



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



MTWARA 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 2023

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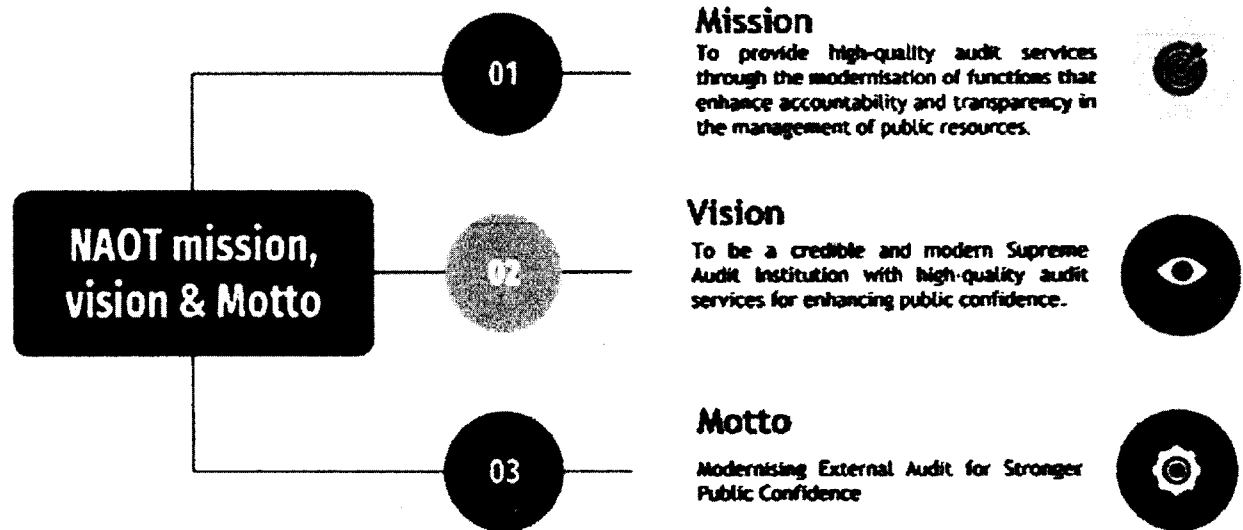
February 2024

AR/PA/MTUWASA/2022/23

About the National Audit Office

Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10 (1) of the Public Audit Act, Cap 418[R.E 2021]



Independence and objectivity

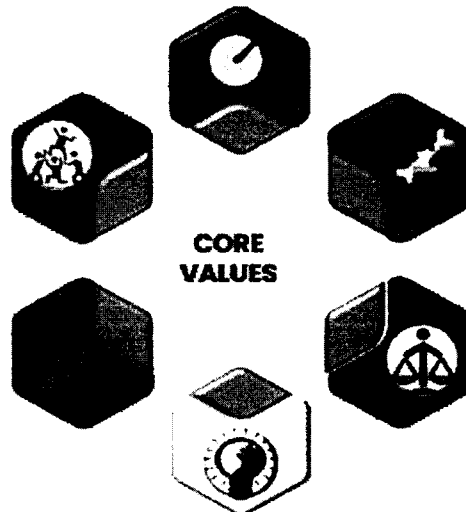
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

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



Professional competence

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

Integrity

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

Creativity and Innovation

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

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Abbreviations

IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
MTUWASA	Mtwara Urban Water Supply and Sanitation Authority

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairman,
Board of Directors,
Mtwara Urban Water Supply and Sanitation Authority,
P.O. Box 141,
MTWARA.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

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

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Mtwara Urban Water Supply and Sanitation Authority as at 30 June 2023, 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 Mtwara 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. These matters were addressed in the context of my audit of financial statements as a whole and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

No.	Key audit matter	How my audit addressed the key audit matter *
1.	<p>Persistent rise of Non-Revenue Water (NRW).</p>	
	<p>The amount of water produced was 4,585,970 Units (m³), however, the amount of water billed to consumers was 2,403,601 Units (m³), resulting in non-revenue water of 47.6% which is underperformance than the Treasury Registrar's performance contract which allowed NRW with standard of maximum 20% and under performance with respect of the Water Supply and Sanitation Act which allowed NRW with standard of maximum 27%.</p> <p>This matter became significant to my audit since the high NRW translates to potential revenue losses for MTUWASA, impacting its ability to invest in infrastructure upgrades and service delivery and indicates inefficiencies in the water distribution system, including leaks, unauthorized connections, and inaccurate metering.</p>	<p>I made consultation with the MTUWASA Audit board committee, the Board of directors, Technical department and Commercial department to address this matter. The work to address key audit matter as follow:</p> <ul style="list-style-type: none"> • Evaluating the production and distribution water meters used in the water supply network. • I analyzed the production and distribution records for year under review to ascertain accuracy. • I passed through 40% of the water network to ascertain the leakages. • I have also visited customer water meters in the zones to ensure that most meters are well maintained. • Tested the Internal Controls within the billing system, and customer's records. • I analyzed the plotted customers along water supply network. • I have used the formulae proposed by Treasury Registrar (TR) to determine the non-revenue water percentage • I finally substantiated the comparison between standard water supplied, billed and loss established. • Communicated the matter to the Audit Committee and the board in their respective meetings.

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are, therefore, the key audit matters. I describe these matters in my audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

In addition, Section 10 (2) of the Public Audit Act, Cap 418 [R.E 2021] requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, Cap 41Q [R.E 2022] requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

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

Conclusion

Based on the audit work performed, I state that, except for the matters described below, procurement of goods, works and services of Mtwara Urban Water Supply and Sanitation Authority is generally in compliance with the requirements of the Public Procurement laws.

Non publication of award notification of 11 tenders worth TZS 7,903,986,705 in TANePS and Journal

Regulation 236 of Public Procurement Regulations, 2013 requires the results of tender awards to be published in the Journal and TANePS (Tender Portal) on regular basis. Contrary to the cited regulation, Mtwara Urban Water Supply and Sanitation Authority awarded 11 tenders worth TZS 7,903,986,705 without publishing the awards notification in the TANePS (Tender Portal) and the Journal.


1.2.2 Compliance with the Budget Act and other Budget Guidelines

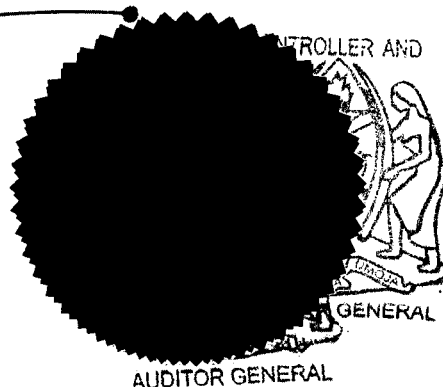
Subject matter: Budget formulation and execution

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

Conclusion

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


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



2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023

2.1 INTRODUCTION

Those charged-with governance have the pleasure to submit their report and audited financial statements for the year ended 30 June 2023 which disclose the state of affairs of Mtwara Urban Water Supply and Sanitation Authority (MTUWASA)

2.2 BACKGROUND

Mtwara Urban Water and Sanitation Authority (MTUWASA) is autonomous water utility organization authorized to offer water supply and Sanitation disposal services in the urban part of the Mtwara Municipal. It was established under water works ordinance as per Government Notice No. 471 published on 25 July 1997. It was declared as an autonomous body with effect from 1 January 1998.

In compliance with the Public Corporations Act, 1992 and the Tanzania Financial Reporting Standard No. 1 on Directors' Report, the directors submit their report and financial statements of Mtwara Urban Water Supply and Sanitation Authority for the year ended 30 June 2023.

2.3 CORPORATE OUTLOOK

2.4 VISION

MTUWASA's vision is to become an excellent water supply and sanitation Authority in Tanzania in delivering portable quality water supply and sanitation disposal services.

2.5 MISSION

The Authority's mission is to provide sustainable services meeting national and international standards at affordable prices.

