



**THE UNITED REPUBLIC OF TANZANIA**

**NATIONAL AUDIT OFFICE**



**ISO 9001:2015 Certified**

**PRESIDENT'S OFFICE - REGIONAL ADMINISTRATION  
AND LOCAL GOVERNMENT**

**DAR RAPID TRANSIT AGENCY (DART)**

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE  
FINANCIAL AND COMPLIANCE AUDIT FOR THE FINANCIAL  
YEAR ENDED 30 JUNE 2023**

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Controller and Auditor General,  
National Audit Office,  
Audit House,  
4 Ukaguzi Road,  
Tambukareli,  
P.O. Box 950,  
41104 DODOMA.  
Tel: +255 (026) 2161200,  
Fax: +255 (026) 2321245,  
E-mail: [ocag@nao.go.tz](mailto:ocag@nao.go.tz)  
Website: [www.nao.go.tz](http://www.nao.go.tz)

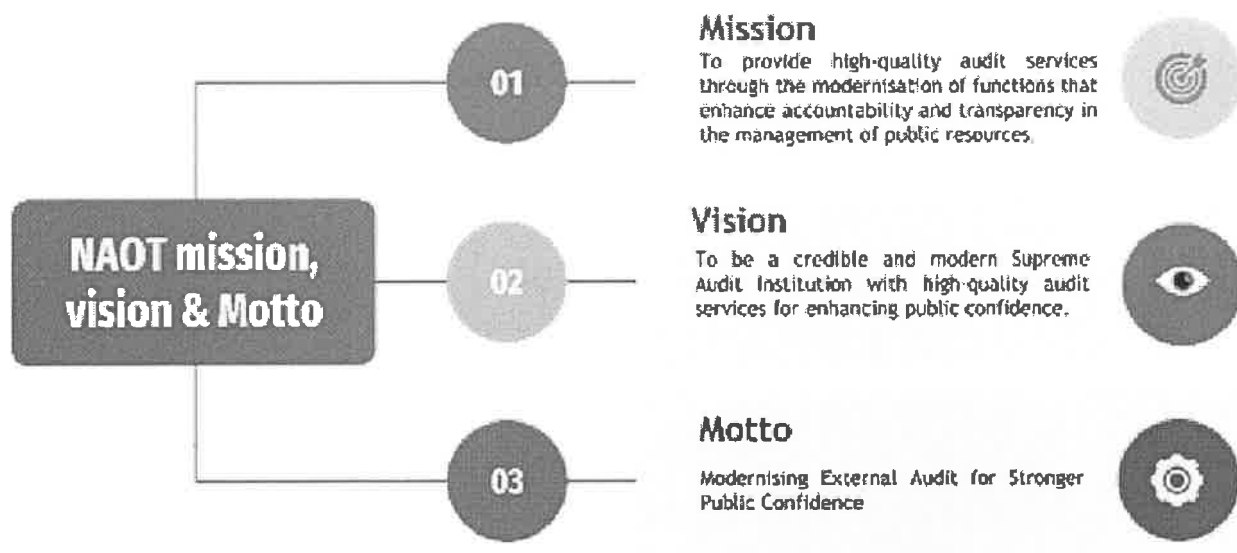
**March 2024**

**AR/LG/PO-RALG/DART/2022/23**

## About the National Audit Office

### Mandate

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



#### Independence and objectivity

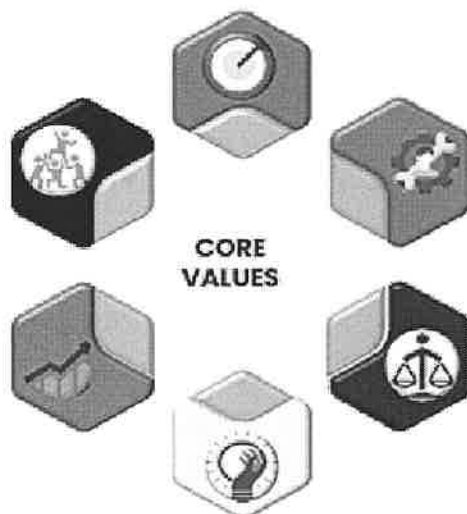
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

#### Teamwork Spirit

We value and work together with internal and external stakeholders.

#### Results-Oriented

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



#### Professional competence

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

#### Integrity

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

#### Creativity and Innovation

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

© 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

<b>AFCS</b>	Automated Fare Collection System
<b>AGTF</b>	Africa Growing Together Fund
<b>AR</b>	Audit Report
<b>BRT</b>	Operate Bus Rapid Transit
<b>CAG</b>	Controller and Auditor General
<b>CCECC</b>	China Civil Engineering Construction Corporation
<b>DART</b>	Dar Rapid Transit Agency
<b>DAWASA</b>	Dar Es Salaam Water Supply and Sanitation Authority
<b>FIFO</b>	First In First Out
<b>GPSA</b>	Government Procurement Services Agency
<b>HIV/AIDS</b>	Human Immunodeficiency Virus
<b>IDA</b>	International Development Association
<b>IESBA Code</b>	International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>MAB</b>	Ministerial Advisory Board
<b>MAB</b>	Members of the Ministerial Advisory Board
<b>NBAA</b>	National Board of Accountants and Auditors
<b>NEMC</b>	National Environmental Management Council
<b>NIT</b>	National Institute of Transportation
<b>NMT</b>	Non-Motorized Transport
<b>PO-RALG</b>	President's Office - Regional Administration and Local Government
<b>PPP</b>	Public and Private Sector,
<b>PPR</b>	Public Procurement Regulations
<b>PSSSF</b>	Public Service Social Security Fund
<b>TANESCO</b>	Tanzania Electric Supply Company Limited
<b>TANROADS</b>	Tanzania National Roads Agency
<b>TOD</b>	Transit-Oriented Development
<b>TSP</b>	Transitional Service Provider
<b>TTCL</b>	Tanzania Telecommunications Company Limited
<b>TZS</b>	Tanzanian Shilling

## **1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL**

Chairperson of the Board,  
Dar Rapid Transit Agency (DART),  
Ubungo Maji,  
Morogoro Road,  
P. O. Box 724,  
**16103 DAR ES SALAAM.**

### **1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS**

#### **Unqualified Opinion**

I have audited the financial statements of Dar Rapid Transit Agency (DART), which comprise the statement of financial position as at 30 June 2023, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Dar Rapid Transit Agency (DART) as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348.

#### **Basis for Opinion**

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled “Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements”. I am independent of 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 by those charged with Governance, Statement of Responsibilities by those charged with Governance, Statement of the Chief Executive 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.

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, Cap. 410 requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

## **1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS**

### **1.2.1 Compliance with the Public Procurement Laws**

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

I performed a compliance audit on procurement of works, goods and services of Dar Rapid Transit Agency (DART) for the financial year 2022/23 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 of 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 of Dar Rapid Transit Agency (DART) for the financial year 2022/23 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 Dar Rapid Transit Agency (DART) is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.



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





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

### **2.1 INTRODUCTION**

Those Charged with Governance (TCWG) at the Dar Rapid Transit Agency (DART) is the Ministerial Advisory Board (MAB). The Ministerial Advisory Board presents this report together with the Financial Statements for the year ended 30 June 2023, which provides the results of the Agency's operations and its state of affairs. The report has been prepared in compliance with changes made on the Tanzania Financial Reporting Standard 1 (TFRS 1)- Report by Those Charged with Governance issued by the National Board of Accountants and Auditors (NBAA) which became effective on 1 January 2021.

The report is addressed to internal and external stakeholders who are both primary and secondary users of financial reports. It sets out an analysis of the Agency's operations and financial review, with a forward-looking orientation in order to assist stakeholders in assessing the strategies adopted by the Agency and the potential for those strategies to succeed towards creating value over the short, medium and long-term periods. The Agency's internal stakeholders include the Ministerial Advisory Board and employees. External stakeholders comprise of Government of the United Republic of Tanzania (URT), the Parliament of Tanzania, development partners, regulatory authorities, service providers, and the general public.

The objective of the report includes provision to users with an understanding of the Agency's culture, principal activities, key strengths and resources, 2022/23 performance, governance matters, relationship with stakeholders, liquidity and financial performance, current and future development plans, financial reporting and auditing, employee's welfare matters and risk management

The Financial Statements are prepared in accordance with the International Public Sector Accounting Standards (IPSASs). The Management hereby submit their report together with the financial statements for the year ended 30 June 2023 which disclose the state of affairs of the Dar Rapid Transit Agency (DART).

### **2.2 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 the 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 the 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.



## **2.3 CORPORATE CULTURE**

The Agency's culture consists of vision, mission and core values as stipulated herewith below.

### **2.3.1 VISION**

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

### **2.3.2 MISSION**

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

### **2.3.3 CORE VALUES**

In line with its Vision and the need to fulfil its Mission and live according to its philosophy, the Agency adheres to six (6) core values which are: -

#### **(a) Integrity;**

Every person in the DART Agency shall adhere to ethical principles, quality of a good character, values and moral while delivering services to the public. With perceived consistency of actions, values, methods, measures, principles, expectations and outcome. This also entails observing the quality of having a sense of honesty and truthfulness in regard to the motivations for one's actions.

#### **Safety and Reliability;**

Safety and reliability shall be considered by the Agency and its employee as the first priority. Therefore, throughout undertaking of the Agency functions, all necessary arrangements shall be made to ensure trustworthiness of services and maximum adherence to the safety issues.

#### **(b) Sustainability;**

The Agency will focus to be financially self-sufficient and reliant in order to discharge its mandate. DART Agency shall meet the current demand in providing urban transport without jeopardizing the future ability of providing high quality, affordable, reliable and most efficient public transport service in Dar es Salaam City featuring with modern high-capacity buses operating in exclusive lanes.

#### **(c) Customer focused;**

The Agency shall ensure quality BRT infrastructure and services to the commuters (people cantered services). It is expected that clients will be central in all of the Agency's dealings. All staff should be truthful, sincere, fair and consistent in all dealings, acknowledge the persons dignity, and be thoughtful of people's needs and supporting them in ways that protect their self-esteem and dignity. Spending time and energy and to ensure that people are well served.



**(d) Teamwork and collaboration.**

All DART Agency staff are obliged to work hard as a team in executing their mandate while addressing people's problems as they emerge. All emphasize decision making and internal cohesion and thorough involvement of all stakeholders in implementing our affairs.

**(e) Innovativeness and scalability**

DART Agency is focusing at introducing change into relatively stable systems of BRT concentrating on the new skills and imagination to create new things for improving BRT systems for business growth and sustainability. Through innovation the Agency will ensure all development and operations are delivered to meet current and future demands.

**2.4 PRINCIPAL ACTIVITIES**

The Agency is responsible for establishing and operating the 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 commercially viable operation.

**2.5 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 a pioneer of private and public investment partnership in the transport sector in the city.

**2.6 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 collectors, fund managers 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 a 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 mechanisms for quality assurance to be followed by service providers.
- (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 rebuilding to eliminate traffic congestion.
  - (f) To coordinate Public Transport Systems to facilitate orderly traffic flow by coordinating the development of a 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 the financial sustainability of the DART System.

## **2.7 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. The Agency has the following key strengths and resources, some are tangible and others are intangible: -

### **i. Ministerial Advisory Board (MAB).**

The Board serves as the focal point and custodian of corporate governance in the Agency. The Board has been effective in its role of providing direction and oversight to Management and employees since its appointment on 20 October 2022. They exercised oversight of the implementation of strategy and operational plans by Management against the agreed performance measures and targets. The Board's roles and responsibilities included policy development, strategic planning, and financial and operational oversight. Generally, the Board members were effective in discharging their oversight responsibilities.

### **ii. Operation and Regulatory Instruments**

In the discharge of its functions, the Agency adhered to DART Agency Establishment Order No. 120 (2007), and all the relevant regulations including the staff regulations, financial regulations, and Standing Orders for the Public Service. These instruments were key in the Agency's discharge of its functions judiciously and fairly during the financial year under review.

Furthermore, the Agency adhered to the Legal and regulatory frameworks which govern smooth implementation of the Agency mandate including the Roads Traffic Act No. 168, 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.



### **iii. Human Capital Perspective**

Customer satisfaction is mostly anchored on people and hence employees continue to be the most important assets. Their zeal, hardworking and commitment have ensured the Agency performs well during the year. The Agency has skilled, motivated and experienced employees who are considered as the resources in pursuing its objectives. In addition, Management adheres to the principles of good governance and promotes a good working environment and labour relations. The Agency had a total of 88 employees as at 30 June 2023 (30 June 2022: 82 employees).

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 30 June 2023, the Agency sponsored member of staff to attend different trainings on professional, soft skills and management issues. During the year under review the Agency was permitted to recruit four (4) members of staff, the process of recruitment is handled by the President's Office Public Service Recruitment Secretariat (PSRS).

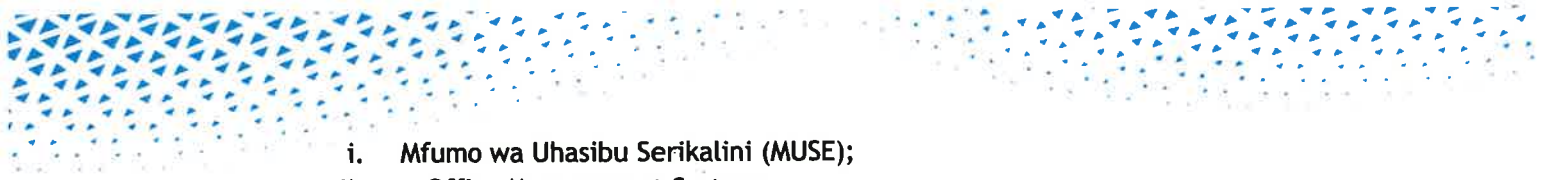
### **iv. Financial Perspective**

The Agency has adequate financial resources to support its strategic and operational initiatives. The financial resources comprise of Taxpayer's Fund TZS 106,906.6 million and accumulated surplus of TZS 72,425.1 million as at 30 June 2023. The Agency enhances its financial sufficiency by improving management of its resources through prioritization of initiatives and implementing planned activities to generate revenue that meets the required funding. The sources of funds of the Agency 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:

- i. Fares;
- ii. Rental Charges from buildings such as bus terminals buildings;
- iii. Subsidy from Government;
- iv. Fees on advertisements posted inside the buses and DART buildings;
- v. Fines and penalty;
- vi. Grants from local and foreign organizations;
- vii. Income from Investments;
- viii. Sale of Tender Documents; and
- ix. Other Incomes from charges for services rendered.

