



**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 2025**

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

March, 2026

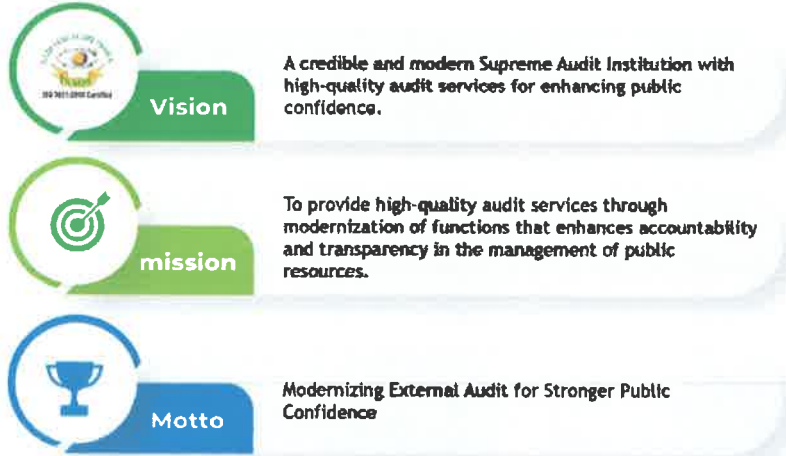
AR/PA/DUWASA/2024/25

About the National Audit Office

Mandate

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

NAOT Vision, Mission & Motto



Core Values



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Abbreviations

CAG	Controller and Auditor General
CRDB	CRDB Bank Plc (formerly Cooperative Rural Development Bank)
DMAs	District Metered Areas
DUWASA	Dodoma Urban Water Supply and Sanitation Authority
GIS	Geographic Information System
GPS	Global Positioning System
IESBA	International Ethics Standards Board for Accountants
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standards of Supreme Audit Institutions
MoU	Memorandum of Understanding
NBAA	National Board of Accountants and Auditors
NBC	National Bank of Commerce
NMB	NMB Bank Plc (formerly National Microfinance Bank)
NRW	Non-Revenue Water
NSSF	National Social Security Fund
TCWG	Those Charged with Governance
TFRS	Tanzania Financial Reporting Standards
TZS	Tanzanian Shilling

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 (DUWASA), which comprise the statement of financial position as at 30 June 2025, the statement of financial performance, statement of changes in net assets, cash flows 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 2025, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and 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.

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I conducted a compliance audit of the procurement of works, goods and services at Dodoma Urban Water Supply and Sanitation Authority for the year ended 30 June 2025 as per the Public Procurement Act, 2023, the Public Procurement Regulations, 2024, and related directives. I examined each phase of the procurement life cycle, including advertising of tenders, evaluation of bids, award of contracts and contract management, to confirm that the entity issued competitive solicitations, applied approved evaluation criteria, secured authorizations before award and maintained complete transaction records.

Conclusion

Based on the audit procedures performed, I conclude that Dodoma Urban Water Supply and Sanitation Authority complies, in all material respects, 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 conducted a compliance audit of budget formulation and execution at Dodoma Urban Water Supply and Sanitation Authority for the year ended 30 June 2025 as per Budget Act, Cap. 348, and the Budget Guidelines issued by the Ministry of Finance. I reviewed budget submissions, approval memoranda, commitment registers, ledger entries and variance analyses to confirm that the entity prepared estimates in the prescribed format, obtained timely authorizations before incurring obligations, recorded transactions accurately and reported variances as required.

Conclusion

Based on the audit procedures performed, I conclude that Dodoma Urban Water Supply and Sanitation Authority complies, in all material respects, with the requirements of the Budget Act and related Budget Guidelines.


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



The Authority's Information

Official Name and Principal Place of Business: Dodoma Urban Water Supply and Sanitation Authority,
P.o. Box 431,
Dodoma, Tanzania

The Parent Ministry: The United Republic of Tanzania
Ministry of Water
Government City
Maji Street,
P.O. Box 456
Dodoma, Tanzania

Main Bankers: 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.

Auditors: Controller and Auditor General,
National Audit Office of Tanzania,
4 Ukaguzi House,
41104 Tambukareli,
P. O. Box 950,
Dodoma, Tanzania.

In collaboration with: 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.

2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE

2.1 Introduction

Those Charged with Governance (TCWG) present this report together with the financial statements for the year ended 30 June 2025, which provides the results of DUWASA operations and its state of affairs. TCWG prepared this report in compliance with TFRS 1 - The report by those charged with governance issued by NBAA and became effective on 1 January 2021. The report is addressed to primary users and other stakeholders by setting out analysis of the Authority's operations and financial review, with a forward-looking orientation. The report will assist primary users and other stakeholders in assessing the strategies adopted by the Authority and the potential for those strategies to succeed toward creating value over the short-term, medium-term and long-term periods.

2.2 The Authority Culture

DUWASA's culture consists of the shared vision, mission and core values as provided hereunder.

2.2.1 Mission

DUWASA's "mission" is to provide a quality water supply and sewerage disposal services to its customers within the designated area in Dodoma in a most cost-effective manner; and to maintain highly motivated, qualified, competent, committed and diligent workforce while applying appropriate technologies that are environmentally friendly.

2.2.2 Vision

The vision of DUWASA is "to be the most efficient Authority in provision of clean, safe, portable water supply and sewerage disposal services in a sustainable and environmentally safe manner"

2.2.3 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 operating 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.

Dodoma Urban Water Supply and Sanitation Authority (DUWASA)

- **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;
- **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.

2.2.4 The Authority Motto

"Water for Safe Living",

2.2.5 Principal Activities

- The principal activities of DUWASA revolve around providing water supply and sanitation services within its jurisdiction area (Dodoma urban, Bahi, Chamwino, Kibaigwa and Kongwa townships).
- Sanitation services involve managing the collection and treatment and disposal of wastewater to prevent environmental pollution.
- Infrastructure Development and Maintenance which includes pipeline, treatment plants, reservoirs and sewer systems.
- Handling customer inquiries, complaints, and services request and ensuring accurate metering, billing and payment collections for water and sanitation services.
- 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.

2.3 Nature of Operation

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 2021/2022 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.

Therefore, Authority operates according to Water supply and sanitation act, Operation guidelines, and Memorandum of Understanding (MoU). The MoU which signed by Authority, Ministry of water and Treasury Registrar forms the basis for the monitoring and evaluation of Authority performance, whereas the Operations guidelines have been prepared to guide the authority on framework to operate. The operation guidelines which form part of MoU are signed every year.

2.4 Objective and Strategies

2.4.1 Objectives of the Authority

The overall objective of Authority as provided in the Water Supply and Sanitation Act of 2019, is to enhance the provision of safe and adequate water supply and sanitation services in its areas of jurisdiction.

2.4.2 Strategies for Achieving Objective

The Authority is in second year of implementing its Strategic plan covering financial years 2023/24 to 2027/28, while executing work plan and budget for the financial year 2024/25. The Strategic plan is the leading instrument for planning, priority setting and decision making. The strategic plan has the following six (6) strategic goals whose implementation are summarized into short-term, medium-term and long-term periods:

a) Water supply service Improved

i. Short-term

- Drilling of boreholes with casing and relevant pumps
- Laying of water supply networks at Nzughuni, Nala, Michese and various unreached areas Dodoma town areas of Chamwino, Bahi, Kongwa and Kibaigwa respectively.

ii. Medium term

- Construction of Farkwa Dam in Chemba district to serve as alternative source of water to Dodoma city and nearby areas such as Chemba and Bahi districts.

iii. Long term.

- Construction of water scheme from Lake Victoria in Mwanza to Dodoma which will also serve as another reliable source of clean and safe water to Dodoma city and nearby places provide reliable water supply.

b) Sanitation Services Improved

i. Short-term

- Rehabilitation of existing sewerage network at area C and D.
- Construction of new sewerage system at Magufuli Government City.

ii. Long term

- Construction of new wastewater treatment plant at Nzughuni area with capacity of treating 35,000 m³/day of wastewater, and
- Construction of 5 kilometres of sewer trunk main from the existing ponds at Swaswa to new ponds at Nzughuni.
- Rehabilitation of existing sewerage network system in Dodoma city.

c) Financial Sustainability Improved

i. Short-term

- Improving collection efficiency from 93.8% to 94%
- Improving arrears collection from 4% to 10%
- Introducing other sources of revenue to Authority

ii. Medium term

- Increasing water sales (billing value)
- Improving collection efficiency up to 97%

Dodoma Urban Water Supply and Sanitation Authority (DUWASA)

- Improving customer base to increase water consumption

iii. Long term

- Improving Installation of prepaid water meters to control debt

d) Modern technology in daily operation Utilized.

- Use of GPS and GIS in collection and the management of data for Customers, Water and Sewerage networks

e) Reduce High Non-Water Revenue

i. Short-term

- Use of GPS and GIS in collection and the management of data for Customers, Water and Sewerage networks
- Development of Applications for monitoring and detecting leakages into the water supply networks
- Use of social media to receive information on the leakage points from the customers

ii. Medium term

- Development of Pilot District Metered Areas (DMAs) at Nzuguni and Kisasa intending to identify causes for Non-Revenue Water (NRW) within the developed area and use the same findings to reduce NRW to other areas
- Rehabilitation and replacement of old pipes of about 25km length and replace about 20,000 old water meters
- Assuring availability of Attending leakages of time

iii. Long term

- The replace of post-paid water meters to pre-paid water meters

2.5 Statement of Service Performance Information

The Authority's Service Performance Information discloses information needed for accountability and decision-making purpose, primarily to help users of the report by Those Charged with Governance to understand what the Authority had planned to achieve (target) and what it has really achieved (results). The service performance information is generally a mix of qualitative and quantitative reporting. The reporting of service performance information is based on two elements: (i) Outcomes: what the Authority seeks to achieve in terms of its impact on society; and (ii) Outputs: the goods or services that the Authority delivers during the financial year. The Authority report of service performance information is provided in this report under Para 2.14: Key Performance Indicators

2.6 DUWASA Operating Model

The Authority's operating model is the system of transforming inputs, through its operating activities, into outputs and outcomes that aims to fulfil DUWASA's strategic objectives and

Dodoma Urban Water Supply and Sanitation Authority (DUWASA)

create value over the short, medium and long term. Thus, DUWASA Operating Model is explained below

2.6.1 Inputs

a) Human Capital

The Authority has employed staff with adequate skills and competence to ensure delivery of quality services. Employees are well motivated and perform their duties responsibly and in an ethical manner

b) Financial Capital

Financial capital is composed of financial resources obtained from water supply and sanitation services activities. The Authority, as the sole provider of water and sanitation services in its area of jurisdiction, collects fees for water supply, sanitation, new water connections, new sewerage connections, and fines and penalties for sabotage of infrastructure.

c) Social and Relationship Capital

In executing its functions, DUWASA has established an ethical and transparent relationship with government institutions, customers, suppliers, policy makers and the society in general. The Authority conducts stakeholders' meetings to provide awareness and receives feedback in various corporate issues. DUWASA is actively engaged on Corporate Social Responsibilities whereby in each year, funds are set aside to contribute to the society well-being.

d) Intellectual Capital

The Authority uses Government developed software to ensure effective and efficient services delivery.

e) Natural Capital

The Authority has been actively engaged in ensuring water resource safety by conducting seminars and planting trees alongside water sources.

2.6.2 Operating Activities

The Authority implements a number of activities in converting inputs into quality service delivery. The operating activities are divided into two major groups;

a) Supply of Safe and Clean Water

- Receiving application for new water connection
- Conducting customer survey to establish cost,
- Connecting and disconnecting customers
- Meter reading

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- Sending customer bills(electronically)
- b) Collection and Disposal of Sewerage**
- Receiving application for new sewerage connection
 - Conducting customer survey to establish cost
 - Sending customer bills

2.6.3 Outputs

a) Supply of Safe and Clean Water

In its water supply role, the Authority had the following outputs:

- Connecting 7,771 new customers.
- Controlling 11,447 leakages.
- Conducting 36 awareness Seminars.

b) Collection and Disposal of Sewerage

In its Sewerage collection and disposal role, the Authority had the following outputs:

- Construction of 14 new wastewater chambers, rehabilitation of 36 chambers and cleaning of 2097 chambers to improve the performance of sewerage network
- Extending new sewerage network with a total length of 0.58 km
- Replacing 45 vandalized manhole cover
- Replacing old pipe with a total length 1.2 km

2.6.4 Outcomes

The following were noted outcomes:

- Increased compliance with water supply and sanitation regulations;
- Enhanced customer satisfaction with DUWASA services;
- Improved compliance among water and sanitation service providers and contractors;
- Strengthened operational standards for water supply infrastructure and sanitation systems;
- Reduced frequency of service interruptions and water-related incidents;
- Increased volume of water produced and distributed to consumers;
- Improved operational efficiency in service delivery and utility management

2.7 Current and Future Development and Performance

The Authority's current and future development and performance are explained below:

2.7.1 Corporate Strategic Plan

As of 30 June 2025, the Authority recorded significant achievements in the implementation of its Strategic Plan (2023/24 - 2024/25). Notable progress has been made in the areas of water production and distribution. As at the reporting date, the water production system comprised

Dodoma Urban Water Supply and Sanitation Authority (DUWASA)

85 boreholes, collectively capable of producing and transporting 79,092.91 cubic meters of water per day to areas covered by the water supply network.

During the two-year strategic plan period, 11 new boreholes were constructed in various locations such as Nkuhungu, Miganga, Nzughuni, Kisasa, Makulu and Michese with a combined production capacity of approximately 7,715 cubic meters per day. These additional boreholes were developed to enhance water supply to the Dodoma Community and to serve as alternative water sources for the University areas, as well as the Nala and Kisasa areas. The total length of the water supply network now stands at 1,754 kilometers, consisting of 130 kilometers of main transmission pipelines and 1,624 kilometers of distribution lines.

In terms of sewerage services, the existing sewerage system extends over 123.45 kilometers and currently serves approximately 20% of the population within the metropolitan area.

Another notable achievement in these first two years of strategic plan is maintaining 100% Metering ratio, meaning that all customers served by DUWASA are metered. At the end of June 2025, the Authority had a total of 92,167 water customers and 6,757 sewerage customers including Industrial, Domestic, Institutions, Commercial and Domestic point users.

Furthermore, the quality of water produced and supplied during the first two years of strategic plan complied 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 that 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 Faecal coliform).

In addition, the Authority recorded a significant increase in recognized revenue during the first two years of implementing its Strategic Plan. Revenue rose from TZS 28.9 billion in the 2023/24 financial year to TZS 32.8 billion in 2024/25, reflecting substantial growth in operational performance and service delivery.

One of the key challenges affecting DUWASA's image is Non-Revenue Water (NRW), which remains a major concern. To address this, the Authority implemented measures including increased manpower, improved equipment for leak detection, and the replacement of underperforming Class B water meters with more accurate Class C water meters. Despite efforts to reduce NRW to 26.5% by June 2025, the average level for the 2024/25 financial year stood at 33.7%.

The implementation of the Authority's five-year strategic plan started in the financial year 2023/24, the Authority's future development plan includes;

- Improving Water Supply Services
- Improving sanitation services
- Improving customer care

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- Reducing Non-Revenue Water
- Adopting modern technology in daily Operations
- Improve financial Sustainability and Institutional capacity to carry out operations

In alignment with government directives, DUWASA has also integrated cross-cutting issues into its strategy:

- HIV/AIDS and Health intervention's DUWASA is committed to reduce new HIV/AIDS infections, enhancing service access for affected individuals and minimizing the burden of non-communicable disease among staff and the community
- Anti -corruption Measures, The Authority will continue to implement and strengthen the National Anti-Corruption Strategy, promoting transparency, integrity and accountability across all operations.

2.7.2 Development Plans and Performance

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

Table 1: Own Source Funded Projects

S/N	Area/Name of Project	Pipe Size (mm)	Total Length(m)	Approximately Cost (TZS.)	Completed Status (%)
1	TBS Office Njendengwa Project	100	985	54,746,909.00	100
2	FFU Police Project	75, 63	180	8,873,330.16	100
3	Nanenane Project	63,50,32	3450	54,746,909.00	100
4	Kisasa - Mwangaza	300, 250,200,150	800	342,439,409.94	100
5	Mahungu Project	63	750	55,896,547.34	100
6	Mtumba Jeshini (Uwanja Wa Ghofu)	100	2500	80,029,193.02	100
7	Mahomanyika project	150	1800	85,770,000.00	100
Total				682,502,298.46	

In addition, the Authority continued with automation and modernization of its business operations to ensure rendered services satisfy and meet expectations of Government, Regulators, Service Providers and DUWASA's customers in particular and all stakeholders in general. This includes enhancing the ICT systems in use to address the existing and future operational requirements that provide quality services to our customers, stakeholders and the general public.

2.7.3 Significant Aspects of the Statement of Financial Performance

The performance for the year is set out in the Statement of the Financial Performance for the year ended 30 June 2025. The Authority recorded a net surplus of TZS 9.3 billion in 2024/25, compared with TZS 8.2 billion in 2023/24. This is an increase of TZS 1.1 billion, which is equivalent to 13%. Increased day-to-day operational activities primarily drove this change at DUWASA, and recognition of non-cash grant revenue from the Ministry of Water to finance the improvement of Dodoma Sewerage network project (Nzuguni Sewerage Project) contributed to the year-end surplus. Despite this, management was able to contain operational and administrative costs within the range; however, the Authority has established strategies to manage and control expenses and increase income to sustain the increase in surplus and be in a stronger position.

a) Revenue

The Authority's total recognised revenue from exchange transactions, revenue from non-exchange transactions and other income during the year ended 30 June 2025 was TZS 46.9 billion (30 June 2024: TZS 44.4 billion), which is an increase of annual recognised revenue by TZS 2.5 billion, equivalent to a rise of 5.6%. The increase was attributed to higher water sales and non-cash grant revenue from the Ministry of Water.

b) Expenses

The Authority's expenses for the financial year ended 30 June 2025 amounted to TZS 37.6 billion, including a depreciation and amortisation charge of TZS 6.5 billion (30 June 2024: TZS 36.2 billion, including a depreciation and amortisation charge of TZS 6.9 billion).

2.7.4 Significant Aspects of Statement of Financial Position.

a) Cash and Cash Equivalents.

The Authority's cash and cash equivalents as at 30 June 2025 were TZS 0.6 billion (30 June 2024: TZS 0.9 billion), a decrease of TZS 0.29 billion, equivalent to 28.8%. This was mainly due to government institutions' failure to settle their June 2025 water bills.

b) Trade Receivables

Trade receivables from exchange transactions as at 30 June 2025, TZS 6.8 billion (Gross Receivables from exchange transactions) (30 June 2024: TZS 7.1 billion (Gross Receivables from exchange transactions) resulting in a decrease of TZS 0.3 billion, which is equivalent to 4.2%. This decrease was contributed to by Management's efforts to recover outstanding receivables from domestic and commercial customers.