2.6 PRINCIPAL ACTIVITIES

Principal roles of Mtwara UWASA include;

- (a) To secure continued supply of water in the Mtwara/Mikindani Municipal for all lawful purposes;
- (b) To develop and maintain UWASA in the Municipal or UWASA connected with the supply of water to the Township;
- (c) To promote conservation and proper use of water resources in the Township;
- (d) To advise the Government in the formulation of policies related to the development and conservation of water and portable water standards in relation to the Municipal;

Mtwara Urban Water Supply and Sanitation Authority

- (e) To plan and execute new projects for the water supply to the Municipal To educate and provide information to persons residing in the Municipal on public health aspects of water supply, water conservation and similar issues;
- (f) To liaise with the Municipal authorities on matters relating to water supply and wastewater disposal and the preparation and execution of plans relating to the expansion of water supply;
- (g) To construct and maintain public sanitation disposal works on any land acquired or which have otherwise lawfully been appropriated for that purpose;
- (h) To construct and maintain public sanitation in, on, under or over any street cellar or vault below the street;
- (i) To provide amenities or facilities which the Authority consider necessary or desirable for persons making use of the services or the facilities provided by the Authority;
- (j) To collect fees from customers for water supplied and wastewater collected by the Authority; and
- (k) To utilize collected fees in accordance with the Financial Regulations of the Authority.

2.7 COMPOSITION OF THE BOARD OF DIRECTORS

The members of Board of Directors who served during the year and to the date of this report were:

Name	Nationality	Status	Age	Qualification / discipline	Date appointed
Dr. Elly Kafiriti	Tanzanian	Chairman	69	Ph.D. in Biological Science	3 April 2023
Mrs. Hadija Rashid Utukuru	Tanzanian	Director	55	Master's degree in education	3 April 2023
Mr. Abdallah Mohamed Malela	Tanzanian	Director	55	Master's degree of Science in Finance and Accounting.	3 April 2023
Mr. Emmanuel Mwaigobeko	Tanzanian	Director	51	Master's Degree in Business Administration	3 April 2023
Mr. Rensus Stephen Mongogwela	Tanzanian	Director	60	Postgraduate Diploma in Human Resource management	3 April 2023
Ms. Mwajuma Twakali Chingwalu	Tanzanian	Director	57	Advanced Diploma in Medicine	3 April 2023
Ms. Mwajuma Hassan Ankoni	Tanzanian	Director	44	Certificate of food processing at small industries Development Organization (SIDO)	3 April 2023
Hon. Shadida Ally Ndile	Tanzanian	Director	53	Certificate of Standard Seven	3 April 2023

Mtwara Urban Water Supply and Sanitation Authority

Name	Nationality	Status	Age	Qualification / discipline	Date appointed
Eng. Rejea S. Ng'ondya	Tanzanian	Secretary	49	Masters WRE, BSc Civil	3 April 2023

During the year under review the board met 4 times (quarterly) to discuss various board matters including annual budget approval, review quarterly and annual reports and approving business plan.

The Board of Directors is assisted by two committees outlined here under:

2.8 AUDIT COMMITTEE

Name	Nationality	Status	Age	Qualification / discipline	Date appointed
Mrs. Hadija Rashid Utukuru	Tanzanian	Director	55	Master's degree in education	3 April 2023
Mr. Emmanuel Mwaigobeko	Tanzanian	Director	51	Master's Degree in Business Administration	3 April 2023
Ms. Mwajuma Hassan Ankoni	Tanzanian	Director	44	Certificate of food processing at small industries Development Organization (SIDO)	3 April 2023
CPA Joseph Martin Assenga	Tanzanian	Director	44	Master's Degree in Business Administration-Finance	3 April 2023
Eng. Rejea S. Ng'ondya	Tanzanian	Secretary	49	Masters WRE, BSc Civil	3 April 2023

During the year under review the committee met 4 times (quarterly) to discuss various committee matters including annual internal audit plan approval, review quarterly and annual internal audit reports and reviewing annual financial statements and implementation of external auditors' recommendations.

2.9 PLANNING, FINANCE AND EMPLOYMENT COMMITTEE

Name	Nationality	Status	Age	Qualification / discipline	Date appointed
Mr. Abdallah Mohamed Malela	Tanzanian	Director	55	Master's degree of Science in Finance and Accounting.	3 April 2023
Mr. Renatus Stephen Mongogwela	Tanzanian	Director	60	Postgraduate Diploma in Human Resource management	3 April 2023

Mtwara Urban Water Supply and Sanitation Authority

Name	Nationality	Status	Age	Qualification / discipline	Date appointed
Ms. Mwajuma Twakali Chingwalu	Tanzanian	Director	57	Advanced Diploma in Medicine	3 April 2023
Hon. Shadida Ally Ndile	Tanzanian	Director	53	Certificate of Standard Seven	3 April 2023
Eng. Rejea S. Ng'ondya	Tanzanian	Secretary	49	Masters WRE, BSc Civil	3 April 2023

During the year under review the committee met 4 times (quarterly) to discuss various committee matters including staff budget approval, review quarterly and annual progress reports and discussing various employees and disciplinary matters.

2.10 RISK MANAGEMENT AND INTERNAL CONTROL

The Board accepts final responsibility for the risk management and internal control systems of the Authority. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an ongoing basis in order to provide reasonable assurance regarding;

- (a) The effectiveness and efficiency of operations;
- (b) The safeguarding of the Company's assets;
- (c) Compliance with applicable laws and regulations;
- (d) The reliability of accounting records;
- (e) Business sustainability under normal as well as adverse conditions; and
- (f) Responsible behaviours towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system, of internal control can provide absolute assurance against misstatement or losses, the Authority's system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

The Board assessed the internal control systems throughout the financial year ended 30 June 2023 and is of the opinion that they met accepted criteria.

The Board carries risk and internal control assessment through audit committee.

2.11 RELATED PARTY TRANSACTIONS

Details of related party transactions are shown in note 21 of the financial statements.

2.12 SOLVENCY EVALUATION

The directors have reviewed the current financial position of the Authority and the existing long and short-term borrowings. On the basis of this review together with the current business plan, the directors are satisfied that the Authority is a solvent going concern.

2.13 CHARITABLE AND POLITICAL DONATIONS

During the year under review, the Authority made donations and other contributions of a charitable nature valued at about TZS 9,650,000/=. There were no political donations (2022/23: Charitable - TZS 9,650,000/= Political-None).

2.14 2.14 PERFORMANCE OF THE AUTHORITY

During the year the Authority made a surplus of TZS 4.34 billion compared to a Surplus of TZS 1.24 billion reported in 2021/22. Total Assets as at 30 June 2023 were TZS 25.18 billion compared to TZS 19.34 billion as at 30 June 2022. However, Net Assets increased to TZS 21.48 billion as at 30 June 2023 as compared to the Net Assets of TZS 17.13 billion reported on 30 June 2022 due to Surplus generated during the year.

Performance of the Authority for the twelve months ended 30 June 2023 is shown on page 16 of these financial statements.

2.15 EMPLOYEE WELFARE

(a) Relationships between Management and Employees

Relationships between management and employees continued to be good and stable.

(b) Training

During the year ended 30 June 2023, the Authority continued to conduct on job training to its employees. During the year, two in-house training was conducted on customer care for all staff and managerial functions for Managers

(c) Medical Facilities

During the year under review, the Authority continued to provide free medical care to all staff through National Health Insurance, spouses and up to four children not exceeding eighteen years of age.

2.16 OWNERSHIP

The Authority is an executive agency owned by the government of Tanzania and operates under the umbrella of the Ministry of Water.

2.17 DIRECTORS' INTEREST

No Director has interest in ownership of the Authority. The Authority is an executive agency fully owned by the government.

2.18 PERSONS WITH DISABILITIES

The Authority gives equal opportunities to persons with disabilities for vacancies they are able to fill. Under the Workman's Compensation Act, the Authority compensates employees who became disabled while in the services of the Authority accordingly. For the year 2022/23 the Authority did not employ person with disability as in all advertised post no one applied for it.

2.19 CORPORATE GOVERNANCE

Mtwara UWASA is committed to the highest standards of corporate governance. Its governance structure is flexible enough to adopt changes in the internal and external environment and the Authority strives to regularly review its processes, rules and regulations and structure with a view to ensuring the best performance of the Authority and overall management of its operations. The Authority adheres to global standards and practices of good corporate governance.