### **v. Technological Perspective**

The Agency has made significant efforts in adopting modern technology and has become the think tank in transportation sector. The Agency has ICT application systems which has automated and modernized operations, thus, improving provision of transportation services and administrative operations. The Agency's ICT systems in operation include the following: -

- 
- i. Mfumo wa Uhasibu Serikalini (MUSE);
  - ii. e-Office Management System;
  - iii. Government Electronic Payment Gateway (GePG);
  - iv. Time Attendance (Biometric) System.
  - v. Automated Fare Collection System (AFCS);
  - vi. Billing and Debt Management Information System (BiDMIS);
  - vii. Office Management Information System(OMIS);
  - viii. National e-Procurement System of Tanzania (NeST);
  - ix. Human Capital Management Information System (HCMIS);

Generally, the ICT application systems designed and acquired by the Agency are expected to improve efficiency in service delivery. The Agency shall continue with its initiative to automate business operations to enhance efficiency and reduce costs of business operations.

#### **vi. Intellectual Resources**

The Agency staff knowledge is a very significant strategic resource that has played a great role in modernizing its operations by developing in-house modern technology to improve its day-to-day operations. The Agency staff have developed various in-house software which allows efficient execution of its mandate.

#### **vii. Social and Relationship Resources**

The Agency maintains strong relationships with its stakeholders to understand their expectations and create values that ensure satisfaction. To maintain good relationships with the communities in which the Agency operates, we provide support in the form of charitable contributions to good causes. During the year, the Agency donated a total amount of TZS 19.874 million, USD 4,800 and EURO 1,500 to various community groups and contributions to various organizations. The Agency shall continue engaging its stakeholders and contribute on improving their welfare.

#### **viii. Natural Resources**

This forms the basis for other forms of capital which together make up the productive capacity of the organization. While the Agency does not use natural resources for its productivity, its operations are sensitive to the ecosystem to sustain life and economic activity. Recognizing the loss of ecosystems such as the atmosphere's ability to absorb carbon dioxide without becoming dangerously unstable and threatening to the economy. The Agency considers the impact of its operations on the environment and thus promotes the green environment agenda. The Agency currently uses energy-serving systems; It has set its motor vehicles' mileage and age limits; and has continued to automate its operations so that it becomes a near-paperless office in its efforts to use modern, environmentally friendly systems that use water, land, and energy sparingly; and minimize air pollution.



**ix. Co-operation and support from various Stakeholders**

The Agency has internal and external stakeholders and has been encouraging harmonious relationships with them. Their support and involvement in DART activities make 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 Managers, 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.

**2.8 REVIEW OF THE AGENCY'S PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023**

The Agency has in place a Strategic Plan (SP) which describes the Vision, Mission, Core Values, Strategic Objectives, Targets and Key Performance Indicators. During the year, the Agency's Strategic Plan focused on attaining eight (8) major strategic objectives that translated into its primary mandate. These strategic objectives are: -

**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; and**

**Objective H: Legal and Regulatory Framework Enhanced.**



The Implementation of the Strategic Plan is evaluated quarterly, based on Key Performance Indicators (KPIs) and its report compiled semi-annually and annually. The assessment of performance includes both financial and non-financial aspects. During the financial year 2022/23, the Strategic Plan was implemented at an average of 67 per cent. The respective objective(s) and targets against performance (67 % of achievement).

## 2.9 STATEMENT OF SERVICE PERFORMANCE INFORMATION

The Agency's Service Performance Information discloses information needed for accountability and decision-making purposes, primarily to help users of the report by Those Charged with Governance to understand what the Agency had set out to achieve (target) and what it has achieved (results). The service performance information is generally a mix of qualitative and quantitative reporting. The reporting of service performance information is based on two elements:

- i. **Outcomes:** what the Agency seeks to achieve in terms of its impact on society; and
- ii. **Outputs:** the goods or services that the Agency delivers during the financial year. The Agency reporting of service performance information is provided periodically in the monthly and quarterly progress reports.

The Agency's human capital is contributed by employees, service providers, suppliers, and contractors with their competencies, capabilities, and experience. The Agency provides an equal employment opportunity and therefore the process of recruitment is transparent, thereby improving the employee base. Furthermore, the Agency continues to enhance human capital by conducting timely training needs assessments and developing new skills and training for employees to ensure efficiency and effectiveness to attain its strategic objectives. The Agency also continues to engage with key stakeholders and maintain good relationships.

The Agency's social and relationship capital is based on interactions with customers, suppliers, communities, and the public in general. The Agency contributes in many ways towards development, including enabling economic growth through appropriate infrastructures, job creation, and skills development as well as improving the lives of many citizens through the Agency's corporate social programmes and socio-economic development activities. Strong stakeholder relationships are critical to the Agency's ability to create value and therefore one of the main areas of focus is restoring the trust of the Agency's stakeholders. The Agency's intellectual capital includes technology, a key enabler of the business, which comprises, information, and operational technology; organizational knowledge, systems, policies, and procedures; as well as research and innovation to industrialize future technologies and improve current operations.

The Agency also plays a significant developmental role in supporting the National Development Plan by supporting job creation, economic and skills development, transformation, and other national initiatives. This is in addition to the Agency's mandate: to improve transportation services.

The key performance objective of the Agency is the delivery of quality service to stakeholders most effectively and efficiently. The Agency has several customers to whom service is provided ranging from regulatory authorities to normal stakeholders such as suppliers and donors. To assess whether the Agency has achieved its performance objective, the Agency reviews its planned operational performance by comparing actual performance against the budget during the year.

## **2.10 DART OPERATING MODEL**

The Agency's operating model is the system of transforming inputs, through its operating activities, into outputs and outcomes that aim to fulfil DART's strategic purposes and create value over the short, medium and long term. Thus, the DART Operating Model is explained below: -

### **2.10.1 Inputs**

#### **(a) Human Capital**

The Agency has employed staff with adequate skills and competence to ensure the delivery of quality services. Employees are well-motivated and perform their duties responsibly and ethically.

#### **(b) Financial Capital**

Financial capital is composed of financial resources obtained from transportation business activities and other sources of income. In the context of the transportation business, the Agency earns agency income through fares, Rental Charges from buildings such as bus terminals buildings; Fees on advertisements posted inside the buses and DART buildings; Fines and penalties; Income from Investments; and Other Incomes from charges for services rendered.

#### **(c) Social and Relationship Capital**

In executing its functions, DART has established an ethical and transparent relationship with government institutions, customers, suppliers, policymakers and society in general. The Agency conduct stakeholders' meetings to provide awareness and receive feedback on various corporate issues. DART engaged actively in Corporate Social Responsibilities. Each year, the Agency set aside funds directed to contribute to the society's well-being.

#### **(d) Intellectual Capital**

The Agency has developed a business management system, and bill systems to ensure effective and efficient service delivery.

#### **(e) Natural Capital**

The Agency has been actively engaged in ensuring transportation safety by conducting seminars and trainings to users of infrastructures; regulators; and general public.

### **2.10.2 Operating Activities**

The Agency implements a number of activities in converting inputs into quality service delivery. The operating activities are divided into two major groups, Outputs and Outcomes.

## 2.11 THE AGENCY MINISTERIAL ADVISORY BOARD

### 2.11.1 Members of the Ministerial Advisory Board

The Ministerial Advisory Board comprises four members including the Chairperson with a mix of skills, experience and diversity as shown in Table 4. The Chairperson of the Ministerial Advisory Board is appointed by the President of the United Republic of Tanzania for a term of three years renewable. Other members of the Governing Board are appointed by the Minister responsible for President's Office Regional Administrative and Local Government.

The Board takes overall responsibility for the Agency, including identifying key risk areas, considering and monitoring administrative decisions, and financial matters, and reviewing the performance of annual plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative and for compliance with sound corporate governance principles.

The Board is required to meet at least four times a year. The Board delegates the day-to-day management of the Agency assisted by senior management. Members of Senior Management are invited to attend Board meetings and facilitate effective control of all operational activities, acting as a medium of communication and coordination between various operational areas.

During the year under review, no conflict of interest existed among the Ministerial Advisory Board, Senior Management and the Agency. All Key Management Personnel made declarations by adhering to the National Board of Accountants and Auditors (NBAA) directives to make sure that every transaction done by DART with related parties is adequately disclosed and thus provides users of financial statements with adequate information for decision-making. The details on Related Party Transactions are disclosed in NOTE 30 of these financial statements.

**Table 5: Composition of Members of the Ministerial Advisory Board**

S/N	NAME	POSITION	NATIONALITY	GENDER	AGE	QUALIFICATION	DATE OF APPOINTMENT	END OF TENURE
1.	Dr. Florens Martin Turuka	Chairman	Tanzanian	Male	-	-	20 October 2022	20 October 2025
2.	Eng. Benjamin Kiloba Dotto	Member	Tanzanian	Male	44	MSc. Advanced Computer Science	20 October 2022	20 October 2025
3.	Ms. Mwantumu Mshirazi Salimu	Member	Tanzanian	Female	54	Master of Law (LLSM)	20 October 2022	20 October 2025
4.	Eng. Aron Johnson Kisaka	Member	Tanzanian	Male	58	MSC - Automobile Services	20 October 2022	20 October 2025
5.	Dr. Edwin P. Mhede	Secretary and CE	Tanzanian	Male	45	Ph.D. Development Economics	15 May 2021	11 Januari 2024
-6.	Dr. Athumani Kihamia	Secretary and CE	Tanzanian	Male			11 Januari 2024	-

### 2.11.2 Committees of the Ministerial Advisory Board

The Agency is committed to the principles of effective corporate governance. The Board also recognizes the importance of integrity, transparency and accountability. To ensure a high standard of corporate governance, the Agency has four Committees namely: -

- i. The Audit Committee (AC) which is responsible for oversight of the financial reporting process, the audit process, the Agency's system of internal controls and compliance with laws, standards and regulations;
- ii. Business and Investment Committee of the Ministerial Advisory Board
- iii. Corporate Affairs Committee of the Ministerial Advisory Board
- iv. Transport Development and Operations Committee of the Ministerial Advisory Board

Members of the Committees of the Ministerial Advisory Board were as shown in Table 6.

**Table 6: Members of Committees of the Governing Board**

S/NO	Name	Business & Investment	Corporate Affairs	Transport Development & Operations
1.	Dr. Florens Martin Turuka	N/A	N/A	N/A
2.	Eng. Benjamin Kiloba Dotto		Chairman	
3.	Ms. Mwantumu Mshirazi Salimu			Chairman
4.	Eng. Aron Johnson Kisaka	Chairperson		

Source: Ministerial Advisory Board File

**Table 5: Composition of Members of the Audit Committee**

S/N	NAME	POSITION	NATIONALITY	GENDER	AGE	QUALIFICATION	DATE OF APPOINTMENT	END OF TENURE
1.	CPA. Jamhuri J. Ngelime	Chairman	Tanzanian	Male	-	Finance Specialist	01 July 2022	01 July 2025
2.	Mr. Moses Abdul	Member	Tanzanian	Male	-	IT Specialist	01 July 2022	01 July 2025
3.	Dr. Augustus E. Fungo	Member	Tanzanian	Male	-	Lawyer	01 July 2022	01 July 2025
4.	Eng. Yona N. Malolo	Member	Tanzanian	Male		Procurement Specialist	01 July 2022	01 July 2025
5.	Mr. Charles T. Palapala	Member	Tanzanian	Male		IT Specialist	01 July 2022	01 July 2025
6.	Eng. Fanuel O.S.Kalugendo	Secretary	Tanzanian	Male		Public Transport Specialist	01 July 2022	01 July 2025

### 2.11.3 Meetings of the Ministerial Advisory Board and Committees

To maintain and operationalize good governance practices, during the year under review, the Agency convened statutory meetings of the Board and its Committees according to the set almanac. Some of the meetings were rescheduled and where necessary, special meetings were

conducted to deliberate on specific issues which emerged. The Board meetings deliberated, approved and gave directives on various issues submitted by the Committees.

The Ministerial Advisory Board and its Committees met every three months with additional meetings convened when it was necessary. During the year ended 30 June 2023 the Ministerial Advisory Board held four meetings, of which two were ordinary and two were extra-ordinary. In addition, there were various Meetings of the Committees as shown in Table XXXX.

**Table 7: Meetings of the Committees**

S/No	Name of Committee	Ordinary Meetings	Extraordinary Meeting	Total Meetings
1.	Audit Committee (AC)	4	1	5
2.	Business & Investment Committee	N/A	N/A	N/A
3.	Corporate Affairs Committee	N/A	N/A	N/A
4.	Transport Development & Operations	N/A	N/A	N/A

Source: Ministerial Advisory Board File

All members of the Ministerial Advisory Board were able to devote their time required for the committee's meetings. Table xxx indicates the number of meetings held and attended by members of the Ministerial Advisory Board and its committees from 1 July 2022 to 30 June 2023.

**Table 8: Numbers of Meetings held and attended by members of the Ministerial Advisory Board**

S/No	Name	Ministerial Advisory Board	Business & Investment	Corporate Affairs	Transport Development & Operations
Number of Meetings Held		4	N/A	N/A	N/A
1.	Dr. Florens Martin Turuka	Attended	N/A	N/A	N/A
2.	Eng. Benjamin Kiloba Dotto	Attended	N/A	N/A	N/A
3.	Ms. Mwantumu Mshirazi Salimu	Attended	N/A	N/A	N/A
4.	Eng. Aron Johnson Kisaka	Attended	N/A	N/A	N/A

Source: Attendance Register.

The Committee of the Ministerial Advisory Board were formed towards the end of the FY; hence, no meetings were held during the year.

## 2.11.4 Responsibilities of the Ministerial Advisory Board and Its Committees

### (a) Ministerial Advisory Board Responsibilities and Meetings

During the year the Ministerial Advisory Board performed its responsibilities in accordance with the DART Agency Establishment Order No. 120 (2007). A summary of matters dealt with during the Ministerial Advisory Board's four meetings is summarized below.

