



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



DAR RAPID TRANSIT AGENCY (DART)

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

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April, 2023

AR/DART/2021/22

About the National Audit Office

Mandate

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

Vision

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

Mission

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

Motto: "Modernising External Audit for Stronger Public Confidence"

Core values

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

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

We do this by:

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

© This audit report is intended to be used by DART and may form part of the annual general report, which once tabled to National Assembly, becomes a public document; hence, its distribution may not be limited.

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Abbreviations

ISSAIs	International Standard of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
PAR	Public Audit Regulation
PAC	Public Accounts Committee
PPA	Public Procurement Act
PPR	Public Procurement Regulations
AR	Audit Report
NA	National Accounts

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chief Executive,
Dar Rapid Transit Agency (DART),
P. O. Box 38456,
DAR ES SALAAM, TANZANIA.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of the Dar Rapid Transit Agency (DART), which comprise the statement of financial position as at 30 June 2022, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of the Dar Rapid Transit Agency (DART) as at 30 June 2022, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348.

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of the Dar Rapid Transit Agency (DART) 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 of Ministerial Advisory Board and the 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.

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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 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

Further, Section 48(3) of the Public Procurement Act, 2011 requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

Subject matter: Compliance audit on procurement of works, goods and services
I performed a compliance audit on procurement of works, goods and services in the Dar Rapid Transit Agency (DART) for the financial year 2021/22 as per the requirement of the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that, the procurement of goods, works and services in the Dar Rapid Transit Agency (DART) is generally in compliance with the requirements of the Public Procurement laws.


1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject Matter: Budget Formulation and Execution

I performed a compliance audit on budget formulation and execution in the Dar Rapid Transit Agency (DART) for the financial year 2021/22 as per the requirement of the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that Budget formulation and execution of the Dar Rapid Transit Agency (DART) is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.


Salhina M. Mkumba
Ag. Controller and Auditor General,
Dodoma, United Republic of Tanzania.
April, 2023



2.0 GOVERNANCE REPORT FOR THE YEAR ENDED 30TH JUNE 2022

2.1 REPORT OF MINISTERIAL ADVISORY BOARD FOR THE YEAR ENDED 30TH JUNE 2022

2.2 INTRODUCTION

The Management hereby submit their report together with the financial statements for the year ended 30th June 2022 which disclose the state of affairs of the Dar Rapid Transit Agency (DART).

2.3 ESTABLISHMENT

The Dar Rapid Transit Agency (DART) is one of the semi-autonomous public organizations currently charged under the President's Office Regional Administration and Local Government (PO-RALG). It was established under then Prime Minister's Office Regional Administration and Local Government (PMO-RALG) by The Executive Agencies (The Dar Rapid Transit Agency) (Establishment) Order, 2007 issued through Government Notice Number 120 of 25 May 2007. The said Order was made under Section 3 of the Executive Agencies Act, Number 30 of 1997, CAP. 245 (as amended). The Agency is mandated to perform the following three main functions. First, to establish and operate Bus Rapid Transit (BRT) system in Dar es Salaam. Second, to ensure the orderly flow of traffic on urban streets and roads. Third; to ensure effective management of the Agency.

2.4 VISION

To become a regional leading urban mass transit agency providing affordable, reliable and modern mobility for sustainable development.

2.5 MISSION

To provide quality urban mass transit services through establishing, operating and effectively managing urban mass transit for national and regional sustainable development.

2.6 CORE VALUES

The Agency's core values are:-

- (a) Integrity;
- (b) Safety and Reliability;
- (c) Sustainability;
- (d) Customer focused;
- (e) People centered service;
- (f) Teamwork and collaboration.

2.7 PRINCIPAL ACTIVITIES

The Agency is responsible for establishing and operating Bus Rapid Transit (BRT) System in Dar es Salaam, ensuring the orderly flow of traffic on urban streets and roads and ensuring effective Management of the Agency through a well performing and effective Management and establishing commercial viable operation.

2.8 DUTIES OF THE AGENCY

In carrying out its functions the Agency shall strive to improve urban mobility for the residents of Dar es Salaam which will subsequently:-

- (a) Enable poverty reduction;
- (b) Improve living standards;
- (c) Lead to sustainable economic growth and act as pioneer of private and public investment partnership in the transport sector in the city.

2.9 FUNCTIONS OF THE AGENCY

The functions of the Agency shall be:-

- (a) Pioneer BRT system in the City by:-
 - (i) Developing DART system infrastructure, and
 - (ii) Putting in place concessionaires (fare collector, fund manager and bus operators)
- (b) To put in place high quality, technically well managed public bus services by:
 - (i) Preparing detailed design of the BRT phases,
 - (ii) Preparing detailed design of the total BRT system.
- (c) To prepare detailed design of the whole DART System to ensure:-
 - (i) There are well defined service standards and mechanism for quality assurance to be followed by service provider.
 - (ii) Effective maintenance mechanism for DART infrastructure facilities is established.
- (d) To provide walkways and bikeways for non-motorized transport users by constructing walkways and bikeways for non-motorized transport (NMT) users alongside DART corridors.
- (e) To improve traffic circulations through intersections by intersection redesigning and rebuild to eliminate traffic congestions.
- (f) To coordinate Public Transport Systems in order to facilitate orderly traffic flow by coordinating the development of transportation linkage plan.
- (g) To establish and develop a well performing and effective management.
- (h) To establish and maintain effective commercially viable operations to ensure financial sustainability of the DART System.

2.10 COMPOSITION OF THE MINISTERIAL ADVISORY BOARD

The Ministry Advisory Board (MAB) consists of seven members; six of them are non-executive Directors and one Executive Director who is the Chief Executive of the Agency. All of them are Tanzanian citizens and they were appointed on 20th October 2022.

The Ministry Advisory Board Members who were appointed are as follows:-

S/N	NAME	POSITION	QUALIFICATION	DATE OF APPOINTMENT	END OF TENURE	AGE
1.	Dr. Florens Martin Turuka	Chairman	-	20 th October 2022	20 th October 2025	-
3.	Eng. Benjamin Kiloba Dotto	Member	MSc. Advanced Computer Science	20 th October 2022	20 th October 2025	43
4.	Ms. Mwantumu Mshirazi Salimu	Member	Master of Law (LLSM)	20 th October 2022	20 th October 2025	53

S/N	NAME	POSITION	QUALIFICATION	DATE OF APPOINTMENT	END OF TENURE	AGE
5.	Eng. Aron Johnson Kisaka	Member	MSC - Automobile Services	20 th October 2022	20 th October 2025	57
6.	Dr. Edwin P. Mhede	Secretary and CE	Ph.D. Development Economics	15 th May 2021	-	44

2.11 CORPORATE GOVERNANCE

The overall responsibilities of the Ministry responsible for Regional Administration and Local Government, among other things include general determination of the Agency policy framework and the boundaries, within which the Agency operates, and the financial resources that are to be made available to the Agency. The Minister is also responsible for provision of the general direction and control of the Agency and the general responsibility of organizing, carrying out and encouraging measures for the development of the sustainable DART Agency.

In performing his duties, the Minister is assisted by the Permanent Secretary, who is responsible for Regional Administration and Local Government and is advised by the Ministerial Advisory Board (MAB). The day to day Management of the DART Agency is responsibility of the Chief Executive assisted by the Agency Management and advised by the Audit Committee of the Agency.

2.12 THE MINISTERIAL ADVISORY BOARD (MAB)

The Ministerial Advisory Board (MAB) provides an oversight strategic role, through the Minister responsible for Regional Administration and Local Government, in terms of Section 4.4 of the Establishment Order. The MAB shall consist of not more than five Members.

2.13 AUDIT COMMITTEE

In accordance with the Public Finance Regulations of 2001 (Regulation 30- 32) and Regulation 2.8 of the Agency's Financial Regulations of 2019, the Committee is responsible for reviewing and guiding financial matters and audit issues especially on value for money and good governance.

2.14 MANAGEMENT

The Management Team of the Agency constitutes the Chief Executive, four Directors, and four Managers.

- i. The Chief Executive;
- ii. Director of Transportation Development;
- iii. Director of Operations and Infrastructure Management;
- iv. Director of Finance and Business Development;
- v. Director of Administration, Human Resources and Communication;
- vi. Internal Audit Manager;
- vii. Legal Service Manager;

- viii. Procurement Manager;
- ix. ICT Manager.

Table: Management Team that served for the year ended 30 June 2022.

SN	NAME	DESIGNATION	DURATION
1	Dr. Edwin P. Mhede, PhD	The Chief Executive	May, 2021 to date
2	Dr. Elphas Mollet, PhD	Director of Administration, Human Resource and Communication	May, 2020 to date
3	CPA Deusdelity O. Casmir	Director of Finance and Business Development	December, 2021 to date
4	CPA Ramadhani Kihadala	Ag. Director of Finance and Business Development	April 2021 to December 2021
5	Dr. Eng. Philemon K. Mzee	Ag. Director of Operations and Infrastructure Management	March, 2017 to date
6	Eng. Fanuel O. Kalugendo	Ag. Director of Transportation and Development	January, 2021 to date
7	Adv. Domina Madeti	Legal Service Manager	October 2018 to date
8	Ms. Scholastica Ndilanha	Ag. Procurement Manager	October 2019 to date
9	CPA. Flora Fifi	Internal Audit Manager	November 2020 to date
10	Mr. Ng'wanashigi T. Gagaga	ICT Manager	March 2017 to date
11	Mr. William V. Gatambi	Public Relation Manager	January 2016 to date

2.15 KEY STRENGTHS AND RESOURCES

The Agency continues to give priority to key resources which are people, tangible and intangible resources such as appropriate technology which contribute in strengthening service delivery, productivity and financial sustainability. These strengths and resources are explained briefly below.

(i) Human Resources

Customer satisfaction is mostly anchored on people and hence employees continue to be the most important assets. Their zeal, hardworking and commitments has ensured the Agency that performs well during the year. The Agency has skilled, motivated and experienced employees who are considered as the resources in pursuing its objectives. The Agency encourages and supports capacity building programmes to impart the required knowledge to employees to give them an edge in performing their activities.

During the financial year ended 30th June 2022, the Agency sponsored some of its staff to attend different trainings on professional, soft skills and management issues.

(ii) Co-operation and support from various Stakeholders

The Agency has internal and external stakeholders and has been encouraging harmonious relationship with them. Their support and involvement in DART activities makes a significant impact and contribution to service delivery to the public. The Agency has continued receiving enormous support from stakeholders. Among others include Commuter service providers, DART commuters, Fare collectors, Fund Manager, Development Partners (i.e., WB, AfDB, AFD and JICA), Daladala operators,

Other public transport service providers (e.g., bodaboda, three-wheeler and taxi), Land Transport Regulatory Authority (LATRA), Employees'/workers' association, Government Ministries (i.e., PO-RALG, MoFP, MoWT, MoCLA, PO-PSMGG, MLHSD), Government agencies/authorities/operations (e.g., TARURA, TBA, TEMESA, TANROADS, TTCL, eGA, TMA), Offices of Attorney General, Parliament and Office of Treasury Registrar, Law enforcers (e.g., court of law, police and private security companies to mention a few.