The Board has established and maintains an internal audit unit, audit committee, tender board, Procurement Management Unit and is in a process of establishing an Information Technology unit.

2.20 ENVIRONMENT

The Authority has been taking measures to strengthen preparedness for natural disasters and protection of the environment. It continues to observe environmental requirements in all projects implemented and develop waste reception facility. During the year under review the Authority planted more than three thousand trees around its various water sources as part of environmental protection program.

2.21 CORPORATE SOCIAL RESPONSIBILITY

During the year under review the Authority performed the following corporate social responsibility activities:

- Provision of 5 cubic meters of free water to the poor citizens

2.22 GENDER BALANCE

The Authority considers whoever has ability to perform at management levels and has been very keen in appointing women in various managerial levels provided that they have ability, qualification and integrity.

In top management the authority comprises two women Human resource manager and Commercial Manager out of six members which is equal to 33% of women in top management. While in Management the authority has three (3) women out of fourteen (14) member of management which bring 21% of women in management.

2.23 HIV/AIDS IN PLACE OF WORK

The Authority has carried out various HIV/AIDS awareness campaigns by conducting seminars and consultations to her employees and their families. Employees and their families are encouraged to volunteer for HIV/AIDS Test.

2.24 EVENTS AFTER THE REPORTING DATE

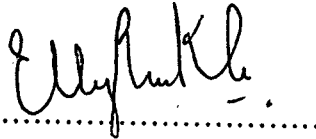
There are no subsequent events that have occurred which are either to be disclosed or to be adjusted in the financial statements that could materially affect the financial statements.

2.25 AUDITORS

The Controller and Auditor General is the statutory auditor of the Mtwara Urban Water Supply and Sanitation Authority by virtue of article 143 of the Constitution of the United Republic of Tanzania, and as amplified in section 32(4) of the Public Audit Act No. 11 of 2008. However, in accordance with section 33(1) of the Act, M/s MIKIMAS Associates was authorized by Controller and Auditor General to conduct on his behalf statutory Audit of Mtwara Urban Water Supply and Sanitation Authority for the year ended 30 June 2023.

Approval of the financial statements

The financial statements of the Authority, as indicated above, were approved by the Board of Directors on 09/02/2024.....and are signed on its behalf by:


.....

CHAIRPERSON

Date: 09/02/2024.....

**CHAIRMAN
BOARD OF DIRECTORS
MTWARA URBAN WATER SUPPLY & SANITATION AUTHORITY
MTWARA - TANZANIA**


.....

BOARD MEMBER

Date: 09/02/2024.....

**MANAGING DIRECTOR
MTWARA URBAN WATER SUPPLY AND SANITATION
MTWARA - TANZANIA**

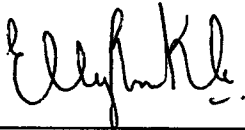
3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE ON THE FINANCIAL STATEMENTS

These financial statements have been prepared by the management of the Mtwara Urban Water Supply and Sanitation Authority in accordance with the provisions of Section 25(4) of the Public Finance Act [CAP.348 R.E2020]. The financial statements as required by the said Act are presented in a manner consistent with the International Public Sector Accounting Standards (IPSAS) - Accrual basis of accounting.

The Board of Directors of Mtwara Urban Water Supply and Sanitation Authority is responsible for establishing and maintaining a system of effective Internal Control designed to provide reasonable assurance that the transactions recorded in the accounts are within the statutory authority and that they contain the receipt and use of all public financial resources by Mtwara Urban Water Supply and Sanitation Authority.

The board confirms that the system of Internal Control has operated adequately throughout the reporting period and that the financial statements and underlying records provide a reasonable basis for the preparation of the financial statements for the 2022/23 financial year.

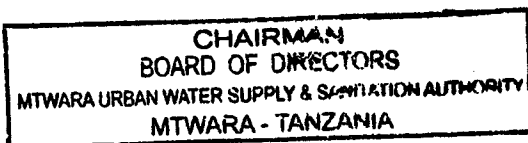
The board accepts responsibility for the integrity of the financial statements, the information they contain and their compliance with the Public Finance Act,[CAP.348 R.E2020] and instructions issued by Treasury in respect of the year under review.



Signed by Chairperson of Board of Directors

09/02/2024

Date



4.0 DECLARATION OF THE HEAD OF FINANCE

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting 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/Governing Body/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/Governing Body as under Directors Responsibility statement on an earlier page.

I, Blass H. Sume, being the Head of Finance/Accounting of Mtwara Urban Water Supply and Sanitation Authority hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2023 have been prepared in compliance with applicable accounting standards and statutory requirements.

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

Signed by

Name.....CPA BLASS SUME.....

Signature..........

Position:AK DFA.....

Date.....06/02/2024.....

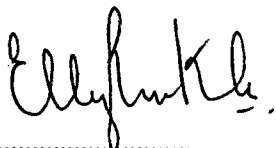
NBAA Membership No: ACPA 3632

Mtwara Urban Water Supply and Sanitation Authority

5.0 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

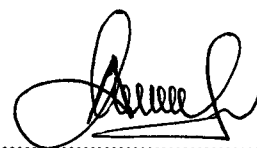
		2022/23 TZS	2021/22 TZS (Restated)
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	537,142,043	51,076,347
Receivables and Prepayments	5	4,102,247,614	866,947,373
Inventories	6	503,260,892	120,705,501
Total Current Assets		5,142,650,549	1,038,729,221
Non-Current Assets			
Property, Plant and Equipment	7	13,946,870,794	13,695,539,991
Work in Progress	8	6,070,054,326	4,584,237,184
Intangible Assets	9	24,160,464	24,160,464
Total Non-Current Assets		20,041,085,584	18,303,937,639
TOTAL ASSETS		25,183,736,133	19,342,666,860
LIABILITIES			
Non-Current Liabilities			
CRDB Bank Loan	31	1,195,533,499	-
Current Liabilities			
Payables and Accruals	10	2,506,489,621	2,207,305,524
Total Current Liabilities		2,506,489,621	2,207,305,524
TOTAL LIABILITIES		3,702,023,120	2,207,305,524
Net Assets			
Government Fund		3,421,052,033	3,421,052,033
Accumulated Surplus		18,060,660,980	13,714,309,303
Total Net Assets		21,481,713,013	17,135,361,336
TOTAL LIABILITIES AND NET ASSETS		25,183,736,133	19,342,666,860



Chairman of the Board

Date: 09/02/2024

CHAIRMAN
BOARD OF DIRECTORS
MTWARA URBAN WATER SUPPLY & SANITATION AUTHORITY
MTWARA - TANZANIA



Managing Director

Date: 09/02/2024

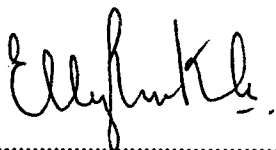
MANAGING DIRECTOR
MTWARA URBAN WATER SUPPLY AND SANITATION
MTWARA - TANZANIA

Mtwara Urban Water Supply and Sanitation Authority

5.0 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

		2022/23 TZS	2021/22 TZS (Restated)
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	537,142,043	51,076,347
Receivables and Prepayments	5	4,102,247,614	866,947,373
Inventories	6	503,260,892	120,705,501
Total Current Assets		5,142,650,549	1,038,729,221
Non-Current Assets			
Property, Plant and Equipment	7	13,946,870,794	13,695,539,991
Work in Progress	8	6,070,054,326	4,584,237,184
Intangible Assets	9	24,160,464	24,160,464
Total Non-Current Assets		20,041,085,584	18,303,937,639
TOTAL ASSETS		25,183,736,133	19,342,666,860
LIABILITIES			
Non-Current Liabilities			
CRDB Bank Loan	31	1,195,533,499	-
Current Liabilities			
Payables and Accruals	10	2,506,489,621	2,207,305,524
Total Current Liabilities		2,506,489,621	2,207,305,524
TOTAL LIABILITIES		3,702,023,120	2,207,305,524
Net Assets			
Government Fund		3,421,052,033	3,421,052,033
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Managing Director