- ✓ Directorate of Operation & Infrastructure Management and Directorate of Transport Development to be capacitated with sufficient number of technical Staff as illustrated in the Agency Scheme of Service and Job list;
- ✓ Management to develop Social Media Strategy in management of social media;
- ✓ DART to continue with its effort of preventing invasion of BRT Infrastructures;

- ✓ The Agency should submit an update on the progress made in implementation of Transport Oriented Development (TODs) project around BRT corridors;
- ✓ DART Management to submit to the Board evaluation report to indicate value for money of the project;
- ✓ To avoid the risk of unavailability of service, In future Bus Service Provision contracts the agency should add a clause which gives mandate to the agency to take over in the event that the Bus Service Provider stops the service;
- ✓ The Agency should advise the Minister of State, President's Office, Regional Administration and Local Government (PO RALG) to correspond with Minister for Finance and Planning to discuss the addressed challenge of access fee distribution in BRT Phase one corridor between DART & UDART and negligence in signing TSP addendum.

*Source: Minutes of the Ministerial Advisory Board meetings for the financial year 2022/23.*

#### **(b) Audit Committee Meetings**

The responsibilities of the Audit Committee are to assist the Board in its oversight responsibility for internal audit functions, internal control systems, internal and external audit reports, financial statements, and implementation of the auditors' and Parliamentary Accounts Committee (PAC) recommendations. The Committee is composed of a chairman and five members and normally meets four times a year. During the year under review, the Audit Committee met four times and one site visit and performed its duties including

- Site visits to the ongoing construction of the DART system phase II infrastructure and AFCS development,
- Approving Internal Audit Documents including the Committee Charter that clearly articulates the committees' role and responsibilities, composition, structure and membership requirements processes and procedures,
- Reviewing reports and advising the Agency on various matters.

*Source: Minutes of the Audit Committee Meetings for the Financial Year 2022/23*

#### **2.11.5 CESSATION OF MEMBERSHIP**

Membership to the Ministerial Advisory Board ceases after completion of a term of three years or following death or resignation as stipulated in DART Agency Establishment Order No. 120 (2007).

#### **2.11.6 FIDUCIARY RESPONSIBILITY**

All Non-executive Directors/Members are considered by the Ministerial Advisory Board to be independent both in character, judgment and free of relationships or circumstances, which could affect their judgment.

#### **2.12 RELATIONSHIP WITH STAKEHOLDERS**

The Agency believes that the stakeholders are what make its existence. Several measures have been taken to Agency responsible behaviour to employees of the Agency and other stakeholders. These measures include, but are not limited to, holding interactive

stakeholders' meetings or engagements, staff meetings, seminars, workshops; providing transport services through the use of modern technology and improving customer services in Dar es salaam.

In this regard, the Agency has identified seven (07) categories of stakeholders as summarized in Table 13; the Government; employees; regulatory bodies; those charged with governance; suppliers; business and development partners; and the general public (society). Before making its decisions, the Board considers the interests of all stakeholders and ensures that engagement with stakeholders is deliberate and planned and that communication is always transparent and effective.

**Table 13: Details of Stakeholders' Relationship**

S/NO	Stakeholders	Their Interests / Concerns	Value we create
1.0	<p><b>The Government</b></p> <p>The Government established the Agency with a set of objectives and functions to provide the 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 commercially viable operation.</p>	<p>The Government's concerns to the Agency include the following:</p> <ul style="list-style-type: none"> <li>• Receive 15% of gross revenue contribution quarterly for remittance to the Government Consolidated Fund;</li> <li>• High-quality Bus Rapid Transit system;</li> <li>• Innovative problem-solving services;</li> <li>• Innovativeness in expansion and self-financing;</li> <li>• Transparency and Accountability.</li> </ul> <p><b>Source:</b> The Treasury Registrar (Powers and Functions) Act, Cap 370 Agency Establishment Order No. 120 (2007)</p>	<ul style="list-style-type: none"> <li>• Remittance of 15% gross revenue contribution within every quarter to the Government Consolidated Fund with the view of future growth;</li> <li>• Provide quality Bus Rapid Transit system.</li> <li>• Provide the best governance, transparency and accountability systems.</li> <li>• Adhere to government policies, guidelines and procedures.</li> </ul>
2.0	<p><b>Employees</b></p> <p>Employees are key to make the Agency a great place to work. They should find working for DART an inspiring place for elevating personal experience and consequently accept co-responsibility for the development of each employee to the full potential. Together with efficient and value-creating solutions, services and operations offer value to our</p>	<p>Employees want a friendly, safe and conducive working environment, defined career progression, better salary and benefits, motivation and recognition, and opportunities to contribute to society.</p> <p><b>Source:</b> DART Staff meetings and the Workers Board meetings; Incentive Scheme.</p>	<ul style="list-style-type: none"> <li>• Transforming into an inclusive society through employment equity and gender equality;</li> <li>• We focus on developing our employees through targeted training programs and skills upgrading to further their careers and improve agency services;</li> <li>• Rewarding employees for the value they add;</li> <li>• Motivating and energizing our workforce; and</li> </ul>

S/NO	Stakeholders	Their Interests / Concerns	Value we create
	customers. Career progress is based on the individual initiative towards the fulfilment of their responsibilities complemented by the Agency.		<ul style="list-style-type: none"> <li>Timely payments of employees' entitlements.</li> </ul>
3.0	<b>Regulatory Bodies (LATRA)</b> Regulatory Bodies have important roles in DART development specifically in the provision of regulated services.	<ul style="list-style-type: none"> <li>Provision of transport services of a good standard;</li> <li>Availability of shared resources;</li> <li>Approved Fares; and</li> <li>Compliance with procedures and guidelines.</li> </ul> <p>Source: Stakeholder's meetings, Directives from Regulators.</p>	<ul style="list-style-type: none"> <li>Presence of quality transport services;</li> <li>Availability of shared resources; and</li> <li>Adherence to regulatory guidelines and directives.</li> </ul>
4.0	<b>Suppliers</b> Suppliers are stakeholders who provide goods and services to the Agency and they are closely monitored to ensure they deliver required or ordered goods and services in time.	<ul style="list-style-type: none"> <li>Transparent and fair procurement process of goods, works and services;</li> <li>Receiving feedback on delivered goods and rendered services; and</li> <li>Timely settlement of suppliers' invoices.</li> </ul> <p>Source: Suppliers visited Agency and received official letters, Invoices and emails.</p>	<ul style="list-style-type: none"> <li>Effective use of online procurement system (TANePS).</li> <li>Inclusion of fair terms and proper vetting of procurement contracts; and</li> <li>Settle genuine suppliers' invoices timely.</li> </ul>
5.0	<b>Business &amp; Development Partners</b> The business partners are private sector and public sector entities that have direct or indirect working relationships with the Agency when performing its statutory functions. These include TRA, e-GA, PSSSF, NAOT, NBAA, PPRA, Banks, MoF, PO-RALG, and External Collaboration i.e., World Bank, AfDB etc.	<ul style="list-style-type: none"> <li>Cooperation on areas of common interest in serving the public;</li> <li>Sharing business data and information; and</li> <li>Honouring business relationships.</li> <li>Collaborative opportunities for various activities.</li> </ul> <p>Source: Stakeholder's forums, official communication by letters and emails, Memorandum of Understanding (MoU), external collaborations, and Contracts.</p>	<ul style="list-style-type: none"> <li>Participating in meetings and events related to the areas of common interest;</li> <li>Providing necessary data and information requested by business partners;</li> <li>Strengthening long-lasting business relations with a focus on customers' satisfaction.</li> </ul>

S/NO	Stakeholders	Their Interests / Concerns	Value we create
6.0	<b>Those Charged with Governance (Board, Parliamentary Committees)</b> The Agency complies with a wide spectrum of legislation, conventions, protocols, resolutions, directives and guidelines which are issued from time to time by the Government entities including MoF, OTR, ACGEN and Tanzania Parliamentary Committees (Budget Committee and Parliamentary Accounts Committee).	The Agency complies with the relevant legislation, guidelines and directives to ensure the smooth conduct of transportation and other related services <b>Source:</b> those charged with governance consultative meetings, official letters and emails.	<ul style="list-style-type: none"> <li>• Operating within the scope of the legislation, directives and guidelines; and</li> <li>• Complying with protocols issued by those charged with governance.</li> </ul>
7.0	<b>General Public (Society)</b> The Agency acknowledges its responsibility to respond to community social needs. The Corporate Social Responsibility (CSR) interventions included a commitment to active participation in environment protection and promotion of socio-economic development of our society through extension of financial support to implementation of community activities.	<ul style="list-style-type: none"> <li>• Supporting social development programs organized by the communities for socio-economic development;</li> <li>• Awareness on DART functions and applicable legislation; and</li> <li>• Compliance with environmental, social and governance matters.</li> </ul> <b>Source:</b> Stakeholder's meetings, Corporate Social Responsibility (CSR) schedule of activities.	<ul style="list-style-type: none"> <li>• Supporting social community programs using donations and other sources of funds;</li> <li>• Providing awareness on DART functions and environmental protection; and</li> <li>• Undertake Environmental and Social Impact Assessments periodically.</li> </ul>

## 2.13 CAPITAL STRUCTURE AND TREASURY POLICIES

As at 30 June 2023, the capital of the Agency aggregated to TZS 106,906.6 million (30 June 2022 TZS 106,906.6 million.) In addition, the Agency has accumulated a Surplus of TZS 72,425.1 million (30 June 2022: TZS 19,723.0 million) as shown in Table 14. The source of funding has been through Government, development partners, and internally generated funds. Table: 14 Summarizes the Capital Structure of the Agency.

The Dar Rapid Transit Agency maintain a Treasury Policy such as Financial Regulations, and Accounting Manual which entails procedures to be adhered to during opening of bank accounts, closing and maintenance, cash handling procedures, selecting and introducing signatories in approving wire cash/funds transfers and cheque payments, short-term investments of surplus cash, approving short-term financing of deficit, forex exchange exposure and related risk management.

The objective of the policy is to ensure that the Agency's cash, investments and other cash-related assets are adequately managed, controlled and safeguarded. Adherence to

the policy and control procedures also ensures that an Agency's foreign exchange and other exposures are effectively managed.

During the period under review, the Agency's treasury policy was adhered and thus there was no potential effect occurred.

**Table 14: Capital Structure**

Capital and Reserves	30 JUNE 2023 (TZS '000')	30 JUNE 2022 (TZS '000')
Taxpayers Fund	106,906.6	106,906.6
Accumulated Surplus/(Deficit)	72,425.1	19,723.0
<b>Total Equity</b>	<b>179,331.7</b>	<b>126,629.6</b>

Source: Statement of Financial Position as at 30 June 2023.

### 2.13.1 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 32%. Other sources of financing include Revenue Grants from World Bank 27%, Government Subvention Recurrent PE 8%, Government Subvention Recurrent OC 2% and Government Subvention Development 31%.

During the year total revenue amounting to TZS 70,586.8 million (2022: TZS 15,083.9 million) were received indicating an increase of 368.0% compared to the prior year as shown in Table 15.

**Table 15: Funds Received during financial Years**

S/N	Sources of fund	Amount (TZS) 2022/23	%	Amount (TZS) 2021/22	%
1.0	Recurrent PE	1,935,740,023	3	1,787,238,055	12
2.0	Recurrent OC	458,460,700	1	644,166,299	4
3.0	Grants - WB	52,050,906,408	74	4,796,446,831	32
4.0	Revenue Grants-UNEP	0	0	216,489,074	1
5.0	Gvt Grants-Development	7,869,032,329	11	0	0
6.0	Own Source	8,272,672,404	11	7,639,606,447	51
	<b>TOTAL</b>	<b>70,586,811,864</b>	<b>100</b>	<b>15,083,946,706</b>	<b>100</b>

**Table 16: Summary of actual funds spent during financial Years.**

S/N	Sources of fund	Amount (TZS) 2022/23	%	Amount (TZS) 2021/22	%
1.0	Recurrent PE	1,927,233,523	3	1,787,238,055	11
2.0	Recurrent OC	417,170,334	1	617,111,188	4
3.0	Revenue Grants - WB	52,050,906,408	74	4,796,446,831	30
4.0	Revenue Grants-UNEP	0	-	4,244,370	0
5.0	Own Source	10,568,504,874	14	7,431,803,471	46
	<b>TOTAL</b>	<b>70,698,903,707</b>	<b>100</b>	<b>16,136,843,915</b>	<b>100</b>

## **2.14 CASH FLOW**

The Agency prepares its budgets in accordance with the Medium-Term Expenditure Framework (MTEF) which also includes preparation of cash flows for managing inflows and outflows quarterly. The cash flow projection includes estimates of inflows and outflows from exchange and non-exchange transactions generated from operating, investing and financing activities.

The cash flow from operations increased from TZS 15, 083.9 million in 2021/22 to TZS 69,864.7 million during 2022/23. The increase was attributed due to subvention received from other Government entities to support core activities of the Agency.

### **(a) Cash Flows from Operating Activities**

The net cash flows from operating activities of TZS 53,839.0 million (2022: TZS 609.8 million) was derived as the difference between cash receipts amounting to TZS 69,864.7 million (2022: TZS 15,083.9 million) from Levies, Revenue Grant, Government subvention and other Income; and payments amounting to TZS 16,025.7 million (2022: TZS 14,474.1 million) for wages, salaries and employee benefits; maintenance expenses, use of goods, social benefits and other expenses of the Agency.

### **(b) Cash Flows from Investing Activities**

The net cash flows from investing activities of TZS (53,393.1) million (2022: TZS (3,782.3) million) was derived from cash outflows in respect of acquisition of Property, Plant and Equipment amounted to TZS 54,631.4 million (2022: TZS 1,662.7 million); and acquisition of Intangible amounted to TZS 41.9 million and other investment made by the agency at Asset Management and Investor Services-UTT Amis.

### **(c) Cash flows from Financing Activities**

There were no net cash flows from financing activities during the year ended 30 June 2023 as it was the case in the preceding year.

