of IPSAS 46 is 1 January 2025, with earlier application permitted. IPSAS 46 aims to improve measurement guidance across IPSAS by: Providing further detailed guidance on the implementation of commonly used measurement bases, and the circumstances under which they should be used; Clarifying transaction costs guidance to enhance consistency across IPSAS; and amending, where appropriate, guidance across IPSAS related to measurement at recognition, subsequent measurement, and measurement-related disclosure.
- e) **IPSAS 47, Revenue**, the effective date of IPSAS 47 is 1 January 2026, with earlier application permitted. IPSAS 47 sets out the accounting requirements for revenue transactions in the public sector. This IPSAS replaces IPSAS 9, Revenue from Exchange Transactions, IPSAS 11, Construction Contracts, and IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers). IPSAS 47 is a single source revenue accounting guidance in the public sector, which presents the two accounting models based on the existence on a binding arrangement. This new standard provides focus guidance to help entities to apply the principals to account for public sector revenue transactions. To meet this objective requires an entity to consider the terms of transaction, and all relevant facts and circumstances, to determine the type of revenue transaction and set the accounting requirements to account for the revenue transaction.
- f) **IPSAS 48, Transfer Expenses**, the effective date of IPSAS 48 is 1 January 2026, with earlier application permitted for entities that apply IPSAS 47, Revenue, at or before the date of initial application of this Standard. The objective of this standard is to establish the principals that the transfer provider (an entity) shall apply to report useful information to users of the financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transaction.

Dodoma Urban Water Supply and Sanitation Authority

- g) **IPSAS 49, Retirement Benefit Plans**, the effective date of IPSAS 49 is 1 January, 2026, with earlier application permitted. IPSAS 49 provides a principle- based approach to accounting by retirement benefit plans to provide a complete view of their financial activities, assets and obligations. This increased transparency is intended to result in stronger public financial management and better-informed decision making. The objective o this standard is to prescribe the accounting and reporting requirements for public sector retirement benefit plans, which provide retirement benefits to public sector employees and other eligible participants.

Therefore, the entity is evaluating the impact of these standards on its financial statements and will adopt them in the preparation and presentation of its future financial statements where applicable.

Dodoma Urban Water Supply and Sanitation Authority

6.2 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

**NOTE 3: CASH AND CASH EQUIVALENT AS AT 30 JUNE 2024**

DETAILS	2023/24 TZS '000'	2022/23 TZS '000'
CRDB - Main 01J1081566700	32	452,780
CRDB - Admin 01J1081566701	31,683	24,477
CRDB - Develop. 01J1081566703	125	251
CRDB - Project - 01J1082706200	97,961	1,509,628
NBC - Revolving 029103000880	20	19,163
Petty Cash	17	421
Loan Servicing A/C 01J1083106001	51	161,559
NMB Collection A/C 51706600174	1,126	23,850
NMB expenditure A/C - 53010000293	581	545
BOT Deposit Account-9925261601	809,343	152,603
TIB Corporate	1,562	1,562
Tanzania Postal Bank-223208000001	1,341	-
Kibaigwa Bank Balance	-	26,442
Kibaigwa Expenditure Account	3,384	-
Equity Bank-3009211625555	35	-
<b>TOTAL</b>	<b>947,261</b>	<b>2,373,281</b>
<b>Provision for impairment of cash and cash equivalent</b>		
Provision for ECL Cash and cash equivalent b/f	47,967	0
(Decrease)/Increase in Impairment	(3,951)	47,967
As at 30 June 2024	44,016	47,967
<b>NET BALANCE AS AT 30 JUNE 2024</b>	<b>943,310</b>	<b>2,325,314</b>

**NOTE 4: RECEIVABLES FROM EXCHANGE AND NON-EXCHANGE TRANSACTIONS**

DETAILS	2023/24 TZS '000'	2022/23 TZS '000'
Receivables from Exchange Transactions	7,093,334	7,490,222
<b>Provision for impairment of receivables: -</b>		
Provision for bad debt/Expected credit loss (ECL)	(3,554,047)	-
Decrease in Expected credit Loss (ECL)	1,431,275	(3,554,047)
As at 30 June 2024	(2,122,772)	(3,554,047)