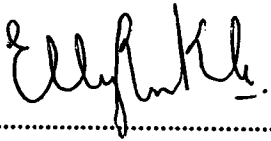
Date: 09/02/2024

MANAGING DIRECTOR
MTWARA URBAN WATER SUPPLY AND SANITATION
MTWARA - TANZANIA

Mtwara Urban Water Supply and Sanitation Authority

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

		2022/23 TZS	2021/22 TZS (Restated)
Revenue			
Revenue from Exchange Transactions	11	4,849,687,410	3,774,368,168
Government Capital Grant	12	4,965,820,566	2,684,583,096
Other Revenue	13	34,839,407	36,462,089
Total Revenue		9,850,347,383	6,495,413,353
Expenses			
Operating Expenses	14	1,821,602,226	2,222,016,246
Wages, Salaries and Employee Benefits	15	1,352,194,893	1,288,127,554
Administrative Expenses	16	1,327,358,146	886,915,117
Business Promotion	17	66,495,366	28,736,836
Events and Donations	18	65,866,026	33,698,300
Finance Costs	19	79,379,694	8,616,478
Depreciation and Amortization	7	791,099,355	779,547,311
Total Expenses		5,503,995,706	5,247,657,842
Surplus During the Year		4,346,351,677	1,247,755,511



Chairman of the Board

Date: 09/02/2024

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BOARD OF DIRECTORS
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MTWARA - TANZANIA



Managing Director

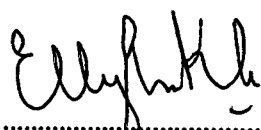
Date: 09/02/2024

MANAGING DIRECTOR
MTWARA URBAN WATER SUPPLY AND SANITATION
MTWARA - TANZANIA

Mtwara Urban Water Supply and Sanitation Authority

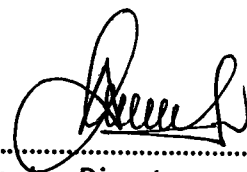
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

	Government Fund	Accumulated Surplus	Total
As At 1 July 2022	3,421,052,033	13,714,309,303	17,135,361,336
Current Surplus	-	4,346,351,677	4,346,351,677
As At 30 June 2023	3,421,052,033	18,060,660,980	21,481,713,013
As At 01 July 2021	3,421,052,033	12,466,553,792	15,887,605,825
Current Surplus ((Restated)	-	1,247,755,511	1,247,755,511
As At 30 June 2022	3,421,052,033	13,714,309,303	17,135,361,336



Chairman of the Board

Date: 09/02/2024



Managing Director

Date: 09/02/2024

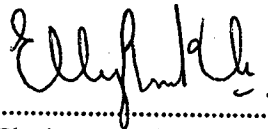
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MANAGING DIRECTOR
MTWARA URBAN WATER SUPPLY AND SANITATION
MTWARA - TANZANIA

Mtwara Urban Water Supply and Sanitation Authority

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

Cash flows from Operating Activities	2022/23 TZS	2021/22 TZS (Restated)
Receipts		
Rendering of Services	23 4,698,771,584	5,313,744,830
Receipt from the Government	24 4,965,820,566	3,151,615,477
Other Income	13 34,839,407	36,462,089
Total Receipts	<u>9,699,431,557</u>	<u>8,501,822,396</u>
Payments		
Wages, Salaries and Employee Benefits	25 -1,352,194,893	-1,107,842,945
Payments to Suppliers and Administration Expenses	26 -3,371,871,319	-2,267,109,080
Payment to Contractors and Consultants	27 -3,077,206,154	-1,456,565,607
Finance Cost	19 -79,379,694	-8,616,478
Total Payments	<u>-7,880,652,060</u>	<u>-4,840,134,110</u>
Net Cash flow from Operating Activities A	1,818,779,497	3,661,688,286
Cash flows from Investing Activities		
Addition to Work in Progress	8 -1,485,817,142	-3,657,819,393
Acquisition of Property, Plant, and Equipment	28 -1,042,430,158	-260,982,633
Net Cash flow from Investing Activities B	<u>-2,528,247,300</u>	<u>-3,918,802,026</u>
Cash flow from Financing Activities		
Loan Received	1,218,000,000	-
Loan Repayment	-22,466,501	-
Net Cash flow from Financing Activities C	<u>1,195,533,499</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents (A+B+C)	486,065,696	-257,113,740
Cash and Cash Equivalents at beginning of period	51,076,347	308,190,087
Cash and Cash Equivalents at the end of period	<u>537,142,043</u>	<u>51,076,347</u>



Chairman of the Board

Date: 09/02/2024

CHAIRMAN
BOARD OF DIRECTORS
MTWARA URBAN WATER SUPPLY & SANITATION AUTHORITY
MTWARA - TANZANIA



Managing Director

Date: 09/02/2024

MANAGING DIRECTOR
MTWARA URBAN WATER SUPPLY AND SANITATION
MTWARA - TANZANIA

Mtwara Urban Water Supply and Sanitation Authority

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2023

DETAILS	Original Budget {A}	Final Budget {B}	Actual Amount on Accrual {C}	Accrued Amount {D}	Actual Amount- Cash basis {C}	Difference: Final Budget Vs. Actual	%
REVENUE	TZS	TZS			TZS	TZS	%
Water Sales	5,864,140,800	5,864,140,800	4,141,385,292	158,094,087	4,018,130,611	1,846,010,189	31%
New Connection	385,000,000	385,000,000	253,462,712	-	253,462,712	131,537,288	34%
Reconnection fee	48,000,000	48,000,000	16,687,458	-	16,687,458	31,312,542	65%
Recovery from damaging pipes, Materials	5,000,000	5,000,000	-	-	-	5,000,000	100%
Salary Notes	3,500,000	3,500,000	-	-	-	3,500,000	100%
Others	5,000,000	5,000,000	17,151,948	-	17,374,248	(12,374,248)	-247%
Broken Meters	1,440,000	1,440,000	1,000,000	-	1,000,000	440,000	31%
Debt Collection	400,000,000	400,000,000	420,000,000	-	420,000,000	(20,000,000)	-5%
Total	6,712,080,800	6,712,080,800	4,884,526,816	158,094,087	4,726,432,729	1,985,648,071	30%
Government Funds	20,947,289,000	20,947,289,000	4,965,820,566	-	4,965,820,566	15,981,468,434	76%
Grand total	27,659,369,800	27,659,369,800	9,850,347,383	158,094,087	9,692,253,295	17,967,116,505	
PAYMENTS FOR EXPENSES							
Water production Expenses	1,961,690,063	1,961,690,063	1,348,034,326	142,271,892	1,205,762,434	755,927,629	39%
Water Distribution Expenses	620,600,000	620,600,000	473,567,900	-	473,567,900	147,032,100	24%
Maintenance & Repair Expenses	105,636,822	105,636,822	101,915,734	-	101,915,734	3,721,088	4%
Personnel Expenses	1,574,037,183	1,574,037,183	1,352,194,893	-	1,352,194,893	221,842,290	14%
Administration Expenses	1,555,005,214	1,555,005,214	1,225,442,412	-	1,225,442,412	329,562,802	21%
Event and donation	76,825,000	76,825,000	65,866,026	-	65,866,026	10,958,974	14%
Business Promotion	70,213,340	70,213,340	66,495,366	-	66,495,366	3,717,974	5%
Financial Expenses	8,400,000	8,400,000	79,379,694	-	79,379,694	(70,979,694)	-845%
Tangible Asset Own Source	761,310,000	761,310,000	225,643,186	-	225,643,186	535,666,814	70%
Total	6,733,717,622	6,733,717,622	4,938,539,537	142,271,892	4,796,267,645	1,937,449,977	29%
Government Funds, Payment of Certificates /Bills	20,947,289,000	20,947,289,000	3,077,206,154	-	3,077,206,154	17,848,446,024	85%
Total Payments	27,681,006,622	27,681,006,622	8,015,745,691	142,271,892	7,873,473,799	19,785,896,001	72%
Surplus for the year	(21,636,822)	(21,636,822)	1,834,601,692	15,822,195	1,818,779,497	(1,818,779,496)	

Actual revenue was below budget by 21% due to shortage of power supply which resulted into lower volume of water produced and supplied to customers as well as uncollected water debts mainly from Government Institutions. Government Institutions especially POLICE, JWTZ, PRISONS, High Court, Mtwara Girls secondary, Municipal Director and COTC failed to pay amounts due from previous years as well as current year. Total expenditure went down by 27% due to liquidity problems resulted from low collections as explained above. Funds received from government for water projects was 76% of the budget.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

1 AUTHORITY INFORMATION

Mtwara Urban Water and Sanitation Authority (MTUWASA) is an autonomous water utility organization authorized to offer water supply and Sanitation disposal services in the urban part of the Mtwara Municipal. It was established under Water Works Ordinance as per Government Notice No. 471 published on 25 July 1997. It was declared as an autonomous body with effect from 1 January, 1998.