Also, the Ageing analysis of Receivables as at 30 June 2025 revealed that the Authority had a total receivable from exchange transactions of TZS 2,512,958,500, which were overdue for more than one year and owed mainly by Government Institutions, representing 37% of the total outstanding debt. To limit the growth of these debts, the Authority has started installing prepaid

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water meters in all Government Institutions. The total number of installed prepaid water meters as at 30 June 2025 was 840 meters.

Furthermore, receivables from non-exchange transactions as at 30 June 2025 were TZS 11.7 billion (30 June 2024: TZS 4.4 billion). There was a significant increase of TZS 7.3 billion, equivalent to 166%. This was mainly due to an advance payment of TZS 9.6 billion made by the Ministry of Water to contractors implementing the Magufuli City Water and Sewer project.

c) Property, Plant and Equipment

The property, Plant, and equipment at 30 June 2025 amounted to TZS 209.8 billion at Cost (30 June 2024: TZS 204.5 billion at cost, an increase of TZS 5.3 billion, or 2.5%). The increase was attributed to assets additions of TZS 1.1 billion (cost) and the capitalisation of work in progress of TZS 4.2 billion (cost).

d) Intangible Assets

Intangible assets at the year ended 30 June 2025 are TZS 0.16 billion at Cost (30 June 2024: TZS 0.16 billion at cost). There was no significant movement for Intangible assets during this year.

e) Trade and other Payables.

Payables and accrued expenses as at 30 June 2025 were TZS 6.3 billion (30 June 2024: TZS 6.5 billion), a decrease of TZS 0.2 billion, or 3%. The decline was attributed to reduced VAT payable, EWURA Payable, and retention money, driven by management efforts to strengthen expenditure control mechanisms and ensure on-time payment of statutory obligations.

f) Overall Financial Position

The Authority's Statement of Financial Position as at 30 June 2025 reported Net Assets amounting to TZS 191.9 billion (30 June 2024: TZS 182.6 billion), which is composed of Tax Payers 'Fund worth TZS 47.8 billion (30 June 2024: TZS 47.8 billion) and Accumulated Surplus of TZS 144.1 billion (30 June 2024: TZS 134.8 billion). The Authority's total Current Assets amounted to TZS 18.9 billion (30 June 2024: TZS 11.6 billion), made up of Cash and Cash Equivalents TZS 0.6 billion (30 June 2024: TZS 0.9 billion); Trade Receivables TZS 3.9 billion (30 June 2024: TZS 5.0 billion); Other Receivables TZS 11.8 billion (30 June 2024: TZS 4.4 billion) and Inventories TZS 2.7 billion (30 June 2024: TZS 1.3 billion). The total current assets represented 10% of Net Assets (30 June 2024: 6.3%). The Authority's total Current Liabilities amounted to TZS 6.9 billion (30 June 2024: TZS 7.1 billion). Therefore, the Authority's ability to meet its short-term obligations as they fall due (liquidity ratio) or the working capital (current) ratio stands at 2.75:1 Times (30 June 2024: 1.4 Times). This indicates that the Authority can cover its current liabilities 2.7 Times as at 30 June 2025 (30 June 2024: 1.64 Times). The Authority's total Non-Current Assets amounted to TZS 179.9 billion (30 June 2024: TZS 178.1 billion), made up of Property and Equipment at TZS 149.1 billion (30 June 2024: TZS 150.3 billion) and Intangible Assets at TZS 0.1 billion (30 June 2024: TZS 0.1 billion). There are also Capital Works in Progress, TZS 30.6 billion (30 June 2024: TZS 27.6 billion). The Authority's

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overall financial performance indicates that its existing revenue sources can sustain the execution of its functions. However, the Authority shall continue to monitor its current sources of revenue closely, explore additional sources to maintain its public service operations, monitor expenditure, and control expenses within approved budgets.

2.7.5 Level of Capital Expenditure

During the financial year under review, the Authority advanced a total of TZS 11 billion to contractors for the implementation of various water supply and sanitation improvement projects. All these advance payments were financed through funds received from the Ministry of Water. Furthermore, in the approved budget for the financial year 2024/2025, the Authority allocated TZS 2.6 billion for the procurement of water meters to support replacement and new customer connections, TZS 4.8 billion for the extension of sewerage infrastructure and drilling of boreholes, and TZS 2.9 billion for the purchase of pipes and fittings for new connections. These initiatives are expected to strengthen the Authority's operational capacity, improve service delivery, and contribute to achieving its strategic objectives.

2.7.6 Implementation of Customer Relation Management (CRM) System

During the year under review, the Authority implemented the e-Mrejesho (Customer Relationship Management (CRM) system), in line with the Government of Tanzania's requirement to enhance public service delivery. Awareness seminars were held for employees and customers to support system adoption. The initiative has improved customer engagement, reduced complaint resolution time, and provided an effective platform for customers to share feedback. Overall, e-Mrejesho has strengthened accountability, responsiveness and customer satisfaction in line with the Authority's service delivery objectives

2.7.7 Integrated Financial Management Information System

The Authority began automating its operations by acquiring an Integrated Financial Management Information System (IFMIS) based on the CBM platform in previous years. To further enhance efficiency and align with the national initiative to modernise water utility operations in Tanzania, the Ministry of Water, in collaboration with the e-Government Authority (eGA), initiated the development and implementation of a new accounting system known as the Enterprise Resource Management System (ERMS) during the financial year 2022/2023.

While ERMS serves as the core platform for accounting and financial management, it operates in coordination with the MajiIS system, which is separately used for billing and revenue collection. The two systems are designed to exchange data seamlessly, allowing automated updates of revenue transactions from MajiIS into ERMS. This integration ensures consistency between operational and financial records, enhances cash-flow control, and facilitates timely, accurate bank account reconciliations.

2.7.8 Description of Budget Information

The Authority's final revenue budget for the financial year ended 30 June 2025 was TZS 116.4 billion (30 June 2024: TZS 103.2 billion). The recognised revenues for the year were TZS 47.2 billion (30 June 2024: TZS 38.1 billion), which is TZS 69.6 billion (30 June 2024: TZS 65.1 billion) below the final budget, representing a 59.4% performance shortfall (30 June 2024: 36.9%). The primary reason for this underperformance is the Ministry of Water's (MOW) failure to remit budgeted funds for project implementation, failure to meet the targeted water production, and high NRW. The final expenditure budget of the Authority for the financial year ended 30 June 2025 was TZS 116.4 billion (30 June 2024: TZS 103.2 billion), and the actual expenditure was TZS 47.7 billion (30 June 2024: TZS 36.2 billion), which was below the final budget by TZS 78.4 billion (30 June 2024: TZS 67.0 billion). The underspending is attributed to strong internal controls, which emphasise spending based on the availability of collections rather than the availability of budget balances.

2.7.9 Analysis of Authority's External Environment

Every entity, including the Authority, is affected by its external environment. Thus, analysis of the external environment matters that might affect the Authority's operations are summarised below:

a) Market and Competitive Position

The Authority is a provider of water and sanitation services and has an exclusive mandate to undertake water supply and sanitation business in Dodoma City and in four Towns located in three Districts of Dodoma Region, namely Chamwino, Bahi, and Kongwa. This was a move by the Ministry of Water to merge small water utilities with urban water utilities. This phenomenon and practice in the country took time for customers and stakeholders to understand and adapt to the changes introduced by the MoW in establishing the amalgamation. However, with the passage of time and education campaigns for customers of the overtaken water utilities, the Authority has improved service provision in the new areas, and some customers who are not under the exclusive mandate of DUWASA wish to be served by DUWASA.

b) Legislative and Regulatory Environment

The Tanzania Water Supply and Sanitation Act 5 of 2019 was amended to extend the scope, rights, and responsibilities of urban water utilities, whereby the Minister responsible for Water can extend the service areas of urban water utilities. However, before implementation, the Minister's order should be published in the Government Gazette. The Act also grants water utilities the right to collect fees for services rendered to customers and to impose fines and penalties on those who sabotage water and sewerage infrastructure.

c) Macro and Micro Economic Conditions

The water sector was affected nationwide by increases in the price and availability of materials required to provide water and sanitation services. Most materials are imported from developed

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countries, so conflicts can disrupt supply and inflation and exchange-rate pressures can drive material costs higher. Despite these challenges, during the 2024/25 financial year, the Authority generated revenue of TZS 32.8 billion from the provision of water and sanitation services.

d) Market Forces

DUWASA operates as a player in water and sanitation services with a given exclusive mandate in Dodoma, Chamwino, Bahi, Kibaigwa, and Kongwa, as explained under the legislative and regulatory environment paragraph. There is no competition with internal players in the industry but our performance in the area of water and sanitation services is necessary to the Nation in ensuring sustainability and economic growth together with improving lives of the residents of those areas saved by DUWASA. The Authority thrives to provide better services in order to meet demand of our services in areas of jurisdiction.

e) Technological Change

Technological change refers to the process of innovation and improvement in technology, leading to new products, services, or processes. This change impacts various aspects of society, including Economic growth, new technologies increase productivity, efficiency, and competitiveness. The Authority, in collaboration with VEI, took initiatives to develop GIS and Leakage detector software. The systems are not fully developed and deployed. With the speed of technological changes, DUWASA will ensure future investment on ICT is enhanced including building capacity to ICT staff to cope with technological changes.

f) Societal Issues

The Authority operates within societies in Tanzania Mainland and cannot dissociate itself from these societies. In this regard, the Authority has been participating and supporting financially the societies programs under the corporate social responsibility's funds. However, despite continuous participation and funding, demands from societies are higher than approved annual budgets. Going forward, the Authority will increase its budget allocation and focus its contributions to specific programs related to education, health and environmental conservation.

g) Environmental Challenges

Destruction of water sources caused by increasing human activities around areas reserved for water sources has been a major environmental challenge in the sector. DUWASA continued with its efforts on educating the public on this area and held a number of stakeholders meeting and monitoring visits were conducted quarterly in the village/areas of water sources.

h) Political Environment

The Authority plans and budgets are prepared and implemented while observing the leading political party (Chama cha Mapinduzi) manifesto. The political environment in the country is

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favourable for the Authority to carry its functions without political challenges. As well, there was no political interference to the Authority in exercising its mandate.

2.8 Resources

The Authority's key strengths, which support the performance of its functions and the achievement of its objectives, are anchored in a well-composed Board of Directors, effective Management, competent human resources, deployed ICT systems, and documented internal operating procedures. These strengths continuously create value for DUWASA. In terms of resources, the Authority has tangible and intangible resources, including intellectual, human, social and relationship, natural, financial, and other resources. These are explained below:

2.8.1 Intellectual Resources

The Authority's intellectual resources include various ICT application systems that have automated and modernised its operations, thereby improving the efficiency and reliability of water supply and sanitation service delivery.

The key ICT systems currently in operation include:

- Enterprise Resource Management System (ERMS) - used for accounting and financial management;
- Billing System (MajiS) - used for billing and revenue collection;
- Customer Relationship Management System (e-Mrejesho) - used for customer feedback, engagement, and complaint management;
- Time Attendance (Biometric) System - used for monitoring employee attendance and punctuality;
- Electronic Document Management System (e-Office) - used for document control and internal communication;
- Public Employee Performance Management Information System (PEPMIS) - used for managing and evaluating staff performance;
- Government ICT Services Portal (GISP) - providing centralized access to government ICT services and applications;
- National Electronic Procurement System of Tanzania (NeST) - used for online management of procurement processes; and
- Government Mailing System (GMS) - used for official communication within government entities.

Overall, the implementation of these ICT application systems has strengthened the Authority's service delivery, enhanced operational efficiency, and improved accountability. DUWASA remains committed to advancing its automation initiatives to enhance efficiency further and reduce operational costs.

Factors that may affect the Authority's intellectual resources include system availability, quality and affordability of technology, rapid technological changes, amendments to

government ICT legislation, cybersecurity threats arising from weak access controls or firewalls, and unexpected power outages. Nevertheless, the Authority is well positioned to adapt to technological and regulatory changes. It remains confident that its intellectual resources will continue to evolve to meet future operational and service-delivery demands.

2.8.2 Human Resources

The Authority has skilled, committed, motivated, and competent employees dedicated to providing quality services that meet and exceed customers' expectations. Management adheres to the principles of good governance and promotes a positive work environment and strong labour relations. In addition, the Authority has continually invested in human resource development, focusing on training, staff wellness, staff recognition, competitive remuneration and career growth. By 30 June 2025, the Authority had five (5) offices in four Districts (4) of Dodoma Region and a total of 248 employees.

Factors that may affect the Authority's ability to ensure the availability of competent human resources at an approved establishment include the absence of an employee incentive package, limited support for staff career development, the approval process for staff establishment with the Government, and budgetary limitations and control processes. Nevertheless, the Authority is taking close care of its human resources to ensure they are highly motivated to continue working with DUWASA and meet future demand.

2.8.3 Social and Relationship Resources

The Authority's social and relationship resources are composed of ethical and transparent relationships with its customers, regulators, suppliers, the government, and the general public, who are internal and external stakeholders, by establishing a harmonious relationship. The Authority develops a shared value strategy for social development initiatives, including education, financial inclusion, and health facilitation, delivered to communities in the areas of operation.

During the year under review, stakeholders in areas where DUWASA operates provided the Authority with the required cooperation and support for its activities. In addition, the Authority had established and maintained good working relationships with local entities within the DUWASA areas of jurisdiction and with relevant organs, including MoW, EWURA, the TR Office, and other Public, International, and Private organs.

Factors that may affect the availability, quality, and affordability of social and relationship resources include the Authority's failure to participate in and contribute to local community activities, non-payment of contributions and subscriptions to relevant bodies in this area, and a low level of transparency and engagement with stakeholders. Despite these, the DUWASA maintains its commitments and initiatives in social and relationship resources to continue meeting existing and future demand.

2.8.4 Natural Resources

The Authority's significant natural resources are water and solar power, with a view to environmental protection. The Authority has undertaken various initiatives to promote environmental sustainability through internal engagement, external partnerships, and commitments. The DUWASA's Sustainability Policy is a strong example of the Authority's commitment to environmental conservation.

In addition, the Authority proclaims that the proper utilisation of water is a key natural resource in sustaining human life. Strict control of water misuse, both from taps and natural sources, is strongly emphasised. Furthermore, the use of solar power at DUWASA offices is encouraged to replace hydro power where possible.

Factors that may affect the availability, quality, and affordability of natural resources include natural disasters, drought, human sabotage, noncompliance with legislation, and insufficient leadership commitment. However, the Authority values natural resources and will continue to take the necessary steps to ensure their protection and availability to meet the Authority's future demand.

2.8.5 Financial Resources

The Authority enhances its financial sufficiency by improving resource management through prioritisation and implementing initiatives within available financial resources to generate sufficient revenue for the timely execution of planned activities.

The Authority's sources of finance are derived from the mandate it has been given through Section 24 of the establishment Act "The Tanzania Water Supply and Sanitation Act of 2019" which consists:

- The sums as may be appropriated by Parliament for a water authority;
- Any sums which a water authority may receive as fees, rates or charges for water supplied or any services rendered by it;
- The sums or property which may vest in a water authority under this Act or any other written law or otherwise vested in a water authority;
- The sums as may be received from the local government authorities in its area of responsibility;
- The sums that may be borrowed by the water authority from any source;
- The donations, grants, bequests and loans that the Board may receive from any person or body of persons; and
- Any other sources legally acquired in the process of performance of its functions

Factors that may affect the availability of financial resources include natural economic recession, which leads to a low level of economic activities, reduced scope of the Authority's exclusive mandate, ineffective debt collection strategies, and legislation loopholes that provide a 30-day credit period for the settlement of bills issued for the rendered services. Nevertheless,

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the Authority will take administrative and legislative measures to ensure financial resources are available to finance existing and future programs of the DUWASA.

2.8.6 Other Resources

In carrying out its functions, the Authority is guided by the Tanzania Water Supply and Sanitation Act, the Public Finance Act, the Public Procurement Act, and their respective Regulations, staff regulations, financial regulations, the Standing Orders for the Public Service, and sector legislation on the water supply and sanitation business. These instruments were key to carrying out its functions judiciously and fairly during the financial year under review.

Factors that may affect the availability of the other resources mentioned above include, but are not limited to, the length of time required for Parliament to initiate or amend the relevant/applicable legislation, and the amendment or issuance of new Regulations by the Minister responsible for Water. However, the Authority will collaborate with key stakeholders, including the Ministry of Water, to ensure the availability and timely amendment, where necessary, of legislation for implementation to address the current and future needs of water supply and sanitation services.

2.9 Principal Risks, Uncertainties and Opportunities

2.9.1 Principal Risks and Uncertainties

The Authority’s principal risks and uncertainties with their impacts and mitigation are summarized under Table 2 below: -

Table 2: The Authority Risks, Impacts and Mitigation

S/N	Risks and Their Impact		Risks Mitigation
1	Operational	<p>The potential for service disruptions, financial loss, or reputational harm resulting from deficiencies or failures in the Authority’s day-to-day operations. These may arise from internal process breakdowns, human errors, system inefficiencies, or unforeseen external events such as power outages, equipment failure, cyber incidents, or adverse weather conditions.</p> <p>Given DUWASA’s critical mandate of providing sustainable water supply and sanitation services to the people of Dodoma, operational risk poses a serious threat to the reliability, safety, and continuity of service delivery. It can lead to delays in project execution, compromised water quality, frequent customer complaints, non-compliance</p>	<ul style="list-style-type: none">• We develop and implement a preventive maintenance schedule for all water and sewer infrastructure and prioritize timely rehabilitation and replacement of aging or inefficient systems including allocation of sufficient budget to assets maintenance and expansion• In collaboration with e-Government Agency, we have invested in reliable IT infrastructure to support billing systems, customer management, and assets tracking. We have implemented smart metering and SCADA (Supervisory Control and Data Acquisition) for real-time monitoring of operations• We implement energy efficiency initiatives to reduce electricity costs

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S/N		Risks and Their Impact	Risks Mitigation
		<p>with regulatory standards (e.g., EWURA), and increased operational costs. In the long run, unmanaged operational risks may erode public trust, affect revenue collection, and weaken the institution's overall performance and sustainability. Therefore, effective management of operational risks is essential to ensure that DUWASA maintains high service standards, achieves operational efficiency, and upholds its commitment to regulatory compliance and public accountability.</p>	<p>and also the installation of alternative power sources (e.g., solar systems, backup generators) to ensure service continuity during outages</p>
2	<p>Information Technology</p>	<p>The Authority's core business operations are automated and the business data and information must be properly managed in ICT systems. DUWASA depends on IT systems for managing water billing, customer accounts, accounting and procurement functions, human resources and payroll management, and assets management and internal communications.</p> <p>System failures or cyberattacks can halt the information technology systems and thereof DUWASA business operations. If the Authority fails to ensure that its information is kept safe and used by intended stakeholders and specific users only, may significantly impact relationships with these stakeholders and the general public.</p>	<ul style="list-style-type: none"> • We are implementing customer charter which focuses on customer satisfaction with continuous improvement to our service delivery. • We actively engage with eGA to ensure that there is appropriate governance in place and that change in eGA guidelines appropriately balances the value of giving customers control of their data, with our duty to protect customer privacy and security. • We continuously invest in ICT systems security and identity and access management controls to secure the confidentiality, integrity and availability of our data. • DUWASA ICT staff and selected ICT application systems users from other Directorates, Units and Sections undergo mandatory training modules to ensure they understand the importance of data security and their obligations in relation to the data they access.
3	<p>Financial Management</p>	<p>The financial sustainability of DUWASA is critical for its ability to provide reliable water and sanitation services. However, DUWASA faces several financial management risks including financial risk, market risk, credit risk and liquidity risk</p>	<ul style="list-style-type: none"> • We prepare annual plan and budget in line with the Government guidelines on the preparation of Medium-Term Expenditure Framework (MTEF) to

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S/N	Risks and Their Impact	Risks Mitigation
	<p>that can impact its performance, credibility, and long-term goals as briefly explained below:</p> <ul style="list-style-type: none"> • Financial Risk The financial risk is the possibility that the Authority's cash flow will prove inadequate to meet the Authority's obligations. • Market Risk Market risk is the risk of changes in market prices, such as foreign exchange rates and interest rates, affecting the Authority's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on the risk. • Credit Risk Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Authority is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. • Liquidity Risk Liquidity risk is the risk of the Authority not being able to meet its obligations as they fall due. The Authority's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Authority's reputation. 	<p>address financial risk management.</p> <ul style="list-style-type: none"> • We expect to enter into contract that involve payments in foreign currency unless the project is financed by donor • We do not regard any significant concentration of credit risk, hence, DUWASA mitigates the credit risk by maintaining cash and cash equivalents with the preferred financial institutions; signing contract with customers having long outstanding debts and recovering staff debts, imprest or salary advance in terms of the applicable regulations directly from the employee's salary and/or pension. • We manage liquidity risk to ensure the Authority is able to meet estimated expenditure requirements based on approved budget and through the use of cash flow forecasts. This is achieved through prudent liquidity risk management which includes maintaining sufficient cash and cash equivalents. Furthermore, the Authority strive to ensure that receivables are settled within 30 days after the due date, and payables are settled within 30 days of invoice.
4	<p>Business Continuity</p> <p>The resilience and continuity of DUWASA operations is critical to providing customers with the services that they expected from the Authority.</p> <p>Events driven by Authority's external environment, including cyber- attacks, political instability, unfavourable business conditions, global pandemics/war and adverse weather conditions can significantly disrupt the systems, infrastructure and processes that enable</p>	<ul style="list-style-type: none"> • We monitor the health of all ICT systems, documented Internal Operating Procedures and perform contingency planning for disruptions to critical systems and processes. • We implement a number of process and system simplification initiatives through investments automation and ICT systems resilience.