Dodoma Urban Water Supply and Sanitation Authority

<b>NET BALANCE AS AT 30 JUNE 2024</b>	<b>4,970,562</b>	<b>3,936,175</b>
 <b>NOTE: 5: RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS</b>		
Advance to Contractors	671,267	295,961
Pre-payment	48,124	12,354
Ministry receivable (Note 28)	1,792,245	1,183,076
<b>TOTAL</b>	<b>2,511,636</b>	<b>1,491,391</b>
 <b>NOTE 6: INVENTORIES DETAILS</b>		
Pipes and Fittings	1,119,728	898,067
Water Meters	322,415	220,613
Stationeries	45,451	79,686
Electrical Equipment	61,374	72,704
Lubricant	3,140	1,105
Building materials	11,790	-
Water chemical	85,856	-
Working Tools	7,208	5,183
Spare parts Motors Vehicle & Cycles	89,270	118,969
<b>Gross Total</b>	<b>1,746,232</b>	<b>1,396,327</b>
Less Provision for slow moving and obsolete stocks		
As at 1 July 2023	334,665	394,349
Increase/Decrease in provision	107,699	(59,684)
<b>As at 30 June 2024</b>	<b>442,364</b>	<b>334,665</b>
<b>NET BALANCE AS AT 30 JUNE 2024</b>	<b>1,303,868</b>	<b>1,061,662</b>

Dodoma Urban Water Supply and Sanitation Authority

**NOTE 7: INTANGIBLE ASSETS**

DETAILS	2023/24 TZS '000'	2022/23 TZS '000'
As at 1 July (Intangible Asset Restated)	155,902	155,902
Addition	7,690	-
<b>As at 30 June 2024</b>	<b>163,592</b>	<b>155,902</b>
Amortization charge for the year	(20,449)	-
<b>As at 30 June 2024</b>	<b>143,143</b>	<b>155,902</b>

**NOTE 8: TRADE AND OTHER PAYABLES  
DETAILS**

Trade payable	5,374,477	5,124,163
VAT Payable	276,466	-
Other Payable deduction & contribution	689,501	-
Other Payable - Customer Payable/ staff	-	6,699
Contribution to Government/ from exchange transaction	-	25,000
Other Payables	-	309,059
EWURA Payable	27,060	-
Retention Account	231,753	231,753
<b>TOTAL</b>	<b>6,599,257</b>	<b>5,696,674</b>

Dodoma Urban Water Supply and Sanitation Authority

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

PARTICULARS	LAND	BUILDINGS	PLANT & MACHINERY INC. MOBILE MACHINE	RESERVOIR	PUMPS & MACHINERY	MAJOR PIPES/DISTRIBUTION NETWORK	MOTOR VEHICLES & CYCLES	FURNITURE FITTINGS & EQUIPMENT	PONDS	TRUNK WATER MAINS	SEWERAGE NETWORK TRUNK MAIN	BOREHOLES	TOTAL
	'TZS' '000'	'TZS' '000'	'TZS' '000'	'TZS' '000'	'TZS' '000'	'TZS' '000'	'TZS' '000'	'TZS' '000'	'TZS' '000'	'TZS' '000'	'TZS' '000'	'TZS' '000'	'TZS' '000'
As at 1 July 2023 restated	13,191,564	4,733,926	2,150,890	31,656,606	32,666,631	27,118,407	1,638,030	1,219,787	8,397,985	54,541,172	12,491,877	11,171,309	200,978,184
Addition OWN		270,906			1,445,159			105,640					1,550,799
Adjustment for Grant Capitalization of Asset (WIP)						1,766,176							270,906
As at 30 June 2024	13,191,564	5,004,832	2,150,890	31,656,606	34,111,790	28,884,583	1,638,030	1,325,427	8,397,985	54,541,172	12,491,877	11,171,309	204,566,065
<b>DEPRECIATION</b>													
Opening balance as at 1 July 2023	-	677,782	1,737,313	10,848,454	18,997,446	2,578,454	1,476,520	1,065,547	2,723,450	5,424,790	1,184,784	809,175	47,523,715
Adjustments restated useful life		(12,639)	(532,404)	(3,758,771)	(9,121,960)	2,296	(595,631)	(167,073)	(3,436)	12,606,691	(3)	1,400,014	(182,916)
1.7.2023 -Restated		665,143	1,204,909	7,089,683	9,875,486	2,580,750	880,889	898,474	2,720,014	18,031,481	1,184,781	2,209,189	47,340,799
Charge for the year		94,625	72,768	726,230	1,898,670	566,369	86,127	42,493	811,139	1,661,473	512,762	407,369	6,880,025
Disposals													
Accumulated Depreciation As at 30th June 2024		759,768	1,277,677	7,815,913	11,774,156	3,147,119	967,016	940,967	3,531,153	19,692,954	1,697,543	2,616,558	54,220,824
<b>NET BOOK VALUE</b>													
Carrying Amount As at 30 June 2024	13,191,564	4,245,064	873,213	23,840,693	22,337,634	25,737,464	671,014	384,460	4,866,832	34,848,218	10,794,334	8,554,751	150,345,241
As at 30 June 2023 (Restated)	13,191,564	4,068,783	945,981	24,566,923	22,791,145	24,537,657	757,141	321,313	5,677,971	36,509,691	11,307,096	8,962,120	153,637,385