(iii) Legal Framework

Legal and regulatory frameworks which govern smooth implementation of the Agency mandate include the Roads Traffic Act No. 168, DART Agency Establishment Order No. 120 (2007), Public Service Act (2002), Public Finance Act (2001), DART Financial Regulations (2019), Public Procurement Act (2011), Public-Private Partnership CAP No. 103 R. E. (2019), Environmental Management Act (2004), Urban Planning Act (2007) and the World Bank Procurement Guidelines. All these were key and useful during the financial under review. The Agency will continue to comply with legal and regulatory frameworks in the implementation of urban mass transit projects.

(iv) Financial Performance and Sustainability

The Agency's sources of revenue are provided under Section 5.4.1 of the DART Agency Establishment Order, 2007. The following are the major sources of funds for the Agency:-

- (a) Fares;
- (b) Rental Charges from buildings such as bus terminals buildings;
- (c) Subsidy from Government;
- (d) Fees on advertisements posted inside the buses and DART buildings;
- (e) Fines and penalty;
- (f) Grants from local and foreign organizations;
- (g) Income from Investments;
- (h) Sale of Tender Documents; and
- (i) Other Incomes from charges for services rendered.

(v) Financial Performance

During the year the Agency earned total revenue of TZS. 17.08 billion (2020/21: TZS 13.56 billion). The Agency incurred total expenditure of TZS. 19.04 billion (2020/21: 14.37 billion), including depreciation and amortization TZS 1.30 billion provision for impairment loss 3.70 billion and TZS 100 million was for contribution made to the Treasury Registrar as the Agency's contribution to the Government Consolidated Fund. The amount of supplies and consumables reported in the previous year included the amount for other expenses, however during the year re-classification of supplies and consumables figure of the prior year has been made by separating the figure for other expenses but this reclassification has no effect on the total expenditure reported in the Statement of Financial Performance. During the same period, the Agency incurred TZS. 1.66 billion (2020/21: TZS 2.93 billion) on capital expenditure. The level of revenue and the instituted internal controls have enabled the Agency to discharge its functions.

(vi) Financial Position

The Agency's financial position as 30th June 2022 shows total assets of TZS 129.03 billion (2020/2021: TZS. 131.60 billion) which include TZS 119.00 billion (2020/2021: TZS 118.82 billion) non-current assets (i.e. Buildings, Land, Infrastructural Assets -BRT Lanes, Motor Vehicles, Motorcycles, Furniture & Fittings as well as Computers & Accessories and TZS. 9.856 billion (2020/2021: 12.78 billion) current assets (i.e. Inventory, Receivables and cash and bank balances). The figure of total assets for the year includes TZS 100.63 Million for Motorvehicles with registration numbers STK 7323, STK 7324, STK 7325 and STK 7326 which the management has decided that these motorvehicles will be sold. During the same period, the Agency has recorded liabilities with the total amount of TZS 2.40 billion (2020/21: TZS 3.02 billion) which includes TZS. 256.71 million (2020/21: TZS 539.30 million) deferred income and TZS 2.14 Billion (2020/2021: TZS 2.45 billion) being other liabilities.

(vii) Cash flow Position

During the period, the Agency was able to collect cash from its contractual business partners basically in form of access fees. Generally, the Agency was able to meet timely its obligations that matured during the year. The Agency's cash flow position as at 30.06.2022 shows TZS 2.84 billion (2020/21: TZS 3.89 billion) balance.

(viii) Liquidity

The liquidity ratio indicates that as at 30 June 2022, DART was financially healthy as it could meet its current obligations six times when they become due. The ratio has increased compared to 30 June 2021 and it was five times.

3.0 OPERATIONAL PERFORMANCE

3.1 Objectives and Strategies

During the year, DART focused on the implementation of its strategic objectives which guides the Agency's operations in five years' period. The following were the Strategic Objectives and Strategies that were used for achieving the set strategic objectives:-

Objective A: HIV/AIDS Infections and Non-Communicable Diseases Reduced and Supportive Services Improved.

Objective B: Enhance and Sustain Effective Implementation of National Anti-Corruption Strategy.

Objective C: Reliability, Security and Safety of DART System Infrastructure and Operation Management Improved.

Objective D: Investment and Financial Management Enhanced.

Objective E: Automation of DART System Traffic Management and Security Enhanced.

Objective F: Governance and Management Systems and Human Resource Management Improved.

Objective G: Institutional Coordination and Public Awareness on DART System Improved.

Objective H: Legal and Regulatory Framework Enhanced.

3.2 Achievements

During the year, the Agency witnesses significant achievements as follows: -

(a) Construction of DART System Phase II.

The BRT Phase II that is presently in construction is expected to be completed in March 2023. The construction works have been divided into two separate lots:

- **Lot 1: Road Works (20.3 km roads, 2 flyovers and 27 bus stations).**
Road Works of phase II comprises of 20.3km of dedicated bus lanes and mixed traffic lanes, 2 Fly-overs at VETA and Uhasibu and 27 Bus stations at the median of the corridor. The Contractor for Lot 1 is Sinohydro Corporation Limited from China while the Consultant is BOTEK Bosphorus Consulting Corporation from Turkey. The infrastructure construction for Lot 1 commenced on 6th May 2019 and were planned to be executed for a period of 3 years until 5th May 2022. But currently the completion date has been extended to 27th March 2023. During the year end June 2022, the work progress reached 66%.
- **Lot 2: Building Works (1 Depot, 2 Terminals and 4 Feeder stations).**
Building Works of DART Phase 2 comprises of 1 Bus Depot at Mbagala, 2 Bus Terminals at Mbagala and Kariakoo-Gerezani and 4 Feeder Stations at Chang'ombe/DUCE, Mtoni kwa Azizi Ally, Mtoni Kijichi (Misheni) and Zakhem. The Contractor for Lot 2 is M/s China Civil Engineering Construction Corporation (CCECC) from China while the Consultant is M/s Inter Consult Limited from Tanzania. The infrastructure construction for Lot 2 commenced on 1st March, 2019 and were planned to be executed for a period of 2 years until on 31st July 2021. The project is substantially completed.

(b) Effective Management of Transitional Service Provider (TSP) Contract.

The agreement between DART and the transitional service provider (UDART), by enable the transparency and quality of service in DART system phase 1. DART Agency achieved this through enforcing monthly monitoring and supervision of TSP services (monitoring KPIs, non- compliance areas and taking contractual measure as per TSP contract). During the year under review a total of TZS 2.23 billion was recorded as performance deductions.

(c) Improvement of Public Transport Service in Dar Es Salaam

The Rapid Bus service has improved the public transportation service in the City and the travel time from an average of three (3) hours to 45 minutes and congestion has been reduced.

(d) Decrease in the transportation costs

A decrease in the cost of transportation, for example some residents of Kimara used to spend about 20,000/= Tanzanian Shillings to put fuel in their cars, now they spend TZS 1,300 as fare per day;

(e) Involvement of the Private Sector

The operation and provision of Public transport services on the DART project encourages the participation of the private sector through a partnership between the Public and Private Sector, (PPP). In addition, the DART system provides opportunities

and attracts donors/stakeholders to invest in infrastructure, public transportation services, and run economic activities in the system. This success is due to the participation of the Private Sector in the provision of public transport services. Using the Public Private Partnership (PPP) has attracted donors/stakeholders to invest in infrastructure and public transport services and traffic has decreased especially on the Morogoro road.

(f) The use of Modern Technology

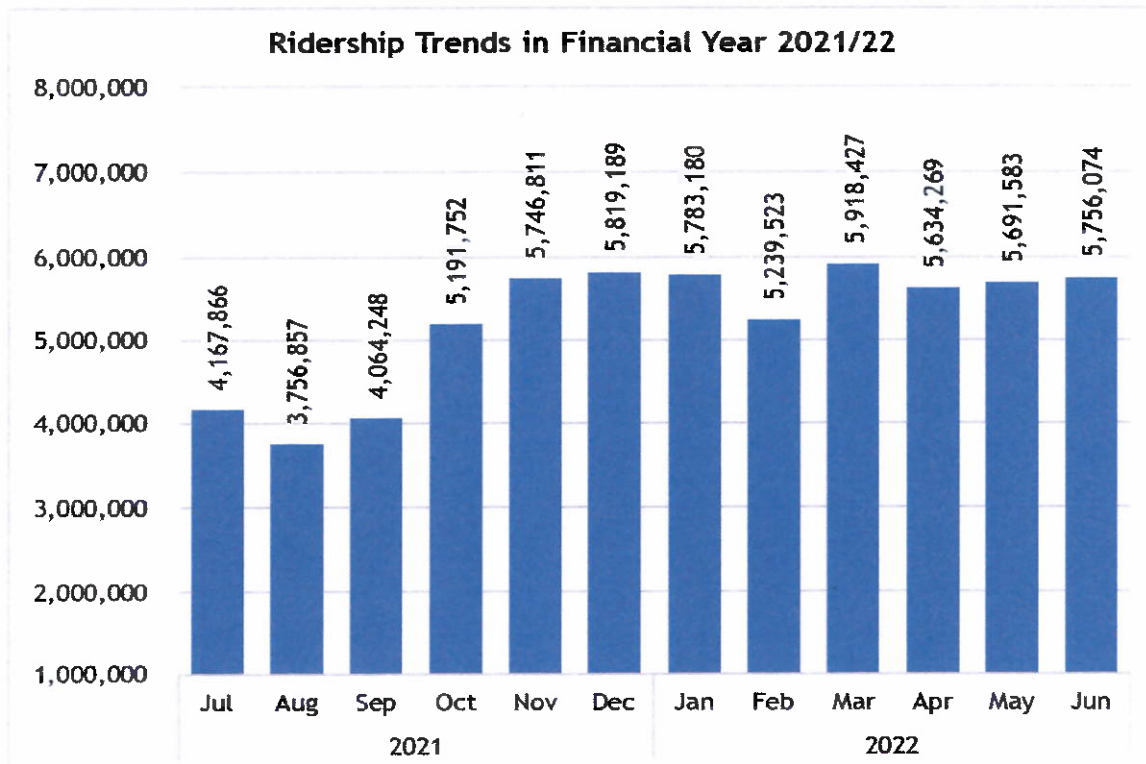
The BRT Project has promoted the use of Technology in fare collection systems (AFCS) and bus guidance systems (ITS). This technology not only simplifies the transportation service but also helps to improve and maintain the environment.