## **2.15 LIQUIDITY**

During the financial year ended 30 June 2023, the Agency managed its liquidity level to ensure there are sufficient funds to meet its liabilities when due without damage to the Agency's reputation. The Agency's current ratio for the financial year ended 30 June 2023, which measures the ability of the current assets to meet its short-term obligations (current liabilities) was 2.21:1 (30 June 2022: 4.10:1).

Moreover, the Acid (quick) test ratio which also measures the ability of current assets without inventories, to meet its short-term obligations (current liabilities) was 2.02:1 (30 June 2022: 4.06:1).

## **2.16 GOVERNANCE STRUCTURE**

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 the 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 the responsibility of the Chief Executive assisted by the Agency Management and advised by the Audit Committee of the Agency.

#### 2.16.1 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.

#### 2.16.2 MANAGEMENT

The Management Team of the Agency constitutes the Chief Executive, six Directors, and six Head of Units as indicated in Table 17.

- i. The Chief Executive;
- ii. Director of Transportation Development;
- iii. Director of Operations and Infrastructure Management;
- iv. Director of Finance and Accounts;
- v. Director of Information and Communication Technology;
- vi. Director of Commercial and Business Development;
- vii. Director of Human Resources, Management and Administration;
- viii. Head of Internal Audit;
- ix. Head of Legal Service;
- x. Head of Procurement Management;
- xi. Head of Communication and Public Relations;
- xii. Head of Planning and Research; and
- xiii. Head of Quality and Risk Management.

**Table 17: Management Team that served for the year ended 30 June 2023.**

SN	NAME	DESIGNATION	DURATION
1	Dr. Edwin P. Mhede, PhD	The Chief Executive	May, 2021 to January 2024
2	Dr. Athuman Kihamia	The Chief Executive	January 2024 to date
3	Dr. Elphas Mollel, PhD	Director of, Human Resource, Management and Administration	May, 2020 to date
4	CPA Deusdelity O. Casmir	Director of Finance	December, 2021 to date
5	Dr. Eng. Philemon K. Mzee	Director of Operations and Infrastructure Management	March, 2017 to date
6	Eng. Fanuel O. Kalugendo	Director of Transportation and Development	January, 2021 to date

SN	NAME	DESIGNATION	DURATION
7	Adv. Domina Madeli	Head of Legal Service	October 2018 to date
8	Ms. Scholastica Ndilanha	Ag. Head of Procurement Unit	October 2019 to march 2023
9	Silla Raphael Okumu	Ag. Head of Procurement Unit	March 2023 to November 2023
10	Eliakim S. Mungure	Head of Procurement Unit	November 2023 to date
11	CPA. Flora Fifi	Head of Internal Audit	November 2020 to date
12	Mr. Ng'wanashigi T. Gagaga	Ag. DICT	March 2017 to date
13	Mr. William V. Gatambi	Head of Communication and Public Relation	January 2016 to date

## 2.17 BOARD REMUNERATIONS

The Board expenses which also include statutory payments to key management personnel during the year are as disclosed under Note 30 to the Financial Statements.

## 2.18 CURRENT, FUTURE DEVELOPMENT AND PERFORMANCE RESOURCES

The Agency will continue to improve its provision of services through competent and motivated employees by complying with all rules and regulations while focusing on value-added customer services. In addition, the Agency will continue with its expansion strategies through the development of efficient infrastructures. The Agency will continue to improve and modernize its business operations and services to the satisfaction of its stakeholders. Current, future development and performance resources are as follows: -

### 2.18.1 BRT Infrastructures

In financial year 2022/2023, 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.

#### a. Implementation Development of Future Phases of DART System

##### DART Phase 2

In September 30, 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 23 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 Agency Limited from China while the Consultant is M/s BOTEK Bosphorus Consulting Agency from Turkey. The infrastructure construction for Lot 1 commenced on 6<sup>th</sup> May, 2019 and were planned to be executed for a period of 3 years to be completed on 5<sup>th</sup> May, 2022. Until the end of June 2023, the Actual progress on implementation of Lot 1 was 92% (2021/2022 June 66%) The contract has been extended up to October, 2023


#### **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 (Mission) and Zakhem. The Contractor for Lot 2 is M/s China Civil Engineering Construction Agency (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 28 February 2021 but contractor was given extension of time up to 31<sup>st</sup> 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 20 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 AGENCY LTD to undertake the construction of Lot 1, which has commenced on 1<sup>st</sup> August 2022. The scope of activities for Lot 1 includes; Construction of BRT dedicated lanes, mixed traffic lanes and NMT



Facilities covering a total of Km 23.3; along Azikiwe, Bibi Titi, Nkrumah, Nyerere road up to Gongolamboto. It also includes Nelson Mandela, Uhuru, Shaurimoyo, Lindi road up to Kariakoo, Gerezani Terminal. Other infrastructures are one depot at Gongolamboto, 3 terminals, 3 feeder station, 32 bus stations, and park & ride facility at Gongolamboto. Until the end of June, 2023, the actual works progress was 12%.

#### **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 Ubungu 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 construction of this phase has three lots (3), Lot one is the Construction of BRT Trunk corridor from CBD to Ubungo through Mwenge, Lot 2 is the Construction of BRT trunk corridor from Mwenge to Boko Dawasa and Lot 3 is the Construction of two depots and one terminal. On 30 June 2023 TANROADS managed to sign contract with three contractors for the construction of the mentioned three lots. The contractors were M/S China Geo-Engineering Agency for Lot 1 at contract sum of TZS 174, 380,157, 323.00 for the period of 18 months, M/S Shandong Luqiao Group Co., Ltd for lot 2 at contract sum of TZS 193,855,936,443.00 for the period of 18 months, and M/S China Communications Construction Co. Ltd for lot 3 at contract sum of TZS 174, 60,984,151,987.00 for the period of 18 months.

#### **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.

The Agency in collaboration with TANROADS has finalized the updating of the tender documents and re-packaging the works lots to be advertised for procurement of the Contractors. The Documents has been submitted to AFD for review and clearance.

### **DART Phase 6**

Phase 6 corridor has 33.5Km, runs from Morocco to Kawe via Mwai Kibaki 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 Government through DART continued with technical discussion with Green Climate Fund (GCF) Secretariat for possible financing the development of the BRT Phase 6 infrastructure at a tune of USD 261 million.

#### **b. Resettlement of Project Affected Persons (PAPs)**

The Agency has acquired land for Depot construction at Ubungu Maziwa, the area has the total of 90 Project Affected Persons (PAPs), a total of 68 PAPs out of 90 PAPs have been paid the total compensation amount of TZS: 5.4 Billion while the remaining the 22 PAPs have not been paid due to Land conflict (Waiting Court Decision). However, the process of transferring the NHIF area and area owned by the Treasury Registrar which are also proposed for depot project, are still underway.

For the BRT phase 4, Agency in collaboration with Tanzania National Road Agency (TANROADS) are still in the process of completing the valuation of the affected persons in the BRT Phase 4 corridor. The Consultant for Valuation, M/S NIMETA COMPANY LTD, has conducted the valuation exercise at Mbuyuni where 88 property owners out of 120 have been valued.

The Agency in collaboration with TANROADS completed the valuation of the affected properties along BRT Phase 5 corridor and the valuation schedules were approved by the Government Chief Valuer. A total sum of Tsh. 70,864,856,776.76 has been requested to the Ministry of Finance of which more than 1300 PAPs will be compensated.

#### **c. Implementation of The Transit Oriented (TOD) Project**

The has continued to supervise the JICA Expert team in the implementation of the Technical Cooperation Project titled "Transit-Oriented Development (TOD) for Dar es Salaam. The Team has managed to prepare TOD Strategies, Conceptual Design of Station Area Development (Pilot) and TOD Guidelines

### **2.18.2 AGENCY PERFORMANCE**

During the financial year ended 30 June 2023, the Agency witnesses significant performance as follows: -

#### **(a) Construction of DART System Phase II.**

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

- i. **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 Agency Limited from China while the Consultant is BOTEK Bosphorus Consulting Agency from Turkey. The infrastructure construction for Lot 1 commenced on 6<sup>th</sup> May 2019 and were planned to be executed for a period of 3 years until 5<sup>th</sup> May 2022. The completion date was originally extended to 27<sup>th</sup> March 2023, However, due to some challenges during

construction, the completion date has now been extended to October 2023. During the year ended June 2023, the work progress reached 92% (66% in 2022/2023).

- ii. **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 (Mission) and Zakhem. The Contractor for Lot 2 is M/s China Civil Engineering Construction Agency (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 31<sup>st</sup> July 2021. The project is substantially completed and it was handed to the Agency in November 2021.

**(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 3.03 billion was recorded as performance deductions (2021/2022 TZS 2.24 billion).

**(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.

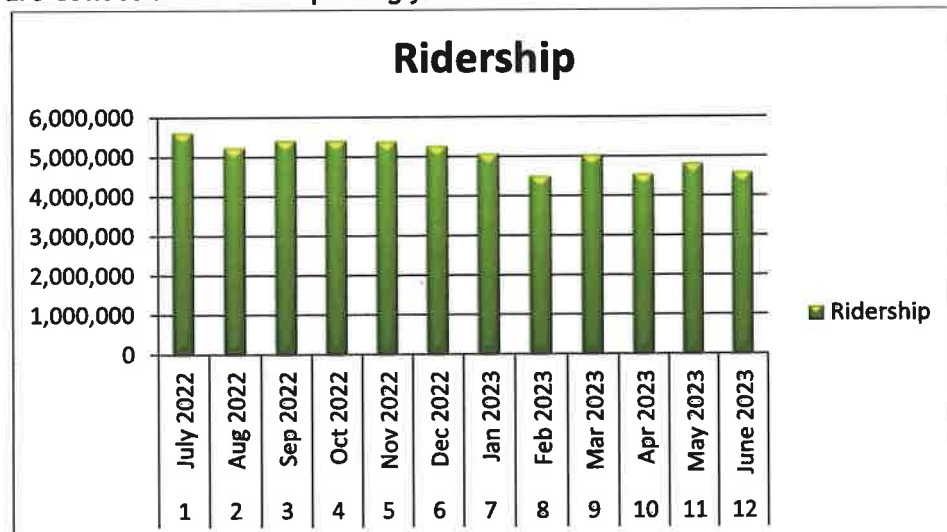
**(f) Reduction in Environmental Pollution**

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.

**(g) Effective Supervision of travel service in DART system**

The fare revenue was at its peak point in July 2022 and has been fairly steady average passenger ridership from August 2022 to January 2023. However, there has been a slight decrease in monthly passenger's ridership for the month of February 2023 and an increase for the month of March 2023, however the ridership remains fairly constant from April 2023 to June 2023. There was an average ridership of 5.06 per month in financial year 2022/23 as compared to 2.48 of the previous financial year. The improvement of passenger ridership is the result of introduction of GoT-AFCS in all stations and terminals also the proper management of TSP. The Figures below present the average monthly passengers and fare collection for the reporting year.



**(h) 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.

## 2.19 RESULTS AND DIVIDENDS

The Agency is a public institution that is not for profit motive but rather for implementing its core responsibilities as defined in the DART Agency Establishment Order No. 120 (2007). The management plans to utilize the surplus of TZS 52,702.1 million (2022: TZS (1,956.4) million) for financing future activities of the Agency in line with the Approved Strategic Plan.

## 2.20 FINANCIAL PERFORMANCE AND POSITION

### (a) Statement of Financial Performance

The performance of the Agency is measured based on the achievements it makes in implementing its core functions as stipulated in the DART Agency Establishment Order No. 120 (2007). However, the Agency needs to generate adequate resources in order to support its operations.

#### i. Revenue

During the financial year ended 30 June 2023 total revenue amounted to TZS. 73,376.8 million (2022: TZS 17,085.0 million) resulting into an increase of TZS 56,291.8 million representing an increase of 329.5 %. The increased revenue was mainly attributed from subvention from other government entities (World Bank and AfDB), investment income, performance deductions charged to TSP as per contract and monies received from billboards fee, parking fee, access fee, sanitation fee and miscellaneous receipts.

#### ii. Expenses

The Agency expenses and transfers for the financial year ended 30 June 2023 aggregated to TZS 20,674.7 million (2022: TZS 19,041.4 million). The increase in expenses of TZS 1,633.3 million, representing 8.6%, was mainly associated with increase in salaries and employee benefits; use of goods and services and other transfers. Overall, the Agency recorded a surplus of TZS 52,702.1 million (2022: TZS (1,956.4) million).

The major components of the expenses during the year ended 30 June 2023 were wages, salaries and employee benefits amounting to TZS 5,334.6 million (2022: TZS 4,536.7 million); the increase of TZS 797.9 million was mainly caused by increase in salaries for employees and increase in activities financed by donors. Further expenses related to use of goods and services aggregated to TZS 6,590.1 million (2022: TZS 4,450.1 million) the increase was mainly caused by the activities funded by donors which increase significantly. Furthermore, depreciation and amortization amounted to TZS 1,728.1 million (2022: TZS 1,304.4 million). The noted increase of TZS 423.7 million was attributed to newly acquired property and equipment and softwares. Social Benefits expenses have increased to TZS 10.6 million (2022: TZS Nil) this includes the amount contributed to different organization to support social activities.

Finally, Loss on Assets and Liabilities, the amount for the year ended 30<sup>th</sup> June 2023 was TZS 2,771.9 billion (2022: TZS 3.69 billion), the figure include TZS 2,754.0 million

provision for impairment of receivables and TZS 17.2 million provision for obsolete stocks.

**(b) Statement of Financial Position**

The Agency's total assets increased by TZS 56,255.3 million to TZS 185,285.3 million (2022: TZS 129,030.1 million) on account of additional acquisition of property and equipment, and cash and cash equivalents. Likewise, total capital, reserves and liabilities increased by TZS 52,702.1 million to TZS 179,331.7 million (2022: TZS. 126,629.6 million). The noted increase was mainly attributed to an additional surplus for the year 2022/23 amounting to TZS 52,702.1 million.

**i) Cash and Cash Equivalents**

The Agency cash and cash equivalent as at 30 June 2023 was TZS 1,168.6 million (2022: TZS 722.7 million) increased by TZS 445.9 million, equivalent to 61.7%. This increase was comprising of own sources other charges, salaries (deductions for the month of June 2023) and development fund for payment of land compensation.