2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis. The cash flows statement is prepared using the direct method. The financial statements are prepared on an accrual basis. The financial statements are presented in Tanzanian Shillings (TZS) as indicated.

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis as issued by the International Public Sector Accounting Standard Board (IPSASB).

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, Plant and Equipment

Property, plant and equipment are initially recorded at historical cost which includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate only when it is probable that the future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Borrowing costs incurred for the construction of any qualifying assets are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed to the statement of comprehensive income.

3.2 Property, Plant and Equipment - Depreciation

Land is not depreciated. Depreciation on property, plant and equipment is calculated on the following basis;

(a) Depreciation

Depreciation is calculated to write off the cost of property, plant and equipment over their expected useful lives on a straight-line basis. The annual rates, which are consistent with those applied in the previous years are as under: -

Category of Property, Plant and Equipment	Rate:% p.a.
Land	-
Buildings	2
Water Supply, Pipes and Fittings	6.67
Water Tank	6.67
Plants and Machinery	6.67
Motor Vehicles	20
Furniture and Equipment	20

Depreciation is charged on assets from the date when they are ready for use and stop on the date when the assets are de-recognized by the Authority.

(b) Major renovations

Major renovations are depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner.

(c) Impairment of Assets

An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment and whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. Assets that are subject to amortization are tested for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

(d) Gains and Losses on Disposal

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are recognized through the statement of comprehensive income.

3.3 Computer software.

Acquired computer software, are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. Costs of acquiring software that is regarded as an integral part of some identifiable hardware are recognized as part of the cost of the hardware. Costs of acquiring other software are recognized as intangible assets and are amortized over their estimated useful lives.

Costs that are directly associated with the production of identifiable and unique software products controlled by the Authority, and that will probably generate economic benefits

exceeding costs beyond one year, are recognized as intangible assets. Direct costs include the costs of software development and an appropriate portion of relevant overheads.

Other costs associated with developing or maintaining computer software programs are recognized expenses as incurred.

Computer software development costs for billing system recognized as non-current assets are considered to have indefinite useful life hence they are not amortized. Other software costs are amortized over their estimated useful lives (not exceeding three years).

3.4 Inventories

Inventories are measured at the lower of cost and net realizable value. Cost is determined on first in first out method.

Where inventories are acquired through a non-exchange transaction, their costs shall be measured at their fair value as at the date of acquisition.

When the cost of inventories may not be recovered in case those inventories are damaged, become wholly or partially obsolete and future economic benefit or service potential cannot be expected, then the inventories are recorded at net realizable value

3.5 Financial Instruments

(a) Recognition

The Authority recognizes a financial asset or a financial liability on its statement of financial position when and only when it becomes party to the contractual provisions of the underlying financial instrument and, as a consequence, has a legal right to receive or a legal obligation to pay cash.

(b) De recognition

The Authority removes a financial asset from its statement of financial position when and only when the contractual rights to the cash flows from the financial asset expire (usually, in the case of contributions and accounts receivable, when payment has been received) or when it transfers the financial asset, with substantially all the risks and rewards of ownership, to another party.

The Authority removes a financial liability, or part of it, from its statement of financial position when and only when it is extinguished. In other words, the liability is only de-recognized once the obligation on the authority specified in the contract is discharged, waived or cancelled or expires and there is no longer a legal obligation on the authority to pay cash or provide goods or services.

A financial asset and a financial liability are offset and the net amount reported in the statement of financial position only when the authority has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(c) Measurement

Financial instruments are initially measured at fair value on the date of acquisition or issuance.

Subsequent to initial recognition, financial instruments may, depending on their classification, be measured in one of three ways:

(d) Cost.

This is the actual historical cost of the instrument, generally upon acquisition;

Amortized cost. This measurement method applies an effective interest rate in order to exactly discount future cash flows arising from the instrument to its initial carrying value. The effective interest rate will have to be imputed by iteration. The method is applied to held-to-maturity investments (which have a longer time horizon to final maturity and are purchased at a discount to their face value) than contributions receivable, accounts receivable or accounts payable. For these latter items, the relatively short period between initial recognition and eventual recognition (the receipt of cash in the case of contributions receivable and accounts receivable; the payment of cash to vendors in the case of accounts payable) means that there is usually little or no difference between the acquisition value and the value eventually recognized. However, amortized cost measurement is applied to loans and receivables with fixed or determinable future payments and to long-term financial liabilities;

Fair value. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction. This is not necessarily market price, but the prevailing market price will often provide a good indication of fair value.

(e) Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or liability that is not part of a hedging relationship is recognized as follows:

A gain or loss on a financial asset or financial liability classified at fair value through the statement of financial performance is recognized in the statement of financial performance (surplus or deficit);

A gain or loss on an available-for-sale financial asset is recognized directly in net assets until the financial asset is de-recognized, at which time the cumulative gain or loss shall be recognized in the statement of financial performance.

For financial assets and liabilities carried at amortized cost, a gain or loss is recognized in the statement of financial performance when the financial asset or liability is de-recognized or impaired and through the amortization process.

(f) Impairment

All financial assets, except those measured at fair value through profit or loss, are subject to review for impairment. At each balance sheet date, the authority assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. If such evidence exists:

For financial assets carried at amortized cost (i.e., held-to-maturity investments and loans and receivables, the carrying amount are reduced either directly or through the use of an allowance account, with the amount of the loss recognized in the statement of financial performance. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of future cash flows discounted at the original effective interest rate;

For financial assets carried at cost, the carrying value of the asset is reduced by the difference between the carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar asset

3.6 Foreign Currency Translations

(a) Functional and Presentation

Items included in the financial statements of the Authority are measured using Tanzanian Shilling (TZS), which is the currency of the primary economic environment in which the Authority operates.

(b) Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities at the year-end expressed in foreign currencies are translated into functional currency using the exchange rates prevailing at the end of the financial year. Exchange differences are recognized in surplus or deficit in the period in which they arise.

3.7 Cash and Cash Equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.8 Revenue from Non-Exchange Transactions

An inflow of resources from non-exchange transaction recognized as an asset is recognized as revenue, except to the extent that a liability is also recognized in respect of the same inflow. Revenue from non-exchange transactions is measure at the amount of the increase in net assets recognized by the Authority

3.9 Capital Fund

Capital Fund is made up of donor and government contributed assets to the Authority. Values of the assets are recognized in the fund as financing device to the Authority.

3.10 Amortization of Capital Grants

It is the Authority's policy to amortize capital grants based on the respective property, plant and equipment depreciation rate over the expected useful lives of the assets.

3.11 Revenue Recognition

Revenue is recognized on accrual basis of accounting. It is recognized only when it is probable that the economic benefits associated with the transaction will flow to the Authority. It comprises of fair values of water sales, water connection fees, reconnection fees, service charges and meter rent.

3.12 Financial Risk Management

The Authority's principal financial assets are bank balances and cash, and trade and other receivables. The Authority's credit risk is primarily attributable to its trade receivables.

The amounts presented in the balance sheet are net of allowances for doubtful receivables estimated by the management based on the long outstanding balances and the assessment of the current economic environment:-

(a) Liquidity Risk

The Authority has a prudent liquidity risk management through maintaining sufficient cash and marketable securities to cover committed credit facilities and working capital requirements.