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S/N	Risks and Their Impact		Risks Mitigation
		<p>the Authority to serve and protect its service provider, customers and other stakeholders</p>	<ul style="list-style-type: none"> • We invest in technology, processes and employee capabilities to mitigate the impact of cyber-security risks on service providers, customers and other stakeholders. • DUWASA' policies and standards on supplier governance, selection and management and on outsourcing are applied to mitigate the risk and impact of third-party disruptions.
5	<p>Environmental and Climate</p>	<p>To attain its objectives, DUWASA is exposed to environmental and climate related risks including water source depletion, drought and irregular rainfall, flooding and extreme weather events and pollution of water sources and non-compliance with environmental regulations.</p> <p>Environmental and Climate change may have impacts;</p> <ul style="list-style-type: none"> • Reduced availability of raw water for treatment and distribution, leading to service interruptions and rationing • Inconsistent water levels in dams and rivers, affecting raw water intake and treatment efficiency • Damage to water infrastructure, increased treatment costs, and potential contamination of water sources • Compromised water quality leading to increased treatment costs and public health risks. • Non-compliance with environmental regulations can result in fines, shutdowns, and reputational damage 	<ul style="list-style-type: none"> • We promote water conservation programs for both staff and the community and other stakeholders. • We ensure full compliance with NEMC, EWURA, and other environmental guidelines. • We collaborate with public and private institutions on protection of environment pollution in areas of water source. • We have Strengthened water quality monitoring and compliance enforcement.
6	<p>Reputation</p>	<p>At DUWASA, our reputation is critically important and closely tied to the way we fulfil our regulatory obligations and our exclusive mandate of providing reliable water supply and sanitation services. It reflects how we make operational and</p>	<ul style="list-style-type: none"> • We have enhanced communication with the public through education campaigns, feedback systems, and regular updates on service improvements

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S/N		Risks and Their Impact	Risks Mitigation
		<p>financial decisions, how transparently we engage with the Government and public institutions, and how effectively we communicate and collaborate with our customers, stakeholders, regulated service providers, and the communities we serve. A strong reputation enables us to maintain public trust, ensure compliance, and sustainably deliver our services across Dodoma.</p> <p>Any negative shift in any of our stakeholder's perception may materially undermine our ability to advocate for positive outcomes that align to our mission, vision and core values and our ability to drive long-term performance</p>	<ul style="list-style-type: none"> • Ensure consistent water supply, timely repairs, accurate billing, and fair customer grievance handling • DUWASA frequently monitors media publications and respond to misinformation or crises promptly with verified facts. Use radio, social media, and press briefings to manage the narrative • We enhance communication and feedback channels with customers • We Maintain transparency in operations and financials • We promote a culture of professionalism and service excellence
7	Human Resource	<p>Our employees and management are critical to the success of our strategy and ensuring we are able to continuously find better ways to operate and meet regulated service providers, customers and other stakeholder's need and expectations. Inadequate staffing, low staff morale, or high turnover reduces productivity, knowledge loss and poor performance and they're after impact our ability to deliver on our strategies, vision and mission</p>	<ul style="list-style-type: none"> • We apply a robust recruitment process for new staff by engaging the Public Service Recruitment Secretariat to ensure transparency, meritocracy, and compliance with public sector recruitment standards • We Offer continuous training and professional development to staff and management • We have Strengthened performance management and disciplinary procedures. • We have enforced a clear code of conduct and anti-fraud policies. • DUWASA has strengthened compliance with public service Act, regulations and standing orders and occupational health standards. • We conduct regular employee satisfaction and engagement surveys and implement succession plans for key roles.

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S/N		Risks and Their Impact	Risks Mitigation
8	Governance and Compliance	The potential threat arising from the Authority's failure to adhere to internal policies, statutory and regulatory obligations, and established principles of good governance. This includes non-compliance with requirements set by oversight bodies such as the Energy and Water Utilities Regulatory Authority (EWURA), the Public Procurement Regulatory Authority (PPRA), and the Ministry of Finance and Planning (MoFP). Such risk may manifest through weak internal controls, poor accountability, ineffective oversight, unethical conduct, or inadequate enforcement of operational procedures and policies. If not properly managed, governance and compliance risks can significantly impair DUWASA's ability to fulfil its exclusive mandate of providing reliable, safe, and sustainable water supply and sanitation services to the residents of Dodoma. It may also affect institutional performance, stakeholder confidence, and overall service delivery standards.	<ul style="list-style-type: none"> • We Regularly review compliance with EWURA guidelines, PPRA procurement act and regulations, Public Finance Act, and External and Internal Audit recommendations • DUWASA has Strengthened the roles of the Board of Directors and Audit Committee in overseeing compliance and performance • We frequently review and update DUWASA's operational, financial, and governance policies in line with evolving laws and regulations and we also ensure proper documentation, approval, and dissemination of all policies. • We regularly communicate with stakeholders (Government, EWURA, customers, and the community) on plans, performance, and accountability efforts. • DUWASA Enforce anti-corruption measures and establish clear whistle-blower mechanisms. We also promote an ethical workplace culture aligned with DUWASA's core values.

2.9.2 Opportunities

The Authority's risk assessment process identified opportunities that would be expected to enhance the strategic plan execution as summarized below: -

a) Technological advancement and digital transformation

The rapid pace of technological innovation presents DUWASA with a unique opportunity to modernize its operations and improve service delivery. Digitisation offers avenues for automating routine tasks, improving leak detection and billing accuracy, monitoring infrastructure in real-time, and enhancing communication with stakeholders. By investing in and adopting these technologies, DUWASA can not only improve operational performance but also expand its revenue base through smarter, more customer-centric services.

b) Favourable legal and institutional framework

DUWASA benefits from a supportive legal environment and an exclusive mandate to provide water supply and sanitation services within its jurisdiction. This legal framework provides operational certainty, enhances stakeholder trust, and positions DUWASA as a dominant player within its jurisdiction. The Authority's status as a publicly mandated institution backed by the Government enhances its credibility and secures a competitive advantage in market expansion. Additionally, demographic trends such as the increasing population, urbanization, and rising income levels in the Dodoma region create a growing demand for reliable water and sanitation services. These conditions present DUWASA with an opportunity to expand its market coverage, improve service access, and strengthen financial sustainability by increasing its customer base and revenue collection.

c) National and International Focus on Safe Water Access

Global and national initiatives advocating for clean and safe water for all, such as the United Nations Sustainable Development Goals (SDG 6), present a timely opportunity for DUWASA to align its services with broader development agendas. These campaigns create awareness and drive demand for improved water and sanitation services. By leveraging these advocacy platforms, DUWASA can attract funding opportunities, build partnerships, and increase customer engagement. This momentum provides a strategic pathway to expand operations, improve service quality, and enhance revenue generation while contributing meaningfully to public health and environmental sustainability.

2.9.3 Key Assumptions In the Assessment of Risks, Uncertainties, and Opportunities at DUWASA

In identifying and evaluating risks, uncertainties, and opportunities, DUWASA has made several foundational assumptions critical to the successful implementation of its strategic objectives. These assumptions provide a framework for planning and are based on current and anticipated conditions in the internal and external operating environment. The key assumptions are as follows:

- **Stability of Macro-Economic Conditions**

It is assumed that key macroeconomic indicators such as inflation rates, interest rates, gross domestic product (GDP), per capita income, and overall economic growth will remain stable and favorable throughout the implementation period of the strategic plan. A stable macroeconomic environment is essential for predictable revenue streams, cost management, and long-term investment planning

- **Continuity of Political Stability and Support**

DUWASA anticipates a sustained period of political stability and ongoing government support for the water supply and sanitation sector. Political goodwill and commitment are crucial for

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ensuring the uninterrupted implementation of water infrastructure projects, policy alignment, and resource mobilisation at both national and regional levels.

- **Predictable and Supportive Regulatory Environment**

The Authority assumes that the legal and regulatory framework governing the water and sanitation sector—including policies, laws, and regulations—will remain stable, predictable, and supportive. This continuity is vital for compliance, operational planning, and the long-term sustainability of DUWASA's initiatives

- **Availability of Competent and Motivated Human Resources**

Successful execution of the Strategic Plan depends on the continued availability of a skilled, experienced, and motivated workforce. DUWASA assumes that it will be able to attract, develop, and retain talent across all functional areas to ensure the effective delivery of services

- **Sustained Collaboration with Key Stakeholders**

DUWASA relies on strong, stable relationships with key stakeholders, including EWURA (Energy and Water Utilities Regulatory Authority), suppliers, customers, development partners, and the general public. The assumption is that these relationships will remain positive and collaborative throughout the strategic period, facilitating smooth implementation of programs and service delivery.

- **Availability of Adequate Financial and Physical Resources**

It is assumed that DUWASA will continue to have access to adequate financial resources and physical infrastructure—including office buildings, operational tools, equipment, and motor vehicles—necessary to execute its strategic initiatives. Resource sufficiency is critical to achieving operational efficiency and institutional growth.

- **Stability of the Current Organizational Structure**

DUWASA assumes that its current organizational structure will remain essentially unchanged during the strategic plan period. The continuity of the structure ensures clarity in roles and responsibilities, minimizes disruptions in operations, and maintains momentum in achieving strategic goals

2.10 Stakeholders' Relationship

The Authority believes that stakeholders are what make its existence possible. Several measures have been taken to promote responsible behaviour among the Authority's employees and other stakeholders. These measures include, but are not limited to, holding interactive stakeholder meetings and engagements, staff meetings, seminars, and workshops; providing education through media; and improving customer service at the Authority's offices in Dodoma, Chamwino, Kongwa, and Kibalgwa.

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In this regard, the Authority has identified six (6) categories of stakeholders: the Government, employees, suppliers, business partners, society, regulators and policy-makers. Before making its decisions, the Board considers the interests of all stakeholders and ensures that stakeholder engagement is deliberate and planned, and that communication is always transparent and effective.

2.10.1 The Government

The Government established DUWASA with defined objectives and functions for water supply and sanitation services. The motive behind the establishment of DUWASA is to enhance the provision of clean and safe water and sanitation services, improve revenue collection, and contribute to economic development.

b) Key concerns

The Government's concerns about the Authority include the following:

- creation of an enabling environment and appropriate incentives for the delivery of reliable, sustainable and affordable water supply and sanitation services;
- delegation of management functions of water supply and sanitation services to the lowest appropriate levels; and
- Ensuring that water supply and sanitation authorities are financially and administratively autonomous and sustainable.

c) Value created by DUWASA.

- Providing quality services in specified areas of clearing and forwarding, shipping agency, ship tallying, and document control under the exclusive mandate,
- Remittance of TZS 50 Mil contribution to the Government Consolidated Fund every year with a view to increasing in future,
- Providing quality water and sanitation services in specified areas of jurisdiction under the exclusive right, and
- Enhanced safety, security and environmental protection around the water source,

2.10.2 Employees

Employees are an important factor in making the Authority a better place to work. They should find working at DUWASA an inspiring place to elevate their personal experience and, consequently, accept co-responsibility for each employee's development to their full potential. Together with efficient, value-creating solutions, services, and operations, deliver value to customers. Career progress is based on individual initiative in fulfilling their responsibilities, complemented by the Authority.

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a) Key concerns

Employees want a friendly, safe, and conducive work environment; defined career progression; better salaries and benefits; motivation and recognition; and opportunities to contribute to society.

b) Value created by DUWASA

- Transforming into an inclusive society through employment equity and gender equality;
- DUWASA focuses on developing its employee through targeted training programs and skills upgrading to further their career and improve services.
- Rewarding employees for the value they add;
- Motivating and energising the workforce; and
- Timely payments of employees' entitlements.

2.10.3 Suppliers

Suppliers are stakeholders who provide goods and services to the Authority and are closely monitored to ensure they deliver the required or ordered goods and services on time.

a) Key concern

- Transparent and fair procurement process of goods and services;
- Receiving feedback on delivered goods and rendered services; and
- Timely settlement of suppliers' invoices.

b) Value created by DUWASA

- Effective use of online procurement system (NEST);
- Inclusion of fair terms and proper vetting of procurement contracts

2.10.4 Business Partners

The business partners are private-sector and public-sector entities that have a direct or indirect working relationship with the Authority in the performance of its statutory functions. These include EWURA, PPRA, TBS, TRA, WRBWB and WMA.

a) Key Concerns

- Cooperation on areas of common interest in serving the public;
- Sharing business data and information; and
- Honouring business relationship

b) Value created by DUWASA

- Participating in meetings and events related to areas of common interest;

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- Providing necessary data and information requested by business partners;
- Strengthening long-lasting business relations with a focus on customer satisfaction

2.10.5 Society

The Authority acknowledges its responsibility to respond to community social needs. The Corporate Social Responsibility (CSR) interventions included a commitment to active participation in environmental protection and to promoting socio-economic development through financial support for community activities.

a) Key Concerns

- Supporting social development programs organized by the communities for socio-economic development where DUWASA has offices;
- Awareness of DUWASA business functions and applicable legislation; and
- Compliance with environmental, social and governance matters.

b) Value created by DUWASA

- Supporting social community programs using donations and other sources of funds;
- Providing awareness on DUWASA business functions and environmental protection;
- Undertake Environmental and Social Impact Assessments periodically.

2.10.6 Regulators and Policy-makers

The Authority complies with a wide range of laws, regulations, circulars, directives and guidelines which are issued from time to time by the Government entities, including MoW, MoFP, OTR, EWURA and Tanzania Parliamentary Committees (Infrastructure Committee, Budget Committee, Parliamentary Committee on Water, Energy and Mineral Parliamentary Investment Committee and Parliamentary Accounts Committee).

a) Key Concerns.

- Compliance with the Water Supply and Sanitation Act and its Regulations
- Protecting the environment from pollution, including maintaining the water source
- Compliance with the relevant legislation, guidelines and supporting employees on fulfilling their professional membership obligations.

b) Value created by DUWASA.

- Protecting the water source in compliance with laws and regulations;
- Operating within the scope of the legislation, directives and guidelines; and
- Complying with paying water user fees and other statutory payments.

2.11 Capital Structure and Treasury Policies

2.11.1 Capital Structure

The Authority's capital structure for the year ended 30 June 2025 consists of Taxpayers' Fund of TZS 47.8 billion (30 June 2024: TZS 47.8 billion) and Accumulated Surplus of TZS 144.1 billion (30 June 2024: TZS 134.8 billion). The Taxpayers' Fund was established from the Transferred assets and liabilities of the then Water Department, under the Regional Development Director, to DUWASA, effective from 1 July 1998.

2.11.2 Treasury Policies and Objectives

DUWASA treasury policies establish mechanisms delegated by the board to Management for financial decision-making in a controlled manner. The control instruments in place include legislation, Government Circulars, Guidelines, and Board resolutions on opening, operating, and signing mandates for bank accounts.

The main objective is to ensure proper control and safeguard of the Government's financial resources. Under these mechanisms, the Authority's revenue is collected and remitted directly to the Authority revenue collection accounts maintained at designated commercial banks using the GePG system; and weekly, on Monday, to the Authority's revenue collection accounts maintained at the BOT. All expenditures of the Authority are incurred within the approved limits in accordance with the approved annual budget.

2.12 Cash Flows

The Authority's cash flows can be analysed in the cash flow statement under three categories: cash flows from operating activities, cash flows from investing activities, and cash flows from financing activities. Note that cash flow analysis does not account for growth, as the cash flow statement reflects historical activity. Therefore, the Authority's cash flows analysis is summarised below;

a) Cash Flows from Operating Activities

The net cash flows from operating activities of TZS 8.0 billion (30 June 2024: TZS 7.3 billion), was derived as the difference between cash receipts amounting to TZS 47.2 billion (30 June 2024: TZS 38.1 Billion) from Water and Sewerage Service, New and Reconnection Fees, Fine and Penalties, and Other income; and payments amounting to TZS 39.1 billion (30 June 2024: TZS 30.7 Billion) for wages, salaries and employee benefits; Directors fees and other Board expenses; travelling, training and other facilitation expenses; services, supplies and consumable expenses; repairs and maintenance expenses; contribution to the Consolidated Fund; contribution and subscription to other bodies; and bank charges.

b) Cash Flows from Investing Activities

The net cash flows from investing activities of TZS 8.3 billion (30 June 2024: TZS 8.6 billion) were derived from cash capital expenditures, including the acquisition of property and equipment amounting to TZS 1.1 billion (30 June 2024: TZS 8.6 billion).