Dodoma Urban Water Supply and Sanitation Authority

NOTE 10: CAPITAL WORK IN PROGRESS

S/N	Name Of Project	Particulars						Balance as at 30 June 2024 TZS '000'
		Balance as at 1st July 2023 TZS '000'	ADD: Addition-Grants TZS '000'	ADD: Addition-Own TZS '000'	Audit Adjustment TZS '000'	Sub Total TZS '000'	Less: Capitalized Project TZS '000'	
1	Farkwa Water Project	8,060,103	121,360	-	-	8,181,463	8,181,463	
2	Nzuguni Sewerage Project	622,378	364			622,742	622,742	
3	Magufuli City Project	447,114	15,385			462,499	462,499	
4	Extension of Water Supply in Dodoma Town	1,823,055		759,051		2,582,106	1,766,176	
5	Kongwa Bh Project	792,828	159,726			952,554	952,554	
6	Rehabilitation of Sewerage NetworkKAREA C& D	3,296,504	478,283			3,774,787	3,774,787	
7	Chamwino Ikulu Water & SewerProjects	860,312	369,218			1,229,530	1,229,530	
8	Norplan Water and Sewer - Nzuguni Ponds	752,602				752,602	752,602	
9	Zuzu, Nala Project	447,694	59,505			507,199	507,199	
10	Nzuguni Water Project	1,422,352	3,794,045			5,216,397	5,216,397	
11	Kibaigwa Water Project	831,573				831,573	831,573	
12	Bihawana BH Project	268,154				268,154	268,154	
13	Improvement of water supply Chamwino	-	609,022			609,022	609,022	
14	Improvement of water supply Dodoma town		642,810			642,810	642,810	
	Balance as at 30/06/2024	19,624,669	6,249,718	759,051		26,633,438	1,766,176	
	Restated: Balance as at 30/06/2023	13,590,741	5,940,207	2,632,214	81,518	22,244,700	2,620,011	
							19,624,669	

**Dodoma Urban Water Supply and Sanitation Authority**

**NOTE 11: DEFERRED GOVERNMENT GRANT**

DETAILS	2023/24	2022/23
	<u>TZS '000'</u>	<u>TZS '000'</u>
Deposit by Ministry of water (Note 24)	475,762	2,138,762

**NOTE 12: LONG TERM LOAN  
DETAILS**

Treasure of Loan	-	20,937
<b>TOTAL</b>	<b>-</b>	<b>20,937</b>

**NOTE 13: TAX PAYERS' FUND  
DETAILS**

As at 1 July	47,838,557	45,772,994
Add: Tax Payers' Fund relating to Kibaigwa Cluster	0	2,065,563
<b>As at 30 June 2024</b>	<b>47,838,557</b>	<b>47,838,557</b>