The potential credit risk involves short term cash and receivables which are managed as follows:-

(b) Short Term Cash Surpluses

The Authority deposits her short term cash surpluses with banks of high credit standing.

3.13 Credit Risk Management

Foreign Currency Risk

Foreign currency risk is managed at an operational level and it is monitored by Finance Department. Losses arising from foreign currency denominated liabilities are managed through timely payment of the outstanding liabilities.

3.14 Employee Benefits

(a) Short Term and Retired Benefits

Apart from the monthly salaries, responsibility allowances, and other fringe benefits as provided for in the staff regulations; the Authority has defined contribution plans to cater for pension obligations for her employees by paying on monthly basis agreed contributions to the Public Service Social Security Fund (PSSSF). Such contributions are recognized as employee benefit expenses and have been disclosed under Note 15 the contributions to the pension funds are recognized as an expense in the period the employees render the related services.

(b) Termination Benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntarily redundancy in exchange of these benefits.

3.15 Provisions

Provisions are recognized when the Authority has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. When the Authority expects a provision to be reimbursed for example under insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

	2022/23	2021/22
	TZS	TZS
4 CASH AND CASH EQUIVALENTS		
CRDB Collection Account	467,656,910	-
CRDB Project Account	31,101,728	14,069,527
NMB Collection Account	352,298	-
BOT Collection Account	20,193,790	13,715,018
CRDB Expenditure Account	11,365,822	16,543,428
CRDB POS	6,296,495	6,748,374
NBC Collection Account	175,000	-
Total Cash & Cash Equivalents	537,142,043	51,076,347

Mtwara Urban Water Supply and Sanitation Authority

5	RECEIVABLES AND PREPAYMENTS	2022/23 TZS	2021/22 TZS
	Trade Receivables	1,002,167,585	842,383,471
	Other Receivables	1,483,712	10,352,000
	Staff Advances and Imprest	9,390,163	2,211,902
	Sub Total	<u>1,013,041,460</u>	<u>854,947,373</u>
	Add: Project Receivables		
	Projects Receivables- HESDDA Advances	12,000,000	12,000,000
	Construction Water Tank Airport Mtwara (Advance) Improvement(B.19)	46,826,644 2,965,243,510	- -
	IFF OBA Project in	65,136,000	-
	Total Projects Receivables	<u>3,089,206,154</u>	<u>12,000,000</u>
	Add: VAT Claimable	-	-
	Total Receivables	<u>4,102,247,614</u>	<u>866,947,373</u>
6	INVENTORIES	2022/23 TZS	2021/22 TZS
	Chemicals	4,302,401	-
	Pipes and Fittings	137,715,142	109,456,616
	Stationeries	10,425,942	10,330,885
	General Items	1,198,000	918,000
	IFF OBA Project	349,619,407	-
	Total Inventories	<u>503,260,892</u>	<u>120,705,501</u>

Mtwara Urban Water Supply and Sanitation Authority

7 PROPERTY, PLANT AND EQUIPMENT

Categories of Assets	Cost	Additional (Monetary)	Additional (Non-Monetary)	Disposal	Balance		Units	Balance		Prior Year Adjust	Balance 30 June 23	Carrying Value	
	1-Jul-22				30 June 23	01 July 22		Charge	30 June 23			TZS	
2022/23													
Land	1,936,080,000	816,786,972			2,752,866,972								2,752,866,972
Buildings & Structures	1,256,447,406	20,574,999			1,277,022,405	40	161,837,558	31,925,560			193,763,118		1,083,259,287
Pipes, Meter & Fittings	11,925,281,917	154,020,179			12,079,302,096	20	1,839,869,153	593,093,733			2,432,962,886		9,646,339,210
Electro mechanics & Water Production Equip.	955,708,925	3,799,600			959,508,525	8	487,249,409	119,238,124			606,487,533		353,020,992
Furniture & Equipment	223,412,041	40,384,000			263,796,041	10	130,295,854	28,226,176			158,522,030		105,274,011
Motor Vehicles	179,237,019	6,864,408			186,101,427	10	161,375,343	18,615,762			179,991,105		6,110,323
Total	16,476,167,308	1,042,430,158			17,518,597,466		2,780,627,317	791,099,355			3,571,726,672		13,946,870,794

Categories of Assets	Cost	Additional (Monetary)	Additional (Non-Monetary)	Disposal	Balance		Units	Balance		Prior Year Adjust	Balance 30 June 22	Carrying Value	
	1-Jul-21				30 June 22	01 July 21		Charge	30 June 22			TZS	
2021/22													
Land	1,936,080,000				1,936,080,000								1,936,080,000
Buildings & Structures	1,256,447,406				1,256,447,406	40	130,427,197	31,410,361			161,837,558		1,094,609,848
Pipes, Meter & Fittings	7,019,662,982	227,968,863	4,677,650,072		11,925,281,917	20	1,254,053,714	585,815,439			1,839,869,153		10,085,412,764
Electro mechanics & Water Production Equip.	948,077,955	7,630,970			955,708,925	8	368,580,805	118,668,604			487,249,409		468,459,516
Furniture & Equipment	198,029,241	25,382,800			223,412,041	10	106,441,718	23,854,136			130,295,854		93,116,187
Motor Vehicles	179,237,019				179,237,019	10	141,576,572	19,798,771			161,375,343		17,861,676
Total	11,537,534,603	260,982,633	4,677,650,072		16,476,167,308		2,001,080,006	779,547,311			2,780,627,317		13,695,539,991

Mtwara Urban Water Supply and Sanitation Authority

8 WORK IN PROGRESS

Description	2021/22	Addition	2022/23
	TZS	TZS	TZS
Improvement of Water Supply system COVID 19	922,017,108	20,091,662	942,108,770
Construction of Rapid Sand Water Filter	3,632,969,884	220,665,120	3,853,635,004
Ruvuma River Water Project	29,250,192	-	29,250,192
Construction of Water Tank (Ruvuma Lot 1)	-	423,036,440	423,036,440
Rehabilitation of Water Infrastructure (Ruvuma Lot II)	-	23,473,500	23,473,500
IFF OBA Project	-	609,516,236	609,516,236
Kipokoso Project	-	172,448,985	172,448,985
Nanyamba Project	-	16,585,200	16,585,200
Total	4,584,237,184	1,485,817,142	6,070,054,326

9	INTANGIBLE ASSETS	2022/23	2021/22
		TZS	TZS
	Balance B/f	60,157,955	60,157,955
	Balance C/f	60,157,955	60,157,955
	<u>Amortisation</u>		
	Balance B/f	(35,997,491)	(35,997,491)
	Amortisation for the year	-	-
	Balance C/f	<u>(35,997,491)</u>	<u>(35,997,491)</u>
	Carrying Value as at 30 June	<u>24,160,464</u>	<u>24,160,464</u>

10	PAYABLES AND ACCRUALS	2022/23	2021/22
		TZS	TZS
	Trade Payables	1,168,992,223	1,363,858,477
	Accrued Expenses	19,598,000	61,270,000
	Statutory Payables	395,711,338	269,234,075
	Staff Payables	745,998	2,036,660
	Other Payables	919,179,043	508,643,293
	Retention Money to Patty Interplan	2,263,019	2,263,019
	Total Payables and Accruals	<u>2,506,489,621</u>	<u>2,207,305,524</u>

11	REVENUE FROM EXCHANGE TRANSACTIONS	2022/23	2021/22
		TZS	TZS
	Sale of water	4,579,537,240	3,483,333,144
	Rendering of services	253,462,712	261,705,617
	Other Recoverable	16,687,458	29,329,407
	Total Revenue from Exchange Transactions	<u>4,849,687,410</u>	<u>3,774,368,168</u>

12	REVENUE FROM NON - EXCHANGE TRANSACTIONS	2022/23	2021/22
		TZS	TZS
	Government Capital Grants (See Note 20)	4,965,820,566	2,684,583,096
		<u>4,965,820,566</u>	<u>2,684,583,096</u>