2.13 Liquidity

During the financial year ended 30 June 2025, the Authority managed its liquidity to ensure sufficient funds to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Authority's reputation. This was achieved through prudent liquidity management, including maintaining sufficient cash and cash equivalents and ensuring that receivables are settled within the 30-day grace period.

The Authority's current ratio for the financial year ended 30 June 2025, which measures the ability of current assets to meet short-term obligations (current liabilities), was 2.8 times (30 June 2024: 1.4 times). Moreover, the acid (quick) test ratio, which also measures the ability of current assets, without inventories, to meet short-term obligations (current liabilities), was 1.4 times (30 June 2024: 1.2 times). Thus, the Authority's Liquidity gap, which is the excess of current assets over current liabilities for the financial year ended 30 June 2025, was TZS 12.1 billion (30 June 2024: TZS 4.6 billion).

All of the above ratios, current ratio, acid test ratio and liquidity gap reveal that the Authority was able to fund its current liabilities when due.

However, going forward, due to changes in tariffs for Water and Sewerage services, the Authority expects a 10% increase in budgeted revenue for the 2025/26 financial year. On similar grounds, liquidity is expected to be affected by 10%. This will also affect the implementation of the planned activities for the 2025/26 financial year.

The Authority shall continue to monitor its current revenue sources and reduce unnecessary expenditure closely.

2.14 Key Performance Indicators

2.14.1 Key Performance Indicators Matrix

The Authority's Key Performance Indicators (KPIs) are reported based on the implementation of the Annual Plan and Budget derived from the Authority's Strategic Plan (2023/24-2027/28), 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 2025 has been clearly detailed in items (a) (General Financial Metrics), (b) (Industry Specific metrics) and (c) (Operational Efficiency). During the year under review, DUWASA performed well, particularly in increasing connections

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and maintaining water quality compliance, which aligns with the performance targets set by the Treasury Registrar.

However, areas for further improvement include increased investment in water supply and sewerage infrastructure to reach underserved 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: -

a) 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 returns to Stakeholders while delivering its core services.

Table 3: General Financial Metrics Performance

SN	Key Performance Indicators	Metric category	Descriptions	Benchmark	Indicator Target Value	Performance 2024/25	Weight
					2024/25	5	(%)
1	Current Ratio	Liquidity	Compares a company's current assets to current liabilities. (Current Assets/Current Liabilities)	02:01	1.3:1	2.8:1	2
2	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)	01:01	1.2	1.4:1	2
3	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)	01:01	1.1	01:01	1
4	Staff Cost to Total Costs	Efficiency	Proportion of employee costs to total costs during a year (Staff Cost /Total Operating Costs)	Max 40%	35%	23%	2
5	Operating Revenue	Efficiency	Calculated by subtracting the previous period's	Min 10%	13%	14%	2

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	Growth Rate		revenue from the current period's revenue, and then divide that number by the previous period's revenue. (Current period revenue - previous period revenue) / previous period revenue*100)				
6	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	20 days	2
7	Revenue per Employee	Efficiency	RPE measures the average revenue each employee contributes.	Use Sector Average as Benchmark	TZS.104,098,835	TZS.132,575,228	3
8	Cost to Income Ratio	Efficiency	Proportion of operating expenses to operating revenue	Max 60%	65%	53%	3
9	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 rather than its own resources.	Max 60%	9%	3.40%	1
10	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%	8%	3.30%	1
11	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	2.5 times	4 times	2
12	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	107Mill	50mill	1
13	Water user fee		% compliance to water user fee	Grow year over year as a	100%	100%	2

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				function increasing			
14	Direct Employment Created	Fiscal	Direct jobs that exist to produce goods and services needed by the institution.	Grow Year over Year as a function of increase in activity	72	65	2
15	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)	372	372	3
Total							29

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

b) Industry Specific Metrics

The metrics track the Authority's progress toward its core mandate. They are usually tracked against KPIs, which indicate whether DUWASA has achieved its planned goals.

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Table 4: Industry Specific Metrics Performance

SN	Key Performance Indicators	Metric category	Descriptions	Benchmark	Indicator Target Value 2024/25	Performance 2024/25	Weight (%)
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%	27%	34.68	6
2.	Average Hours of Supply	Water	Are the hours per day when a consumer can draw drinking water from the tap at their household connection or at a public standpost?	Desired period is 24 hours	13 hours	13 hours	8
3.	Operational Area Coverage Rate	Water	Measures the extent to which the community relates to water services	Min 80%	95%	92%	8
4.	Metering Ratio	Water	Measures the volume of water used	100%	100%	100%	8
5.	Collection Efficiency	Billing	Proportion of revenue collected compared to the total amount of billing during the year.	Min 95%	98%	94%	8
							38

Source: Treasury Registrar performance contract between the Treasury Registrar with water authorities Operational Efficiency

This criterion assesses how well the Authority performs its mandated functions with respect to time management, costs, and quality. It covers the following metric categories: People Management, Good Governance & Compliance, Customer Service, and Core Functions.

Table 5: Operational Efficiency Performance

SN	Key Performance Indicators	Metric category	Benchmark	Indicator Target Value 2024/25	Performance 2024/25	Weight (%)
i.	Employee satisfaction rate	People Management	Increase Year on Year	98%	98%	1
ii.	% of Staff Trained	People Management	100% implementation of Training Program	90%	80%	1
iii.	Employee Retention Rate	People Management	70%-80%	98%	98%	1

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SN	Key Performance Indicators	Metric category	Benchmark	Indicator Target Value 2024/25	Performance 2024/25	Weight (%)
iv.	% of grievance resolved	People Management	100%	99%	98%	1
v.	% of PLHA provided with care and support	People Management	100%	100%	100%	1
vi.	No of Sensitization Programs Conducted for (HIV), NCD and Mental Health	People Management	Min One (1) per year	1	1	1
vii.	Number of corruption cases reported	Good Governance & Compliance	Declining Year on Year	0	0	1
viii.	Audit Opinion	Good Governance & Compliance	Unqualified Audit opinion	Unqualified	Unqualified	1
ix.	% of audit findings resolved by the deadline	Good Governance & Compliance	100%	97%	65%	1
x.	Board Assessment Score	Good Governance & Compliance	Min 70%	90%	98%	1
xi.	Compliance with the Business Continuity Plan	Good Governance & Compliance	100%	50%	50%	1
xii.	% of Risks with Mitigations implemented	Good Governance & Compliance	100%	92%	75%	1
xiii.	Average response time in serving client	Customer Service	As per client service charter of the respective PSC (the lower the better)	5 to 7 hours	6 hours	1
xiv.	% of outreach programs implemented	Customer Service	100% of the Annual communication strategies	97%	95%	1
xv.	Customer satisfaction survey score	Customer Service	Min 80%	90%	75%	1
xvi.	Customer retention rate	Customer Service	100%	98%	100%	1
xvii.	% of customers complaints resolved on time	Customer Service	100%	98%	99%	1
xviii.	% of urban population with	Core Function	95%	93%	83%	2

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SN	Key Performance Indicators	Metric category	Benchmark	Indicator Target Value 2024/25	Performance 2024/25	Weight (%)
	access to safe and clean water					
xix.	Proportion of population connected with sewerage network (%)	Core Function	30%	25%	23%	2
xx.	Percentage (%) of new water connections	Core Function	Refer to SP / Annual Budget	90%	92%	1
xi.	Percentage (%) of operational equipment's (installations and maintenance equipment) availability	Core Function	100%	100%	100%	2
xii.	Average Revenue per Unit Produced	Core Function	Increasing Year on Year	995	1,366	1
xiii.	Down time	Core Function	- Within 24 hours. -As per Service Client Charter	24 hours	24 hours	1
xiv.	Percentage (%) of pending orders	Core Function	Max 5%	5%	5%	1
xv.	Average Cost per Unit Produced	Core Function	Total Cost of production divided by number of units produced (decreasing Year on Year)	610	567	1
xvi.	Wastewater quality compliance to standard	Core Function	100% (Proportion of samples passed for BOD5 and COD parameters.)	25%	25%	1
xvii.	Water quality compliance with standards	Core Function	100% (Proportion of samples passed for Turbidity and E-coli parameters)	100%	100%	1
						30

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

2.15 Corporate Governance Matters

2.15.1 Corporate Governance Statement

Corporate governance underpins the Authority's strategy and success by providing a framework for setting objectives, monitoring performance, and mitigating institutional risks. The Board is committed to integrity, transparency, and accountability, and is responsible for risk oversight, investment and financial decisions, performance reviews, and the maintenance of adequate internal controls. During the year, the Authority adhered to good governance principles covering Board operations, stakeholder engagement, ethics, accountability, risk management, and transparency.

2.15.2 Membership of Those Charged with Governance

The Board of Directors, established under Section 21 of the Water Supply and Sanitation Act, 2019, comprises the Chairman and nine other members, all appointed by the Minister responsible for water. The Managing Director serves as Secretary to the Board.

The current Board Chairman and Members were appointed on 22 February 2023. During its 1st Ordinary Meeting held on 9 March 2023, the Board elected a Vice Chairman from among its members. All Board Members actively served during the financial year under review, except for Mr John Lepesi Kayombo, who was appointed by H.E. Samia Suluhu Hassan, President of the United Republic of Tanzania, as Executive Director of Arusha City Council on 4 December 2024. His position on the Board was subsequently filled by Dr Frederick Sagamiko, appointed by the Minister responsible for water on the same date.

Table 6 below shows the Board members who served the authority during the financial year under review, and Table 6a shows the new Board members.

Table 6: Board Members and Board Secretary for the Year 2024/25

Name	Gender	Position	Nationality	Appointment Resignation	Qualification	Age	Meetings Attendance
Amb. Job Daudi Masima	Male	Chairperson	Tanzanian	22-Feb-23	Public Policy and Public Administration Master's Degree	66	5
Hon. Prof Davis George Mwamfupue	Male	Vice Chairperson	Tanzanian	22-Feb-23	Professor (Land Use Management)	69	5
Mr. Peter A. Mavunde	Male	Member	Tanzanian	22-Feb-23	Community Development	75	5

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Name	Gender	Position	Nationality	Appointment Resignation	Qualification	Age	Meetings Attendance
Dr. Joyce Nemes	Female	Member	Tanzanian	22-Feb-23	PHD in Education Management and Administration	51	5
Mr. Chavuma Harun Taratibu	Male	Member	Tanzanian	22-Feb-23	Certificate of Secondary Ordinary Level	65	5
Mr. John Lepesi Kayombo	Male	Member	Tanzanian	28-Jun- 23 To 04-Dec-24	Advanced Diploma in Accountancy and CPAT	47	1
Dr. Frederick Sagamiko	Male	Member	Tanzanian	4- Dec- 24	PhD in Public Health	49	4
Ms. Mary A. Ntira	Female	Member	Tanzanian	21-Sept-23	Bachelor of arts, political science and Public Administration (BA, PS&PA)	46	5
Kaspar K. Mmuya	Male	Member	Tanzanian	23-May-24	Master's in public administration	48	5
Eng. Aron Joseph	Male	Secretary	Tanzanian	22-Feb-23	MSc. In Engineering Management (Project Management)	41	5

Table 6a: Newly Appointed Board Members

Name	Gender	Position	Nationality	Appointment	Qualification	Age	Meetings Attendance
Dr. Frederick Sagamiko	Male	Member	Tanzanian	04-Dec-24	PHD in Public Health	49	4

2.15.3 Board Operations and Control

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The principle on appointment, composition, size and qualifications of Board members was observed by the appointing authorities; the Minister responsible for water on the appointment of the Board Chairman, and Members of the Board. These principles were observed as follows:

a) Diversity

The Board comprises members with diverse qualifications, expertise, and experience in the public sector, particularly the water sector. This diversity is reflected in variations in age, gender, professional backgrounds, and prior knowledge. Appointments were drawn from key public institutions and stakeholder groups, including the Ministry responsible for water, the Regional Administration, the District Executive Director, the Ward Councillors, representatives of large and small customers, women's groups, and the Chamber of Commerce.

b) Structure of the Board

To enhance value creation and operational effectiveness, the Board comprises up to ten members, including the Chairman and Secretary. It operates through key committees—Audit, Employment and Disciplinary, and Planning and Finance—each guided by formal charters outlining their terms of reference and oversight responsibilities. The Board ensures these committees are constituted adequately with members possessing the requisite skills and expertise to fulfil their mandates effectively.

c) The Power and Functions of the Board

According to section 12 (1) of the Water and Sanitation Act No of 2019, the Board is responsible and accountable for carrying out the functions and managing the business and affairs of the water authority and in particular shall-

- Advise the Minister on matters relating to water supply and management;
- Approve any business plan for the purposes of the water authority;
- Establish committees from its members for the purposes of the water authority and delegate any functions to any of those committees;
- Consider legislative proposals relating to water and the supply of it and recommend their enactment to the Minister;
- Give directions of any nature to the Managing Director; and
- Recommend to EWURA any changes to water tariffs and other charges made for the services provided by the water authority.

Furthermore, Section 12(2) - (4) of the Water Supply and Sanitation Act, 2019, the Board may, by written instrument, delegate specific functions, powers, or duties to employees or committees, subject to defined terms and conditions, while retaining the right to perform those functions itself. However, as per subsection (5), it may not delegate the approval of plans and budgets, the approval of the annual report or audited accounts, or the borrowing of funds.

d) The Board Independence

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The Authority assesses Board members' independence annually to ensure the Board consistently benefits from independent and objective judgment.

e) The Board Instruments

The Authority has developed the Board's Charter, 2024, in compliance with the requirements of the Treasury Registrar. The established Charters of the Board and its Committees guide the Board in its oversight role and planned activities. The Charters are reviewed as needs arise to address changes. Further, the Board develops an annual work plan and evaluation toolkit to ensure efficiency and effectiveness.

f) Governance on Audit

The Board continues to oversee Management's implementation of the CAG's recommendations made during the previous statutory audits of the financial reports. In addition, the Board continues to oversee Management's implementation of recommendations made by the Office of the Treasury Registrar following Management/Governance audits conducted on an annual basis.

i. Rights of the Government and the General Public

The Authority recognizes, respects and protects the rights of the Government and the general public through:

- Availing information on the Authority's performance by submission of quarterly performance reports to relevant Government authorities and publishing annual reports together with audited financial statements;
- Ensuring equitable treatment of all service providers and customers in discharging the Authority's functions;
- Ensuring that Government, Ministries and Regulator hold meetings with the Authority's Management, when required, to discuss any matter related to the Authority's performance or service delivery; and
- Engaging the media on the dissemination of the Authority's important information.

ii. Stakeholder Relations

The Board has identified six (6) categories of stakeholders: the Government, employees, creditors/suppliers, customers, society, regulators and policy-makers. Before making decisions, the Board considers the interests of all stakeholders to ensure stakeholder engagement is deliberate and planned. Furthermore, the Board wishes to ensure that communication with stakeholders is always transparent and effective.

iii. Ethics and social responsibility

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The Board has identified the following four ethical values, which underpin good governance in DUWASA, to guide its operation, decisions and actions

➤ **Responsibility**

The Board assumes responsibility for the Authority's assets and actions and is willing to take corrective action to keep the Authority on a strategic path that is ethical and sustainable.

➤ **Accountability**

The Board justifies its decisions and actions to the Government and other stakeholders.

➤ **Fairness**

The Board ensures that it considers the legitimate interests and expectations of all stakeholders; and

➤ **Transparency**

The Board discloses information in a manner that enables stakeholders to make an informed analysis of the Authority's performance and sustainability.

DUWASA abides by the laws, regulations, and policies that serve as a foundational guide to promoting integrity, professionalism, accountability, and transparency in the execution of its statutory mandate. The Code ensures that all activities and decisions of the Authority align with the highest ethical standards and comply fully with national laws, regulations, and policies governing the provision of water supply and sanitation services in Tanzania. The provisions of the Code are binding on the Board of Directors, Management, and all employees of the Authority and set clear expectations for ethical conduct, while reinforcing a zero-tolerance stance on corruption, conflicts of interest, and any form of misconduct.

iv. Risk Management, Internal Control and Accountability

The Authority maintains a continuous risk management and internal control process to ensure uninterrupted service delivery and the achievement of strategic goals. Guided by its Risk Management Framework and Policy, the Authority identifies and assesses potential risks, develops mitigation plans, and balances risks with opportunities to support informed decision-making and efficient resource use. Risk management is integrated into strategic planning and results-based management, with regular updates at all levels, including the head office and districts. Directors, Heads of Units, and Managers are accountable for implementing controls and addressing risks within their areas, while all staff contribute to the process as part of their daily work.

v. Transparency and disclosure

➤ **Policy on IT**

The Authority has developed various IT policies, so as to enable it to realise the digitization agenda. The policies provide in-depth coverage and guidance on IT-related matters such as: business continuity plan (BCP)/disaster recovery plan (DRP), Service Level Agreement (SLA) management, project management, server room management, database procedures, incident management, quality assurance, security procedures and software design, development and testing.

➤ **Policy on Procurement**

The Board encourages management to abide by the requirements of the Public Procurement Act, Cap 410 and its Regulations as amended, so as to:

- Promote best practices, transparency and professionalism in all acquisition processes within the Authority;
- Ensure that suppliers of goods and services are subjected to a competitive tendering process to achieve quality, price competitiveness and reliability;
- Ensure that all expenditures are incurred in accordance with the approved plan and budget and the annual procurement plan (APP); and
- Ensure compliance with applicable regulations and legislation.

➤ **Policy on Environmental Protection**

Environmental protection is a social and economic necessity and an integral component of sustainable development. Similarly, sustainable development is the central concept of environmental policy. Sustainable development means achieving a quality of life that can be maintained for many generations, as it is socially desirable, economically viable, and environmentally sustainable.

The Authority is committed to supporting the Government of Tanzania in ensuring that sustainable development is achieved through short-, medium-, and long-term social and economic growth. This will be achieved by observing the following:

- Coordinate implementation of the International Accounting Standard on sustainability issued by IFAC and ratified by the Government of Tanzania through NBAA, including the International Convention on environmental protection issued from time to time;
- Compliance with legislation on environmental protection, including the guidance of the National Environmental Management Council (NEMC) issued from time to time;
- Provide education and create awareness on protection of water source, protection of water and sewerage infrastructure and general environmental protection to the service providers, customers and other stakeholders.

2.15.4 Meetings of Those Charged with Governance

Dodoma Urban Water Supply and Sanitation Authority (DUWASA)

The Board is required to meet at least four times a year. Board meetings are held quarterly, with additional meetings convened as needed. During the financial year ended 30 June 2025, the Board held four (6) sessions, of which three (4) were ordinary, and two (2) were extraordinary.