(g) Reduction in Environmental Pollution

The project has helped in reducing greenhouse gas emissions which is one of the main benefits of establishing a BRT project in cities. In Dar es Salaam, public transport has been contributing a lot to the production of hot gas because more than 98 percent of the needs of all public transport are provided by average trucks, most of which are more than 10 years old and are not well maintained. Our studies have shown that the introduction of the BRT system, the first phase, has significantly reduced the production of carbon dioxide, where the 210 buses that currently exist have reduced the production of carbon dioxide by 1,616.84 tons.

(h) Effective Supervision of travel service in DART system

There has been fairly steady average passenger ridership from July 2021 to September 2021. However, there has been an increase in monthly passenger's ridership for the month of October 2021 and the ridership remain fairly constant from November 2021 to June 2022. The improvement of passenger ridership from November 2021 onwards is the result of introduction of GoT-AFCS in all stations and terminals also the proper management of TSP contract that resulted in increase of number of buses from 140 to 210. The Figures below present the average monthly passengers and fare collection for the reporting year.



(i) Updating of Infrastructure Inventory

In order to inform the Agency on the maintenance needs, the Agency has updated an inventory of all infrastructure falling under the jurisdiction of the Agency. The inventory of infrastructure also serves as immediate input in various areas of operations and infrastructure management. This inventory covers the terminals, pedestrian bridges, stations and the depot. Major components are walls, windows, doors, roof ceiling, and roof coverings. Other components include gutters, steel columns, water downpipes, toilets, furniture, fittings, finishing, ITC/AFCS systems, directional signage, generators, pedestrian bridges, and security lights. The information contained therein forms a basis for preparation of fare collectors' contract who will also carry out the functions of station management.

3.3 Financing

The Agency's operations are financed mainly through Access fees collected from regulated service providers in the urban mass transport sector (Bus Service Provider, Advertising Agents and other rental Fees) by 51%. Other sources of financing include Revenue Grants from World Bank 32%, Government Subvention Recurrent PE 12%, Government Subvention Recurrent OC 4% and Revenue Grant - UNEP Project 1%.

During the year total revenue amounting to TZS 15.08 billion (2020/21: TZS 11.07 billion) were received indicating an increase of 27% compared to the previous year as shown in Table 3

Table 3: Summary of the actual funds received during financial 2021/22 & 2020/21

S/N	Sources of fund	Amount (TZS) 2021/22	%	Amount (TZS) 2020/21	%
1	Recurrent PE	1,787,238,055	12%	1,433,467,444	13%
2	Recurrent OC	644,166,299	4%	696,396,000	6%
3	Revenue Grants - WB	4,796,446,831	32%	5,115,098,750	46%
4	Revenue Grants-UNEP	216,489,074	1%	172,500,000	2%
5	Other Government Development Grants	0	0%	593,972,659	5%
6	Own Source	7,639,606,447	51%	3,045,807,503	28%
	TOTAL	15,083,946,706	100%	11,057,242,356	100%

Table 4: Summary of actual funds spent during financial 2021/22 & 2020/21

S/N	Sources of fund	Amount (TZS) 2021/22	%	Amount (TZS) 2020/21	%
1	Recurrent PE	1,787,238,055	11%	1,418,621,312	10%
	Recurrent OC	617,111,188	4%	514,604,969	4%
2	Revenue Grants - WB	4,796,446,831	30%	5,115,098,750	37%
3	Revenue Grants-UNEP	4,244,370	0%	0	0%
4	Development Funds Gvt - compensation	1,500,000,000	9%	2,870,002,458	21%
5	Other Government Development Grant (funds for AFCS)	0	0%	399,824,375	3%
6	Own Source	7,431,803,471	46%	3,533,045,022	26%
	TOTAL	16,136,843,915	100%	13,851,196,886	100%

3.4 BRT Infrastructure Development

In financial year 2021/2022, the Agency reviewed designs for phase 3, 4 and 5 and monitor and supervise the construction of phase 2 BRT infrastructures. Also the Agency acquired lands for phase 1 and 3 infrastructures development and currently, the Agency in collaboration with TANROADS is in the process of acquiring lands for BRT 4 and 5 infrastructures.

3.5 Implementation Development of Future Phases of DART System

DART Phase 2

In September 30th, 2015, the African Development Bank (AfDB) approved a loan to support Tanzania Government's efforts to decongest the city of Dar es salaam, where on 23rd October 2015 the Government of Tanzania entered into the agreement with the Bank to fund the project amounting to the total estimated cost of US \$159.32 million where by US \$141.7 million which is equivalent to 88.9% to be provided by the Bank and the remaining 11.1% to be provided by Government of Tanzania. The project is expected to be implemented within 36 months under the financing from the AfDB and the Africa Growing Together Fund (AGTF).

The project is implemented under two lots: Lot 1 for Road works and Lot 2 for Building works.

Lot 1: Road Works (BRT and Mixed Lanes, Fly-overs and Bus Stations)

The Lot 1: Road Works of DART Phase 2 comprises of 20.3km of dedicated bus lanes and mixed traffic lanes, 2 Fly-overs at VETA and Uhasibu and 28 Bus stations at the median of the corridor. The Contractor for Lot 1 is M/s Sinohydro Corporation Limited from China while the Consultant is M/s BOTEK Bosphorus Consulting Corporation from Turkey. The infrastructure construction for Lot 1 commenced on 6th May, 2019 and were planned to be executed for a period of 3 years to be completed on 5th May, 2022. Until the end of July 2022, the Actual progress on implementation of Lot 1 is 66.61% on physical basis whereby the Contractor continues with the construction works at Kilwa Road and Kawawa Road.

Lot 2: Building Works (Bus Depot, Terminals and Feeder Stations)

The Lot 2: Building Works of DART Phase II comprises of 1 Bus Depot at Mbagala, 2 Bus Terminals at Mbagala and Kariakoo Gerezani and 4 Feeder Stations at Chang'ombe/DUCE, Mtoni kwa Azizi Ally, Mtoni Kijichi (Misheni) and Zakhem. The Contractor for Lot 2 is M/s China Civil Engineering Construction Corporation (CCECC) from China while the Consultant is M/s Inter-Consult Limited from Tanzania. The infrastructure construction for Lot 2 commenced on 1 March, 2019 and were planned to be executed for a period of 2 years until 28th February 2021 but contractor were given extension of time up to 31st July 2021. Until the end of June 2021, the Actual progress on implementation of Lot 2 is Chang'ombe feeder station (100%), Mtoni feeder station (100%), Zakhem feeder station (100%), Mtoni Kijichi feeder station (100%), Gerezani (Kariakoo) terminal (100%) and Mbagala terminal and depot (100%). The overall actual progress is 100% and the infrastructure has been handed over to the Agency.

DART Phase 3

The Government of the United Republic of Tanzania (GoT) has received a Credit from the International Development Association (IDA) in the form of IDA Regular Credit in the amount of US\$ 225 million and IDA Scale-Up Facility (SUF) Credit in the amount of US\$ 200 million, to support the Dar es Salaam Urban Transport Improvement Project (DUTP). The financing agreement between GoT and IDA was signed on 20th March 2017. The implementing entities of the Project are Tanzania National Roads Agency (TANROADS) and Dar Rapid Transit

Agency (DART). The DUTP project has three main components: The Construction of Ubungo Interchange and Associated Facilities; the Implementation of BRT Phase 3 and 4; and the Improvement of BRT Phase1.

The initial designs DART System Phase 3 infrastructure was undertaken by the Consultant; Kyong Dong Engineering Co. Ltd from Korea in association with Ambicon Engineering Co. Ltd from Tanzania, the assignment which was finalized in 2015. The Consultants; M/s DOHWA Engineering Co. Ltd in association with UNITEC Civil Consultants Ltd. were then procured through TANROADS to undertake design review and supervision of works. This assignment has been completed and TANROADS procured SINOHYDRO CORPORATION LTD to undertake the construction of Lot 1, which has commenced on 1st August 2022.

DART Phase 4

The subcomponent of the World Bank financing under DUTP project will support the design and construction of the 30.1 km BRT Phase 4 infrastructure. The BRT phase 4 corridor runs from the Maktaba/Bibi-Titi Road junction at the CBD (where it connects with BRT phase III corridor) through Ali Hassan Mwinyi Road to Morocco (existing BRT Phase I terminal). From Morocco, it continues to Mwenge and ends at Boko basihaya. The corridor has a branch at Mwenge connecting to the BRT phase I trunk route at the Ubungo terminal through Sam Nujoma road. The DUTP project will also support the detailed designs of DART system phase 5 and 6.

For Phase 4, the Consultant namely M/s Kunhwa Engineering & Consulting Co. Ltd from Korea in association with AQGOLA Engineering & Management Services LTD, from Tanzania were procured through TANROADS in early 2019 to undertake the detailed infrastructure design for Phase 4 whereby the assignment started since April, 2019. The Consultant has submitted the final design reports and current TANROADS has announced tender for contractor procurement.

DART Phase 5

Phase 5 corridor has 26.0 Km, runs from Ubungo interchange to Mwalimu Nyerere Bridge. The Consultant namely M/s Kunhwa Engineering & Consulting Co., Ltd from Korea in association with AQGOLA Engineering & Management Services LTD, from Tanzania were procured through TANROADS to undertake the detailed infrastructure design for Phase 5, the assignment which started since on mid-2018. The Consultant has submitted the design final reports for contractor's procurement processes.

DART Phase 6

Phase 6 corridor has 33.5Km, runs from Morocco to Kawe via Mwaikibaki road, and the extension of phase one up to Kibamba and phase two up to Vikindu. The detailed design for the DART system phase 6 has not yet started. The Terms of Reference (ToR) for engaging the Design Consultant is under preparation and the activity will be implemented under the on-going Dar es Salaam Urban Transport Improvement Project (DUTP)

Resettlement of Project Affected Persons (PAPs)

Phase 3 has the total of 78 project affected persons (PAPs) which were to be paid the total compensation amount of TZS: 5.27 Billion, To date, a total of 78 PAPs have been paid the total compensation amount of TZS: 5.22 Billion while 1 PAP was partial paid due to Land conflict(Waiting Court Decision) and the amount remains for full payment is 52.36 Million. The PAPs have been compensated at Gongolamboto site for the Bus Terminal, Mombasa street for the feeder station and Ukonga and Airport streets for the road corridor.

Ubungo Maziwa Depot, DART has a plan to acquire land for Depot construction at Ubungo Maziwa, the area has the total of 90 Project Affected Persons (PAPs) which were to be paid the total compensation amount of TZS 7.88 Billion. Currently, The Agency has received fund for compensations from Ministry of Finance and Planning, and PAPs will be paid soon after submitting all the required documents.