**ii) Trade and other Receivables from Exchange Transactions**

The analysis of the recorded performance on recognized revenue as at 30 June 2023 indicates that the Agency had cumulative revenue receivables from exchange transactions of TZS 9,303.1 million (2022: TZS 6,912.2 million). This substantial increase of TZS 2,390.9 million was mainly caused by increase in performance deductions charged to the service provider for underperformance as per TSP contract.

Receivables with the age up to one year, in respect of the financial year ended 30 June 2023 was TZS 6,647.4 million (2022: TZS 3,640.7 million) and the long outstanding receivables beyond one year was TZS 2,655.7 million (2022: TZS 3,271.5 million).

**iii) Inventories**

The Inventories during the year ended 30 June 2023 amounted of TZS 1,127.3 million (2022: TZS 96.0 million). The increase of TZS 1,031.3 million was due to acquisition of smart cards close to the prior year; the cards are still in the store waiting for installation of smart gates in BRT system.

**iv) Other Financial Assets**

The Financial Assets during the year ended 30 June 2023 worth TZS 1,560.0 million (2022: TZS 2,117.7 million). The decrease of TZS 557.7 million was due to withdrawn of fund from UTT-Amis to finance different activities during the financial year.

**v) Property, Plant and Equipment**

The Property, Plant and Equipment during the year ended 30 June 2023 stood at TZS 172,063.0 million (2022: TZS 119,152.8 million). The increase of TZS 52,910.2 million was mainly attributed by the acquisition of several assets to smoothen activities of the Agency.

#### **vi) Intangible Assets**

The net book value of intangible assets as at 30 June 2023 was TZS 34.9 million (2022: Nil). The value comprises of computer softwares acquired by the Agency during the financial year.

#### **vii) Non-Current Asset Held for Sale**

This includes motor vehicles and other assets which management proposed to be sold. For the year ended 30th June 2023 the amount of non-current asset held for sale was TZS 28.8 million (2022: TZS 28.8 million). The agency is awaiting approval from the Ministry of Finance to dispose all assets held for sale.

#### **viii) Payables and Accrued Expenses**

Total payables and accrued expenses as at 30 June 2023 were TZS 5,953.7 million (2022: TZS 2,400.6 million). The major part of the payables and accrued expenses were: -

- **Payables**

During the year ended 30 June 2023 payables was TZS 3,243.8 million (2022: TZS 1,760.1 million), the increase of TZS 1,483.7 million was mainly due to funds committed by donors (AfDB & World Bank) but not paid for goods and services enjoyed by the Agency.

- **Deferred Income**

During the year deferred income was TZS 2,569.8 million (2022: TZS 256.7 million), the increase of TZS 2,313.1 million was caused by unpaid amount of land compensation to beneficiaries.

- **Deposits**

The amount of deposit for the year ended 30 June 2023 was TZS 140.1 million (2022: TZS 383.8 million), the decrease amount of TZS 243.7 was amount paid to respective creditors for the service enjoyed by the Agency.

#### **(c) Budget Performance**

The Agency prepares its budget on an annual basis for which an assessment is done to compare the actual performance against the budget. For the period under review, the Agency's actual performance is summarized in the following Table 18

	Original Budget (TZS)	Reallocations/ Adjustments (TZS)	Final Budget (TZS) (B)	Actual Amount on Comparable (TZS) Basis (A)	Different Final Budget & Actual (TZS) (B-A)
<b>RECEIPTS</b>					
Subvention from Other Government Entities	30,158,590,971	(485,060,262)	29,673,530,709	63,533,830,873	(33,860,300,164)
Revenue from Exchange Transactions	2,769,625,000	-	2,769,625,000	-	2,769,625,000
Other Revenue	7,565,375,000	-	7,565,375,000	3,297,184,723	4,268,190,277
Levies	-	-	-	3,033,703,441	(3,033,703,441)
Investment Income	-	-	-	722,092,827	(722,092,827)
Investment in UTT	-	-	-	558,010,825	(558,010,825)
<b>Total Receipts</b>	<b>40,493,590,971</b>	<b>(485,060,262)</b>	<b>40,008,530,709</b>	<b>71,144,822,689</b>	<b>(31,136,291,980)</b>
<b>PAYMENTS</b>					
Wages, Salaries and Employee Benefits	6,230,918,067	392,998,409	6,623,916,476	5,362,896,856	1,261,019,620
Use of Goods and Service	10,542,840,310	283,444,859	10,826,285,169	6,169,119,190	4,657,165,979
Social Benefits	12,694,430	(2,400,000)	10,294,430	10,630,000	(335,570)
Other Transfers	200,200,206	(100,200,206)	100,000,000	226,237,169	(126,237,169)
Other Expenses	10,157,628,058	(375,105,058)	9,782,523,000	3,030,065,573	6,752,457,427
Maintenance Expenses	1,028,153,504	(74,738,004)	953,415,500	983,023,366	(29,607,866)
Grants and Transfers	4,000,000	-	4,000,000	-	4,000,000
Decrease in Deposit	-	-	-	243,709,686	(243,709,686)
Acquisition of Property, Plant and Equipment	12,281,107,448	(124,000,000)	12,157,107,448	54,631,354,003	(42,502,999,315)
Acquisition of Intangibles	-	-	-	41,867,863	(41,867,863)
<b>Total Payments</b>	<b>40,457,542,023</b>	<b>-</b>	<b>40,457,542,023</b>	<b>70,698,903,707</b>	<b>(30,241,361,684)</b>
<b>Net Receipts/Payments</b>	<b>36,048,948</b>	<b>(485,060,262)</b>	<b>(449,011,314)</b>	<b>445,918,982</b>	<b>(894,930,296)</b>

## 2.21 OPERATIONAL PERFORMANCE

During the year, DART focused on the implementation of its strategic objectives which guides the Agency's operations in five years' period. The following strategies were used to ensure visibility and efficiency in implementation of the strategic objectives: -

### i. 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 2022/23. 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: -

#### a. TV and Radio Programmes

During the financial year ended 30 June 2023, DART Agency designed and recorded 18 television programmes, more than the target of 24 programmes that were planned. Under the same period, The Agency aired 17 Radio programmes against 20 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.

#### b. Social Media Platforms

The DART Agency in this period of review, intensively, made of use of its social media platforms such as Facebook, Twitter, and Instagram@DARTMwendokasi to disseminate different messages to its various stakeholders on different themes including road safety measures, bus operations, app for purchasing tickets using mobile phones (Dar City Navigator), newly established Automated Fare Collection System (AFCS), demand on smart cards, increased number of buses (210 buses from 140 buses), new routes, the ongoing BRT infrastructure development on Phase II along Kilwa Road and its branches, and on customer service week. Moreover, the DART Agency also continued to promote the use of its social media accounts for YouTube, Twitter, Facebook as well as WhatsApp



whenever it sent out a press release to reach out a wide range of stakeholders.

**c. Advertisements**

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

**d. News and Feature articles**

The Agency also published six Feature articles in various media against the target of eight due to emerging issues that was to be responded on time. During the same period under review the DART Agency was mentioned many times in news bulletins on various TV stations including ITV, TBC Taifa, TBC1, Channel10, Azam TV, Star TV, Clouds TV E-TV and various online TVs and blogs.

**e. Seminars and Consultations**

During the financial year ended 30 June 2023, The Agency conducted about 5 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.

**f. 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.

**g. 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 Sabasaba 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.

## ii. Complaints and Disputes

The Agency attended 1,118 complaints during the financial year under review. The complaints were divided into three categories namely, critical cases, major cases and minor cases. Most of the reported complaints included poor customer care from attendants, cashiers and security company, bus delay and change deficit. The Agency plays a great role on providing customer care awareness to all stakeholders who are involved directly into daily operations of BRT. Also bus monitoring is conducted daily to provide the smooth flow of buses.

## iii. Regional Cooperative 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 various meetings as follows:

SN	Meetings	Month
1.	Transit Oriented Development; planning for diversity and social inclusion conference	September 2022
2.	27 <sup>th</sup> Conference of the parties of the UNFCCC (COP 27 Egypt)	November 2022
3.	Founding General Assembly Meeting of the African Association of Urban Transport Authorities (AAUTA-Ivory Coast)	February 2023
4.	African Federation of Agencies of Auditors (AFIA)- Ghana	May 2023
5.	Leaders in Urban Planning (LUPT) workshop-Rwanda	May 2023

## 2.22 OWNERSHIP

The Agency is wholly owned by the Government of the United Republic of Tanzania as stipulated in the DART Agency Establishment Order No. 120 (2007).

## 2.23 RELATED PARTY TRANSACTIONS

Related party is the one who has the ability, authority and responsibility for planning, directing and controlling the activities or exercise significant influence in making financial and operating decisions. A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged or not. Under the Agency's circumstances, the Ministerial Advisory Board Members and Senior Management Employees are related parties. The related party transactions refer only to Board members' annual fees and Senior management emoluments as disclosed under **Note 30** of the Financial Statements.

## **2.24 EMPLOYEES WELFARE**

The Agency provides employees welfare in accordance with the Government's directives, Staff Regulations, and Scheme of Service and incentive package approved by the Ministerial Advisory Board.

### **(a) Management - employees' relationship**

A healthy relationship continues to exist between management and employees. There were no unresolved complaints received by the management from the employees during the financial year 2022/23.

Employees were represented at various levels of decision-making, particularly through their leaders' participation in the Workers' Board as well as in the meetings of the Committees of the Board.

The Agency is an equal-opportunity employer. It gives equal access to employment opportunities and it ensures that the best available person is appointed to any given position, free from discrimination of any kind and without regard for factors like gender, marital status, tribe, religion or disability. During the reviewed period the Agency recruited four (4) ICT officers who made a total number of staff be 88.

### **(b) Training**

Human resources play a significant role in developing and reinforcing positive performance within an agency. Likewise, at the Agency human resources is one of the key components that facilitate fulfilment of the Agency's core functions.


When organizations develop their employees, they are strengthening their assets and making these employees even more valuable. To improve the efficiency and effectiveness of employees' work performance, the Agency in 2022/23 financial year spent TZS 468.51 million (2022: TZS 362.3 million) on training for 88 staff attended local and international training from own sources and donor funds to excel in their duties and contribute to the success of the Agency. Training of staff members is guided by the Training Policy of the Agency. Training efforts were focused on short-term and long-term training geared towards enhancing academic and professional competence.

### **(c) Promotions**

The Agency budgeted and received the approval of 18 staff promotions from the Permanent Secretary (Establishment) for the financial year 2022/23. These promotions were implemented during the year under review.

### **(d) Health, Safety and Working Environment**

Effective health, safety and risk management is a priority for the Agency. The Agency's safety management system delivers a safe working environment by continuously and effectively assessing the working environment.



Management believes that its employees should find working for the Agency an inspiring and personally elevating experience, and consequently accept co-responsibility for the development of each employee to his/her full potential. Career progress is based on the individual initiative towards the fulfilment of their responsibilities complemented by the Agency. This encompasses individual commitment towards innovative thinking and professional expertise resulting in a reward.

The Agency takes all reasonable and practicable steps to safeguard the health, safety, and welfare of its employees by adhering to the Occupational and Safety Rules and Regulations (OSHA). On 4th May 2023, OSHA officers conducted a Workplace inspection of DART Head Quarters offices and provided recommendations on how to improve the workplace.

**(e) Opportunities and Fairness**

Management is convinced that equal opportunities for all employees, irrespective of ethnicity, race, gender, disability or religion, should be pursued. Management accepts that only through total commitment, loyalty and dedication of its employees will be able to achieve its performance targets.

**(f) Financial Assistance to Staff**

This is available to all employees depending on the merit of each case assessed by management as well as liquidity position of the Agency. However, employees are also encouraged to obtain loans or advances from Commercial banks to meet their various needs in as far as finance is concerned.

**(g) Employees' benefit plan**

The Agency operates an unfunded and budgeted benefit scheme for its employees. The provision is made in the financial statement for the estimated cost of the future benefits under the scheme, but employees' contributions are not made to the scheme. The Agency has a defined contributions plan to cater for pension obligations for its employees by paying every month's agreed contribution to the Pension Funds.

Employees working on a contract basis are paid gratuity which is equal to 25% of the total emoluments during the contract period. To ensure that employee welfare is safeguarded, the Agency complies fully with the Workmen's Compensation Act which requires compensation with employees injured in the course of their employment.

**(h) Medical facilities**

The Agency meets the cost of medical consultation and treatment for all employees and their immediate family dependents through contributions made to the National Health Insurance Fund (NHIF) with a special supplementary scheme.

### (i) Voluntary Agreement and Workers Board

The Agency has a voluntary agreement with the Tanzania Government and Health Workers Union (TUGHE) which assists in enhancing good industrial relations, employee welfare and retaining highly skilled staff.

## 2.25 DISABLED PERSONS AND GENDER BALANCE

The recruitment policy of the Agency does not discriminate against persons with physical disabilities. There are persons with disabilities among the members of staff as well as among students. Further, in case an employee becomes disabled in the course of employment the Agency ensures that his employment continues. Furthermore, the Agency provides training, career development and promotion to disabled employees like other employees. During the year under review, one (1) staff with a sight disability was retired

The Agency attempts to abide to the national gender balance policy and it has been very keen in considering gender balance in appointments at various levels based on ability, qualifications and integrity. Currently, two (2) female members of staff are heading sections. The gender parity of staff members at the Agency was as shown in Table 19.

**Table 19: Gender Balance**

Gender	2023		2022	
	Number	Percentage	Number	Percentage
Males	62	70.5	61	71
Females	26	29.5	25	29
Total	88	100.0	86	100

*Source: Human Capital Management Information System*

## 2.26 SOLVENCY AND GOING CONCERN EVALUATION

The Agency Board confirms that, in the course of preparing these financial statements, International Public Sector Accounting Standards (IPSAS) have been complied with. The Board ensures that the Agency has adequate funds to meet its main objectives. During the year under review, the Agency's cash and cash equivalent was TZS 1,168.6 million. The Government of the United Republic of Tanzania will continue to provide grants to the Agency to meet operational expenses, especially personnel emoluments and development activities. In view of this assessment, the Board is of the opinion that the Agency has a sound financial position and will continue to operate for the foreseeable future.