The Board meetings, during the financial year under review, discussed and deliberated on the following main issues:

- Management to establish and execute effective strategies to minimize water loss and ensure the achievement of the 24% reduction target by 30 June 2025.
- Management to strengthen measures against water theft and to eliminate all defective water meters.
- Management to implement and close all audit issues raised by internal and external auditors
- Management to establish an effective and efficient strategy to collect all outstanding bills from all customers, including Government institutions
- Management to make a close follow-up to ensure that funds for completing all ongoing projects are obtained from the Ministry of Water, to ensure the timely completion of those projects
- Management to fasten the speed in securing title deeds for all the plots of land owned by DUWASA
- Management should closely follow up with the Ministry of Water to secure funding for compensation payments for the Kibaigwa Water source.
- Management should develop robust strategies to achieve the water production target of 95%

During the year, the Board came out with the following resolutions:

- Approving Annual Procurement Plan for the year 2025/26
- Approving Risk Management Framework
- Review of Management Performance and Operations for the year 2024/25
- Approving Authority budget for the year 2025/26
- Approving Water and Waste Water Monitoring Program

2.15.5 Committees of Those Charged with Governance

To ensure a high standard of good governance throughout the Authority, the Board formed three (3) Committees in compliance with Para 2.3.1 of the Water Supply and Sanitation Authorities Operational Guidelines of 2022. The formed Committees of those charged with governance are:

- Audit Committee
- Finance and Planning Committee
- Employment and Disciplinary Committee

However, the composition and details of the Board Committees and the number of meetings attended by the Chairman and members of the committee during the financial year ending 30 June 2025 are provided hereunder:

a) Audit Committee

The Board formed the Audit Committee on 9th March 2023 under Section 12 of the Water Supply and Sanitation Act No. 12 of 2009, Act No. 5 of 2019, and the WSSAs Operational Guidelines, 2022. The Committee comprises a chairman, two (2) members who are also Board Members, and one co-opted member who is a Certified Public Accountant.

The main functions of the Audit Committee are to assist the Board in its oversight responsibilities with respect to internal audit functions, internal control systems, internal and external audit reports, financial statements, risk management policy, and the implementation of the auditors' and the Parliamentary Accounts Committee (PAC) recommendations. The Audit Committee meets quarterly, with additional meetings convened as needed.

During the financial year ended 30 June 2025, the Committee held five (5) meetings: four (4) ordinary and one (1) extraordinary. The Members of the committee who served during the financial year ended 30 June 2025 are shown in Table 6 below:

Table 6b: Board's Audit Committee Members in 2024/25

Name	Gender	Position	Nationality	Appointment Resignation	Qualification	Age	Meetings Attendance
Dr. Joyce Nemes	Female	Chairperson	Tanzanian	22-Feb-23	PHD in Education Management and Administration	51	5
Mr. John Lepesi Kayombo	Male	Member	Tanzanian	28-Jun- 23 To 04-Dec-24	Advanced Diploma in Accountancy and CPAT	47	1
Dr. Frederick Sagamiko	Male	Member	Tanzanian	4- Dec- 24	PhD in Public Health	49	4
CPA. Gilbert Myonga	Male	Co-opted Member	Tanzanian	30-May-23	Masters of Arts in Accounting and Finance and CPAT	69	5

The main issues discussed and resolutions passed included:

- Approval of the 2025/26 Internal Audit Plan - Ensuring audit activities focus on priority risk areas and align with DUWASA's strategic objectives
- Reviewing and discussing the CAG report for the year 2023/24 and the implementation status of the previous year of the CAG Observation
- Review of Internal Audit Annual Report (IAAR) for the year 2024/25
- Review of 2024/25 Quarterly Internal Audit Reports - Considering audit findings, recommending corrective actions, and monitoring their implementation

Dodoma Urban Water Supply and Sanitation Authority (DUWASA)

- Endorsement of the 2023/24 Financial Statements - Confirming compliance with accounting standards and recommending the statements for Board approval.
- Evaluation of Management Performance Reports - Assessing progress against operational and financial targets, and advising on areas for improvement.

b) Planning and Finance Committee

The Board formed the Planning and Finance Committee (PFC) on 9th March 2023 under Section 12 of the Water Supply and Sanitation Act No. 12 of 2009, Act No. 5 of 2019, and the WSSAs Operational Guidelines, 2022. The Committee is composed of a chairman and two (2) members, who are also the Board Members.

The main functions of the PFC are to assist the Board in its oversight responsibilities regarding the Authority's finance and planning. This includes Strategic Planning, Annual Plans and Budgets; Annual Procurement Plans and Quarterly and Annual Performance Reports. The PFC meets quarterly, with additional meetings convened as needed. During the financial year ended 30 June 2024, the Committee held five (5) meetings, of which four (4) were ordinary, and one (1) was extraordinary. The Members of PFC who served during the financial year ended 30 June 2025 are shown in Table 6 below

Table 6c: Planning and Finance Committee

Name	Gender	Position	Nationality	Appointment Resignation	Qualification	Age	Meetings Attendance
Mr. Peter A. Mavunde	Male	Chairperson	Tanzanian	22-Feb-23	Community Development	75	5
Ms. Mary A. Ntira	Female	Member	Tanzanian	21-Sept-23	Bachelor of arts, political science and Public Administration (BA, PS&PA)	46	5
Eng. Aron Joseph	Male	Member	Tanzanian	22-Feb-23	MSc. In Engineering Management (Project Management)	41	5

The Planning and Finance Committee meetings, during the financial year under review, discussed and deliberated on the following main issues:

- The committee endorsed the authority budget and annual procurement plan for the year 2025/26
- The committee endorsed the Water and Waste Water Monitoring Program
- Management to establish and execute effective strategies to minimise water loss and ensure the achievement of the 24% reduction target by 30th June 2025.

Dodoma Urban Water Supply and Sanitation Authority (DUWASA)

- Management to strengthen measures against water theft and to eliminate all defective water meters.
- Management to establish an effective and efficient strategy to collect all outstanding bills from all customers, including Government institutions.
- Management to make a close follow-up to ensure that funds for completing all ongoing projects are obtained from the Ministry of Water to ensure the timely completion of those projects
- Management to closely follow up with the Ministry of Water to secure funding for compensation payments for the Kibalgwa Water source.
- Management to develop robust strategies to achieve the water production target of 95%

c) Employment and Disciplinary committee

The Board formed the Employment and Disciplinary Committee on 9th March 2023 under Sections 12 of the Water Supply and Sanitation Act No. 12 of 2009, Section 5 of Act No. 5 of 2019, and the WSSAs Operational Guidelines, 2022. The Committee is composed of a chairman and two (2) members, who are also the Board Members.

The primary function of the Committee is to assist the Board in reviewing all issues related to the administration, employment, discipline, and social welfare of the staff, and to propose to the Board appropriate measures. During the financial year ended 30 June 2024, the Committee held five (5) meetings: four (4) ordinary and one (1) extraordinary.

The Members of the committee who served during the financial year ended 30 June 2025 are shown in Table 6 below

Table 6d: Employment and Disciplinary Committee Members

Name	Gender	Position	Nationality	Appointment Resignation	Qualification	Age	Meetings Attendance
Hon. Prof Davis George Mwamfupe	Male	Chairperson	Tanzanian	22-Feb-23	Professor (Land use Management)	69	5
Kaspar K. Mmuya	Male	Member	Tanzanian	23-May-24	Master's in public administration	48	5
Mr. Chavuma Harun Taratibu	Male	Member	Tanzanian	22-Feb-23	Certificate of Secondary Ordinary Level	65	5

The Committee meetings, during the financial year under review, discussed and deliberated on the following main issues:

Dodoma Urban Water Supply and Sanitation Authority (DUWASA)

- Reviewing and advising the Board on DUWASA personnel establishments and personnel emoluments for the year 2024/25.
- Reviewing periodic Directorate/Units performances and advising the Board on areas for improvements, especially on the title deed acquisition task and insisting on automations of operations for accurate performance results. Board resolutions were implemented, and GIS, Leakage Management System and Production Management Systems were created and accommodated into DUWASA Operations.
- Reviewing and proposing to the Board on staff promotion and re-categorisation.
- Reviewing and proposing to the Board on filling of leadership positions for Head of Unit of Communication and Public Relations, Administration Manager and Director of Water Supply and Sanitation Services.

2.15.6 Management of the Authority

The Authority's overall responsibility is vested in a Board of Directors, while the Managing Director oversees the Authority's day-to-day affairs. Under the Managing Director, there are three Directorates, eight Units and three Zone Offices.

a) Directorates are;

- Water supply and Sanitation Management,
- Customer Services,
- Human Resource Management and Administration.

b) Units are;

- Finance and Accounts
- Internal Audit Unit
- Procurement Management Unit
- Legal Service Unit
- Planning, Monitoring and Evaluation Unit.
- Communication and Public Relations Unit.
- ICT and Statistics Unit

c) Zonal Offices are;

- Chamwino office
- Kibaigwa
- Kongwa office
- Bahi office

Dodoma Urban Water Supply and Sanitation Authority (DUWASA)

Table 7: Names and Positions of DUWASA Management Team

SN.	Name	Position	Date of Appointment	Qualification	Age
1.	Eng. Aron Joseph	Managing Director	10 December 2020	<ul style="list-style-type: none"> MSc. In Engineering Management (Project Management) 	41
2.	Eng. Benard Rugayi	Director of Water Supply and Sanitation Management.	11 March 2024	<ul style="list-style-type: none"> MSc. Hydrology & Water Resource Engineering (Water supply and sanitation Engineering) BSC in Civil Engineering ERB Registered 	45
3.	CPA. Leonard V. Challe	Director of Finance and Accounts.	05 March 2024 To 28 February 2025	<ul style="list-style-type: none"> Msc. Accounting and Finance Advanced Diploma in Accountancy CPA (T) 	48
4.	CPA. Hussein Ubbena	Acting Director of Finance and Accounts	01 March 2025	<ul style="list-style-type: none"> MBA (Accounting) CPA(T) BBA (Accounting & Finance) 	49
5.	Mr. Alex Maheri	Director of Procurement Management Unit	05 March 2024	<ul style="list-style-type: none"> Degree of Masters of Business Administration Bachelor Degree in Material Management Certified Procurement & Supplies Professionals (CPSP) 	53
6.	Lena Francis Mwakisale	Customer Service Director	05 March 2024	<ul style="list-style-type: none"> Master of Business Administration Bachelor Degree of Business Administration 	40
7.	MS Ritha John Mpiuka	Director of Human Resource Management and Administration	05 March 2024	<ul style="list-style-type: none"> Master Degree of Business Administration B.A Political Science & Public Administration. Proficiency for Human resources (PHR). 	43
8.	CPA. Lujuo Tadei Abdala	Chief Internal Auditor	01 Sept 2015	<ul style="list-style-type: none"> MSC. Finance CPA Advanced Diploma in Accountancy 	41
9.	Adv. Ayoub Mganda	Acting Head of Legal Services Unit	26 June 2023	<ul style="list-style-type: none"> Bachelor in LLB Registered Advocate 	46

Dodoma Urban Water Supply and Sanitation Authority (DUWASA)

SN.	Name	Position	Date of Appointment	Qualification	Age
10.	Rahel Mhando	Head of Communication and Public Relation Unit	04 February 2025	<ul style="list-style-type: none"> • Master of Art in Mass Communication • Bachelor degree of Arts in Mass Communication 	47
11.	Mr. Eliud Kitime	Head of ICT and statistics Unit	04 February 2025	<ul style="list-style-type: none"> • MSc-IT • Postgraduate in science computing Advanced Diploma in information technology 	40
12.	Mr. Jonathan Panjo Shenyagwa	Acting Head of Planning, Monitoring and Evaluation Unit.	29 Sept 2022	<ul style="list-style-type: none"> • Bachelor Degree of Arts in Economics 	37
13.	Mr George Mwakamele	Zonal Manager Chamwino	05 March 2024 to 10 January 2025	<ul style="list-style-type: none"> • Master Degree in Public Administration • Degree of Masters of Business Administration • PGD - Project Planning and Management • Bachelor of Arts in Cooperative Management and Accounting 	43
14.	Mr. Salum Haji	Acting Zonal Manager Kibaigwa	30 August 2023	Bachelor Degree in Business Administration	39
15.	Brian Festo Mzoke	Acting Zonal Manager Kongwa	10 July 2025	<ul style="list-style-type: none"> • Bachelor of Science in Environmental Engineering • Graduate Engineer 	45
16.	Winifrida Thadey Masawe	Acting Zone Manager Bahi	17 July 2024	<ul style="list-style-type: none"> • Bachelor of Business Administration in Marketing Management 	34
17.	Gray Alphonse Mbalikila	Acting Zonal Manager Chamwino	11 January 2025	<ul style="list-style-type: none"> • Bachelor of Engineering (Civil Engineering) 	31

Source: Authority organization structure

2.16 Appointment of Auditor

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 Section 10 of the Public Audit Act, Cap 418 (R.E 2021). In addition, Section 26(2) of the Water Supply and Sanitation Act designates the CAG as the statutory auditor for the Water Authorities, including DUWASA.

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

Dodoma Urban Water Supply and Sanitation Authority (DUWASA)

authorized to audit the Financial Statements of the Authority in collaboration with Controller and Auditor General.

2.17 Responsibility of the Auditor

The Controller and Auditor General (CAG) has a statutory responsibility to report to the Public through Parliament as to whether, in his opinion, the financial statements of the Authority present fairly the financial position, financial performance and cash flows for the year then ended in accordance with the International Public Sector, Accounting Standards (IPSASs), the Tanzania Financial Reporting Standard (TFRS 1) and in the manner required by the Water Supply and Sanitation Act of 2019 and the Public Finance Act, Cap. 348.

2.18 Statement of Responsibility by those Charged with Governance

Those Charged with Governance accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the financial statements, pursuant to section 26(1) of the Water Supply and Sanitation Act of 2019. Furthermore, Those Charged with Governance accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Public Sector Accounting Standards (IPSAS), the Public Finance Act, Cap. 348, NBAA's Pronouncements and the requirements of the Water Supply and Sanitation Act of 2019.

Therefore, Those Charged with Governance are of the opinion that the financial statements of the Authority give a true and fair view of the Authority's state of financial affairs and of its operating results for the year ended 30 June 2025.

2.19 Political and Charitable Donations

The Authority did not make any political donations during the year ended 30 June 2025. Donations were made as part of corporate social responsibility to institutions and charitable organizations to acknowledge the Authority's responsibility to community social needs. During the financial year ended 30 June 2025, the Authority spent TZS 31,310,000 (thirty-one million three hundred and ten thousand shillings) to support a number of social and economic development initiatives implemented throughout the area of jurisdiction. The list of beneficiaries on corporate social responsibility funds for the financial year 2024/25 is provided under Table 8 below: -

Table 8: Beneficiaries of Corporate Social Responsibilities Fund for 2024/25

S/N	Beneficiary's Name	Amount (TZS)	Purpose
1.	ATAWAS	14,400,000	Annual Fee
2.	Chama cha Wazee Dodoma Region	1,000,000	Preparations for Annual General Meeting.
3.	105 Pupils from seven Primary Schools - Kibaigwa Ward	3,100,000	Improving learning environment (Uniforms, exercise books, and Pencils)
4.	400 Secondary School Students from Kiwanja cha Ndege Secondary School.	2,510,000	Improving learning environment (Exercise books, and Pens)
5.	Regional Commissioner's Office	1,000,000	DUWASA's contribution to the preparations for the UMITASHUMITA competitions.
6.	Regional Commissioner's Office	1,000,000	DUWASA's contribution to the preparations for the UMISETA competitions.
7.	Chama cha Walemavu	300,000	Preparations for the Annual General Meeting
8.	Chama cha Wasioona	300,000	Preparations for the Annual General Meeting
9.	Regional Commissioner's Office	1,000,000	Contributions for the National Torch of Freedom relay

Dodoma Urban Water Supply and Sanitation Authority (DUWASA)

S/N	Beneficiary's Name	Amount (TZS)	Purpose
10.	District Commissioner's Office Dodoma	500,000	Contributions for the National Torch of Freedom relay
11	District Commissioner's Office - Kongwa	500,000	Contributions for the National Torch of Freedom relay
12.	District Commissioner's Office - Chamwino	500,000	Contributions for the National Torch of Freedom relay
13.	District Commissioner's Office - Bahi	400,000	Contributions for the National Torch of Freedom relay
14.	Taasisi ya Mwalimu Nyerere	1,000,000	Preparations for the Mwalimu Nyerere Conference.
15.	Shirika la Malezi Endelevu (SHIME)	300,000	Preparations for the Annual General Meeting
16.	Chama cha Watu wenye Ualbino	500,000	Preparations for the Annual General Meeting
17.	Regional Commissioner's Office	1,000,000	DUWASA's contribution to the International Women's Day - Dodoma Region.
18.	The Office of the Treasury Registrar	2,000,000	DUWASA's contribution to the International Women's Day - Nationally.

2.20 Employees' Welfare

2.20.1 Management and Employees' Relationship

A healthy relationship existed between Management and employees, represented by the Workers Union, TUGHE, and the Dodoma Branch, during the financial year. There was a harmonious relationship demonstrated during the Workers Council Meetings, where Management transacted with TUGHE leaders and employees' representatives. Generally, no unresolved complaints were received from employees during the year; periodic meetings between management and employees were held as scheduled.

2.20.2 Working Environment

Management believes that its employees should feel that being employed by DUWASA is a privilege and that working for DUWASA is an inspiring, personally elevating experience; consequently, it accepts co-responsibility for the development of each employee to their full potential. Career progress is based on individual initiative in fulfilling their responsibilities, complemented by the Authority. This encourages individual commitment to innovative thinking and professional expertise, resulting in rewards.

2.20.3 Opportunities and Fairness

Management is committed to providing equal opportunities for all employees, regardless of ethnicity, race, gender, disability, or religion. Management accepts that only through the total commitment, loyalty, and dedication of its employees will it achieve its performance targets.

2.20.4 Post-employment Benefits

All permanent employees of the Authority are members of PSSF except temporary and casual employees. The Authority contributes 15% of each employee's basic salary to the Fund on behalf of all permanent employees, and employees contribute 5% of their basic salary. The total contribution made to PSSF during the year was TZS 1.2 billion.

2.20.5 Medical Services

The Authority operates an insured (health benefit) plan for employees, their spouses, and up to four dependents. Contribution is paid to the National Health Insurance Fund (NHIF) upon successful registration of the employee to the Fund. The Authority's total contributions to NHIF during the year were TZS 0.2 billion, representing 6% of employees' basic salary. Contributions are shared equally: the Authority 3%, and the employee 3%.

2.20.6 Training

The Authority continually develop training programs to ensure employees are adequately trained at all levels. Employees may attend short- and long-term training programs, both locally and abroad, to upgrade their skills and advance their careers. During the financial year ended 30 June 2025, the Authority spent TZS 0.2 billion for training fees and allowances.

2.20.7 Financial Assistance to Employees

The Authority has established the Savings and Credit Co-operative Society (SACCOS) to provide staff loans and to guarantee employees who obtain loans from commercial banks.

2.21 Disabled Persons and Gender Balance

2.21.1 Disabled Persons

The Authority is an equal opportunity employer, and as a matter of policy, recruitment processes are transparent and competitive. In case of applications for employment by persons with disabilities, they will be considered, bearing in mind the aptitudes of the applicant concerned. If members of staff become disabled, every effort shall be made to ensure that their employment with the Authority continues and that appropriate training is arranged. It is the policy of the Authority that training, career development and promotion in the case of persons with disabilities should, as far as possible, be identical to that of other employees.