Mtwara Urban Water Supply and Sanitation Authority

	2022/23	2021/22
	TZS	TZS
13 OTHER REVENUE		
Income for Material/Services Rendered	34,839,407	36,462,089
	34,839,407	36,462,089
 14 OPERATING EXPENSES	 2022/23	 2021/22
<u>Cost of Production</u>	TZS	TZS
Chemicals and Reagents	168,286,298	116,429,771
Electricity	1,064,978,678	1,606,994,154
Pipes and Fittings	20,803,000	7,750,071
Laboratory Charges	2,950,000	1,170,000
Lubricants	1,088,000	72,000
Water User Fee Right	22,929,850	23,810,755
Overhead	66,998,500	64,613,800
Total Cost of Production	1,348,034,326	1,820,840,551
	 2022/23	 2021/22
<u>Cost of Distribution</u>	TZS	TZS
Pipes and Fittings	272,122,688	165,903,139
Electricity	65,694,613	93,132,067
Repair of Pipe network	69,337,762	80,549,051
Customer Water Meters and Leakage Control	26,235,000	13,676,000
Postages	18,704,837	17,065,438
Customer Survey	1,890,000	10,883,000
Hardship Expenses	8,000,000	5,954,000
Inspecting Illegal Connections	11,583,000	14,013,000
Total Distribution Costs	473,567,900	401,175,695
Total Operating Expenses	1,821,602,226	2,222,016,246
 15 WAGES, SALARIES AND EMPLOYMENT BENEFITS	 2022/23	 2021/22
	TZS	TZS
Staff Emoluments	1,031,031,715	1,082,006,184
Wages	9,180,000	7,395,000
Employer's Pension Contribution	147,112,395	148,244,170
Workers Compensation Fund	5,208,847	5,151,858
NHIF Employer's Contribution	30,318,253	30,618,842
Housing Allowance	6,800,000	-
Extra Duty Allowance	32,134,000	-
Overtime Expenses	13,184,183	-
Personal Allowance	17,000,000	-
Travelling on leave	8,285,500	8,711,500
Personnel Allowances	51,940,000	6,000,000
Total	1,352,194,893	1,288,127,554

Mtwara Urban Water Supply and Sanitation Authority

16 ADMINISTRATIVE EXPENSES	2022/23 TZS	2021/22 TZS
Audit Expenses	31,470,200	13,142,553
Audit Fees	55,000,000	49,000,000
Directors' Fees	54,540,800	51,400,000
Repair & Maintenance Office Equipment	7,172,025	3,699,453
Travelling on duty	246,428,452	108,459,663
Repair & Maintenance Buildings	18,579,512	11,199,537
Computer stationery	13,017,371	6,538,131
Electricity for office	28,396,228	37,493,063
Fuel and lubricants (Motor vehicle/cycles)	199,044,858	130,946,010
Facilitation	5,990,844	2,698,941
Stationery	10,111,735	5,258,203
Burial/ condolence	36,289,000	16,116,030
Land Rent & Rates	421,540	-
Budget preparation	6,054,000	6,239,093
Telecommunication	172,575	55,070
Final Accounts	20,135,000	2,253,000
Tender board expenses	7,130,000	6,940,000
Office and general	10,413,800	8,564,009
Compensation	13,973,796	750,000
Professional Fees	130,000	350,000
Function for all Workers	9,541,000	176,000
Computer software/ Maintenance	14,629,000	3,070,518
Training staff	35,791,370	49,924,030
Board expenses	47,741,320	37,379,435
Insurance	1,363,708	2,883,370
Water charges	5,485,952	12,656,895
Revaluation and Survey	1,300,000	9,255,250
Security services	49,557,877	55,394,265
Management meeting	13,617,500	8,528,400
Legal Fee	1,820,000	1,300,000
New Employment	-	883,000
Conference and Seminars	58,476,500	20,010,000
Email / Internet	10,046,160	2,740,467
Motor vehicle Repair	76,164,197	56,593,267
Handset and Airtime	27,507,062	30,075,309
Fine and Penalties	1,615,678	575,785
Staff Uniforms	23,912,000	340,543
Skills and Development Levy	42,608,046	43,747,769
Fumigation	2,990,000	2,814,000
Workers Council	7,695,000	12,965,000
Water Debt Collection/Agency fee	22,200,000	9,895,000
Technical support	14,493,040	-
M & E and OPRAS	25,300,000	9,276,709
Internship	36,025,000	30,620,299
Facilitation of Office Cleaning	31,966,000	24,707,050
EWURA Fees	1,040,000	-
Total	1,327,358,146	886,915,117

Mtwara Urban Water Supply and Sanitation Authority

	2022/23 TZS	2021/22 TZS
17 BUSINESS PROMOTION AND ENTERTAINMENT		
Advertisement and Promotion	36,014,366	16,807,336
Entertainment	9,807,000	4,429,500
Motivation	18,894,000	7,500,000
Up Keep Public Garden	1,780,000	-
Total	66,495,366	28,736,836
18 DONATION AND EVENTS		
	2022/23 TZS	2021/22 TZS
Donation	9,650,000	1,309,000
Annual ATAWASs General Meeting	-	18,638,500
National Festival - May Day Expenses	2,165,000	8,715,000
Maji Week Expenses	15,000,000	5,035,800
Poor People	928,026	-
Maji Cup	38,123,000	-
Total	65,866,026	33,698,300
19 FINANCE COSTS		
	2022/23 TZS	2021/22 TZS
Bank Charges	8,329,694	8,616,478
Loan Interest	71,050,000	-
Total	79,379,694	8,616,478
20 GOVERNMENT CAPITAL GRANT RECEIVED		
	2022/23 TZS	2021/22 TZS
Improvement of Water Supply COVID 19	183,790,000	572,867,800
Mangamba Rapid Sand Filter	100,000,000	2,066,049,718
Plasco - Mkwiti Project	-	45,665,578
Rehabilitation of Water Network project-Mtwara Municipal Project	500,000,000	-
Compensation Fund - MOW	816,786,972	-
Improvement of Water Network Lot II -Patty Interplan	2,965,243,594	-
Mnyawi-Nanyamba Water Project	200,000,000	-
Southern Zonal Water - Hospital Project	200,000,000	-
Total	4,965,820,566	2,684,583,096
21 RELATED PARTY TRANSACTIONS		
	2022/23 TZS	2021/22 TZS
Salaries and Allowances	246,252,724	234,683,715
Executive Meeting Allowances & Expenses	46,940,800	37,379,435
Directors Fees	55,341,320	51,400,000
Total	348,534,844	323,463,150

22 CONTINGENCIES AND COMMITMENTS**Contingencies**

The Authority had recognized the claim disclosed at year ended 30 June 2021 as contingency from a former employee, Kilasara Victoria Kyara worth TZS 37,923,360 after court of appeal decided to award for the claim during the financial year ended 30 June 2023 and up to June 2023 the remaining balance was 23,923,360

Capital commitments

No capital commitment which has been approved and no contracted as at the balance sheet date.

Guarantees

There was no any guarantee by the Authority as at year end.