**NOTE 14.0: REVENUE FROM EXCHANGE TRANSACTION  
DETAILS**

Water Consumption	24,365,545	20,562,612
Sewerage Disposal Charges	1,817,659	1,848,162
Sludge Disposal	94,346	155,204
New Water Connections Fee	2,373,871	2,815,962
Sewerage Connection Fees	231,770	792,519
<b>TOTAL</b>	<b>28,883,191</b>	<b>26,174,459</b>

**NOTE 15: REVENUE FROM NON-EXCHANGE TRANSACTION  
DETAILS**

Amortized grant revenue	<u>8,497,469</u>	<u>7,400,830</u>
-------------------------	------------------	------------------

**NOTE 16: OTHER INCOME  
DETAILS**

DETAILS	2023/24	2022/23
	TZS '000'	TZS '000'
Water reconnection Fees	157,605	114,990
Tozo /Meter damage Income	283,906	217,187
Line maintenance Income	264,990	108,793

Controller and Auditor General

AR/PA/DUWASA/2023/24

**Dodoma Urban Water Supply and Sanitation Authority**

Other receipts/income	48,209	50,216
Gain on income from slow moving items	-	59,105
Unblocking Sewer	-	130
Miscellaneous Receipt	200,284	-
Illegal connection fines	1,938	600
Fines, penalties & Forfeiture	200	1,120
Water Theft Fee	1,475	16,415
Unclaimed fund /staff Imprest	1,895	112,242
<b>Sub total</b>	<b>960,502</b>	<b>680,798</b>
Income from ECL gain on receivables and cash & cash equivalents	<u>1,475,291</u>	-
<b>TOTAL</b>	<b><u>2,435,793</u></b>	<b><u>680,798</u></b>

**NOTE 17: WATER PRODUCTION EXPENSES**

**DETAILS**

Electricity for water Production	6,102,528	6,309,910
Water chemical /Treatment and Lab cost	82,655	120,038
Repair and maintenance Water Production Infrastructure	161,083	67,016
Water User Fee/Wami Ruvu Basin	9,600	-
Hardship Allowance/Working tools - Production	70,538	85,003
<b>TOTAL</b>	<b><u>6,426,404</u></b>	<b><u>6,581,967</u></b>

**NOTE 18: DISTRIBUTION EXPENSES**

**DETAILS**

Electricity For Water Distribution	2,434,769	1,684,931
Maintenance of Distribution Machineries	180,738	220,122
New Water Connections Expenses	1,750,574	2,192,720
Maintenance of Water Pipe lines	1,919,689	1,747,132
Working Tools- Water distribution network	274,799	58,095
<b>TOTAL</b>	<b><u>6,560,569</u></b>	<b><u>5,903,000</u></b>

**NOTE 19.0: SEWERAGE EXPENSES**

**DETAILS**

	<u>2023/24</u>	<u>2022/23</u>
	<u>TZS '000'</u>	<u>TZS '000'</u>
Repair/Maintenance of Sewerage Infrastructure	525,956	543,504
Environmental Fees - NEMC	25,743	-
New Sewerage	26,954	3,660
Working Tools - Sewerage	5,764	-
Customer Survey - Sewerage	46,235	-
<b>TOTAL</b>	<b><u>630,652</u></b>	<b><u>547,164</u></b>

**Dodoma Urban Water Supply and Sanitation Authority**

**NOTE 20.: OPERATING EXPENSES  
DETAILS**

Employees Benefit (Note 20.1)	9,673,519	6,500,441
Administration Expenses (Note 20.2)	2,266,390	2,083,290
Other Expenses (Note 20.3)	3,704,147	6,249,895
<b>TOTAL</b>	<b>15,644,056</b>	<b>14,833,626</b>

**NOTE 20.1: EMPLOYMENT BENEFITS  
DETAILS**

	<b>2023/24</b>	<b>2022/23</b>
	<u><b>TZS '000'</b></u>	<u><b>TZS '000'</b></u>
Basic Salary	5,789,957	3,613,694
Wages	724,422	250,864
Employer's Contributions NSSF/PSSSF	874,733	541,944
Reimbursement of staff fuel Expenses	325,523	278,780
Other staff incentives	-	-
House Allowance	262,695	220,932
Travelling on leave allowance	18,583	295,518
Transport allowance	79,510	59,940
Acting allowance	151,101	29,921
Subsistence Allowance	62,169	20,999
Medical And Burial Expenses	230,832	116,475
Extra Duty Allowance	297,841	315,075
Skills Development Levy (SDL)	259,081	173,694
Workers Compensation Funds (WCF)	34,099	21,935
Terminal benefit and gratuity Expenses	162,713	35,732
Utility allowance (water and Electricity)	235,290	148,417
Bonus/ Performance	164,970	376,521
<b>TOTAL</b>	<b>9,673,519</b>	<b>6,500,441</b>