2.21.2 Gender Balance

The Authority is an equal opportunity employer and had 248 employees as at 30 June 2025. The increase in the number of employees was due to transfers from other public institutions to DUWASA and the recruitment of new employees on permits from the President's Office, Public Service Management and Good Governance. The Public Service Recruitment Secretariat undertook all recruitments. Out of 248 employees, 183 were male, and 65 were female, as shown below:-

Table 9: Gender Composition

Gender	30-Jun-25	Composition in percentage	30-Jun-24	Composition in percentage
Male	183	74	188	75
Female	65	26	62	25
Total	248	100%	250	100%

The Authority's recruitment policy is to provide equal opportunity to all people in the recruitment process to fill vacant employment posts. Thus, the Authority does not discriminate between male and female applicants for the vacant posts. In this regard, great care is taken when implementing the policy to ensure that education/professional qualifications, competencies and key attributes, which are the basic criteria for selection and appointment, are not compromised.

2.22 Prejudicial Issues

During the year ended 30 June 2025, the Authority did not encounter any matters of a prejudicial nature that could have negatively affected its operations, financial position, or reputation. The Board confirms that no events or circumstances arose which, in its opinion, would have materially impaired DUWASA's ability to discharge its mandate or achieve its strategic objectives.

2.23 Statement of Compliance

The Report by Those Charged with Governance is prepared in compliance with the new Tanzania Financial Reporting Standard No. 1 (TFRS No. 1), issued by the National Board of Accountants and Auditors (NBAA), and became effective on 1 January 2021. The Authority's financial statements have been prepared in compliance with the International Public Sector Accounting Standards (IPSASs) as issued by the International Public Sector Accounting Standards Board (IPSASB).

2.24 Future Performance of Significant Events after Reporting Date

The revenue collection process and targets for water and sanitation services will be significantly affected by the 10% tariff increase effective from August 2025. However, budgeted revenue for the 2025/26 financial year is likely to be under-collected by 6%, as collection efficiency is expected to remain at 94%. This will affect the implementation of the plan and budget for the 2025/26 financial year. Nevertheless, the Authority shall continue to closely monitor its current sources of revenue and enforce revenue collection from the public institutions to sustain implementation of its approved plan for the financial year 2025/26. There were no other significant events that could impact the Authority's future performance.

2.25 Authorization Date for Issue

These financial statements for the year ended 30 June 2025 were authorised for issue on or before 31 March 2026 by the Board of Directors, following the tabling of the Controller and Auditor General's annual audit report to the National Assembly of the United Republic of Tanzania.

3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The members charged with governance accept responsibility for the 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 provisions 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 internal control system has operated adequately throughout the reporting period, and the records and underlying accounts provide a reasonable basis for preparing the Financial Statements for the year ended 30 June 2025.

Procurement of goods, works, and consultancy and non-consultancy services to the extent that they are reflected in these financial statements has 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 all material respects of the operations of the entity fairly 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: 19/02/2026

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 Hussein M. Ubbena, being Certified Public Accountant with registration number ACPA 2892 and Ag. 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 2025 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: Ag. Director of Finance and Accounts


NBAA Membership No: ACPA 2892

Date:.....19/02/2026.....

5.0 FINANCIAL STATEMENTS

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025

DETAILS	NOTE	2024/25	2023/24
		TZS '000'	Re-stated TZS '000'
CURRENT ASSETS			
Cash Equivalents	4	642,711	903,245
Trade Receivables	5	3,860,900	4,970,562
Other Receivables	6	11,750,141	4,426,704
Inventories	7	2,670,834	1,303,868
		18,924,586	11,604,379
NON-CURRENT ASSETS			
Property, Plant and Equipment	10	149,142,138	150,345,241
Intangible Assets	8	122,694	143,143
Capital Work in Progress	11	30,632,872	27,603,071
		179,897,704	178,091,455
TOTAL ASSETS		198,822,290	189,695,834
CURRENT LIABILITIES			
Trade and Other Payables	9	6,354,517	6,599,257
Deposits by Ministry and Others	12	519,341	475,762
TOTAL LIABILITIES		6,873,858	7,075,019
		191,948,432	182,620,815
NET ASSETS			
Accumulated Surplus	13	144,109,875	134,782,258
Taxpayers' Fund	14	47,838,557	47,838,557
TOTAL NET ASSETS		191,948,432	182,620,815



 Amb. Job Daudi Masima
 Chairperson of the Board

Date: 19/02/2026




 Eng. Aron Joseph
 Managing Director

Date: 19/02/2026

Dodoma Urban Water Supply and Sanitation Authority (DUWASA)

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2025

DETAILS	NOTES	2024/25 TZS '000'	2023/24 TZS '000' Re-stated
INCOME			
Revenue from exchange transactions	15	32,800,394	28,883,191
Revenue from non-exchange transactions	16	13,297,141	13,148,346
Other Income	17	<u>891,974</u>	<u>2,435,793</u>
Total Income		46,989,509	44,467,330
EXPENSES			
Water Production Expenses	18	7,181,417	6,426,404
Distribution Cost	19	6,267,787	6,560,569
Sewerage Expenses	20	547,233	630,652
Other Operating Expense	21	17,036,107	15,684,121
Depreciation Expenses	22	6,530,711	6,880,025
Amortization Expenses	22	20,449	20,449
Finance Cost	23	78,188	20,420
Total Expenses		<u>37,661,892</u>	<u>36,222,640</u>
Net Surplus/Deficit) during the year		<u>9,327,617</u>	<u>8,244,690</u>



 Amb. Job Daudi Masima
 Chairperson of the Board



 Eng. Aron Joseph
 Managing Director

Date: 19/02/2026

Date: 19/02/2026

Dodoma Urban Water Supply and Sanitation Authority (DUWASA)

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

DETAILS	Accumulated Surplus/(Deficit)	Taxpayers' Fund	Total
Re-stated	TZS '000'	TZS '000'	TZS '000'
<u>As at 1 July 2023</u>	126,537,568	47,838,557	174,376,125
Net surplus /(deficit) for the year (Re-stated)	8,244,690	0.00	8,244,690
As at 30 June 2024	134,782,258	47,838,557	182,620,815
<u>As at 1 July 2024</u>	134,782,258	47,838,557	182,620,815
Net surplus /(deficit) for the year	9,327,617	0.00	9,327,617
As at 30 June 2025	<u>144,109,875</u>	<u>47,838,557</u>	<u>191,948,432</u>



Amb. Job Daudi Masima
Chairperson of the Board

Date: 19/02/2026




Eng. Aron Joseph
Managing Director

Date: 19/02/2026

Dodoma Urban Water Supply and Sanitation Authority (DUWASA)

CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

DETAILS	NOTE	2024/25 TZS '000'	2023/24 Re-stated TZS '000'
Cash Flow from Operating Activities			
Cash Received	26	47,203,469	38,055,811
Cash Paid to Suppliers and Employees	25(ii)	(39,106,595)	(30,756,802)
Net Cash from Operating Activities		<u>8,096,874</u>	<u>7,299,009</u>
Cash Flow from Investing Activities			
WIP-own source	11	(3,546,521)	(759,051)
WIP-payments from Parent Ministry	11	(3,686,228)	(6,249,718)
Deposits			
Purchase of Property, Plant and Equipment	10	(1,124,659)	(1,550,799)
Net Cash Flows Used in investing Activities		<u>(8,357,408)</u>	<u>(8,559,568)</u>
Net increase/decrease in Cash and Cash Equivalents		<u>(260,534)</u>	<u>(1,260,551)</u>
Cash and Cash Equivalents at 1 July		903,245	2,163,804
Cash and Cash Equivalent at 30 June		642,711	903,245



 Amb. Job Daudi Masima
 Chairperson of the Board



 Eng. Aron Joseph
 Managing Director

Date: 19/02/2026

Date: 19/02/2026

Dodoma Urban Water Supply and Sanitation Authority (DUWASA)

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2025

Budget approved	Original budget	Adjustment	Final budget	Actual Amount in comparable basis	Difference	Percentage of Difference	Reasons
	[A]	[B]	[C=A-B]	[D]	E=[C-D]	F=[E/C]	NOTE
	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	%	
<u>Receipts</u>							
Revenue from exchange transactions	45,085,395	0	45,085,395	33,051,021	12,034,374	27	(A)
Revenue from non-exchange transactions	3,732,717	0	3,732,717	855,307	2,877,410	75	(B)
Grant and other transfer receipts	67,575,480	0	67,575,480	13,297,141	54,278,339	80	(C)
Total receipts	116,393,592	0	116,393,592	47,203,469	69,190,123	59	
<u>Payments</u>							
Water Production Expenses	7,761,955	0	7,761,955	7,181,417	580,538	7	(D)
Distribution Cost	7,237,666	0	7,237,666	6,267,787	969,879	13	(E)
Sewerage Expenses	431,731	0	431,731	547,233	(115,502)	27	(F)
Operating Expenses	19,049,745	2,515,608	21,565,353	17,076,173	4,489,180	21	(C)
Financial expenses	4,811,831	0	4,811,831	78,188	4,733,643	98	
Additional WIP and Purchase of assets	9,525,184	454,901	9,980,085	4,127,857	5,852,228	59	(H)
Grant and other transfer payments	67,575,480	(2,970,509)	64,604,971	12,464,021	52,140,950	76	(G)
Total payments	116,393,592	2,970,509	116,393,592	47,742,676	68,650,916	59	
Net cash outflow		0		(539,207)			



 Amb. Job Daudi Masima
 Chairperson of the Board



 Eng. Aron Joseph
 Managing Director

Date: _____

Date: _____

5.1 Explanation for Material Variations

5.1.1 Original and Final Budgets

Authority budget is prepared on cash basis using a classification based on function and covers the same period (01 July 2024 to 30 June 2025) as the financial statements. The Authority budget was approved by the Board of Directors. The budget and financial statements are prepared using different basis. 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 amounts 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 49 billion from own sources, up to June 2025 the authority successful made revenue amounting to TZS 34 billion which is reflecting the underperformance by 30% of budgeted revenue. Main reasons are 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 down beyond planned budget by 75% due to a high budgeted income from non-exchange transaction as compared to the previous year. This was also due to a decrease in a number of identified cases/incidents of water theft and other related illegal activities by our customers resulted from strengthening of the inspection in collaboration with Police Force.

Note C:

Grants and other transfer Declined by 80%. Planned budget was 68 billion compared to TZS 13 billion actual amount received to implement several Water Projects but there were no funds received up to 30 June 2025. This caused some of the projects to delay including Improvement of Sewerage project in Dodoma City.

Note D:

Water production expense has gone down by 7% due to cost reclassification after the review, electricity costs was found to have been transferred to distribution costs.

Note E:

There is favorable variance of 13% which was due to an decrease in cost of repair and maintenance of water distribution infrastructures, caused by establishment of the NRW reduction campaign in all areas

Dodoma Urban Water Supply and Sanitation Authority (DUWASA)

Note F:

Repair and maintenance of sewerage network has decreased due to a good sewerage system developed to ensure environmental conservation.

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.

6 NOTES TO THE FINANCIAL STATEMENTS

6.1 Establishment and Principal Activities

6.1.1 Establishment of the Authority

The Dodoma Urban Water Supply and Sanitation Authority (DUWASA) is an autonomous water utility legally responsible for delivering water supply and sewerage disposal services to urban residents of Dodoma City. The Authority was established under section 3(i) of the 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 the water sector on 13 February 1998, and was officially inaugurated on 1 July 1998.

DUWASA is a body corporate with perpetual succession and common seal, as such it can sue or be sued, acquiring, holding and investing in movable and immovable properties, borrowing and lending and entering into any lawful contract or other transaction

The Head Office address of the Authority during the year was:

Mkapa Road, Plot No. 9 Block B,
NICC Link (Mlimani),
P.O. Box 431, Dodoma.
[Tel:+255 262324245/2321179](tel:+255262324245/2321179),
Fax No. +255262320060
Email: md@duwasa.go.tz/info@duwasa.go.tz
Website: www.duwasa.go.tz.

6.1.2 Principal Activities of the Authority.

Under Section 15(1) of the Water Supply and Sanitation Act of 2019, DUWASA is responsible for the efficient and economical provision of water supply and sanitation services to the authorised areas within its jurisdiction.

6.2 Statement of Compliance

The Authority's financial statements have been prepared in accordance with and comply with the International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board (IPSASB). The Report of Those Charged with Governance has been prepared in accordance with the requirements of the Tanzania Financial Reporting Standard (TFRS) No. 1, issued by the National Board of Accountants and Auditors (NBAA).

6.3 Summary of Significant Accounting Policies

The Authority's financial statements are prepared and presented in compliance with the accrual basis of IPSASs. The significant accounting policies outlined below have been consistently applied throughout the year.

6.3.1 Basis of 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 is historical cost, and the subsequent measurement is at cost, less accumulated depreciation and accumulated impairment. The Report of Those Charged with Governance has been prepared in accordance with the requirements of the Tanzania Financial Reporting Standard (TFRS) No. 1, issued by the National Board of Accountants and Auditors (NBAA).

The preparation of financial statements is in conformity with IPSAS, which requires the use of estimates and assumptions. The standards also require management to exercise judgment in applying the Authority's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed separately in the notes.

However, Budget preparation is on an accrual basis, where forecast revenue equals forecast expenditure.

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

6.3.2 Reporting Period

The reporting period for these financial statements is the financial year of the Authority which runs from 1 July 2024 to 30 June 2025.

6.3.3 New Standards on issue not yet adopted by DUWASA

- a) **New standards that are not yet effective and have not been early adopted are as follows:**
- i. **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.

- ii. **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:
- 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
- iii. **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 the principles in IPSAS 17, Property, Plant, and Equipment, by adding guidance on heritage assets and infrastructure assets, and on the measurement of property, plant, and equipment. The standard applies to PPE used to develop or maintain biological assets related to agricultural activities other than bearer plants; to mineral rights and mineral reserves, such as oil, natural gas, and similar non-regenerative resources; and to the recognition and measurement of exploration and evaluation assets.
- iv. **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.
- v. **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 single-source revenue accounting guidance for the public sector that presents two accounting models based on the existence of a binding arrangement. This new standard provides focused guidance to help entities apply the principles for accounting for public-sector revenue transactions. To meet this objective requires an entity to consider the terms of the 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.

- vi. **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 principles 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 transactions.
- vii. **IPSAS 49, Retirement Benefit Plans**, the effective date of IPSAS 49 is 1 January 2026, with earlier application permitted. IPSAS 49 provides a principles-based approach to the accounting of retirement benefit plans, providing a complete view of their financial activities, assets, and obligations. This increased transparency is intended to strengthen public financial management and improve informed decision-making. The objective of this standard is to prescribe the accounting and reporting requirements for public-sector retirement benefit plans that provide retirement benefits to public-sector employees and other eligible participants.

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

6.3.4 Other Applied Accounting Policies

a. Foreign Currency Transactions

i. Functional and Presentation Currency

Items included in the financial statements of DUWASA are measured using the currency of the primary economic environment in which DUWASA operates (“the functional currency”). The financial statements are presented in Tanzanian Shillings (TZS’000).

ii. Transactions and Balances

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing on the transaction dates. Foreign exchange gains and losses arising from the settlement of such transactions and from translating monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are to be reported in the statement of financial performance. However, in this financial year, DUWASA has had no foreign-currency-denominated transactions.

b. Revenue Recognition

i. Revenue from exchange transactions

Exchange transactions are transactions in which the Authority receives assets or services, or has liabilities extinguished, and directly gives approximately equal value primarily in the form of cash, goods, services, or use of its assets to another entity in exchange.

ii. Rendering of services

The Authority recognises revenue from the rendering of services under the same revenue stream as water consumption and sewerage services when the customer enjoys the services, and the meter reading has been captured to determine the units consumed.

iii. Revenue from non-exchange transactions

• **Fines and Penalty**

The Authority recognises revenues from fees and penalties when the event occurs, and the asset recognition criteria are met. Other non-exchange revenues 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.

• **Transfers from other government entities**

Revenue from non-exchange transactions with other government entities is measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property), if the transfer is free from conditions. It is probable that the economic benefits or service potential related to the asset will flow to the group and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, a grant liability is recognized instead of revenue.

• **Other transfers**

Other transfers include gifts and donations (including goods-in-kind). These 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.

• **Property, Plant and Equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost includes expenditure that is directly attributable to the acquisition of the items.

Items of property, plant and equipment are recognized as assets if, and only if, it is probable that the future economic benefits or service potential associated with the item will flow to the entity, and the cost or fair value of the item can be measured reliably.

Repairs and maintenance are recognized in the Statement of Financial Performance during the financial period in which they are incurred.

The Authority de-recognizes items of property and equipment upon disposal or when no future economic benefits or service potential is expected from its continuing use.

The gain or loss arising on derecognition of an item of property, plant and equipment is included in the Statement of Financial Performance, unless IPSASs requires otherwise on a sale and leaseback.

The assets' residual values and useful lives are reviewed and, if appropriate, adjusted prospectively at the end of each reporting period.

i. Depreciation

Land is not depreciated; however, one of the fundamental principles of the Land Policy that has been incorporated in the Land Act, 1999, is that when one is assessing compensation of land, one of the factors to consider is the market value of the land or a real property

Depreciation on assets is charged on a straight-line basis over the asset's useful life. Depreciation is charged at rates calculated to allocate the cost of the asset less any estimated residual value over its remaining useful life, as shown below;

Table 11: The depreciation rates

Asset Category	Annual rate
Land	0.0%
Buildings	2.0%
Motor Vehicles, Light, and Motorcycles	17.0%
Motor Vehicles, Heavy, Plant, 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%

The assets' residual values, useful lives and depreciation method are reviewed at the end of each reporting period and adjusted prospectively, where appropriate. In addition, the Authority stops charging depreciation on an asset when carrying amount equals its residual value.

c. Intangible Assets

i. Recognition

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with a finite useful life are assessed for impairment whenever there is an indication that the asset may be impaired.

ii. Amortization

Expenditure which enhances and extends the intangible assets beyond their original specification and life is recognised as a capital improvement and added to the original cost of the intangible assets. Those costs recognised as assets are amortised using the straight-line method over their useful lives, estimated at three years.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on an intangible asset with a finite life is recognized in the Statement of Financial Performance as the expense category that is consistent with the nature of the intangible asset.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Financial Performance when the asset is derecognised.

d. Impairment of Non-Financial Assets

Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recovered.

An impairment loss is recognised when the carrying amount of the assets exceeds their recoverable service amount. An asset's recoverable service amount is the higher of the non-cash generating asset's fair value less costs to sell and its value in use. In assessing value in use, the Authority has adopted the restoration cost approach, as it is appropriate given the nature of the assets. Under this approach, the present value of the asset's remaining service potential is determined by subtracting the estimated restoration cost from the current cost of replacing the asset's remaining service potential, before impairment.