3.6 Public Awareness

It is a duty of the Agency to enhance public knowledge, awareness and understanding of the mass public transport sector including the rights and obligations, ways in which complaints and disputes may be initiated and resolved; and the duties and functions of DART Agency.

As a way of providing feedback to the public on DART Agency performance, a public awareness and relations programme is implemented through a comprehensive communication strategy as an integral part of the Agency's functions to enhance public knowledge, awareness and understanding of the mass transit sector and its characteristics.

During the year under review, DART Agency implemented successfully activities related to Communications and Public Relations functions as per Communication Strategy and Action plan for year 2021/22. The implementation of the plan was made through various media outlets such as electronic and print media, meetings, public hearings and consultations. During the period under review, the Agency implemented the following publicity activities:-

3.7 Public Awareness Programmes

3.8 1TV and Radio Programmes

During the financial year ended 30th June 2022, DART Agency designed and recorded 21 television programmes, more than the target of 18 programmes that were planned. Under the same period, The Agency aired 19 Radio programmes against 18 programmes that were planned to be aired during the period under review. Other TV and radio programmes were planned but could not be run due shortage of resources.

The Agency also aired special interviews on demand of smart cards, shortage of buses, procurement of a Service Provider, and progress on Phase II BRT infrastructure development.

3.9 Advertisements

During the year, the Agency published 3 batches of various advertisements. The advertisements were mainly traditional ones of vacancies and tender.

3.10 Feature articles and social media

The Agency also published four Feature articles in various media against the target of six due to emerging issues that was to be responded on time. During the same period under review DART Agency was mentioned many times in news bulletins on various TV stations including TBC1,ITV,Channel 10,Azam TV, Star TV, Clouds TV E-TV and various online TVs and blogs. DART Agency also continued to promote the use of its social media accounts for *Youtube, Twitter, Facebook* as well as *WhatsApp* groups to reach out stakeholders through that category.

3.11 Seminars and Consultations

During the financial year ended 30th June 2022, The Agency conducted about 4 Seminars and consultations with various stakeholders with a view to discuss and impart Urban Mass Transport knowledge.

During the same period, the Agency held seminars and consultative meetings with key stakeholders such as the News Editors, and News Reporters.

3.12 Exhibitions

The Agency participated at the 46th Dar Es Salaam International Trade Fair (46th DITF) and World Workers' Day festivals. During the exhibitions, DART Agency conducted public awareness, by providing information and educational activities, whereby various publications such as brochures, Newsletter and DART reports were distributed to the public. At the end of exhibitions, the Agency served more than 2,385 visitors at DART booths. Also, the Agency in collaboration with TANTRADE provided BRT Bus transport to the public during the period of two weeks exhibitions.

3.13 Publicity Materials

During the year, the Agency distributed DART Agency's education and information materials to the Government and the general public through various events such as Saba Saba exhibitions, Nanenane exhibitions, and public enquiry and stakeholder's meetings.

The publicity reports distributed included DART Agency Annual report, newsletter, brochures, and banners, booklets on customer service charter for internal and external stakeholders.

3.14 Complaints and Disputes

The Agency attended three (3) complaints during the financial year under review. The complaint included three staffs who were denied promotion due to lack of Performance appraisal three consecutive years reports. Later, after listening to the both sides involved namely the staffs and the supervisors, the consensus was reached and as such, the staffs received their promotion.

3.15 Regional Cooperation Meetings

The main objective of regional cooperation is to provide sector inputs to Government delegation during regional and international meetings. Furthermore,

exchange sector challenges within the International and Regional Meetings, and DART Agency to have access to information necessary for sector development within the country and performance benchmarking. During the period the Agency participated in the activities of one (1) Regional Associations namely International Conference on Human Resource Professional Strategy held in South Africa on March 2022.

3.16 RECRUITMENT

During the year, the Agency recruited 8 ICTO new staff bringing the total number of staff to 86 (2021/22). The number of staff planned (approved establishment) was 133. Staff gender structure was as indicated in Table 5.

Table 5: Staff Complement.

ITEM	MALE	FEMALE	TOTAL
Staff Complement	60	26	86
Percentage	70	30	100

3.17 RISK MANAGENT AND CONTROL

In financial year ended 30 June 2022, the Authority continued to implement risk management activities based on the Annual Risk Management Action plan and prevailed economic, financial, social and sector environment in the country. The overall objectives in managing risks were to ensure that appropriate internal controls are in place and are effective in safeguarding the Agency's Assets, enhancing compliance with the laws, and protecting the organizational image to the public.

During the year, The Agency conducted strategic and operational risk assessment and implemented mitigations measures that were designed to address risks to which the Agency was exposed. Further, periodic risk management meetings and reviews were conducted and key risks and results of the reviews were reported.

3.18 EMPLOYEE WELFARE

3.19 Staff Relations

Good relationship between employees and Management of the Agency was observed and maintained during the year under review by involving Workers Council Meetings.

3.20 Capacity Building

The Agency's policy is to equip its staff with relevant Sectorial, Managerial, and Operational competencies to enhance their service delivery to the public. During the year, staff attended local and international trainings from own sources and donor funds.

3.21 Medical services

The Agency provides medical insurance cover through NHIF with special supplementary scheme.

3.22 Health and Safety

The Agency takes all reasonable and practicable steps to safeguard health, safety, and welfare of its employees by adhering to the Occupational and Safety rules and regulations. (OSHA)

3.23 HIV/AIDS Innervations

During the year, the Agency conducted awareness seminar to all staff on HIV/AIDS and Non-communicable diseases. Two internal training were conducted by Agency's peer educators.

3.24 Employment Benefit Plan

The Agency pays contributions to Public Service Social Security Fund (PSSSF) which is publicly administered.

3.25 GENDER PARITY

During the year, the Agency had 60 Male and 26 Female.

3.26 POLITICAL AND CHARITABLE DONATIONS

3.27 Political Donations

The Agency does not make donations towards political activities. During the financial year ended 30 June 2022, the Agency did not make any donation towards political activities.

3.28 Charitable Donations

During the financial ended 30th June 2022, the Agency provided donation to Muhimbili Mloganzila Hospital during a Womens' Day Week.

3.29 CORPORATE SOCIAL RESPONSIBILITIES

It is the policy of the Agency to contribute towards activities that improve people's lives in communities. During the financial year under review, DART Agency supported Mlonganzila Hospital on Women's Day.

3.30 PREJUDICIAL ISSUES

During the period, there was one (1) issue that were outside the control of the Agency that in some way hindered to some extent the achievement of the Agency's objective. That issue was failure to get approval to review the BRT fare tariffs from the relevant Authority.

3.31 RELATED PARTY

DART Agency 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 Agency. Realated parties comprises of Members of the Ministrial Advisory Board (MAB), The Chief Executive, Departmental Directors and Head of Units

3.32 ENVIRONMENTAL CONTROL

The Agency, in collaboration with the National Environmental Management Council (NEMC) and other stakeholders, continued to participate in compliance monitoring on matters related to protection of environment.

3.33 PERSONS WITH DISABILITIES

The Agency believes in and provides equal opportunities to persons with disabilities. During the year under review one (1) staff with sight disability was employed.

4.0 KEY CHALLENGES AND THE WAY FORWARD

The Agency encountered various challenges while discharging its functions during the year under review. Key challenges encountered included the following: -

a) Invasion of Petty Traders, Vehicles and Motorcycles in the DART Infrastructure:

The invasion of petty traders to DART infrastructure causes different problems including littering and general uncleanliness at terminals, stations and along the corridor. Also, the invasion of vehicles and motorcycles causes fatal accidents on the exclusive DART lanes. During the year under review a total of 13 Accidents occurred that involved 4 UDART Buses, 6 other vehicles, 1 Motor cycle and 2 other facts. There was no injured people and no fatal.`

Way forward

The Agency has continued to engage key stakeholder that include the Police, Municipalities, the Regional Commissioner, the Regional Administrative Secretary and District Commissioners in resolving the invasion issue including setting aside special areas for small businesses. The Agency is proceeding with education campaign to all stakeholders on proper usage of the DART system in order to reduce the rates of road accidents to minimum levels and curb vandalism of the DART system.

b) Legal Challenges:

The Agency lacks selflegal mandate to enforce its own regulations that would suit its unique operation model of mass transit and the effective management of the project it oversees. This emanates from the fact that the Agency was established via ORDER an NO. 120 of 2007 under Subsidiary Legislation of the Executive Agency Act, Cap 245.

Way forward

The Agency has requested the PO-RALG for the enactment of law that will not only give DART the mandate to oversee the project but rather give the Agency authority over developing modern public transport across the cities in the country.

c) Challenges of Fare Collection System:

The Government has developed its own Automated Fare Collection System (GoT-AFCS) which is used in all bus stations and terminals. The new system uses paper tickets with QR codes and the attendants use Point of Sale Machines (POS) to validate the tickets from passengers. However the system doesn't s support the use of smart cards and this might create possible leakages of fare revenues.

Way forward

The agency is in the final stages of the tender procurement to buy validation gates that will support the use of smart cards, the evaluation report was submitted to the World Bank for approval.

d) Shortage of buses providing transport service to the public

The existing service provider has 210 buses which is less compared to the required number of buses to operate in the first phase (305 buses) according to the project design.

Way forward

The agency is in the final stages of the tender procurement to buy 177 buses through the Emirates Company to be able to complete the number of 305 buses according to the design and enable the first phase to provide full service. The contract for procurement is expected to be signed in October 2022.

e) Flooding at Msimbazi Valley:

Heavy rains falling in the City of Dar es Salaam cause flooding in the Msimbazi river and affects the Jangwani depot thus disrupting the normal flow of vehicles. Moreover, the surrounding areas are also facing similar situation to the extent that all other social activities which were formally being conducted at Jangwani area including political, religious congregations, play grounds, car packing and other similar activities are currently totally stopped. In that regard, the floods at the area has decreased the use value of the depot site.

Way forward:

The government, through the DMDP project, is looking for solutions to the challenges of Msimbazi valley by building infrastructure that will not be affected by heavy rains. In addition, TANROADS has excavated sand and solid waste in the river and Msimbazi Bridge as a short-term measure to reduce the impact of flooding. This measure has helped prevent flooding on Morogoro road. This practice of removing sand and solid waste is continuous until a permanent solution is found to avoid flooding on the roads.

f) Shortage of Agency Office Accommodation

The agency is faced with the challenge of shortage of existing office rooms that do not meet the needs of all employees, so employees are forced to sit in large numbers in existing office rooms

Way forward

Currently, the Agency is in the process of finding a Consultant for the renovation of the building which was given by the Central Government. In addition, the Management has made major improvements to improve the current office environment and appearance of the buildings as part of the implementation of the KAIZENI system. This generally increases the working conditions for the productivity and efficiency of the delivery of Services to our customers inside and outside the Agency.