**NOTE 20.2: ADMINISTRATION EXPENSES  
DETAILS**

	<b>2023/24</b>	<b>2022/23</b>
	<u><b>TZS '000'</b></u>	<u><b>TZS '000'</b></u>
land/Office Rent & Rates	102,236	39,595
Postage & Courier Charges	2,144	4,641
Telephone Fax and Radio call Charges	-	32,943
Insurance-Motor Vehicle/Cycles Licenses	35,920	63,510
Office Stationeries	195,609	163,930
Office Fuel for motor vehicles and Cycles	540,478	652,111
Computer Supplies and Accessories-Maintaining good and quality condition of ICT equipment	88,714	84,453
Computer Licenses Fees-Maintaining good and quality condition of ICT equipment	-	99,132

**Dodoma Urban Water Supply and Sanitation Authority**

Computer & Software Maintenance Expenses	45,300	32,583
Electricity for Office	36,948	32,845
Office Water/Sewerage Disposal Expenses	103,218	24,921
Office Running Cost/Office General Expense	465,325	296,234
Security Expenses	650,498	556,392
<b>TOTAL</b>	<b>2,266,390</b>	<b>2,083,290</b>

**NOTE 20.3: OTHER EXPENSES**

<b>DETAILS</b>	<b>2023/24</b>	<b>2022/23</b>
	<b><u>TZS '000'</u></b>	<b><u>TZS '000'</u></b>
Public Relations Communications. / Education Expenses	230,313	142,240
Workers Council Meeting	86,146	52,900
Staff Training Costs	260,078	158,935
Training allowance (ERMS)	40,225	-
Audit Fees	152,522	231,754
Consultation Fees	9,740	37,117
Internet And Website Hosting Expenses	136,306	130,110
Annual report calendar and news paper	8,567	20,494
Seminars & Conferences expenses	35,016	21,883
AWEC Contributions and meeting Expenses	4,000	1,980
Management Meeting	89,516	178,165
Fire Fighting & Fumigation Expenses	14,369	5,149
Upkeep of Public Garden / Monuments	17,716	-
Tender Board meeting/Activities Expenses	53,118	50,827
May Day (Workers Day)	6,100	-
Donation to Public and NGO's Events	7,615	37,160
Maji Week Expenses	1,150	-
Nanenane expenses	530	-
Increase in Provision for ECL - Expenses	-	-
Repair & Maintenance Motor vehicles & Motorcycle	481,755	237,937
Repair & Maintenance- Building	334,369	403,414
Board Meeting& Activities Expenses	184,586	142,700
Mobile charges	381,034	201,347
Travelling on duty (per diem domestic)	440,665	350,235
Budget and business Planning	36,427	16,445
Staff Uniform Expenses	147,085	11,600
Increase in Provision for Bad Debts	0	-
Entertainment and Hospitality	256,648	121,573
Receivable Collection Expenses	158,773	35,975
Provision for slow moving item	107,699	-
Office working tools cost	3,934	19,037
Subscription Fees	18,145	38,904

**Controller and Auditor General**

**AR/PA/DUWASA/2023/24**

**Dodoma Urban Water Supply and Sanitation Authority**

ECL Expense	-	3,602,014
<b>TOTAL</b>	<b>3,704,147</b>	<b>6,249,895</b>

**NOTE 21: DEPRECIATION AND AMORTIZATION EXPENSES**

DETAILS	2023/24 TZS '000'	2022/23 TZS '000'
Depreciation from water production assets	4,040,280	3,425,065
Depreciation from water distribution assets	1,292,599	3,215,214
Depreciation from sewerage	1,323,901	607,277
Depreciation from operational assets	223,245	628,435
<b>Sub -total</b>	<b>6,880,025</b>	<b>7,886,832</b>
Amortization of Intangible Ass	20,449	-
<b>TOTAL</b>	<b>6,900,474</b>	<b>7,886,832</b>