In determining fair value less costs to sell, the price of the assets in a binding arrangement in an arm's-length transaction, adjusted for incremental costs directly attributable to the disposal of the asset, is used. If there is no binding agreement, but the asset is traded on an active market, the fair value less cost to sell is the asset's market price less the cost of

disposal. If there is no binding sale agreement or an active market for an asset, the group determines fair value less cost of sale on the basis of the best available information.

Impairment losses are recognized in the Statement of Financial Performance in the period in which they are incurred.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such an indication exists, the Authority estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Financial Performance unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

e. Financial assets

i. Initial recognition and measurement

Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments or available-for-sale financial assets, as appropriate. The Authority determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognized on the trade date, i.e., the date that the Authority commits to purchase or sell the asset. The Authority's financial assets include cash and; trade and other receivables;

ii. Subsequent measurement

The subsequent measurement of financial assets depends on their classification

iii. Loans and receivables

Recognition: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

De-recognition: 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:

- The rights to receive cash flows from the asset have expired or is waived
- 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.

iv. Impairment of financial assets

The Authority assesses, on each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include the following indicators:

- Debtors or a group of debtors are experiencing significant financial difficulty.
- Default or delinquency in interest or principal payments.
- The probability that debtors will enter bankruptcy or other financial reorganisation.
- Observable data indicate a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults)

f. Financial liabilities

i. Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through surplus or deficit, or loans and borrowings, as appropriate. The Authority determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs. The Authority's financial liabilities include trade and other payables and provisions.

ii. Subsequent measurement

The measurement of financial liabilities depends on their classification. Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through surplus or deficit. Gains or losses on liabilities held for trading are recognized in surplus or deficit.

iii. De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability, and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

iv. Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts, and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

g. Cash and Cash Equivalent

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 (3) months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

For the purposes of Statement of Cash flows, cash is comprised of cash on hand and deposits held at call with banks. Cash equivalents are short term deposits with original maturities of three (3) months or less.

h. Inventories

DUWASA maintains inventories for its water production, transmission, and distribution infrastructure maintenance, as well as for sales to 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 a weighted-average basis and comprises all purchase costs, conversion costs (materials, labour, and overhead), and other costs to bring inventory to its present location and condition, but not foreign exchange differences and selling costs. Trade discounts, rebates, and similar items are deducted when determining purchase costs. 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.

i. Provisions

Provisions are recognized when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic

benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Authority expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

j. Creation of General Reserve and other Reserves

During the financial year under review, the Authority did not have a formal arrangement for setting aside a portion of revenue to create a general reserve or other specific reserves as deemed appropriate. However, the net annual surplus as reported in the Statement of Financial Performance was transferred to the general reserve through the Statement of Changes in Net Asset.

k. Trade Receivables

Trade receivables are recognized initially at fair value and subsequently measured at value less provision for expected credit loss. Trade receivables from water supply and sanitation services are recognised on issuance of monthly bills (invoices) and shall be receivable within 30 days.

Settlement of receivables beyond 30 days shall not be subjected to penalty as per legislations and/or tariffs. Specific provision shall be made in the financial statements against trade receivables considered to be doubtful of recovery.

l. Employee Benefits

The Authority has a defined-contribution plan 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 future payments is available.

m. Accounts Payable

Accounts payable are obligations 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 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 and subsequently measured at amortized cost using the effective interest method.

n. Related Parties

The Authority regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Authority, or vice versa. Members of key management are regarded as related parties and comprise the Board Members and Senior Management employees. Related party transactions are disclosed under Note 31 of the Financial Statement for the year under review.

o. Budget Information

The authority budget is prepared on a cash basis, classified by function, and covers the same period (01 July 2024 to 30 June 2025) as the financial statements. The Board of Directors approved the Authority budget. 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 nature in the Statement of Financial Performance, whereas the budget was prepared on a cash basis. The amount in the financial statement was re-casted from the accrual basis and reclassified by presentation to be made on the cash basis.

p. Capital Work in Progress

Capital Work in Progress represents the accumulated costs of property, plant, and equipment projects that were still under construction or development as at the reporting date. These assets are not yet available for use and will be reclassified to the appropriate asset category upon completion and commissioning. Capital Work in Progress is initially recognized at cost, which includes all direct costs related to construction and any other costs necessary to bring the asset to the condition necessary for its intended use. No depreciation is charged on assets under construction. Upon completion, the total accumulated cost is transferred to the relevant class of property, plant, and equipment, and depreciation commences in accordance with the Authority's depreciation policy.

q. 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.

6.4 Significant Judgements 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 affected in future periods.

6.4.1 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 based on historical experience and other factors, including expectations about future events that are reasonable under the circumstances.

6.4.2 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 the parameters available at the time the financial statements were prepared.

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

6.4.3 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: -

- The condition of the asset based on the assessment of experts /professional valuers engaged by the Authority;
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- The nature of the processes in which the asset is deployed;
- Availability of funding to replace the asset;
- Changes in the market in relation to the asset;
- Impairment of financial assets; and
- 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 had 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 for the information on impairment.

6.4.4 Impairment of non-financial assets

An impairment exists when the carrying amount of an asset or a 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 of similar assets in arm's length transactions, or on observable market prices, less incremental costs of 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 has not yet committed to or significant future investments that will enhance the cash-generating unit's performance 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.

6.4.5 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 sourced from observable markets where possible; where this is not feasible, judgment is required to establish fair values. The judgments consider inputs such as liquidity risk, credit risk, and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

6.5 Going Concern

Management has assessed the ability of the Authority to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Authority's ability to continue as a going concern. Therefore, the financial statements are prepared on the going concern basis.

6.6 Financial Risk Management

6.6.1 Financial Risk

The Authority's activities are potentially exposed to a variety of financial risks, including credit risk and the effects of changes in foreign currency exchange rates. The Authority's overall risk management programme takes into account the unpredictability of foreign exchange rate trends and seeks to minimise potential adverse effects on its financial performance.

6.6.2 Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, affect the Authority's income, expenditure, or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on the risk. This risk includes the following:

i. Foreign exchange risk

The Authority has some exposure to foreign currency exchange risk, as some of the projects, specifically the project for the implementation of Nzuguni Sewer, are financed through a loan from EDCF-Korea. However, this exposure does not result in a significant risk of foreign currency as the payment to the consultant is settled by EXIM Bank Korea directly to the Korean Consultant within a fairly short time when the certificate is due.

ii. Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Authority does not have long-term deposits or borrowings; thus, the statement of financial performance is not highly affected by changes in market interest rates.

iii. Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to meet its obligations, causing the other party to incur a financial loss. The Authority is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. However, the Authority does not consider there to be any significant concentration of credit risk; therefore, it mitigates credit risk by maintaining cash and cash equivalents with preferred financial institutions.

Dodoma Urban Water Supply and Sanitation Authority (DUWASA)

(a) The Authority's maximum exposure to Credit Risk as at 30 June 2025 is as shown below:

Financial Assets:	2024/25	2023/24
	TZS'000	TZS'000
Cash and Cash Equivalents	679,410	947,261
Trade Receivables	6,845,291	7,093,334
Total Financial Assets	7,524,701	8,040,595

(b) Credit Risk by Counterpart

Financial Assets	Private Institutions	Household	Government	BoT	Commercial Bank	Total
Cash and Cash Equivalents	-	-	-	267,845	411,565	679,410
Trade Receivables	1,024,743	2,603,208	3,257,285	-	-	6,885,236
Total	1,024,743	2,603,208	3,257,285	267,845	411,565	7,564,646

(c) Financial Assets by Credit Quality

Financial Assets	Neither Past Due Nor Impaired	Past Due But Not Impaired	Credit Impaired
Cash and Cash Equivalents	679,410	-	-
Trade Receivables	-	3,632,233	3,213,058
Total	679,410	3,632,233	-3,213,058

6.6.3 Liquidity Risk

Liquidity risk is the risk of the Authority not being able to meet its obligations as they fall due. The Authority's approach to managing liquidity risk is to ensure sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or damaging the Authority's reputation.

The Authority manages its liquidity risk to ensure it can meet estimated expenditure requirements under the approved budget, using cash flow forecasts. This is achieved through prudent liquidity risk management, which includes maintaining sufficient cash and cash equivalents. Furthermore, the Authority strives to ensure that receivables are settled within 30 days after the due date, and payables are settled within 30 days of invoice.

SN	financial Asset	Total (TZs) 000,	Between 1 and 12 months	between 12 and 24 months	above 36 months
1	Cash & cash equivalent	679,410	679,410	-	-
2	Trade receivables	6,885,236	624,273	2,884,020	3,376,943

Dodoma Urban Water Supply and Sanitation Authority (DUWASA)

NOTE 4: CASH AND CASH EQUIVALENT AS AT 30 JUNE 2025

DETAILS	2024/25 TZS '000'	2023/24 TZS '000'
CRDB - Main 01J1081566700	141,446	32
CRDB - Admin 01J1081566701	356	31,683
CRDB - Develop. 01J1081566703	25,246	125
CRDB - Project - 01J1082706200	223,925	97,961
NBC - Revolving 029103000880	1,842	20
Petty Cash	855	17
Loan Servicing A/C 01J1083106001	28	51
NMB Collection A/C 51706600174	120	1,126
NMB expenditure A/C - 53010000293	4,310	581
BOT Deposit Account-9925261601	267,845	809,343
TIB Corporate	1,562	1,562
Tanzania Postal Bank-223208000001	-	1,341
Kibaigwa Bank Balance	-	-
Kibaigwa Expenditure Account	11,875	3,384
Equity Bank-3009211625555	-	35
TOTAL	679,410	947,261
Provision for impairment of cash and cash equivalent		
Provision for ECL Cash and cash equivalent	44,016	47,967
Decrease/Increase in Impairment	(7,317)	(3,951)
As at 30 June 25	36,699	44,016
NET BALANCE AS AT 30 JUNE 2025	642,711	903,245

NOTE 5: RECEIVABLES FROM EXCHANGE TRANSACTIONS

DETAILS	2024/25 TZS '000'	2023/24 TZS '000'
Receivables from Exchange Transactions	6,845,291	7,093,334
Provision for impairment of receivables		
Provision for bad debt/Expected credit loss (ECL)	(2,122,772)	(3,554,047)
Increase/decrease in Provision for bad debt.	(861,619)	1,431,275
As at 30 June	(2,984,391)	(2,122,772)
NET BALANCE AS AT 30 JUNE 2025	3,860,900	4,970,562

NOTE 6: RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

DETAILS	2024/25 TZS '000'	2023/24 TZS '000'
Advance to Contractors	10,616,898	2,586,335
Unretired imp rests by staff	38,499	-
Ministry receivable	1,034,027	1,792,245
Prepayment	60,717	48,124
TOTAL	11,750,141	4,426,704

Dodoma Urban Water Supply and Sanitation Authority (DUWASA)

NOTE 7: INVENTORIES

DETAILS	2024/25 TZS '000'	2023/24 TZS '000'
Pipes and Fittings	2,200,686	1,119,728
Water Meters	597,942	322,415
Stationeries	95,448	45,451
Electrical Equipment	61,374	61,374
Lubricant	3,885	3,140
Building materials	2,738	11,790
Water chemical	-	85,856
Working Tools	7,057	7,208
Spare parts Motors Vehicle & Cycles	120,731	89,270
Gross Total	3,089,861	1,746,232
Less Provision for slow-moving and obsolete stocks		
As at 1 st July 2024	442,364	334,665
Increase/(Decrease) in provision	(23,337)	107,699
As at 30 June 2025	419,027	442,364
NET BALANCE AS AT 30 JUNE 2025	2,670,834	1,303,868

NOTE 8: INTANGIBLE ASSETS

DETAILS	2024/25 TZS '000'	2023/24 TZS '000'
As at 1 July, Intangible Asset	163,592	155,902
Addition	-	7,690
As at 30 June 2025	163,592	163,592
Amortization		
As at 1 July 2024	(20,449)	-
Amortization charge for the year	(20,449)	(20,449)
Accumulated Amortization	(40,898)	(20,449)
As at 30 June 2025	122,694	143,143

NOTE 9: TRADE AND OTHER PAYABLES

DETAILS	2024/25 TZS '000'	2023/24 TZS '000'
Trade payable	6,001,287	5,374,477
VAT Payable	-	276,466
Other Payable - Customer Payable/ staff	326,213	689,501
Withholding tax on goods	14,369	-
Withholding Tax on Services	12,648	-
EWURA Payable	-	27,060
Retentions Account	-	231,753
TOTAL	6,354,517	6,599,257

Dodoma Urban Water Supply and Sanitation Authority (DUWASA)

NOTE 10. 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 2024	13,191,564	5,004,832	2,180,890	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
Addition OWN					1,043,336		30,200	51,123					1,124,659
Capitalization of Asset		170,471			641,734					1,578,523		1,812,221	4,202,949
As at 30 June 2025	13,191,564	5,175,303	2,180,890	31,656,606	35,796,860	28,884,583	1,668,230	1,376,550	8,397,985	56,119,695	12,491,877	12,983,530	209,893,673
DEPRECIATION													
Opening balance As at 1 July 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	1,497,543	2,616,558	54,220,824
Charge for the year	-	98,069	67,170	596,701	1,840,906	589,987	81,320	96,840	695,262	1,585,901	489,504	389,051	6,530,711
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation As at 30th June 2025	-	857,837	1,344,847	8,412,614	13,615,062	3,737,106	1,048,336	1,037,807	4,226,415	21,278,855	2,187,047	3,005,609	60,751,535
NET BOOK VALUE													
Carrying Amount As at 30 June 2025	13,191,564	4,317,466	806,043	23,243,992	22,181,798	25,147,477	619,894	338,743	4,171,570	34,840,840	10,304,830	9,977,921	149,142,138
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

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NOTE 11. CAPITAL WORK IN PROGRESS

SN.	Project descriptions	Restated Opening Balance 1st July 2024	Capital Grants Received 2024/25	Grants received 2024/25	Own & Others Sources to the projects	Sub Total	Less: Capitalized Project	Balance as at 30 June 2025
		TZS '000'		TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'
1	Farkwa Water Project	8,181,463		921,818	1,261	9,104,542	-	9,104,542
2	Nzuguni Water Project	5,216,397			300	5,216,697		5,216,697
3	Magufuli city water & sewer project	1,215,101		-	205	1,215,306	-	1,215,306
4	Kongwa / ibwaga water project	952,554		-	-	952,554	952,554	-
5	Rehabilitation of sewerage network area C& D	3,774,787		-	-	3,774,787	-	3,774,787
6	Chamwino Ikulu Water & Sewer Projects	1,229,530		-	41,265	1,270,795	-	1,270,795
7	Zuzu and Nala water project	507,199		1,025,223	-	1,532,422	622,199	910,223
8	Bihawana boreholes project	268,154		-	-	268,154		268,154
9	Improvement of water supply Chamwino	609,022		246,989	25,258	881,268	-	881,268
10	Improvement of water supply dodoma town	642,810		845,036	387,833	1,875,679	1,014,120	861,559
11	Extension of water supply in dodoma town	815,930			2,924,108	3,740,038	682,503	3,057,535
12	Improvement of Dodoma sewerage project	3,358,552	547,162	-	-	3,905,715	-	3,905,715
13	Bihawana Borehole	268,254						268,154
13	Kibaigwa/ndurugumi water project	831,573		100,000	-	931,573	931,573	-
14	New DUWASA office building Project	-		-	21,159	21,159	-	21,159
15	Bahi office building project	-		-	59,974	59,974	-	59,974
16	Kibaigwa office building	-		-	85,158	85,158	-	85,158
	Balance as at 30/06/2025	27,603,071	547,162	3,139,066	3,546,521	34,835,821	4,202,949	30,632,872

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- During the financial year 2023/24, the Norplan Water and Sewer Project operated as an independent project, closing the year with a balance of TZS 752,602,000. In the subsequent financial year 2024/25, the project was integrated into the Magufuli City Project. This integration followed a comprehensive study conducted by Norplan on water and sewerage demand for Dodoma City and Chamwino Town. The outcomes of the study facilitated the implementation of the Magufuli City Water and Sewer Project.
- The Economic Development Cooperation Fund (EDCF), through Exim Bank of Korea, provided a concessional loan to support the implementation of the Nzuguni Sewer Project. The Government of Tanzania secured the loan following a bilateral agreement with the Government of Korea during the 2023/24 financial year. The project officially commenced in the same year, marking the beginning of construction activities and initial disbursements, including advance payments to contractors. The objective of the project is to enhance sewerage infrastructure in the Nzuguni area, thereby improving sanitation services and supporting the broader urban development agenda in Dodoma City.

NOTE 12. DEPOSITS BY MINISTRY & OTHERS

DETAILS	2024/25	2023/24
	TZS '000'	TZS '000'
Deposit by the Ministry of Water	12,464,021	475,762
Amortized grant	(11,944,680)	-
Deferred Government Grant	519,341	475,762

NOTE 13: ACCUMULATED SURPLUS

DETAILS	2024/25	2023/24
	TZS '000'	TZS '000'
As at 1 st July 2024	134,782,258	126,537,568
Net surplus/(Loss) for the year	9,327,617	8,244,690
TOTAL	144,109,875	134,782,258

NOTE 14. TAXPAYERS' FUND

DETAILS	2024/25	2023/24
	TZS '000'	TZS '000'
As at 1 July	47,838,557	47,838,557
As at 30 June 2025	47,838,557	47,838,557

The taxpayers' Fund represents the value of the total Net Assets transferred from the government of the United Republic of Tanzania at the inauguration of the Dodoma Urban Water Supply and Sanitation Authority on 1 July 1998.