## 2.27 CORPORATE GOVERNANCE

### (a) Code of Corporate Practice and Conduct

The agency is committed to the principles of effective Corporate Governance. The Governing Board complies with the principles of good Corporate Governance. In observing

good governance, it has established and maintained Committees including the Audit Committee, and Intergity Committee.

**(b) Flexibility towards Change**

The current organizational structure is flexible and accommodates changes from internal as well as external environments. Moreover, the Agency periodically reviews its rules and regulations to ensure the best performance of its operations. The Agency adheres to the global standards and practices of good corporate governance. The Board members continue to strengthen the good governance system by reviewing various performance reports and approving policies and guidelines to enhance good governance.

**(c) Business ethics and organizational integrity**

The Agency's Code of Conduct is based on the highest standards of integrity, conduct and ethics in its dealings with all parties including employees, customers, suppliers, competitors, investors and the public in general. The management and staff are expected to fulfil their ethical obligations in such a way that the business is run strictly according to laid out policies and procedures.

**(d) Performance evaluation and reward**

The Agency ensures compliance with the government's directives on salaries and other benefits payable to staff, while at the same time considering the intrinsic value of the individual contributions. Details of the remuneration paid to key management staff are disclosed in Note xxx to the financial statements.

**2.28 CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Agency encourages employees to participate in partnerships and supportive relationships to make a tangible impact on local and national communities. We believe in creating a better world for our employees, their families and our neighbours. During the year under review, the Agency engaged in various corporate social responsibility activities. These included financial support of;

- i. TZS 1.0 million to National Institute of Transport (NIT);
- ii. TZS 4.0 million to Water Institute;
- iii. TZS 4.874 million to Kigamboni Municipal Council;
- iv. TZS 2.0 million to Bodi ya Maji Bonde la Wami/Ruvu;
- v. TZS 1.0 million to Ofisi ya Wakili Mkuu wa Serikali;
- vi. TZS 1.0 million to Ubungo Municipal Council;
- vii. TZS 1.0 million to Kamati ya Skuli ya Maandalizi Michungwani;
- viii. TZS 5.0 million to President Office - Reginal Administration & Local Government;
- ix. USD 4,800 to Tanzania Women Judges Association
- x. EURO 1,500 to Tanzania Embassy - The Hugue.

## **2.29 HIV/AIDS AWARENESS PROGRAMME**

The Agency recognizes the seriousness of the HIV/AIDS epidemic and its negative impacts on the capacity to realize the National Agenda on making Tanzania free from the epidemic. The Agency has adopted the National HIV/AIDS Policy and prepared its HIV/AIDS strategies, which aim at raising HIV/ AIDS awareness to her employees. During the year under review, the Agency conducted one awareness program to 129 staff (including interns) on HIV/AIDS and Non-communicable diseases. Two internal training were conducted by the Agency's peer educators.

## **2.30 POLITICAL AND CHARITABLE DONATIONS**

### **2.30.1 Political Donations**

The Agency does not make donations towards political activities. During the Financial Year ended 30 June 2023, the Agency did not make any donation towards political activities.

### **2.30.2 Charitable Donations**

During the period under review, the Agency provided donations to Mbagala Rangi Tatu Hospital as part of the commemoration of Women's' Day worth TZS 2.0 million

## **2.31 PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES**

### **2.31.1 Internal Control and Risk Management**

#### **a) Board's Responsibility**

The Board is ultimately responsible for risk management, determining the system of internal controls operated by the Agency and monitoring the effectiveness of the control environment. It is the task of the management to ensure that adequate internal financial and operational controls are developed, reviewed and maintained on an ongoing basis to provide reasonable assurance concerning: -

- The effectiveness and efficiency of operations;
- The safeguarding of the Agency assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; and
- Responsible behaviour towards all stakeholders.

The efficiency of the internal control system is dependent on the strict observance of prescribed measures. Always, there is a risk of non-compliance with such measures by staff while no system can provide absolute assurance against misstatement or loss, the Agency control system is designed to manage rather than eliminate the risk of failure to achieve business objectives.

## b). Key elements of the system of internal control

The management receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms. Key elements of the system of internal control are as follows: -

### i. Budgets

Detailed annual budgets are prepared by Management discussed by the Workers Board and later submitted to the Committee of the Board for review and subsequently approved by the Board. The budget briefings take place yearly and are attended by the Heads of Departments and stakeholders including; the trade union to discuss key strategic issues within the Agency. These meetings are chaired by Chief Executive who is the Accounting Officer of the Agency.

### ii. Competence

Staff skills are maintained both by a formal recruitment process and a performance appraisal system, which identifies training needs. Also, necessary training, both in-house and externally, helps to consolidate existing staff skills and competencies.

### iii. Risk Assessment

The Board understands the specific sources of risk and analysis of their impact on its operations at the Agency. In the financial year 2022/23 the Board used risk assessment frameworks to enable the analysis of cost-effective mitigation strategies. Among the types of risks that the Board is aware of and their mitigation strategies are provided in Table xxx.

Table 20: The Agency Risks, Impacts and Mitigation

S/N	Risks	Impacts	Risks Mitigation
1.0	Information and Communication Management	<p>The Agency's core activities are automated and the business data and information are properly managed in ICT systems.</p> <p>The fact that ICT systems are changed periodically in line with technology advancement, the threat of Cyber-attacks is becoming more sophisticated and greater numbers of third parties seek to access our business data and remove it from the safety of our systems and firewalls.</p> <p>If the Agency fails to ensure that its information is kept safe and</p>	<p>i. We have, and continue to invest significantly in our data, analytics and Cyber-security capabilities to better meet evolving customers' needs and expectations, and to reduce the potential for data breaches.</p> <p>ii. We actively engage with eGA to ensure that there is appropriate governance in place and that changes in eGA guidelines appropriately balance the value of giving customers control of their data, with our duty to protect</p>

S/N	Risks	Impacts	Risks Mitigation
		used by intended stakeholders and specific users only, may significantly impact relationships with these stakeholders and the general public.	<p>stakeholders' privacy and security.</p> <p>iii. We continuously invest in ICT systems security and enhance access management controls to secure the confidentiality, integrity and availability of Agency data.</p> <p>iv. Our ICT staff and selected ICT application systems users from other Directorates, and Sections undergo mandatory training modules to ensure they understand the importance of data security and their obligations to the data they access.</p>
2.0	Financial Management	<p>The Agency's activities are potentially exposed to a variety of financial management risks including financial risk, market risk, credit risk and liquidity risk as briefly explained below:</p> <p><b>(a) Financial Risk</b></p> <p>The financial risk is the possibility that the Agency's cash flow will prove inadequate to meet the Agency's obligations.</p> <p><b>(b) Market Risk</b></p> <p>Market risk is the risk of changes in market prices, such as foreign exchange rates and interest rates, affecting the Agency's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return on the risk.</p> <p><b>(c) Credit Risk</b></p> <p>Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Agency is exposed to credit-related losses in the event of non-performance by</p>	<p>i. We prepare our annual plan and budget in line with the Government guidelines on the preparation of a Medium-Term Expenditure Framework (MTEF) to address financial risk management.</p> <p>ii. We opened and operated bank accounts in both Tanzania Shillings and the United States Dollar (USD) to mitigate market risks.</p> <p>iii. We do not regard any significant concentration of credit risk; hence, we mitigate the credit risk by maintaining cash and cash equivalents with the preferred financial institutions; and recovering staff debts, imprest or salary advance in terms of the applicable financial regulations directly from the employee's salary and/or pension.</p> <p>iv. We manage liquidity risk to ensure the Agency can meet estimated expenditure requirements based on the approved budget and through the use of cash flow forecasts. This is achieved through practical liquidity risk</p>

S/N	Risks	Impacts	Risks Mitigation
		<p>counterparties to financial instruments.</p> <p><b>(d) Liquidity Risk</b> Liquidity risk is the risk of the Agency not being able to meet its obligations as they fall due. The Agency's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Agency's reputation.</p>	<p>management which includes maintaining sufficient cash and cash equivalents.</p> <p>v. Furthermore, the Agency strive to ensure that receivables are settled as prescribed in the financial regulations, and payables are settled timely.</p>
3.0	Quality Service Delivery	<p>Meeting customer needs and expectations with innovative solutions and superior experiences is critical to maintaining high-quality relationships with our suppliers and other stakeholders.</p> <p>The fact that customers and other stakeholders' expectations continue to evolve, the Agency strives in engaging to emerging technologies to improve effectiveness and efficiency in service delivery.</p> <p>Any failure to recognize and adapt to changing competitive forces in the transportation sector promptly could reduce our revenue potential and service delivery improvements over the long term.</p>	<p>i. We are in the process of implementing a Quality Management System (QMS) based on ISO 9001 which focuses on customer satisfaction with continuous improvement to our service delivery.</p> <p>ii. We actively monitor the quality of service delivery to customers and stakeholders' preferences, technologies, and methods of service delivery and continuously improve customer experiences with our services by adhering to the Agency's Customer Service Delivery Charter.</p> <p>iii. We invest in our employees and build capacity in key areas of technology capability, governance, and customer care which are critical to our value proposition to customers.</p> <p>iv. We are investing in emerging technologies to ensure that the way we operate and the solutions we provide to our customers and other stakeholders are leading in the transportation sector.</p> <p>v. We invest in employees' productivity to optimize our cost base and continue to</p>

S/N	Risks	Impacts	Risks Mitigation
			remain competitive for our stakeholders.
4.0	Reputation	<p>Our reputation is of critical importance to us and is directly related to how we conduct our services; make business decisions; and communicate with the Government and other public institutions, customers, regulatory bodies and the communities within our working environment.</p> <p>A negative shift in any of our stakeholder's perceptions may materially undermine our ability to advocate for positive outcomes that align to our vision, mission and core values, and our ability to drive long-term performance.</p> <p>This may also affect the cost and availability of financial resources necessary for the implementation of the Agency's annual plans and budgets.</p>	<p>i. We actively focus on improving the transparency of our service decisions and engage with our esteemed customers, employees and the general public to understand their concerns and balance their needs.</p> <p>ii. We have embedded our Agency's culture which communicates what we expect of our employees in applying our vision, mission and core values as a guide for the Agency's core activities and decision-making.</p> <p>iii. We continue to drive deeper engagement with the Government, customers and other stakeholders in the transportation sector to ensure we deliver better and consistently fair outcomes and remediate issues when we are made aware of them.</p>
5.0	Employee Capability	<p>Our employees are critical to the success of our strategic objectives and ensuring that we can continuously find better ways to operate and meet customers' and other stakeholders' needs and expectations.</p> <p>A shortage of key skills, a failure to help our people continuously update their capabilities, the emergence of new technologies and/or a fall in our attractiveness relative to other leading employers, could impact our ability to deliver on our strategic objectives, strategies, targets, vision and mission.</p>	<p>i. We are investing in our value proposition as an employer, through new ways of working, competitive benefits and a focus on culture and diversity. We develop a sound Scheme of Service and team up with the Public Service Recruitment Secretariat on the recruitment of competent staff.</p> <p>ii. We focus on developing and retaining our employees, including management staff, through targeted training programs and skills upgrading.</p> <p>iii. We are creating flexible and innovative work-spaces to enable stronger collaboration and foster an innovative culture.</p> <p>iv. We are building partnerships with leading institutions to</p>

S/N	Risks	Impacts	Risks Mitigation
			<p>further develop top talent and are investing in community awareness of potential future skills shortages.</p> <p>v. We are assessing how new technologies will impact the future workforce for our Agency. We are building these changes into our long-term people development and capability road map.</p>
6.0	Compliance with rules, legislation and regulations	<p>Compliance with legislation governing regulation of transportation sector and implementation as well as regulatory bodies are critical to how we continue to run our business and interact with our customers and other stakeholders.</p> <p>The Transportation sector and tax legislation are subject to changes. If we are unable to foresee, advocate for, plan for, and adapt to legislation change, this could negatively impact the Agency's compliance with sector regulations, and tax legislation together with our ability to serve customers and other stakeholders.</p>	<p>i. We allocate a material proportion of our budget to legislation compliance, risk prevention initiatives and engage with policymakers and communities to advocate for appropriate legislation reform.</p> <p>ii. We maintain constructive and proactive relationships with the Government; Parliamentary committees (Budget and Public Accounts); and the Parliament in general where we get an opportunity to share our comments on legislation changes.</p> <p>iii. We engage consultants to support the Agency in compliance with tax legislation and all other relevant sector legislation.</p>
7.0	Social and Environmental impact	<p>We actively consider the social and environmental impact of our activities and are committed to operating sustainably and making a positive contribution beyond our established objective and statutory functions as stipulated in the establishing Act.</p> <p>We consider social and environmental issues to be significant long-term drivers of both financial and non-financial value. We appreciate the potential impact they have on our relationships with different</p>	<p>i. The Agency designs appropriate conservation programs that take a long-term view to ensure that we conduct our activities sustainably and efficiently, and appropriately use our influence to enhance social and environmental outcomes.</p> <p>ii. We are complying with the National Environment Management Council (NEMC), and Occupational Safety and Health Authority (OSHA) rules, regulations and procedures.</p>

S/N	Risks	Impacts	Risks Mitigation
		customers and other stakeholders.	iii. We collaborate with public and private institutions on the protection of environmental pollution.
8.0	Business Continuity	<p>The resilience and continuity of our operations are critical to providing our customers with quality and reliable services and experiences that they expect from the Agency.</p> <p>Events driven by our external environment, including Cyber-attacks, political instability, unfavourable business conditions, pandemics, and adverse weather conditions such as heavy rainfalls i.e., El Nino can significantly disrupt the systems and processes that enable the Agency to serve and protect our customers and other stakeholders.</p>	<p>i. We monitor the health of all ICT systems, documented Internal Operating Procedures (IOPs) and perform contingency planning for disruptions to critical systems and processes.</p> <p>ii. We are implementing several process and system simplification initiatives through investments in agile capability, automation and ICT systems resilience.</p> <p>iii. We are investing in our technology, processes and employee capabilities to mitigate the impact of Cyber-security risks on our business processes.</p> <p>iv. The Agency policies and standards on supplier governance, selection and management and outsourcing or offshoring are applied to mitigate the risk and impact of third-party disruptions.</p>

#### a) Opportunities

The Agency's risk assessment process identified opportunities that would enhance the strategic plan execution as summarized below:

- Technological advancement and avenues for digitization of processes and operations are opportunities for improving the Agency's performance. This is possible through the use of internally ICT-developed infrastructure systems. The Agency has the potential to enhance quality service delivery and increase revenue generation by taking advantage of new technology in making transformative changes in its operations and processes.
- Existence of international and regional collaboration and agreements to promote infrastructure development at Dar es Salaam.