**NOTE 22.0: FINANCIAL COST**

**DETAILS**

Bank Charges	20,420	26,593
<b>TOTAL</b>	<b>20,420</b>	<b>26,593</b>

Dodoma Urban Water Supply and Sanitation Authority

**23. MOVEMENT OF FUNDS FROM MINISTRY MADE DURING THE YEAR 2023/24**

No.	DESCRIPTIONS	OPENING BALANCE TZS '000'	TOTAL FUND RECEIVED DURING THE YEAR TZS '000'	TOTAL EXPENDITURE DURING THE YEAR TZS '000'	BALANCE TZS '000'
1	Kongwa project lbwaga	-	100,742	100,742	-
2	Zuzu,Nala water project	-	700,000	224,238	475,762
3	Bihawana borehole project	321,928		321,928	-
4	Nzughuni water Project	8,529	2,286,191	2,294,720	-
5	Ihumwa Compasation & Improvement	161,300		161,300	-
6	Improvement of water Supply in Dodoma City	737,787	91,580	829,367	-
7	Improvement of water Supply in Chamwino Ikulu	340,744	225,181	565,925	-
8	Farkwa Project	121,360	40,000	161,360	-
10	Rehabilitation of Sewerage Network AREA C& D	-	478,283	478,283	-
11	Magufuli City Project	447,114		447,114	-
12	Construction of waste water management system at new State House Chamwino.	-	126,115	126,115	-
13	Ministry Support for Improvement of Water Supply	-	2,048,885	2,048,885	-
14	Government City Water and Sewer Project		78,495	78,495	-
	<b>TOTAL</b>	<b>2,138,762</b>	<b>6,175,472</b>	<b>7,838,472</b>	<b>475,762</b>

**NOTE 24. OPERATING CASH FLOW RECONCILIATION**

	DETAILS	' 2023/24 TZS '000'	'2022/23 TZS '000'
i	Net Surplus For The Year	3,633,878	(1,512,254)
	<b>Adjustment of non-cash items</b>		
	Depreciation for the year	6,900,474	7,875,991
	Gain on income from slow moving items	107,699	-
	Income not involving movement of cash	(73,070)	-
	Decrease in Provision for Cash & Cash Equiv. -ECL	(44,016)	-
	Decrease in Provision for bad debts -ECL	(1,431,275)	0
	<b>Net adjustment</b>	<b>5,459,812</b>	<b>7,875,991</b>
	<b>Operating Profit Before Working Capital Changes:</b>	<b>9,093,690</b>	<b>6,363,737</b>
	<b>Changes in operating asset and liabilities</b>		

**Dodoma Urban Water Supply and Sanitation Authority**

Increase in Inventories	(349,905)	(74,748)
Increase in receivables from non-exchange transactions	(1,020,245)	(670,607)
Increase in receivable from exchange transactions	396,888	2,537,730
Trade and other Payable	902,583	270,604
Deposit by Ministry and Others	(1,663,000)	2,104,542
Decrease in Current Portion of Long-term Loan	(20,937)	-
<b>Total changes</b>	<b>(1,754,616)</b>	<b>4,167,783</b>
<b>Net cash provided by operating activities</b>	<b>7,339,074</b>	<b>10,531,521</b>
ii <b>RECONCILIATION OF CASH PAYMENTS</b>		
Water production Expenses	6,426,404	6,581,967
Distribution Expenses	6,560,569	5,903,000
Sewerage Expenses	630,652	547,164
Operating Expenses	15,536,357	14,833,626
Depreciation and Amortization Expenses	6,900,474	7,875,991
Transfer to other cluster water authorities	-	400,000
Pre-Payments & Advances	-	12,354
Financial Expenses	20,420	26,393
<b>Total Expenses</b>	<b>36,074,876</b>	<b>36,180,695</b>
<b>Less: Non - Cash items</b>		
Depreciation and amortization	(6,900,474)	(7,875,991)
Provisional for Bad Debts	-	(3,554,047)
<b>Total Non-Cash items</b>	<b>(6,900,474)</b>	<b>(11,430,038)</b>
<hr/>		
<b>Movement of working capital</b>		
Increase in inventories	349,905	(74,747)
Increase in trade and other payables	(902,583)	270,603
Increase in Prepayments	35,770	-
Increase in advances to contractors	375,306	-
Increase/(Decrease)Current Portion of Long-term Loan	20,937	-
Decrease payables Deposits by Ministry and Others	1,663,000	(173,999)
	<b>1,542,335</b>	<b>21,857</b>
<b>Net Cash Payment</b>	<b>30,716,737</b>	<b>24,772,514</b>