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NOTE 15: REVENUE FROM EXCHANGE TRANSACTIONS

DETAILS	2024/25 TZS '000'	2023/24 TZS '000'
Water Consumption	27,715,899	24,365,545
EWURA levy	277,159	0
Sewerage Disposal Charges	2,191,263	1,817,659
Sludge Disposal	30,248	94,346
New Water Connections Fee	2,484,058	2,373,871
Sewerage Connection Fees	101,767	231,770
TOTAL	32,800,394	28,883,191

NOTE 16: REVENUE FROM NON-EXCHANGE TRANSACTIONS

DETAILS	2024/25 TZS '000'	2023/24 TZS '000'
Grant revenue from MOW (note 24)	12,464,021	8,497,469
Grant from VEI (capital grants)	285,958	-
EDCF Grant (capital grants)	547,162	4,650,877
TOTAL	13,297,141	13,148,346

NOTE 17: OTHER INCOME

DETAILS	2024/25 TZS '000'	2023/24 TZS '000'
Water Reconnection Fees	267,560	157,605
Tozo /Meter damage Income	293,617	283,906
Line maintenance Income	102,285	264,990
Other receipts/income	93,641	48,209
Gain on income from provision for slow-moving items	23,337	-
Unblocking Sewer	1,564	-
Application for Tender Documents	12,086	-
Miscellaneous Receipt	12,086	200,284
Illegal connection fines	-	1,938
Fines, penalties & Forfeiture	20	200
Water Theft Fee	2,875	1,475
Meter Theft Fees	3,250	-
Unclaimed fund /staff Imprest	3,893	1,895
Asset Disposal Income	75,760	-
Sub Total	891,974	960,502
Income from provisions	-	1,475,291
TOTAL	891,974	2,435,793

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NOTE 18: WATER PRODUCTION EXPENSES

DETAILS	2024/25 TZS '000'	2023/24 TZS '000'
Electricity for water Production	6,831,225	6,102,528
Water chemical /Treatment and Lab cost	121,693	82,655
Repair and maintenance Water Production infrastructure	207,547	161,083
Water User Fee/Wami Ruvu Basin Hardship Allowance/Working tools - Production	7,500 13,452	9,600 70,538
TOTAL	<u>7,181,417</u>	<u>6,426,404</u>

NOTE 19: DISTRIBUTION EXPENSES

DETAILS	2024/25 TZS '000'	2023/24 TZS '000'
Electricity for Water Distribution	2,257,421	2,434,769
Maintenance of Distribution Machineries	351,026	180,738
New Water Connections Expenses	1,640,363	1,750,574
Maintenance of Water Pipelines	2,005,410	1,919,689
Working Tools- Water distribution network	13,567	274,799
TOTAL	<u>6,267,787</u>	<u>6,560,569</u>

NOTE 20:SEWERAGE EXPENSES

DETAILS	2024/25 TZS '000'	2023/24 TZS '000'
Repair/Maintenance of Sewerage Infrastructure	476,917	525,956
Environmental Fees - NEMC	5,400	25,743
New Sewerage	50,759	26,954
Working Tools - Sewerage	-	5,764
Customer Survey - Sewerage	14,157	46,235
TOTAL	<u>547,233</u>	<u>630,652</u>

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NOTE 21: OPERATING EXPENSES

DETAILS	2024/25	2023/24
	TZS '000'	TZS '000'
Employees' Benefit (Note 20.1)	10,038,597	9,673,519
Administration Expenses (Note 20.2)	2,158,193	2,266,390
Other Expenses (Note 20.3)	4,839,317	3,744,212
TOTAL	17,036,107	15,684,121

NOTE 21.1: EMPLOYMENT BENEFITS

DETAILS	2024/25	2023/24
	TZS '000'	TZS '000'
Basic Salary	5,939,663	5,789,957
Wages	906,469	724,422
Employer's contributions NSSF/PSSSF	874,102	874,733
Reimbursement of staff fuel Expenses	473,170	325,523
Other staff incentives	32,000	-
House allowance	275,375	262,695
Travelling on leave allowance	96,815	18,583
Transport allowance	66,436	79,510
Acting allowance	8,892	151,101
Subsistence Allowance	117,095	62,169
Medical & Burial Expenses	221,539	230,832
Extra duty allowance	397,845	297,841
Skills Development Levy (SDL)	227,647	259,081
Workers Compensation Funds (WCF)	32,521	34,099
Terminal benefit and gratuity expenses	52,886	162,713
Utility allowance (water and electricity)	223,846	235,290
Bonus/performance allowance	74,975	164,970
National Insurance Corporation (NIC)	-	-
Staff Salary Arrears	17,321	-
TOTAL	10,038,597	9,673,519

NOTE 21.2 ADMINISTRATION EXPENSES

DETAILS	2024/25	2023/24
	TZS '000'	TZS '000'
Land/Office Rent & Rates	71,083	102,236
Postage & Courier Charges	2,447	2,144
Telephone Charges (Landline)	23,009	-
Insurance-Motor Vehicle/Cycles Licenses	32,722	35,920

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Office Stationeries	61,792	195,609
Office Fuel for motor vehicles and cycles	512,735	540,478
Computers Stationery and Consumables	47,080	88,714
Computer & software maintenance expenses	6,635	45,300
Electricity for Office	39,928	36,948
Office Water/Sewerage Disposal Expenses	53,023	103,218
Office Running Cost/Office General Expense	560,207	465,325
Security Expenses	747,532	650,498
TOTAL	2,158,193	2,266,390

NOTE 21.3: OTHER EXPENSES

DETAILS	2024/25	2023/24
	TZS '000'	TZS '000'
Public Relations Communications/Education Expenses	328,668	230,313
Workers Council Meeting	59,220	86,146
Staff Training Costs	215,099	260,078
Training allowance	109,400	40,225
Audit Fees	92,000	152,522
Consultation Fees	52,202	9,740
Internet & Website Hosting Expenses	127,535	136,306
Annual report calendar and news paper	-	8,567
Seminars & Conferences expenses	61,273	35,016
AWEC Contributions and meeting Expenses	-	4,000
Management Meeting	141,562	89,516
Fire Fighting & Fumigation Expenses	19,485	14,369
Upkeep of Public Garden / Monuments	10,200	17,716
Tender Board meeting/Activities Expenses	31,670	53,118
May Day (Workers Day)	33,985	6,100
Donation to Public and NGO's Events	10,910	7,615
Maji Week Expenses	8,000	1,150
Nane expenses	47,900	530
Repair & Maintenance Motor vehicles & Motorcycles	241,807	481,755
Previous periods Adjustments for Impairment	-69,446	-3,934
Repair & Maintenance- Building	86,862	334,369
Board Meeting & Activities Expenses	119,451	184,586
Mobile charges	474,328	381,034
Travelling on duty (per diem domestic)	574,301	440,665
Budget and Business Planning	37,825	36,427
Staff Uniform Expenses	83,194	147,085

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Entertainment and Hospitality	285,874	256,648
Receivable Collection Expenses	139,433	158,773
Provision for slow moving item	-	107,699
Office working tools cost	12,732	3,934
Subscription Fees	49,518	18,145
Ewura Fee	253,218	-
Creditors / Supplies Debts	310,112	-
ECL Expense	861,619	-
TOTAL	4,839,317	3,744,212

NOTE 22: DEPRECIATION AND ARMOTIZATION EXPENSES

DETAILS	2024/25	2023/24
	TZS '000'	TZS '000'
Depreciation from water production assets	3,883,028	4,040,280
Depreciation from water distribution assets	1,186,688	1,292,599
Depreciation from sewerage	1,184,766	1,323,901
Depreciation from operational assets	276,229	223,245
Sub-total	6,530,711	6,880,025
Amortization of Intangible Asset	20,449	20,449
TOTAL DEPRECIATION AND ARMOTISATION EXPENSES	6,551,160	6,900,474

NOTE 23: FINANCIAL COST

DETAILS	2024/25	2023/24
	TZS '000'	TZS '000'
Bank Charges	28,188	20,420
Contribution to consolidated fund	50,000	-
TOTAL	78,188	20,420

NOTE 24: MOVEMENTS OF MINISTRY FUND MADE DURING THE YEAR 2024/25

SN.	Project descriptions	Opening balance	Grants received during the year	Amortized Grants during the year	Closing balance
		TZS '000'	TZS '000'	TZS '000'	TZS '000'
1	Kongwa / lbwaga water project	-	28,182	-	28,182
2	Zuzu,Nala water project	475,762	318,888	794,650	-
3	Nzughuni water Project	-	888,791	772,927	115,864
4	Improvement of Water Supply in Dodoma City	-	956,230	845,036	111,194

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SN.	Project descriptions	Opening balance	Grants received during the year	Amortized Grants during the year	Closing balance
		TZS '000'	TZS '000'	TZS '000'	TZS '000'
5	Improvement of water Supply in Chamwino Ikulu	-	261,628	246,989	14,639
6	Farkwa Water Project	-	1,033,505	1,033,505	-
7	Chamwino Statehouse Water & Sewer Project	-	100,000	100,000	-
8	Government City Water and Sewer Project	-	7,789,518	7,540,056	249,462
9	Kibaigwa/ Ndurugumi water project	-	100,000	100,000	-
10	UDOM Water Project	-	225,558	225,558	-
11	VEI grant to project		285,959	285,959	
	TOTAL	475,762	11,988,259	11,944,680	519,341

NOTE 25 OPERATING CASH FLOW RECONCILIATION DETAILS

	2024/25 TZS '000'	2023/24 TZS '000'
i NET SURPLUS FOR THE YEAR	9,327,617	8,244,690
Adjustment non-cash items		
Depreciation for the year	6,551,160	6,900,474
Gain on income from provision for slow moving items	23,337	107,699
Income not involving movement of cash	(833,127)	(4,723,947)
Decrease/(Increase) in Provision for Cash & Cash Equiv.-ECL	(7,317)	(44,016)
Decrease /(Increase) in Provision for bad debt -ECL	861,619	(1,431,275)
Net adjustment	6,595,672	808,935
Operating Profit Before Working Capital Changes:	15,923,289	9,053,625
Changes in operating asset and liabilities		
(Increase)/Decrease in Inventories	(1,343,629)	(349,905)
(Increase)/Decrease in Other receivables	(7,283,371)	(1,060,310)
(Increase)/Decrease in Trade receivables	1,109,662	396,888
(Increase)/Decrease in Trade & Other payable	(244,740)	902,583
Increase/(Decrease) Deposit by Ministry & Other	(43,579)	(1,663,000)
Prior Period Receivables & Other Adjustments	(70,449)	40,065
Increase/(Decrease)Current Portion of Long-term Loan	-	(20,937)

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Increase/(Decrease)in Prepayments	49,691	
Total changes	(7,826,414)	(1,794,681)
Net cash provided by operating activities	<u>8,096,874</u>	7,299,009

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ii. RECONCILIATION OF CASH PAYMENT

DETAILS	2024/25 TZS '000'	2023/24 TZS '000'
Water production Expenses	7,181,417	6,426,404
Distribution Expenses	6,267,787	6,560,569
Sewerage Expenses	547,233	630,652
Operating Expenses	17,036,108	15,684,121
Depreciation Expenses	6,551,160	6,900,474
Financial Expenses	78,188	20,420
Total Expenses	37,661,893	36,222,640
Less: Non - Cash items		
Depreciation & Amortization	(6,551,160)	(6,900,474)
Decrease /Increase in Provision for bad debt -ECL	(861,619)	(147,764)
Total Non - Cash items	(7,412,779)	(7,048,238)
Actual cash payments	30,249,114	29,174,402
Movement of working capital		
Increase in inventories	1,343,629	349,905
Increase in payables	244,740	(902,583)
Increase in Prepayments	12,592	35,770
Increase /(Decrease) Other receivables	7,283,371	415,371
Increase/ (Decrease) Long term Loan	16,728	20,937
Decrease payables Deposits by Ministry and Others	(43,579)	1,663,000
Net movement of Working capital	8,857,481	1,582,400
NET CASH PAYMENT	39,106,595	30,756,802

NOTE 26: RECONCILIATION OF CASH RECEIPTS

DETAILS	2024/25 TZS '000'	2023/24 TZS '000'
Opening Balance in receivables from exchange and non-exchange transactions	8,885,579	8,673,298
Revenue from exchange transactions	32,800,394	28,883,191
Revenue from non-exchange transactions	12,464,021	8,497,469
Other Income	868,637	960,502
Closing balance in trade and other receivables	(7,815,162)	(8,885,579)
Customers cash refund	-	(73,070)
Total Receipts	47,203,469	38,055,811

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NOTE 27: ACTUAL CASH COLLECTIONS FROM OWN SOURCES FOR THE YEAR 2024/25

PERIOD

	2024/25	2023/24
	TZS '000'	TZS '000'
July	2,481,669	2,479,261
August	2,783,768	2,242,660
September	2,637,230	2,444,677
October	3,010,819	2,601,135
November	2,620,358	2,520,617
December	2,871,782	2,236,178
January	2,922,024	2,502,743
February	2,515,841	1,957,657
March	3,088,554	2,495,842
April	2,515,926	2,342,543
May	3,216,069	2,841,276
June	3,309,267	3,169,680
TOTAL	<u>33,973,307</u>	<u>29,834,269</u>

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NOTE 28: MINISTRY RECEIVABLES FOR THE YEAR 2024/25

S/N.	Project descriptions	Opening balance as at 1 July 2024	Addition receivables for 2024/25	Ministry payments during the year	Ministry Receivable balance as at 30 June 25
		TZS '000'	TZS '000'	TZS '000'	TZS '000'
1	Kongwa /Kibwaga water project	28,487	-	-	28487
2	Rehabilitation of sewerage network area C& D	-	-	-	0
3	Zuzu and Nala water project	-	230,573	-	230,573
4	Chamwino Statehouse water & sewer project	136,517	-	100,000	36,517
5	Nzughuni Water Project	1,593,880	-	888,791	705,089
6	Improvement of water supply in Chamwino town ship	14,639	-	-	14639
7	Improvement of water supply in Dodoma town	18,722	-	-	18722
	Balance as at 2024/25	1,792,245	230,573	988,791	1,034,027
	Balance as at 2023/24	1,183,076	4,964,969	3,349,317	1,792,245

NOTE 29.0 RELATED PARTY TRANSACTIONS

Transfer of resources and/or obligations between related parties in DUWASA during the year ended 30 June 2025 included the following:

I. Board Expenses

The Board of Directors is the body of appointed members that jointly oversees the Authority's activities. Their expenses are set out below:

DETAILS	2024/25	2023/24
	TZS '000'	TZS '000'
Board Meetings and Related Expenses	119,451	90,553
Directors Fees	<u>103,358</u>	<u>94,033</u>
TOTAL	<u>222,809</u>	<u>184,586</u>

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:

DETAILS	2024/25	2023/24
	TZS '000'	TZS '000'
Short-term employee benefits	23,567	18,230
Key Management Staff (11 management members)	<u>1,003,100</u>	<u>985,415</u>
Total	<u>1,026,667</u>	<u>1,003,645</u>

NOTE 30.0 PRIOR PERIOD ADJUSTMENTS

Prior period adjustment represents initial costs incurred on Nzuguni Sewerage Project Omitted from the Financial Statements of the previous Financial Year as per Note 11 (2) which is financed by EDCF.

The Economic Development Cooperation Fund (EDCF), through Exim Korean bank, provided a concessional loan to support the implementation of the Nzuguni Sewer Project. The loan was secured by the Government of Tanzania following a bilateral agreement with the Government of Korea during the 2023/24 financial year. The project officially commenced in the same year, marking the beginning of construction activities and initial disbursements, including advance payments to contractors. The objective of the project is to enhance sewerage infrastructure in the Nzuguni area, thereby improving sanitation services and supporting the broader urban development agenda in Dodoma City.

NOTE 31.0 RESTATEMENT OF FINANCIAL STATEMENTS

In the financial year 2023/2024, the Dodoma Urban Water and Sewerage Authority (DUWASA) received a capital grant from the Ministry of Water through Exim Korea Bank to implement the Nzuguni Sewerage Project aimed at enhancing the sewerage network in Dodoma City.

The capital grant was designated for compensating project consultants involved in the preparation of tender documents, drawings, and other essential materials. These funds were disbursed directly by Exim Korea Bank to the contractor. Unfortunately, this transaction was not recorded in our financial statements for the year ended 2023/2024.

To ensure consistency in our reporting, we have decided to restate the financial statements for 2023/2024 to include these transactions. For further details, please refer to Note 6 and Note 16 in the notes to the financial statements. The components of the financial statements affected by this restatement include:

- Statement of Financial Position
- Statement of Financial Performance
- Cash Flow Statement
- Statement of Changes in Equity
- Statement of Comparison of Actual vs. Budget

The second reason for the restatement involved a mathematical error related to the adjustment of cash and cash equivalents. The provision for impairment of cash and cash equivalents for the year was incorrectly deducted from the total cash and cash equivalents figure. The correct adjustment should have reflected a total provision during the year of TZS 44,016,000, rather than the erroneously charged amount of TZS 3,951,000. This error resulted in an overstatement of the net balance of cash and cash equivalents, which should have been TZS 903,245,000 instead of TZS 943,310,000.

Please refer to the table below for clarification of restatement

		Restated	Adjustment	Origin
	DETAILS	2023/24		2023/24
	RECEIVABLES FROM NON-EXCHANGE TRANSACTION	TZS '000'		TZS '000'
i	Advance to Contractors (EDCF fund)	2,586,355	1,915,067	671,267
ii	WORKING IN PROGRESS			
	Improvement of Dodoma sewerage project	3,358,552	2,735,810	622,742
	TOTAL	5,944,887	4,650,877	1,294,009

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iii	REVENUE FROM NON-EXCHANGE TRANSACTION	Restated		
	DETAILS	2023/24 TZS '000'		2023/24 TZS '000'
	Grant revenue from MOW (note 24)	8,497,469		8,497,469
	EDCF Grant (capital grants)	4,650,877	4,650,877	-
	TOTAL	13,148,346	4,650,877	8,497,469

NOTE 32.0 CONTINGENT LIABILITY

For the year 2024/25, the Authority had no case in different tribunals and courts in the United Republic of Tanzania (URT).

NOTE 33.0 COMPARATIVES

The comparative figures have been regrouped in order to make them comparable with the current year's figures.

NOTE 34.0: EVENTS AFTER THE REPORTING DATE

Events after the reporting period, according to IPSAS 14, are a standard that addresses how DUWASA should handle and disclose events occurring after the end of a reporting period but before the financial statements are authorised for issue. This standard ensures transparency and reliability in financial reporting by guiding how to adjust or disclose events that could significantly affect the financial statements, including both favourable and unfavourable events that could occur between the reporting date and the date when the financial statements are authorised for issue. There are two types of events as follows.

- Adjusting event, these provide evidence of conditions that existed at the reporting date and necessitate adjustments to the financial statements
- Non-adjusting event these Indicative of a condition that arose after the reporting date and disclosure, but no adjustments to the financial statements

Management has not identified any events after the reporting date that would require disclosure or adjustment in these financial statements.

NOTE 35: COMMITMENT AT YEAR END

In accordance with IPSAS 17 Property Plant and Equipment, the entity discloses commitments for the acquisition of Property Plant and Equipment that existed at the reporting date

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DUWASA has no other significant contractual commitments for Property Plant and Equipment which were outstanding at the year end. However DUWASA has the following outstanding transactions balances with various government institutions has shown below;

Duwasa Transactions With Government Institutions

S/N	Names Of Institutions	Payable Amount
1	TanESCO	52,555,426
2	Wami Ruvu	140,191,014
3	Suma Jkt Security Construction Ltd	30,703,828
4	Dodoma City Council	23,789,468
5	Ewura	75,787,357
6	Suma Jkt Security Guard	156,702,483
	Total Payables	479,729,576
S/N	Names Of Institutions	Receivables Amount
1	M/S. Gereza Kuu Isanga	368,857,210
2	M/S Gereza La Msalato	112,382,152
3	General Hospital	77,704,146.73
4	M/S Benjamini Mkapa Hospital	29,078,209.62
5	National Housing Mtumba	20,293,588.50
6	Mirembe Main Hospital	18,000,566.64
7	Wizara Ya Kilimo-02	50,529,289.70
8	Mkurugenzi Wa Huduma Za Serikali	15,616,489.05
9	TanESCO Mkoa Wa Dodoma	4,344,961.90
10	Chamwino Dc	3,616,890.80
11	Mkurugenzi Wa Jiji Dodoma	3,187,076.91
	Total	703,610,582