23 CASH GENERATED FROM OPERATIONS

	2022/23 TZS	2021/22 TZS
Rendering of Services (Cash Collection)		
Sale of water	4,579,537,240	3,483,333,144
Rendering of services	253,462,712	261,705,617
Other Recoverable	16,687,458	1,481,292,118
Movement in Accounts Receivables	(150,915,826)	87,413,951
	<u>4,698,771,584</u>	<u>5,313,744,830</u>

24 CASH GENERATED FROM OPERATIONS

	2022/23 TZS	2021/22 TZS
Cash Received from the Government		
Government Capital Grants	4,965,820,566	2,684,583,096
Receipts from GVT for paying Contractors	-	467,032,381
	<u>4,965,820,566</u>	<u>3,151,615,477</u>

**25 CASH GENERATED FROM OPERATIONS-
EMPLOYEE COST**

	2022/23 TZS	2021/22 TZS
Staff Emoluments	1,031,031,715	1,082,006,185
Wages	9,180,000	7,395,000
Employer's Pension Contribution	147,112,395	153,396,027
Workers Compensation Fund	5,208,847	-
NHIF Employer's Contribution	30,318,253	30,618,842
Housing Allowance	6,800,000	-
Extra Duty Allowance	32,134,000	-
Overtime Expenses	13,184,183	-
Personal Allowance	17,000,000	-
Travelling on leave	8,285,500	-
Personnel Allowances	51,940,000	-
Movement in Statutory Payables	-	(165,573,109)
	<u>1,352,194,893</u>	<u>1,107,842,945</u>

Mtwara Urban Water Supply and Sanitation Authority

26	PAYMENT TO SUPPLIER AND ADMINISTRATION	2022/23	2021/22
		TZS	TZS
	Operating Expenses	1,821,602,226	2,222,016,246
	Suppliers & Consumables	1,327,358,146	886,915,117
	Business Promotion & Entertainment	66,495,366	28,736,836
	Donation & Events	65,866,026	33,698,300
	Movement in Inventory	382,555,391	(23,816,607)
	Movement in Accounts Payables	(299,184,097)	(881,131,838)
	Movement in Staff Advances and Imprests	7,178,261	691,026
		<u>3,371,871,319</u>	<u>2,267,109,080</u>
27	PAYMENT TO CONTRACTORS, CONSULTANTS	2022/23	2021/22
		TZS	TZS
	Cosmos Ltd - Certificate	-	1,160,376
	Filter & Sedimentation Tanks - MTUWASA	-	250,206,521
	Pipe Industry	-	389,176,480
	Ruangwa - Kitandi Lot II Water Project	-	280,630,898
	Likuna - Namiyonga	-	68,358,952
	Kilidu/Mkwiti Lot II Water Project	-	467,032,380
	Rehabilitation of Water Network project-Mtwara Municipal Project	46,826,644	-
	Improvement of Water Network Lot II -Patty Interplan	2,965,243,510	-
	IFF OBBA Project	65,136,000	-
	Total	<u>3,077,206,154</u>	<u>1,456,565,607</u>
28	PURCHASE OF PLANT AND EQUIPMENT	2022/23	2021/22
		TZS	TZS
	Land	816,786,972	-
	Buildings & Structures	20,574,999	-
	Pipes, Meter & Fittings	154,020,179	227,968,863
	Electro mechanics & Water Production Equip.	3,799,600	7,630,970
	Furniture & Equipment	40,384,000	25,382,800
	Motor Vehicles	6,864,408	-
		<u>1,042,430,158</u>	<u>260,982,633</u>

Mtwara Urban Water Supply and Sanitation Authority

29 RECONCILIATIONS OF CASH FLOWS FROM OPERATING ACTIVITIES TO STATEMENT OF FINANCIAL PERFORMANCE

	2022/23 TZS	2021/22 TZS
ADJUSTMENT FOR BASIS DIFFERENCE		
Surplus/deficit during the year	4,346,351,677	1,247,755,511
Adjusted for Depreciation	791,099,355	779,547,311
Prior Year Adjustment		
	<u>5,137,451,031</u>	<u>2,027,302,822</u>
Working Capital Changes		
Decrease in Receivable & Prepayments	(3,235,300,241)	1,538,685,636
Increase in Inventories	(382,555,391)	23,816,607
Decrease in Payables	299,184,097	71,883,221
	<u>(3,318,671,534)</u>	<u>1,634,385,464</u>
Total Adjustment	<u>1,818,779,497</u>	<u>3,661,688,286</u>
Working from Investing Activities		
Loan Injection	1,195,533,499	-
PPE Acquisition	(1,042,430,158)	(4,938,632,705)
WIP Increase Change	(1,485,817,142)	1,019,830,679
	<u>486,065,696</u>	<u>(257,113,740)</u>
Cash & Cash Equivalent at the beginning	51,076,347	308,190,087
Cash & Cash Equivalent at the end of the year	<u>537,142,043</u>	<u>51,076,347</u>

30 Restated figures

	ORIGINAL FIGURES 2021/22 TZS	CHANGES	RESTATED 2021/22 TZS
ASSETS			
Non-Current assets			
Cash and Cash equivalents	4 51,076,347	-	51,076,347
Receivables and prepayments	5 2,318,910,084	(1,451,962,711)	866,947,373
Inventories	6 120,705,501	-	120,705,501
	<u>2,490,691,932</u>		<u>1,038,729,221</u>
Non-Current Assets			
Property, plant and equipment	7 13,695,539,991	-	13,695,539,991
Work in Progress	8 3,728,221,314	856,015,870	4,584,237,184
Intangible Assets	9 24,160,464	-	24,160,464
	<u>17,447,921,769</u>		<u>18,303,937,639</u>
TOTAL ASSETS	<u>19,938,613,701</u>		<u>19,342,666,860</u>
Current Liabilities			
Payables and Accruals	10 2,207,305,524.00	-	2,207,305,524
TOTAL LIABILITIES	<u>2,207,305,524.00</u>		<u>2,207,305,524</u>
NET ASSETS			
Government fund	3,421,052,033	-	3,421,052,033
Accumulated Surplus	14,310,256,144	(595,946,841)	13,714,309,303
TOTAL NET ASSETS	<u>17,731,308,177</u>		<u>17,135,361,336</u>
TOTAL LIABILITIES AND NET ASSETS	<u>19,938,613,701</u>		<u>19,342,666,860</u>

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		ORIGINAL FIGURES 2021/22 TZS	CHANGES	RESTATED 2021/22 TZS
Revenue				
Revenue from exchange transactions	11	3,774,368,168	-	3,774,368,168
Government capital grant	12	2,684,583,096	-	2,684,583,096
Other revenue	13	36,462,089	-	36,462,089
Total Revenue		<u>6,495,413,353</u>		<u>6,495,413,353</u>
Expenses				
Operating expenses	14	1,638,928,305	583,087,941	2,222,016,246
Wages, salaries and employee benefits	15	1,273,416,054	14,711,500	1,288,127,554
Administrative Expenses	16	888,767,717	(1,852,600)	886,915,117
Business Promotion	17	28,736,836	-	28,736,836
Events and Donations	18	33,698,300	-	33,698,300
Finance costs	19	8,616,478	-	8,616,478
Depreciation and Amortization	7	779,547,311	-	779,547,311
Total Expenses		<u>4,651,711,001</u>		<u>5,247,657,842</u>
Surplus during the year		<u>1,843,702,352</u>		<u>1,247,755,511</u>

		ORIGINAL FIGURES 2021/22 TZS	CHANGES	RESTATED 2021/22 TZS
Cash flows from operating activities				
Receipts				
Rendering of services	23	3,861,091,093	1,451,962,711	5,313,053,804
Receipt from the Government	24	3,151,615,477	-	3,151,615,477
Other Income	13	36,462,089	-	36,462,089
Total receipts		<u>7,049,168,659</u>		<u>8,501,131,370</u>
Payments				
Employee costs	25	(1,107,842,945)	-	(1,107,842,945)
Payments to suppliers and Admin exp	26	(1,670,471,213)	(595,946,841)	(2,266,418,054)
Payment to contractors and consultants	27	(1,456,565,607)	-	(1,456,565,607)
Finance cost	19	(8,616,478)	-	(8,616,478)
Total Payments		<u>(4,243,496,243)</u>		<u>(4,839,443,084)</u>
Net cash from operating activities A		<u>2,805,672,416</u>		<u>3,661,688,286</u>
Cash flows from investing activities				
Addition to WIP		(2,801,803,523)	(856,015,870)	(3,657,819,393)
Acquisition of property, plant, and equipment	28	(260,982,633)	-	(260,982,633)
Net cash from investing activities B		<u>(3,062,786,156)</u>		<u>(3,918,802,026)</u>
Net increase in cash and cash equivalents (A+B)		<u>(257,113,740)</u>		<u>(257,113,740)</u>

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Cash and cash equivalents at beginning of period	<u>308,190,087</u>	<u>308,190,087</u>
Cash and cash equivalents at the end of period	<u>51,076,347</u>	<u>51,076,347</u>