**Dodoma Urban Water Supply and Sanitation Authority**

DETAILS	' 2023/24 TZS '000'	'2022/23 TZS '000'
<b>NOTE</b>		
<b>25. RECONCILIATION OF CASH RECEIPTS</b>		
Opening Balance in receivables from exchange and non-exchange transactions (Note 4. TZS 7,490,222+Note 5. TZS 1,183,076)	8,673,298	-
Revenue from Exchange transactions	28,883,191	26,174,722
Revenue from Non-Exchange Transactions	8,497,469	8,560,757
Other income	960,502	680,798
Gain or loss on other income	-	(112,242)
Closing Balance in trade and other receivables (Note 4. TZS 7,093,334+ Note 5. TZS 1,972,245)	(8,885,579)	
Customers cash refund	(73,070)	
<b>Total Receipts</b>	<b>38,055,811</b>	<b>35,304,035</b>

**NOTE: 26. ACTUAL CASH COLLECTIONS FOR THE YEAR 2023/24**

PERIOD	2023/24 TZS '000'	2022/23 TZS '000'
July	2,479,261	2,062,710
August	2,242,660	2,002,576
September	2,444,676	2,260,711
October	2,601,135	2,333,030
November	2,520,617	2,342,240
December	2,236,178	2,129,108
January	2,502,743	2,527,400
February	1,957,657	2,058,870
March	2,495,842	2,227,920
April	2,342,543	2,087,849
May	2,841,276	2,396,983
June	3,169,680	2,426,123
<b>TOTAL</b>	<b>29,834,268</b>	<b>26,855,520</b>

**NOTE 27. MINISTRY RECEIVABLE FOR THE YEAR 2023/24**

No.	DESCRIPTIONS	Opening Receivable Balance TZS '000'	Additional Project Cost TZS '000'	Total Amount Received Previous year TZS '000'	Total Amount Received during the year TZS '000'	Receivable Balance TZS '000'
1	Kongwa Project Ibwaga Rehabilitation of Sewerage Network AREA	129,229	-		100,742	28,487
2	C& D	478,283	-		478,283	

**Dodoma Urban Water Supply and Sanitation Authority**

3	Zuzu, Nala water Project	224,238			224,238	-
	Waste water management Project				126,115	136,517
4	State House	126,145	136,487			
	Supply and Installation of a water treatment plant at the new State House's Office in Chamwino	225,181			225,181	0
5						
6	Nzughuni water Project	-	3,788,638		2,194,758	1,593,880
	Improvement of water supply in Chamwino Township	-	377,705	363,066		14,639
7						
8	Improvement of water supply in Dodoma town	-	662,139	643,417		18,722
	<b>Balance as at 2023/24</b>	<b>1,183,076</b>	<b>4,964,969</b>	<b>1,006,483</b>	<b>3,349,317</b>	<b>1,792,245</b>
	<b>Balance as at 2022/23</b>	<b>794,215</b>	<b>1,403,848</b>	<b>-</b>	<b>1,014,987</b>	<b>1,183,076</b>

**NOTE 28.0 CONTINGENT LIABILITY**

For the year 2023/24, the Authority had no case in different tribunals and courts in Tanzania.

**NOTE 29.0 COMPARATIVES**

The comparatives figures have been charged in respect of the restatement effects described in the note 31 below.