4.1 SOLVENCY

Since its establishment the Agency has managed to finance its operations through sources specified under the DART Establishment Order, 2007, Section 5.4.1. The Management consider the Agency to be solvent on the strength of its financial position as at 30 June 2022 as set in these financial statements and the Notes thereon.

4.2 AUDIT MANDATE

The Controller and Auditor General is the Statutory Auditor of the Dar Rapid Transit Agency by virtue of Article 143 of the Constitution of the United Republic of Tanzania and as amplified in Section 10 of the Public Audit Act, Cap 418 (R.E 2021). In that regard, the CAG shall carry out audit of the Agency's financial statements of the year ended 30th June 2022.



.....
Dr. Edwin P. Mhede
THE CHIEF EXECUTIVE



.....
Dr. Florens M. Turuka
MAB-CHAIRPERSON

.....
DATE

5.0 STATEMENT OF RESPONSIBILITIES BY THOSE CHARGED WITH GOVERNANCE

These financial statements have been prepared by the Management of the Dar Rapid Transit Agency in accordance with the Dart Agency Establishment Order, 2007 and Public Finance Act. Cap 348 (R.E 2020).

The Management of DART are responsible for establishing and maintaining a system of effective internal control designed to give reasonable assurance that the transactions recorded in the financial statements are within the statutory requirement and that they contain the receipts and use of resources by the Agency.

The Management of DART are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time of the financial position of the Agency, and which enable them to ensure that the financial statements comply with DART AGENCY Establishment Order. They are also responsible for safeguarding the assets of DART and, hence, for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.

The DART Management confirms that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgment and estimates have been made in the preparation of financial statements for the year ended 30th June 2022. The Management also confirm that International Public Sector Accounting Standards have been followed and the financial statements have been prepared on the going concern basis to the best of the Management knowledge, the internal control system has operated adequately throughout the reporting period and the accounting and underlying records provide a reasonable basis for the preparation of the financial statements for the year ended 30th June 2022.

Management accepts responsibility for the integrity of the Financial Statements, the information that contain and their compliance with International Public Sector Accounting Standards. Nothing has come to the attention of the Management to indicate that DART will not remain a going concern for at least the next twelve months from the date of the Statements.

Approved by the Management and signed on its behalf by:



.....
Dr. Edwin P. Mhede
THE CHIEF EXECUTIVE



.....
Dr. Florens M. Turuka
MAB-CHAIRPERSON

.....
DATE

6.0 DECLARATION OF HEAD OF FINANCE

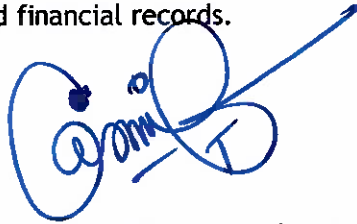
The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible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

I, **DEUSDELITY O. CASMIR** being the Director of Finance and Business Development of DART Agency during the period under review do hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30th June 2022 have been prepared in compliance with applicable accounting standards and statutory requirements.

I therefore confirm that the financial statements give a true and fair view position of the DART Agency as on that date and that they have been prepared based on properly maintained financial records.

Signed by:



Position: Director of Finance and Business Development


NBAA Membership No. ACPA 2358

Date:


7.0 FINANCIAL STATEMENTS

7.1 STATEMENT OF FINANCIAL POSITION AS AT 30th JUNE 2022

	<u>Note</u>	<u>2021/22</u> TZS	<u>Restated</u> <u>2020/21</u> TZS
ASSETS			
Current assets			
Cash and cash equivalents	15	2,840,370,528	3,893,267,738
Receivables	16	6,912,205,882	8,698,401,913
Inventories	17	95,972,063	190,412,053
Total Current Asset		9,848,548,473	12,782,081,704
Non-current assets			
Property, plant and equipment	23	119,152,832,626	118,823,254,590
Non Current Asset Held for Sale	26	28,752,760	-
Total Non-Current Asset		119,181,585,386	118,823,254,590
TOTAL ASSETS		129,030,133,859	131,605,336,294
LIABILITIES			
Current liabilities			
Payables	18	1,760,057,828	2,278,500,684
Deferred income	19	27,055,111	383,054,049
Deposits	21	383,796,909	171,552,205
Total Current liabilities		2,170,909,646	2,833,106,937
Non-current liabilities			
Deferred income	20	229,653,003	186,248,630
Total Non-Current liabilities		229,653,003	186,248,630
TOTAL LIABILITIES		2,400,562,751	3,019,355,567
Net Assets		126,629,571,107	128,585,980,726
NET ASSETS/EQUITY			
Capital contributed by;			
Taxpayers Fund		106,906,582,474	106,906,582,474
Accumulated Surplus		19,722,988,633	21,679,398,252
TOTAL NET ASSETS/EQUITY		126,629,571,107	128,585,980,726



Dr. Edwin P. Mhede
THE CHIEF EXECUTIVE



Dr. Florens M. Turuka
MAB-CHAIRPERSON

.....
DATE

7.2 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30th JUNE 2022

		2021/22	Restated 2020/21
	<u>Note</u>	TZS	TZS
REVENUE			
Revenue from Exchange Transactions	8	9,506,737,994	5,713,031,806
Revenue from Non Exchange Transactions	9	7,578,226,946	7,838,934,852
Total Revenue		17,084,964,940	13,551,966,659
EXPENSES AND TRANSFERS			
Expenses			
Depreciation and amortization	23	1,304,408,289	1,798,759,418
Maintenance Expenses	12	1,038,508,628	578,896,523
Other Expenses	14	4,017,591,989	4,757,897,306
Supplies and consumables used	11	4,450,537,344	3,675,352,433
Wages, salaries and employee benefits	10	4,536,671,393	3,558,151,926
Provision for impairment loss	16	3,693,656,915	-
TOTAL EXPENSES		19,041,374,558	14,369,057,604
Deficit during the year		(1,956,409,618)	(817,090,946)



.....
Dr. Edwin P. Mhede
THE CHIEF EXECUTIVE



.....
Dr. Florens M. Turuka
MAB-CHAIRPERSON

.....
DATE

7.3 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30th JUNE 2022

	Taxpayers Fund (TZS)	Accumulated surplus/(deficit) (TZS)	Total (TZS)
At 1 st July 2021	106,906,582,474	21,679,398,253	128,585,980,726
Surplus/(deficit) for the year	-	(1,956,409,618)	(1,956,409,618)
At 30 th June 2022	106,906,582,474	19,722,988,633	126,629,571,107
At 1 st July 2020	106,906,582,474	22,496,489,198	129,403,071,672
Surplus/(deficit) for the year	-	(817,090,946)	(817,090,946)
At 30 th June 2021	106,906,582,474	21,679,398,253	128,585,980,726



 Dr. Edwin P. Mhede
 THE CHIEF EXECUTIVE



 Dr. Florens M. Turuka
 MAB-CHAIRPERSON

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DATE

7.4 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

	2021/22	Restated 2020/21
	TZS	TZS
Cash flows from operating activities		
RECEIPTS (note 25a)		
Revenue from Exchange Transactions	7,639,606,447	3,698,352,657
Revenue from Non Exchange Transactions	7,227,851,185	7,358,889,699
Other Revenue	216,489,074	-
Total Receipts	15,083,946,706	11,057,242,355
PAYMENTS (note 25b)		
Wages, Salaries and Employee Benefits	4,982,064,893	2,940,751,827
Supplies and Consumables Used	4,431,694,950	7,538,886,891
Other Payments	4,244,370	-
Other Expenses	4,017,591,989	-
Maintenance Expenses	1,038,508,628	439,703,958
Total Payments	14,474,104,830	10,919,342,675
Net Cashflows From Operating Activities	609,841,875	137,899,679
Cash flows from investing activities		
Acquisition of property, plant, and equipment (Note 23)	1,662,739,085	2,931,854,210
Net cashflows from investing activities	1,662,739,085	2,931,854,210
Net decrease in cash and cash equivalents	(1,052,897,210)	(2,793,954,531)
Net foreign exchange difference	-	-
Cash and cash equivalents at beginning of period	3,893,267,738	6,687,222,269
Cash and cash equivalents at end of period	2,840,370,528	3,893,267,738

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DATE

Controller and Auditor General

AR/DART/2021/22

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

	Original Budget (TZS)	Reallocations/ Adjustments (TZS)	Final Budget (TZS) (B)	Actual Amount on Comparable Basis (A)	Different Final Budget & Actual(TZS) (B-A)
RECEIPTS					
Revenue from exchange Transactions	4,768,836,700	4,484,014,264	9,252,850,964	7,639,606,447	1,613,244,517
Revenue from non exchange transactions	2,259,127,558	8,245,796,576	10,504,924,134	7,227,851,185	3,277,072,949
Other Revenue	-	172,994,608	172,994,608	216,489,074	(43,494,466)
Total Receipts	7,027,964,258	12,902,805,448	19,930,769,706	15,083,946,706	4,846,823,000
PAYMENTS					
Maintenance Expenses	800,000,000	337,690,876	1,137,690,876	1,038,508,628	99,182,248
Supplies and Consumables Used	1,220,000,000	5,175,321,413	6,395,321,413	4,431,694,950	1,963,626,463
Wages, Salaries and Employee Benefits	1,548,964,258	3,536,798,551	5,085,762,809	4,982,064,893	103,697,916
Other payments	2,200,000,000	172,994,608	172,994,608	4,244,370	168,750,238
Other Expenses		1,800,000,000	4,000,000,000	3,917,591,989	82,408,011
Grants, Subsidies and Other transfer payments	389,000,000	-	389,000,000	100,000,000	289,000,000
Acquisition of Property, Plant and Equipment	870,000,000	1,880,000,000	2,750,000,000.00	1,662,739,085	1,087,260,915
Total Payment	7,027,964,258	12,902,805,448	19,930,769,706	16,136,843,915	3,793,925,791
Net Receipts/Payments	-	-	-	(1,052,897,21)	3,793,925,791
Cash at the beginning				3,893,267,738	
Cash at the end				7,840,370,528	

.....
 Dr. Edwin P. Mhede
 THE CHIEF EXECUTIVE

.....
 Dr. Florens M. Turuka
 MAB-CHAIRPERSON

.....
 DATE

8.0 REASONS FOR CHANGE ON COMPARISON BETWEEN THE BUDGET AND ACTUAL

The final budget of financial year 2021/22 was TZS 19,930,769,706 and the actual receipts amount was TZS 15,083,946,706. The actual fund received is less than the budgeted amount; this was significantly caused by the carryover funds from previous year that is included in the budgeted figure and the Agency's failure to get companies to lease spaces for advertisements with the BRT Corridor.