#### b) Assumptions on Risks, Uncertainties and Opportunities

The Agency is mindful of the following assumptions during assessments of the risks, uncertainties and opportunities:

- i. Macroeconomic factors or conditions like Inflation, Interest rates, Gross Domestic Product, per capita income, economic growth rate, and terms of international trade exchange rate will continue to perform well and remain fairly stable;
- ii. The political environment will remain stable and political support to the education sector prevail during the implementation of the Agency's functions;
- iii. Stable and predictable regulatory environment like Policies, Laws and Regulations will exist during the implementation of DART functions;
- iv. Competent, skilled and motivated staff will be available during the Strategic Plan implementation period;
- v. Good or stable relationships with key stakeholders will be maintained during the implementation of the Strategic Plan; and
- vi. Availability of sufficient financial and physical resources like buildings, working tools, and Standard Operating Procedures (SOPs) for the implementation of the Strategic Plan.

### **c) 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: -

#### **C.1: Challenges**

- i. **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 uncleanness 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 Motorcycle and 2 other facts. There were no injured people and no fatal.
- ii. **Legal Challenges:**  
The Agency lacks self-legal 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 No. 120 of 2007 under Subsidiary Legislation of the Executive Agency Act, Cap 245.
- iii. **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 support the use of smart cards and this might create possible leakages of fare revenues.

**iv. 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.

**v. Flooding at Msimbazi Valley**

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

**vi. Shortage of Agency Office Accommodation**

The agency is faced with the challenge of a 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

**C.2: Way forward**

- i. The Agency has continued to engage key stakeholders 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.
- ii. The Agency has requested the PO-RALG for the enactment of a 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.
- iii. 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.
- iv. 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.
- v. 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.

- vi. 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.

## **2.32 PREJUDICIAL ISSUES**

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

## **2.33 EVENTS AFTER REPORTING PERIOD**

There were no material events, adjusting or non-adjusting, which occurred between the reporting date and the date when financial statements were authorized for issue.

## **2.34 ACCOUNTING POLICIES**

A summary of key accounting policies in accordance with the International Public Sector Accounting Standards (IPSAS) is in Note 2 to the Financial Statements and were consistently applied during the year under review.

## **2.35 STATEMENT OF COMPLIANCE**

The Governance Report is prepared in line with the Tanzania Financial Reporting Standard No. 1 (TFRS No. 1) as issued by the National Board of Accountants and Auditors (NBAA). The Agency's financial statements have been prepared in compliance with the International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board (IPSASB).

## **PUBLICATION OF THE REPORT BY THOSE CHARGED WITH GOVERNANCE AND**

### **AUDITED FINANCIAL STATEMENTS**

The report by Those Charged with Governance and Audited Financial Statements for the financial year 2021/22 was published in the Agency's Website as required by National Board of Accountants and Auditors Technical Pronouncement No. 1 of 2018.

## **2.36 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 for the year ended 30 June 2023.

## 2.37 APPROVAL

This Report was approved and authorized for issue by the Ministerial Advisory Board and signed on its behalf by:



Dr. Athumani J. Kihamia  
THE CHIEF EXECUTIVE



Dr. Florens M. Turuka  
MAB-CHAIRPERSON

08.08.2024

DATE

### 3.0 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].

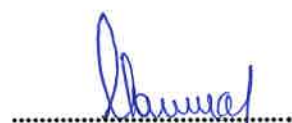
The Management of DART is responsible for establishing and maintaining a system of effective internal control designed to give reasonable assurance that the transactions recorded in the financial statements are within the statutory requirement and that they contain the receipts and use of resources by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

The Management of DART is 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 30 June 2023. The Management also confirm that International Public Sector Accounting Standards - Accrual basis of Accounting have been followed and the financial statements have been prepared on the going concern basis to the best of the Management's 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 30 June 2023.

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. Athumani J. Kihamia  
THE CHIEF EXECUTIVE



Dr. Florens M. Turuka  
MAB-CHAIRPERSON

08.03.2024

DATE

#### 4.0 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's 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 the 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 30 June 2023 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: 

CPA. Deusdelity O. Casmir

Position: Director of Finance and Business Development

NBAA Membership No: ACPA 2358

Date: 08.03.2024

## STATEMENT OF THE CHIEF EXECUTIVE

The financial statements for the 2022/2023 fiscal year present the physical and financial status on implementation of activities during the year, the future plans and challenges that the Agency faced during implementation. During the period of reporting, the Agency tackled various issues to achieve its objectives. Almost seven years of preparations and development of Bus Rapid Transit (BRT) infrastructure, the DART Agency managed to commence bus operations services along DART System Phase I corridor which is characterized by a modern, efficient and affordable transport for residents of the city of Dar es salaam. Provision of an Interim Service (ISP) which started on 10th May, 2016 was commissioned to UDA Rapid Transit (UDA-RT) who signed a concessional agreement with DART on 24th April 2015.

The activities under review were financed by the Government of Tanzania, World Bank, African Development Bank (AfDB). Other sources of income accrued from access fee, rental fee, advertisement, parking and toilets along the BRT corridor. There is an increase of grant from the Government from TZS 2,789.34 million in the year 2021/2022 to TZS 7,886.03 million in 2022/2023 of which TZS 1,927.2 million was for Personal Emoluments while TZS 471.6 million was for other charges and TZS 5,487.1 million was for development. The increase of funds is due to slight additional of personal emoluments (PE) and development funds that received during the year. Moreover, the Donor Funds (World Bank and AfDB) grants have increased from TZS 4,788.88 million in year 2021/2022 to TZS 53,334.72 million in the year 2022/2023. The increase of grants from the World Bank was due to increase of activities financed by donors during the year.

The Agency continues to implement its activities in collaboration with other stakeholders to ensure sustainable public transport services in Dar es Salaam which is in connection with the implementation of the Chama Cha Mapinduzi (CCM) Manifesto of 2020 as stated in section 54 (c) of that Manifesto. We appreciate the financial support from the Government of Tanzania, the World Bank, the African Development Bank, Government of German, Dar es Salaam Regional Government, Tanzania Police Defense Force, Ministry of Works, JICA, National Microfinance Bank (NMB), and the office of Attorney General. We also recognize support from government institutions such as TANROADS, LATRA, eGA, Treasurer Registrar and all other stakeholders for their support and team work spirit. I believe that our joint efforts will continue to enable smooth and efficient operations of DART project in the City which can reduce poverty, improve living standards and lead to sustainable economic growth. Good performance of

the project can also act as a pioneer of private and public investment partnership in the transport sector in the city.

The Agency is determined to increase the level of mobility, promote the use of non-motorized transport, and meet the ever increasing travel demand so as to ensure orderly flow of traffic on urban streets and roads around the city with ultimate aim of increasing comfort and quality of life and urban development

Dr. Athumani J. Kihamia  
THE CHIEF EXECUTIVE

DATE; 08-03-2024

## 5.0 FINANCIAL STATEMENTS

### DAR RAPID TRANSIT AGENCY

#### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Notes	TZS	TZS
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	62	1,168,592,947	722,673,964
Receivables	67	9,303,108,234	6,912,205,882
Inventories	70	1,127,303,476	95,972,063
Other Financial Assets	71	1,559,685,738	2,117,696,563
<b>Total Current Asset</b>		<b>13,158,690,395</b>	<b>9,848,548,473</b>
<b>Non-current assets</b>			
Property, plant and equipment	77	172,063,047,513	119,152,832,626
Intangible Assets	78	34,889,886	-
Non-Current Asset Held for sale	95	28,752,760	28,752,760
<b>Total Non-Current Asset</b>		<b>172,126,690,159</b>	<b>119,181,585,386</b>
<b>TOTAL ASSETS</b>		<b>185,285,380,554</b>	<b>129,030,133,859</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	89	3,243,798,165	1,760,057,828
Deferred income	93	2,569,785,225	256,708,015
Deposits	94	140,087,223	383,796,909
<b>Total Current liabilities</b>		<b>5,953,670,613</b>	<b>2,400,562,752</b>
<b>TOTAL LIABILITIES</b>		<b>5,953,670,613</b>	<b>2,400,562,752</b>
<b>Net Assets</b>		<b>179,331,709,941</b>	<b>126,629,571,107</b>
<b>NET ASSETS/EQUITY</b>			
Taxpayers Fund		106,906,582,474	106,906,582,474
Accumulated Surplus		72,425,127,467	19,722,988,633
<b>TOTAL NET ASSETS/EQUITY</b>		<b>179,331,709,941</b>	<b>126,629,571,107</b>

  
 Dr. Athumani J. Kihamia  
 THE CHIEF EXECUTIVE

08.03.2024  
 DATE

  
 Dr. Florens M. Turuka  
 MAB-CHAIRPERSON

# DAR RAPID TRANSIT AGENCY

## STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

		2022/23	2021/22
Classification of Expenses by Nature			
<b>REVENUE</b>	<b>Notes</b>	<b>TZS</b>	<b>TZS</b>
Levies	18	3,033,703,441	2,235,027,800
Investment Income	21	722,092,827	-
Other Revenue	31	8,400,294,393	7,271,710,194
Subvention from other Government entities	32	<u>61,220,753,663</u>	<u>7,578,226,945</u>
<b>Total Revenue</b>		<b>73,376,844,324</b>	<b>17,084,964,940</b>
<b>EXPENSES AND TRANSFERS</b>			
<b>Expenses</b>			
Wages, salaries and employee benefits	34	5,334,621,356	4,536,671,393
Use of goods and services	35	6,590,077,96	4,450,146,494
Maintenance Expenses	36	983,023,366	1,038,899,477
Depreciation of PPE	77	1,721,139,116	1,304,408,290
Amortization of Intangible Assets	78	6,977,977	-
Loss on Assets and Liabilities	47	2,771,932,968	3,693,656,915
Other Expenses	52	3,030,065,573	3,917,591,989
Social Benefits	56	<u>10,630,000</u>	-
<b>TOTAL EXPENSES</b>		<b>20,448,468,319</b>	<b>18,941,374,558</b>
<b>Transfers</b>			
Other Transfers	60	<u>226,237,169</u>	<u>100,000,000</u>
<b>TOTAL EXPENSES AND TRANSFERS</b>		<b>20,674,705,489</b>	<b>19,041,374,558</b>
<b>Surplus/(deficit) during the year</b>		<b>52,702,138,835</b>	<b>(1,956,409,618)</b>



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# DAR RAPID TRANSIT AGENCY

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

	Taxpayers Fund (TZS)	Accumulated surplus/(deficit) (TZS)	Total (TZS)
At 1 July 2022	106,906,582,474	19,722,988,633	126,629,571,107
Surplus/(deficit) for the year		52,702,138,835	52,702,138,835
At 30 June 2023	106,906,582,474	72,425,127,467	179,331,709,941
At 1 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 June 2022	106,906,582,474	19,722,988,633	126,629,571,107

  
 Dr. Athumani J. Kihamia  
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# DAR RAPID TRANSIT AGENCY

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	2022/23 TZS	2021/22 TZS
<b>RECEIPTS</b>		
Subvention from other Government entities	63,533,830,874	7,227,851,185
Revenue Grants	-	880,000
Revenue from Exchange Transactions	-	4,983,057,435
Other Revenue	3,297,184,723	420,641,212
Levies	3,033,703,441	2,235,027,800
Increase in Deposit	-	<u>216,489,074</u>
<b>Total Receipts (Note 27)</b>	<b>69,864,719,038</b>	<b>15,083,946,706</b>
<b>PAYMENTS</b>		
Wages, Salaries and Employee Benefits	5,362,896,856	4,982,064,893
Use of Goods and Service	6,169,119,190	4,431,694,950
Social Benefits	10,630,000	-
Other Transfers	226,237,169	100,000,000
Other Expenses	3,030,065,573	3,917,591,989
Maintenance Expenses	983,023,366	1,038,508,628
Decrease in Deposit	243,709,686	4,244,370
<b>Total payments (Note 27)</b>	<b><u>16,025,681,841</u></b>	<b><u>14,474,104,830</u></b>
<b>Net Cash inflows from Operating Activities (A)</b>	<b>53,839,037,197</b>	<b>609,841,875</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant, and equipment	(54,631,354,003)	1,662,739,085
Acquisition of Intangibles	41,867,863	-
Investment in UTT	558,010,825	(2,117,696,563)
Investment Income	<u>722,092,827</u>	-
<b>Net cash outflows from investing activities (B)</b>	<b>(53,393,118,214)</b>	<b>(3,782,275,649)</b>
<b>Net Increase (C= A+B)</b>	<b>445,918,982</b>	<b>(3,170,593,774)</b>
Cash and cash equivalents at the beginning of the period	<u>722,673,966</u>	<u>3,893,267,738</u>
Cash and cash equivalents at the end of the period	<b>1,168,592,948</b>	<b>722,673,966</b>

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# DAR RAPID TRANSIT AGENCY

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

	Original Budget (TZS)	Reallocations/ Adjustments (TZS)	Final Budget (TZS) (B)	A o
<b>RECEIPTS</b>				
Subvention from Other Government Entities	30,158,590,971	(485,060,262)	29,673,530,709	6
Revenue from Exchange Transactions	2,769,625,000	-	2,769,625,000	
Other Revenue	7,565,375,000	-	7,565,375,000	
Levies	-	-	-	
Investment Income	-	-	-	
Investment in UTT	-	-	-	
<b>Total Receipts</b>	<b>40,493,590,971</b>	<b>(485,060,262)</b>	<b>40,008,530,709</b>	
<b>PAYMENTS</b>				
Wages, Salaries and Employee Benefits	6,230,918,067	392,998,409	6,623,916,476	
Use of Goods and Service	10,542,840,310	283,444,859	10,826,285,169	
Social Benefits	12,694,430	(2,400,000)	10,294,430	
Other Transfers	200,200,206	(100,200,206)	100,000,000	
Other Expenses	10,157,628,058	(375,105,058)	9,782,523,000	
Maintenance Expenses	1,028,153,504	(74,738,004)	953,415,500	
Grants and Transfers	4,000,000	-	4,000,000	
Decrease in Deposit	-	-	-	
Acquisition of Property, Plant and Equipment	12,281,107,448	(124,000,000)	12,157,107,448	5
Acquisition of Intangibles	-	-	-	
<b>Total Payments</b>	<b>40,457,542,023</b>	<b>-</b>	<b>40,457,542,023</b>	<b>70</b>
<b>Net Receipts/Payments</b>	<b>36,048,948</b>	<b>(485,060,262)</b>	<b>(449,011,314)</b>	

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MAB-CHAIRPERSON

08.03.2024

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## **REASONS FOR CHANGE ON COMPARISON BETWEEN THE BUDGET AND ACTUAL**

The Agency uses a basis budget approved by the Parliament in which the original budget for the financial year 2022/23 was TZS 40,493,590,971 while the final budget was TZS 40,008,530,709, the variance of TZS 485,060,262 was due to reallocation made during the year. During the period the Agency collected a total of TZS 70,586,811,864, the actual fund higher than the budgeted amount; this was significantly caused by completed BRT infrastructures handed over to DART Agency whose budget was not included in the annual budget.