**NOTE 30.0 RESTATEMENT OF FINANCIAL STATEMENTS**

Due to the use of a new accounting package of ERMS. There emerged many challenges caused by inconsistency of the system, these were such as failure to perform reconciliation on collection accounts timely hence lead to close the accounting books without performing reconciliation on collection accounts and there lead our books to close with incorrect figures on some of cash and cash equivalent elements and this affected the element of trade receivables.

The impact of IPSAS 41, Which provides a new guideline on how to value Expected Credit Loss on Cash and cash equivalent and Receivables from exchange transactions also required restatement so as to show the impact of ECL for the year 2022/23

The other part was the assets side where some of the assets which are still in use their useful life had ended hence this led to the restatement of assets useful life by restating the accumulated depreciation of assets which had shown to have been overstated and some understated hence this led to the effect in retained surplus.

The following tables shows the restatement effects on the inconsistencies noted

Dodoma Urban Water Supply and Sanitation Authority

**Statement of Financial Position as at June 2023**

Description	Original TZS'000'	Adjustment TZS'000'	Re-stated TZS'000'
Cash and Cash equivalents	2,429,483	(104,169)	2,325,314
Receivables From Exchange Transactions	7,029,542	(3,093,367)	3,936,175
Property, Plant and Equipment	153,292,961	344,424	153,637,385
Intangible Assets	0	155,902	155,902
Capital work in Progress	<u>19,624,669</u>	<u>0</u>	<u>19,624,669</u>
<b>Total Assets</b>	<b><u>182,376,655</u></b>	<b><u>(2,697,210)</u></b>	<b><u>179,679,445</u></b>
Retained Surplus	129,234,777	(2,697,209)	126,537,568

**Statement of Comprehensive Income as at 30 June 2023**

Description	Original TZS '000'	Adjustment TZS '000'	Re-stated TZS '000'
Operating expenses	11,231,613	3,602,013	14,833,626
Depreciation and Amortisation	7,378,236	508,596,	7,886,832
Distribution expenses	<u>5,902,979</u>	<u>21</u>	<u>5,903,000</u>
<b>Total</b>	<b><u>24,512,828</u></b>	<b><u>4,110,630</u></b>	<b><u>28,623,458</u></b>

**NOTE 31.0 RELATED PARTY TRANSACTIONS**

Transfer of resources and/or obligations between related parties in DUWASA during the year ended 30 June 2024 included the following:

**I. Board Expenses**

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

DETAILS	2023/24 TZS '000'	2022/23 TZS '000'
Board Meetings and Related Expenses	90,553	45,730
Directors Fees	<u>94,033</u>	<u>94,970</u>
<b>TOTAL</b>	<b><u>184,586</u></b>	<b><u>142,700</u></b>

**II. Remuneration of Key Management Employees**

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

**Dodoma Urban Water Supply and Sanitation Authority**

DETAILS	2023/24
	TZS '000'
Shot-term employee benefits	18,230
Key Management Staff	<u>985,415</u>
<b>TOTAL</b>	<b><u>1,003,645</u></b>

<b>NOTE 32: KIBAIGWA CLUSTER 2022/23</b>	TZS '000'
<b>PERIOD</b>	<b>2022/23</b>
Kibaigwa Profit	801,005
Kibaigwa Capital Reserve	<u>2,065,563</u>
<b>TOTAL</b>	<b><u>2,866,568</u></b>

This cluster was done after the Ministry of Water extended DUWASA service areas to include Kibaigwa hence all assets and liabilities were combined to DUWASA.

**NOTE 33: RESTATEMENT OF DEPRECIATION AND BAD BEBTS 2022/23**

<b>PERIOD</b>	<b>2022/23</b>
	TZS '000'
Accumulated Depreciation	847,414
Provision for bad debt	404,740
<b>TOTAL</b>	<b>1,252,154</b>

This restatement was done after introduction of the new standard IPSAS 41 hence the calculation of Bad debt had to be restated from the year 2022/23. Furthermore, accumulated depreciation had to be restated as a result of change of useful life of assets after review of DUWASA's assets.

**NOTE 34: MOTOR VEHICLE RESTATEMENT 2022/23**

This restatement was done in respect of a motor vehicle with registration number SU 46805 with a value of TZS 161,510,000 that was previously expensed instead of being capitalized and hence lead to the overstatement of expenses and understatement of profit and assets.