Revenue from exchange transactions

The final budget for revenue from exchange transactions was TZS 9,252,850,964 and the actual amount collected was TZS 7,639,606,447. The difference was mainly due to the failure of the Agency to get companies to lease spaces for advertisements within the BRT corridor.

Revenue from non-exchange transactions

The final budget for revenue from non-exchange transactions TZS 10,504,924,134 and the actual amount collected was TZS 7,227,851,185. The difference was caused by carry over funds from previous year that was included in the budget adjustments.

Expenses

In financial year 2020/21, the amount of budget under expenses categories were higher than the actual expenses. The difference was due to the fact that amounts available for expense depends on the actual collections, since collections were not met as budgeted obviously the expenses were less than budgeted.

9.0 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2022

1.0: GENERAL INFORMATION

PRINCIPAL PLACE OF BUSINESS

Ubungo Maji,
Morogoro Road
P. O. BOX 724,
16103 DAR ES SALAAM - TANZANIA.
Tel: +255 22 2700486/280
E-mail: ce@dart.go.tz
Website: www.dart.go.tz

LAWYER

Attorney General's Office
P. O. BOX 630,
DODOMA - TANZANIA.

Fax: +255 22 2700603

BANKERS

Bank of Tanzania
Mirambo Street
11884 Dar es Salaam
P. O. BOX 2939
DAR ES SALAAM - TANZANIA

CRDB Bank PLC,
Azikiwe Premier Branch,
B.W. Mkapa Towers-Azikiwe Street
P. O. BOX 9531,
DAR ES SALAAM - TANZANIA.

NMB Bank PLC,
Bank House Branch,
Samora Avenue,
P. O. BOX 9031,
DAR ES SALAAM - TANZANIA

AUDITORS

Controller and Auditor General
National Audit Office
Audit House'
4 Ukaguzi Road,
P. O. BOX 950
41104 TAMBUKARELI,
DODOMA - TANZANIA

2.0: BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

These financial statements have been prepared on the basis of historical cost and accrual basis, unless otherwise specified (the Statement of Cash Flows).

2.1: Functional, presentation, currency translation and rounding off

2.1.1: Functional and Presentation Currency

The financial are prepared in Tanzania Shillings, which is the Agency's functional and presentation currency and all values are rounded to the nearest shillings except where otherwise indicated.

2.1.2: Foreign Currencies Translation

Transactions in foreign currencies during the year are converted into Tanzania Shillings (functional currency), at rates ruling at the transaction dates, momentary assets liabilities at the statement of Financial Position date which are expressed in foreign currencies are translated into Tanzania Shillings (TZS) at rates ruling at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated. The

resulting differences from conversion and translation are dealt with in the Statement of financial performance in the period in which they arise.

2.2: The Statement of Cash flow is prepared using direct method.

3.0: STATEMENT OF COMPLIANCE WITH IPSAS AND LAWS

The financial statements of the Agency are prepared in accordance with International Public Sector Accounting Standards (IPSAS) Accrual Basis of Accounting as issued by International Public Sector Accounting Standards Board (IPSASB) and other applicable laws of United Republic of Tanzania and directives including Public Finances Act, 2001 as amended in 2004, and Accounting Circular no. 6 on the preparation of financial statements and other financial reports and closure of the financial year 2021/22 issued by the Ministry of finance and Planning. The list of standards used include the following

- ✓ IPSAS 1 Presentation of Financial Statements,
- ✓ IPSAS 2 Cash Fows Statements,
- ✓ IPSAS 3 Accounting Policies, Changes in Accounting Estimates and Errors,
- ✓ IPSAS 9 Revenue from Exchange Transactions,
- ✓ IPSAS 12 Inventories
- ✓ IPSAS 14 Events after the reporting date,
- ✓ IPSAS 17 Property, Plant and Equipments,
- ✓ IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets,
- ✓ IPSAS 20 Related Party Disclosures,
- ✓ IPSAS 21 Impairment of Non-Cash-Generating Assets,
- ✓ IPSAS 23 Revenue from Non-Exchange Transactions (Taxes and Transfers),
- ✓ IPSAS 24 Presentation of Budget Information in Financial Statements
- ✓ IPSAS 25 Employee Benefits,
- ✓ IPSAS 26 Impairment of Cash-Generating Assets,
- ✓ IPSAS 39 Employee Benefits,

4.0: STANDARDS ISSUED, NOT YET EFFECTIVE AND WITH NO IMPACT

The following are the list of standards issued but not yet effective according to the nature of Agency's operations

- ✓ IPSAS 4 The Effects of Changes in Foreign Exchange Rates,
- ✓ IPSAS 5 Borrowing Costs,
- ✓ IPSAS 6 Consolidated and Separate Financial Statements,
- ✓ IPSAS 7 Investments in Associates,
- ✓ IPSAS 8 Interests in Joint Ventures
- ✓ IPSAS 10 Financial Reporting in Hyperinflationary Economies,
- ✓ IPSAS 11 Construction Contracts,
- ✓ IPSAS 13 Leases,
- ✓ IPSAS 15 Financial Instruments: Disclosure and Presentation,
- ✓ IPSAS 16 Investment Property,
- ✓ IPSAS 18 Segment Reporting,
- ✓ IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets,
- ✓ IPSAS 22 Disclosure of Financial Information About the General Government Sector,
- ✓ IPSAS 27 Agriculture
- ✓ IPSAS 28 Financial Instruments: Presentation,
- ✓ IPSAS 29 Financial Instruments: Recognition and Measurement,
- ✓ IPSAS 30 Financial Instruments: Disclosures,
- ✓ IPSAS 31 Intangible Assets,
- ✓ IPSAS 32 Service Concession Arrangements: Grantor,
- ✓ IPSAS 34 Separate Financial Statements,
- ✓ IPSAS 35 Consolidated Financial Statements,
- ✓ IPSAS 36 Investments in Associates and Joint Ventures,
- ✓ IPSAS 37 Joint Arrangements,
- ✓ IPSAS 38 Disclosure of Interests in Other Entities,
- ✓ IPSAS 40 Public Sector Combinations,
- ✓ IPSAS 41 Financial Instruments,
- ✓ IPSAS 42 Social Benefits.

5.0: SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

5.1: Revenue Recognition

Revenue comprises of inflows of economic benefits received and receivable by the reporting entity, which represents an increase in net assets/equity, other than increases relating to contributions from owners. For the Agency, Revenue comprises of the fair value of grants received from the government and other donors, fees charged on services rendered to the customers such as parking fees, access fees, levies and fees from permits on billboard and posters rentals

The amount of revenue is not considered to be reliably measured until all contingencies relating to that income have been resolved. The Agency bases its estimates on historical results, taking into consideration the type of the business partner, type of transaction and specifics of each arrangement.

5.1.1: Revenue from Non-Exchange Transactions

This is the revenue received from the transactions which are not exchange transactions which include grants received from the Government and Donors. Its recognition depend on the nature of the conditions and their settlement, for revenue from non exchange transactions with conditions specifying that the Agency is to provide goods or services to third parties, or return unused funds to the Government or Donor, the funds are recognized as a liability until the goods or services are provided where the liability is subsequently reduced and revenue is recognized. If the grants have no conditions then the revenue is recognised directly in the Statement of Financial Performance when the grants are received.

5.1.2: Revenue from Exchange Transactions

Revenue from Exchange transactions is recognized to the extent that it is probable that the economic benefits will flow to the Agency and the amount of which can be reliably measured. This include parking fees, access fees, levies and fees from permits on billboard and posters, sanitary charges, rental revenue, interest income and other revenue.

a) Interest Income

Interest Income is an income from the interest earned on cash temporarily held in fixed deposits, call account deposits, or purchase of the Treasury bill. The Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable and it accounted for in the period in which it is earned. Interest income is included as other income in the Statement of Financial Performance.

b) Parking Fees

Revenue is recognized when the cash is received from the customers for the usage of the Agency's parking lots in designated areas.

c) Access Fees

Revenue is recognized for the usage of BRT infrastructures (BRT lanes, stations and terminals) by the bus operator

d) Permit and Billboard Fees

Revenue is recognized for the usage of BRT infrastructures (pedestrian's bridges, stations and terminals) by the advertising companies.

e) Fines and Penalties

For contractual customers, revenue is recognized when the customer fails to comply with the contract terms, however, for non-contractual parties, revenue is recognized when the cash is received.

f) Sanitary Charges

Revenue is recognized when the cash is received from the customers for the usage of toilet services.

g) Other revenue

It is recognized and accounted for as income to the Agency in the period in which it is earned.

5.2: Property, Plant and Equipment

All property, plant and equipment are initially measured and recorded at cost less accumulated depreciation and any impairment losses. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent expenditures are capitalized only when they increase the current economic benefits or service potential and meet the recognition criteria. Expenditure incurred to replace a component of item of property and equipment is counted for separately and capitalized while the major replaced component is derecognized. All other expenditure items, which do not meet recognition criteria, are recognized in the Statement of Financial Performance as expenses as they incurred.

As guided by the Public Assets Management Guideline, Depreciation on assets is calculated on the straight-line basis to write down the cost of each asset, to its residual value over their estimated useful lives. The Agency is charging depreciation when the asset is available for use irrespective of the date of acquisition. The depreciation ceases when the asset is derecognized. The annual rates of depreciation that have been consistently applied are as follows:

Description	Useful life (years)	Depreciation Rate (%)
Buildings	50	2
Infrastructural assets	100	1
Computers Desktop and Laptop	4	25
Printers	7	14
Furniture, fixtures & Equipment	5	20
Motor Vehicles (light duty)	5	20
Motor Cycles	7	14
Office Equipment's	5	20
Plant & machinery	15	6.7

The assets and useful lives are reviewed, and adjusted if appropriate, at each Statement of the Financial Position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount and are considered in determining surplus or deficit.

5.2.1: Recognition

The cost of an item of Property, Plant and Equipment is recognized as an asset if, and only if the asset is being controlled by the Agency; it is probable that future economic benefits or service potential associated with the item will flow to the Agency; and the cost of the item can be measured reliably.

5.2.2: Measurement

Property, Plant and Equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

5.2.3: Derecognition

The carrying amount of an item of property, plant and equipment is derecognized when asset is disposed; or when no future economic benefits or service potentials are expected from its use or disposal. Gains and losses on de-recognition of Property, Plant and Equipment is determined by reference to their carrying amount and is taken into account in determining operating profit.

5.2.4: Subsequent Measurement

The Agency use the cost model to record the subsequent measurements.

5.2.5: Impairment of Non current Assets

Impairment loss occurs when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. Carrying amount is the amount at which an asset is recognized in the statement of financial position after deducting accumulated depreciation and accumulated impairment losses, while recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Impairment, therefore, reflects a decline in the utility of an asset to the entity that controls it. The asset is regarded as impaired as it is no longer capable of providing the entity with service potential - it has little, or no, utility for the entity in contributing to the achievement of its objectives.

The management assesses the impairment of its assets on annual basis and/or any time where there are indications for impairment of any of its assets to determine whether the assets are impaired or not.

5.3: Intangible Assets

Intangible assets consists of computer software licenses which are capitalized based on the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives.

Intangible assets are initially recorded at historical cost and accounting for intangible assets is based on its useful life. An intangible asset with finite useful life is amortized and an intangible asset with indefinite useful life is not. Maintenance of the intangible assets is charged to the income statement during the financial period in which they are incurred.

5.3.1: Amortization

The depreciable of intangible asset with a finite useful life shall be allocated using straight line basis at 33.3%. The amortization shall cease at the date that asset is derecognized. Amortization period and the amortization method for an intangible asset with finite useful life shall be reviewed at least at each reporting date if the expected useful life of the asset is different from the previous estimate.

5.3.2: Residual Value

An intangible asset with finite useful life residual value shall be assumed to be zero unless there is an active market for that asset.

5.4: Investments and Other Financial Instruments

The Agency classifies financial assets and financial liabilities into the following categories:-

- Held-to -Maturity investment
- Loans and Receivables
- Financial liabilities measured at amortized cost

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Hence, financial assets are classified at fair value as appropriate. When financial assets are recognized initially, they are measured at fair value. The Agency determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

5.5: Inventories

There are no inventories held for sale. Inventories for consumption (Stocks and Consumables), i.e. stationeries, are measured at cost upon initial recognition. After initial recognition inventories are measured at the lower of cost and current replacement cost. Cost is determined by the First - In -First - Out (FIFO) method. Current replacement cost is the cost the entity would incur to acquire the asset on the reporting date.

5.6: Provisions

Provisions are recognized when the Agency has a present legal or constructive obligation because of past events, when it is probable that an outflow of resources embodying economic benefits and/or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. However, the Agency has not made any provision during the year.

5.7: Accounting Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty

about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. In the process of applying the Agency's accounting policies, management has made estimates, in the determination of the useful lives.

5.8: Employee Entitlements

Employee entitlements are recognized when they accrue to employees. A provision is made for estimated liability of such entitlements as a result of services rendered by employees up to the Statement of Financial Position date. The estimated monetary liability for employees accrued annual leave entitlement at the Statement of Financial Position date is recognized as an expense accrual.

5.9: Retirement Benefit Obligation

The Agency contributes to statutory benefits for its employees under the Permanent and Pensionable term of employment at the rate of 15% of basic salary to the Public Service Social Security Fund (PSSSF).

6.0: INFORMATION ON BUDGET PERFORMANCE

The financial statements in conformity with IPSAS 24 requires management of a public sector entity to show comparison of budget amounts arising from execution of the budget to be included in the financial statements of the entity which are required to, or elect to, make publicly available their approved budget for which they are, therefore, held publicly accountable. The Agency prepares its financial statements clearly indicating the actual expenditure in comparison with the approved budgetary provisions and in so doing fully complies with this standard. The statement of comparison of budgeted and actual amounts has been presented using cash basis of accounting

7.0: CASH AND CASH EQUIVALENT

This statement is for the purpose of the cash flow statement, in this respect, the year - end cash and cash equivalents comprise of the following:-

The Agency is not exposed to credit risk on cash and bank balances because these are held with sound financial institutions. At the end of the year the Agency had a total of TZS 2,840,370,527.58

Table

SN	Description	Amount (TZS)
1	Cash at Bank	722,673,964
2	Secured fund	2,117,696,564
	Total	2,840,370,528

7.2: CASH FLOW RECONCILIATION - CASH FLOW GENERATED FROM OPERATIONS

	Amount (TZS)	Amount (TZS)
Surplus for the year		(1,956,409,618)
Add items not involving cash movement		
Depreciation	1,304,408,289	
		1,304,408,289
		(652,001,328)
Adjustments involving movement in Working Capital items		
Increase in Receivables	1,786,196,031	
Decrease in Inventories	94,439,990	
Decrease in Payables	(518,442,855)	
Decrease in Recurrent Deferred Revenue	(355,999,038)	
Increase in Dev Deferred Revenue	43,404,373	
Increase in Deposit	212,244,704	
		(2,431,813,710)
Net Cashflow from operating activities		609,841,875

8. Revenue from Exchange transactions

Billboard fee	524,000	358,405,628
Access fee	6,736,526,000	2,956,500,000
Miscellaneous Receipts	175,232,194	15,418,978
Sanitation	89,792,100	73,119,000
Parking Fee	269,635,900	266,478,200
Fee, Fines, Penalties and Forfeits	2,235,027,800	2,043,110,000
	9,506,737,994	5,713,031,806

9. Revenue from Non-Exchange transactions

Amortization of Revenue Grants with Exchequer revenue	1,787,238,055	1,433,467,444
Personnel Emoluments	644,166,299	696,396,000
Other Charges	357,939,255	593,972,659
Development Grants Local	4,788,883,337	5,115,098,749
Development Grants Foreign	7,578,226,946	7,838,934,852

10. Wages, Salaries and Employee's Benefits

Accommodation in lieu of Quarters	56,900,000	-
Acting Allowance	12,000,025	-
Casual Laborers	215,338,089	222,453,607
Civil Servants	1,787,238,055	1,433,467,444
Civil Servants Contracts	34,999,871	163,429,028
Court Attire Allowance	2,000,000	2,000,000
Electricity	106,272,516	108,158,000
Extra -Duty	54,361,250	181,256,000

Facilitation Allowance	10,500,000	-
Field (Practical Allowance)	156,665,798	116,940,159
Food and Refreshment	300,666,411	209,279,000
Furniture	82,000,000	44,000,000
Honoraria	30,000,000	4,900,000
Housing allowance	675,094,099	635,180,000
Leave travel	163,555,997	125,179,445
Medical and Dental Refunds	55,657,300	250,000
Moving Expenses	52,104,000	92,405,634
Outfit Allowance	1,200,000	-
Responsibility Allowance	32,500,000	10,300,000
Sitting Allowance	362,419,167	67,978,841
Telephone	184,715,083	33,982,239
Transport Allowance	10,410,000	-
Water Allowance	138,668,731	34,780,000
Water and Waste Disposal	11,405,000	72,212,528
	4,536,671,393	3,558,151,925

11. Supplies and consumables used

Accommodation	6,700,000	36,480,950
Advertising and Publication	30,444,850	4,688,700
Air Travel Tickets	54,491,317	52,521,555
Communication Network Services	54,130,728	202,740,149
Computer supplies and accessories	900,000	-
Conference facilities	55,654,200	54,569,760
Diesel	165,756,712	122,663,069
Educational radio and TV broadcasting	11,450,000	13,050,000
Electricity	50,301,653	53,576,511
Entertainment	147,165,083	155,782,000
Food and Refreshments	254,587,505	246,190,048
Gifts and Prizes	14,500,000	4,100,000
Ground travel (bus, railway, water, etc)	3,600,000	850,000
Ground travel (bus, railway taxi, etc)	255,573,089	45,354,508
Internet and Email connections	11,639,609	14,703,128
Mapping Surveys	-	2,840,000
Newspapers and Magazines	-	8,109,592
Office Consumables (papers, pencils, pens and stationaries)	198,932,633	166,852,592
Outsourcing Costs (includes cleaning and security services)	1,070,677,876	1,341,595,369
Per Diem - Domestic	1,874,515,459	880,722,650
Per Diem - Foreign	6,868,960	16,344,353
Printing and Photocopying Costs	-	1,250,000
Protective Clothing, footwear and gears	1,173,000	1,298,500

Research and Dissertation	11,050,000	3,900,000
Sewage Charges	1,890,752	21,020,000
Special Uniforms and Clothing	1,250,000	-
Subscription Fees	2,045,000	9,392,500
Tapes, films and materials	-	2,000,000
Training Materials	280,000	-
Tuition Fees	122,591,597	157,884,500
Uniforms	8,900,000	4,348,000
Uniforms and Ceremonial Dresses	-	6,635,200
Water Charges	33,467,321	43,888,797
	4,450,537,344	3,675,352,433

12. Maintenance Expenses

Computers, printers, scanners, and other computer related equipment	-	8,249,400
Motor Vehicles and Water Craft	146,841,608	226,542,995
Outsource maintenance contract services	854,347,765	318,678,539
Small Tools and Implements	10,046,757	13,227,989
Tyres and Batteries	27,272,498	10,537,600
	1,038,508,628	577,236,523

13. Grants, Subsidies and other Transfer Payments

- -
- -

14. Other Expenses

Agency fees	18,697,270	-
Audit fees	12,517,000	40,000,000
Bank Charges and Commissions	-	30,264,757
Burial Expenses	13,066,000	12,000,000
Consultancy fees	3,873,311,719	4,527,996,193
Dividend	-	149,296,356
Contribution to CF (15%)	100,000,000	-
	4,017,591,989	4,759,557,306

15. Cash and cash equivalent

BoT Own Source Collection Account (9925262051)	81,221,146	304,064,264
Deposit Account USD	373,377,789	171,552,205

Development Expenditure Cash Account (9925265234)	229,653,003	3,139,335,334
Own Source Recurrent Expenditure (9925265234)	-	51,963,210
Own Source Revenue Collection Account (20101200011)	-	-
	27,055,111	225,404,930
Recurrent Expenditure Cash Account (9925265234)	10,419,120	-
	947,795	947,795
Unapplied Cash Account (9925265234)		
USD Recurrent Expenditure	2,117,696,563	-
UTT Microfinance (UTT)	2,840,370,528	3,893,267,738

16 Receivables

Imprest Receivable	61,136,900	58,588,659
Other Receivables	10,544,725,897	8,639,813,254
Total Receivables	10,605,862,797	8,698,401,913
Less: Provision for Impairment (Note 27)	(3,693,656,915)	-
	6,912,205,882	8,698,401,913

17. Inventories

Consumables	75,557,775	190,412,093
Fuel	20,414,288	-
	95,972,063	190,412,093

18. Payables

Staff Claim	35,925,500	481,319,000
Supplies of goods and services	1,724,132,328	1,797,181,683
	1,760,057,828	2,278,500,684

19. Deferred Income (Revenue)

Balance at the beginning of the year	383,054,049	383,054,049
Revenue received during the year	1,787,238,055	1,433,467,444
Personnel emoluments	646,106,516	696,396,000
Other charges	-	593,972,659
Development Grants	-	5,115,098,750
Total revenue received during the year	2,433,344,571	7,838,934,853
Total grants available	2,816,398,620	8,221,988,901
Amortisation for the year	2,789,343,609	7,838,934,852
Balance at the end of the year	27,055,011	383,054,049

20. Deferred Income (Capital)

Balance at the beginning of the Year	186,248,630	186,248,630
Add:		
Receipts during the year	4,832,287,710	-
Total grants available	5,018,536,340	186,248,630
Less:		
Amortized during the year	4,788,883,337	-
Deferred Income at the end of the year	229,653,003	186,248,630
	229,653,003	

21. Deposits

Deposit General	373,377,789	171,552,205
Unapplied Deposit Account	10,419,120	-
	383,796,909	171,552,205

22. Depreciation Property, Plant and Equipment

Depreciation - Computers and related equipment	241,246,825	160,170,354
Depreciation - Furniture & Fittings	59,973,884	43,267,375
Depreciation - Motor Vehicles	178,520,738	144,543,443
Depreciation - Plant & machinery	17,457,133	-
Depreciation - Buildings	8,674,505	8,674,505
Depreciation - Infrastructure	798,535,204	1 1,442,103.742
	1,304,408,289	1,798,759,418

23. MOVEMENT SCHEDULE FOR PROPERTY, PLANT AND EQUIPMENT

	Land		Buildings		Infrastructural assets-BRT Lanes		Plant & Machinery		Motor vehicle		Furniture & Fittings		Computers & Accessories		Total		
	TZS		TZS		TZS		TZS		TZS		TZS		TZS		TZS		
Cost																	
As at 01.07.2021	44,769,961,737		433,725,225		79,853,520,439		149,000,000		932,333,740		270,446,979		879,432,128		127,288,420,249		
Additions	985,576,512		-		-		225,714,000		184,693,826		-		266,754,747		1,662,739,085		
Transfers	-		-		-		-		(100,634,659)		-		-		(100,634,659)		
As at 30.06.2022	45,755,538,249		433,725,225		79,853,520,439		374,714,000		1,016,392,908		270,446,979		1,146,186,875		128,850,524,675		
Depreciation																	
As at 01.07.2021	-		39,208,405		7,160,863,408		101,559,295		544,257,284		177,700,323		441,576,944		8,465,165,658		
Charge	-		8,674,505		798,535,204		17,457,133		178,520,738		59,973,884		241,246,825		1,304,408,289		
Transfers	-		-		-		-		(71,881,899)		-		-		(71,881,899)		
As at 30.06.2022	-		47,882,909		7,959,398,613		119,016,428		650,896,122		237,674,207		682,823,770		9,697,692,049		
Carrying Value																	
As at 30.06.2022	45,755,538,249		385,842,316		71,894,121,826		255,697,572		365,496,785		32,772,772		463,363,106		119,152,832,626		

24. Aging analysis
(a) Receivables, prepayments and Staff Imprest

SN	CATEGORIES	TOTAL (TZS)	Less than or equal to 365 days (TZS)	More than 365 days (TZS)
1	A1 Outdoor	100,837,722	-	100,837,722
2	Spark Venture	115,000,000	-	115,000,000
3	Alliance Media (T) Ltd	87,094,438	-	87,094,438
4	Cash Collectors	2,168,398	2,168,398	-
5	UDART-Performance deductions	4,989,757,800	2,235,027,800	2,754,730,000
6	China Tanzania Urafiki Textile	213,810,000	-	213,810,000
7	TANROADS	1,194,233,827	1,194,233,827	-
8	MASUDI MOHAMED NASSOR	5,541,667	5,541,667	-
9	NATIONAL BANK OF COMMERCE	677,966	677,966	-
10	UTT AMIS	105,223,861	105,223,861	-
11	TRA (VAT refundable)	36,723,304	36,723,304	-
12	Imprest	61,136,900	61,136,900	-
	GRAND TOTAL	6,912,205,883	3,640,733,723	3,271,472,160

(b) Creditors

SN	CATEGORIES	TOTAL (TZS)	Less than or equal to 365 days (TZS)	More than 365 Days (TZS)
1	Wages, Salaries and Employees Benefits	35,925,500	35,925,500	-
2	Supplies and Consumables Used	1,724,132,328	1,724,132,328	-
	GRAND TOTAL	1,760,057,828	1,760,057,728	-

25. Notes to the Cash flow Statement

(a) Receipts

Particular	Revenue from Exchange Transactions	Revenue from Non Exchange Transactions	Deposits	Total
Statement of Financial Performance	9,506,737,994	7,578,226,946	-	17,084,964,940
Less: amortization for the year (Note 19 & 20)		7,578,226,946	-	7,578,226,946
Deposits			216,489,074	216,489,074
Less provision for impairment loss (Note 27)	3,456,350,626.00	237,306,289		3,693,656,915
Add: Decrease in debtors (Note 17)	1,589,219,079	199,525,193		1,788,744,272
	7,639,606,447	(37,781,096)	216,489,074	7,818,314,425
Add: Recurrent Deferred Revenue (Note 19)		2,433,344,571		2,433,344,571
Capital Deferred Revenue (Note 20)		4,832,287,710		4,832,287,710
	7,639,606,447	7,227,851,185	216,489,074	15,083,946,706
Statement of Cashflows				

(b) Payments Wages, salaries and employee benefits

Particular	Amount (TZS)	Reference Note & Page
Opening payable balance of Wages, Salaries and Employee Benefits as at 1 st July, 2021	481,319,000	Note 18
Add:		
Expenses incurred in the financial performance with regard to Wages, Salaries and Employee Benefits	4,536,671,393	Financial Performance
Total expenditure for Wages, Salaries and Employee Benefits (Accrual and Cash)	5,017,990,393	
Less:		
Closing payable balance of Wages, Salaries and Employee Benefits as at 30 June, 2022	35,925,500	Note 18
Cash paid for Wages, Salaries and Employee Benefits per Cash Flow Statements	4,982,064,893	

Supplies and Consumables Used

Description	Amount (TZS)	Reference Note & Page
Opening payable as at 1 st July, 2021	1,797,181,683	Note 18
Add:		
Expenses in the financial performance	4,450,537,344	Financial Performance
Closing balance Imprest 30 th June 2022	61,136,900	Note - 16
Closing balance Inventory 30 th June 2022	95,972,063	Note - 17
Total (A)	6,404,827,990	
Less:		
Opening balance Imprest 30 th June 2021	58,588,659	Note - 16
Opening balance inventory 30 th June 2021	190,412,053	Note - 17
Ending payable as at 30 th June, 2022	1,724,132,328	Note 18
Total (B)	1,973,133,040	
Cash paid for Supplies and Consumables Used per Cash Flow Statements (A - B)	4,431,694,950	

Other Expenses

Description	Amount (TZS)	Reference Note & Page
Opening balance	-	Note 18
Add:		
Expenditure incurred during the year	4,017,591,989	Financial Performance
Total	4,017,591,989	
Less:		
Closing Balance	-	Note 18
Cash paid for Other Expenses per Cash Flow Statements	4,017,591,989	

Maintenance Expenses

Description	Amount (TZS)	Reference Note & Page
Opening balance	-	Note 18
Add:		
Expenditure incurred during the year	1,038,508,628	Financial Performance
Total	1,038,508,628	
Less:		
Closing Balance	-	Note 18
Cash paid for Maintenance Expenses per Cash Flow Statements	1,038,508,628	

26. Asset Held for Sale

	Motor vehicles (TZS)
Cost	
As at 01.07.2021	100,634,659
Additions	-
As at 30.06.2022	100,634,659
Depreciation	
As at 01.07.2021	71,881,899
Charge for the year	-
As at 30.06.2022	71,881,899
Carrying Value	28,752,760

The assets were removed from the PPE schedule shown under transfers (refer note 23)

27. Impairment of Financial Assets / Receivables

Total receivable of TZS 10,605,862,796.96 as at 30 June 2022 includes TZS 6,965,129,075 that is overdue for more than 365 days. Agency has made a series of efforts to ensure that the amount is collected in full, However, during the process it has been observed that, Some debtors have requested the review of the method that is used to collect data used in computations of their charges also have explained some few challenges that they consider to be out of their control in attaining the required performance Standards, hence, considering the time that has lapsed and the point they are putting forward there is probability that a portion of their debt might be negotiated and therefore not be paid in full, With that regard TZS 3,456,350,656 that is due since 2018/2019 FY has been provided for impairment from those debtors.

For debtors who are required to refund the compensation funds TZS 237,306,289 to the Agency, there is an argument that, the directives to refund back the funds were received after they have spent the compensation money, hence, they are experiencing some difficulties in mobilizing the fund for refunding the Agency. Hence, full amount from these debtors has been provided for impairment in our financial statement after considering the time that has lapsed and argument they are providing, anticipating that the whole amount might not be collected. Thus, a total of TZS 3,693,656,915.00 might be negotiated and hence, might not be collected in full. In line with Para 67 and 68 of IPSAS 29, the Agency has made a provision for impairment of that portion which might lead to a potential loss to the Agency in case this amount is not collected in full. The amount of provision is as shown in the table below.

Name	Amount due for more than 365 days (TZS)	Provision for impairment (TZS)	Amount after provision for impairment (TZS)
A1 Outdoor	100,837,722	-	100,837,722
Spark Venture	115,000,000	-	115,000,000
Alliance Media (T) Ltd	87,094,438	-	87,094,438
UDART	6,211,080,626	3,456,350,626	2,754,730,000
China Tanzania Urafiki Textile	213,810,000	-	213,810,000
DDC	84,909,330	84,909,330	-
TEMEKE MUNICIPAL COUNCIL	152,396,959	152,396,959	-
	6,965,129,075	3,693,656,915	3,271,472,160

28. Re-Classification of Prior year Figures

In line with Para 55 of IPSAS - 1 which requires that; when the presentation or classification of items in the financial statements is amended, comparative amounts shall be reclassified unless the reclassification is impracticable. The agency has re-classified the prior year balances to enhance fair presentation and comparability as shown in the table below;

Components	Comparative figure 2021/22	Prior year's figure Audited in financial statement 2020/21	Re-Classified Amount	Reason for Re-Classification
STATEMENT OF FINANCIAL POSITION				
Deferred income	383,054,049.00	555,554,049.00	(172,500,000.00)	Reclassification of Deferred Income to separate figure of Deposits
Deposits	171,552,205.00	-	171,552,205.00	
STATEMENT OF FINANCIAL PERFORMANCE				
Revenue from Exchange Transactions	5,713,031,806.00	3,669,921,806.00	2,043,110,000.00	Reclassification of Fee, Fines, Penalties and Forfeits to Revenue from Exchange Transactions
Revenue from Non Exchange Transactions	7,838,934,852.00	9,882,044,852.00	(2,043,110,000.00)	
Other Expenses	4,757,897,306.00	-	4,757,897,306.00	Re-classification of supplies and consumables to separate Other Expenses which was previously included in the figure of Supplies and Consumables
Supplies and consumables used	3,675,352,433.00	8,433,249,739.00	(4,757,897,306.00)	