### **Revenue from exchange transactions**

The final budget for revenue from exchange transactions was TZS 10,335,000,000 and the actual amount collected was TZS 7,052,980,991. 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 30,321,812,117 and the actual amount collected was TZS 63,533,830,873. The difference was caused by the completed projects handed over to DART Agents which was not included in the main budget.

### **Expenses**

In financial year 2022/23, the amount of budget under expenses categories were higher than the actual expenses, The difference was mainly caused by the capital expenditure incurred for completion of BRT infrastructure that was not included in the original budget.

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

### 1.0 GENERAL INFORMATION

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 the 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 the 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.

### 1.1 PRINCIPAL ACTIVITIES

The Agency is responsible for establishing and operating the 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 commercially viable operation.

#### PRINCIPAL PLACE OF BUSINESS

Ubungu Maji,  
Morogoro Road  
P. O. BOX 724,  
16103 DAR ES SALAAM - TANZANIA.  
Tel: +255 22 2928634/35  
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

## **1.2 STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

The Financial Statements of the Agency have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The Financial Statements are presented in Tanzanian Shilling (TZS) which is the functional currency of the Agency. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared based on historical costs. The cash flow statement is prepared using the direct method. The financial statements are prepared on an accrual basis.

## **1.3 KEY JUDGEMENTS, SOURCES OF ESTIMATION AND UNCERTAINTY**

The preparation of financial statements conforms with the International Public Sector Accounting Standards (IPSASs Accrual) that requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed separately as a note to the Financial Statements and are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

### **a. Judgments**

In the process of applying the Agency's accounting policies, management has made judgments, which have the most significant effect on the amounts recognized in the financial statements.

### **b. Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Agency based its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Agency. Such changes are reflected in the assumptions when they occur.

### **c. Useful life and residual values**

The useful life and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal: -

- The condition of the asset is based on the assessment of experts employed by the Agency.
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- The nature of the processes in which the asset is deployed.
- Availability of funding to replace the asset.

- Changes in the market in relation to the asset

#### **d. Provisions**

Provisions were made and the management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date.

### **1.4 AUTHORISATION DATE**

The financial statements were submitted to the Controller and Auditor General (CAG) on 31 August 2023 and will be authorized for issuance after being tabled on and discussed by the Parliament by 31 March 2024.

### **1.5 GOING-CONCERN**

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

### **2.0 ADOPTION OF NEW AND REVISED STANDARDS**

The International Public Sector Accounting Standards Board (IPSASB) issued new, amendments and improvements to IPSASs. The objective of Improvements *to IPSASs* is to address issues raised by stakeholders.

stakeholders.

#### **(i) Amendments to IPSAS 41: Financial Instruments**

The International Public Sector Accounting Standards Board (IPSASB) has issued a new International Public Sector Accounting Standard 41 on financial instruments which replaces IPSAS 29: Financial Instruments: Recognition and Measurements.

IPSAS 41 improves financial reporting for financial instruments, by:

- Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;
- Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
- Applying an improved hedge accounting model that broadens the hedging arrangements in the scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

An entity shall apply these amendments for annual financial statements covering periods beginning on or after January 1, 2023. Earlier application is permitted.

Management has started to develop all requirements to support the adoption of the standards as directed by the Accountant General via Circular No.3 of 2022/2023 on the closure of financial year 2022/2023 and preparation of financial report with Ref No. EG.03/102/09/198 dated 1 June 2023.

**(ii) Amendments to IPSAS 42 - Social Benefits,**

The standard provides guidance on accounting for social benefits expenditure. It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effect of social risk. Specific examples include state retirement benefits, disability benefits, income support and unemployment benefits.

The new standard requires an entity to recognize an expense and a liability for the next social benefit payment. It seeks to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits.

To accomplish this, IPSAS 42 establishes principles and requirements for:

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

An entity shall apply these amendments for annual financial statements covering periods beginning on or after January 1, 2023. Earlier application is permitted.

**The standard will have no impact on the financial statements of the Agency.**

**(iii) Amendment to IPSAS 13/43, Leases**

The International Public Sector Accounting Standards Board (IPSASB) has issued a new International Public Sector Accounting Standard 43 which replaces IPSAS 13 on issues related to leases.

IPSAS 43 is a final product of phase one dealing with lease accounting model (s) for both lessees and lessors on the same definition of a lease as in IFRS 16.

Now, IPSAS 43 requires the lease to recognize: -

- A right-of-use asset because they control the right to use the underlying compared with IPSAS 13 where the lease recognizes the underlying asset when the lease is classified as a finance lease but not when it is classified as an operating lease.

- A lease liability because they have a present obligation to make future lease payments in accordance with the lease contract (once the underlying asset has been made available and the lessee has the right to use it). Under IPSAS 13, a lease liability is not recognized when the lessee classifies the lease as an operating lease.

An entity shall apply these amendments for annual financial statements covering periods beginning on or after January 1, 2025. Earlier application is permitted.

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

**(iv) Amendment of IPSAS 44, Non-Current Assets Held for Sale and Discontinued Operations**

Which is effective on or after 1st January 2025, IPSAS 44 specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. It requires assets that meet the criteria to be classified as held for sale to be: -

- Measured at the lower of carrying amount and fair value less costs to sell and depreciation on such assets to cease; and
- Presented separately in the statement of financial position and the results of discontinued operations are to be presented separately in the statement of financial performance.

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


**(v) New IPSAS 45: Property, Plant and Equipment**

The International Public Sector Accounting Standards Board (IPSASB) has issued a new International Public Sector Accounting Standard 45 Property, Plant and Equipment.

IPSAS 45 intends to update principles drawn from IPSAS 17, Property, Plant, and Equipment by adding new guidance for heritage assets, infrastructure assets, and measurement of property, plant, and equipment.

This is after considering responses to the Consultation Paper (CP), Financial Reporting for Heritage in the Public Sector, and constituents' feedback on infrastructure assets the IPSASB concluded that:

- IPSAS 17 should fully apply to heritage assets that are property, plant, and equipment; and
- Additional authoritative and non-authoritative guidance should be included in IPSAS 45 to clarify its application to heritage and infrastructure assets.



An entity shall apply these amendments for annual financial statements covering periods beginning on or after January 1, 2025. Earlier application is permitted.

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

**(vi) New IPSAS 46: Measurement**

The International Public Sector Accounting Standards Board (IPSASB) has issued a new International Public Sector Accounting Standard 46 Measurement.

The objective of IPSAS 46 is to improve measurement guidance across IPSAS by:

- a. Providing further detailed guidance on the implementation of commonly used measurement bases, and the circumstances under which they should be used;
- b. Clarifying transaction costs guidance to enhance consistency across IPSAS; and
- c. Amending, where appropriate, guidance across IPSAS related to measurement at recognition, subsequent measurement, and measurement-related disclosures.

An entity shall apply these amendments for annual financial statements covering periods beginning on or after January 1, 2025. Earlier application is permitted.

**The Agency adopted the standard in the preparation and presentation of the financial statements for the period ended 30 June 2023.**

**(vii) New IPSAS 47: Revenue**

The International Public Sector Accounting Standards Board (IPSASB) has issued a new International Public Sector Accounting Standard 47 Revenue.

The objective of IPSAS 47 is to:

- a. Present revenue guidance in a single standard by replacing IPSAS 9, Revenue from Exchange Transactions, IPSAS 11, Construction Contracts, and IPSAS 23, Revenue from Non-exchange Transactions (Taxes and Transfers);
- b. Clarify and refine the accounting principles and concepts to account for revenue transactions in the public sector; and
- c. Provide non-authoritative guidance to help preparers use professional judgment in applying the accounting principles consistently.

An entity shall apply these amendments for annual financial statements covering periods beginning on or after January 1, 2026. Earlier application is permitted.

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

#### **(viii) IPSAS 48: Transfer Expenses**

The International Public Sector Accounting Standards Board (IPSASB) has issued a new International Public Sector Accounting Standard 48 Transfer Expenses.

The objective of IPSAS 48 is to:

- a. Revise the accounting of transfer expenses to move away from the Public Sector Performance Obligation Approach (PSPOA) and to focus on whether the transfer transaction results in the recognition of an asset;
- b. Focus on the accounting from the perspective of the transfer provider (the entity); and
- c. Streamline the requirements for measurement, as well as presentation and disclosure

An entity shall apply these amendments for annual financial statements covering periods beginning on or after 01 January 2026. Earlier application is permitted.

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

### **3.0 ACCOUNTING POLICIES AND ESTIMATES**

The accounting policies for the presentation of the Dar Rapid Transit Agency financial statements have been adopted from the International Accounting Standards (IPSASs). The adopted accounting policies are consistent with those of the Agency and have been applied throughout the reporting period. There were no changes in accounting policies or estimates during the financial year.

#### **3.1 Foreign currency translation**

##### **a) Functional and presentation**

Items included in the financial statements of the Agency are measured using the currency of the primary economic environment in which the Agency operates ("the functional currency"). The financial statements are presented in Tanzanian Shillings (TZS'000), which is the Agency's functional and presentation currency.

##### **b) Transaction and balance**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities at the year end, expressed in foreign currencies are translated into functional currency using the

exchange rates prevailing at the end of the financial year. Translation losses/ (gains) on loans used to finance capital construction projects are capitalized as part of construction work in progress. All other exchange rate gains and losses are reflected in the Statement of Financial Performance.

### **3.2 Revenue**

The Agency classifies its revenue into Exchange and Non-exchange transactions during the year by adhering to core and other related activities undertaken by the Agency.

#### **i. 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 depends 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.

#### **ii. 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.

#### **iii. 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.

##### **i. 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.

**ii. 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.

**iii. Access Fees**

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

**iv. Permit and Billboard Fees**

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

**v. 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.

**vi. Sanitary Charges**

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

**vii. Other revenue**

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

### **3.3 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.

#### 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.

#### 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.

#### 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.

#### Subsequent Measurement

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

#### 3.4 Impairment of financial assets/receivables

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 has assessed 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. During the previous financial year, the Agency provided for impairment for receivables TZS 3,693,656,915 that was due since FY 2018/19. The management decided so following a series of efforts made to ensure that the long outstanding amount of performance deductions for TSP is recovered. Also, during current financial year Agency continued to enforce TSP but nothing was collected. Therefore, by considering the efforts made and time that has elapsed there is a probability that the debt might not be paid in fully. Additional TZS 2,754,730,000 that is due since FY 2019/20 has been provided for impairment during the financial year under review. The cumulative amount of provision is shown in the below;

Details	2022/23 (TZS)	2021/22 (TZS)
Opening balance as at 01.07.2022	3,693,656,925	-
Increase during the year	2,754,730,000	3,693,656,925
Closing balance as at 30.06.2023	6,448,386,925	3,693,656,925

### 3.5 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.

#### 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.

#### 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.

### 3.6 Investments and Other Financial Instruments

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

- iii. Held-to -Maturity investment
- iv. Loans and Receivables
- v. 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.

### **3.7 Inventories**

There are no inventories held for sale during the year. 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 inventories on the reporting date. Usually the Agency conducts stock taking exercise on year basis, during the financial year under review the stocks held in store was valued at TZS 1.14 billion out of which stocks with value of TZS 17.20 million were obsolete hence the Agency has provided the same amount as provision for obsolete stocks which was charged through statement of financial performance.

### **3.8 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.

### **3.9 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.

#### **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).

### **3.10 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

## NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

### NOTE 62: CASH AND CASH EQUIVALENT

Details	2022/23 (TZS)	2021/22 (TZS)
BoT Own Source Collection Account	27,951,661	81,221,146
Deposit Account USD	84,938,906	373,377,789
Development Expenditure Cash Account	987,678,410	229,653,003
Recurrent Expenditure Cash Account	22,421,077	27,055,111
Unapplied Cash Account	30,492,918	10,419,120
USD Recurrent Expenditure	15,109,974	947,795
<b>TOTAL</b>	<b><u>1,168,592,946</u></b>	<b><u>722,673,964</u></b>

- (a) The balance of cash and cash equivalents as at 30 June 2023 aggregated to TZS 1,168.6 million (2022: TZS 722.7 million). The net increase of TZS 445.9 million was mainly attributed by an increase of own sources other charges, salaries (deductions for the month of June 2023) and development fund for payment of land compensation.
- (b) There was no significant amount of cash and cash equivalent balances held, that are not available for use by the Agency as at the end of financial year 2023 (2022: NIL).

### NOTE 67: RECEIVABLES

Details	2022/23 (TZS)	2021/22 (TZS)
Imprest Receivable	103,484,583	60,961,900
Other Receivables	15,647,835,566	10,544,725,897
Provision for Impairment of receivable	<u>(6,448,386,925)</u>	<u>(3,693,656,915)</u>
<b>TOTAL</b>	<b><u>9,302,933,224</u></b>	<b><u>6,912,030,882</u></b>

The analysis of the recorded performance on recognized revenue as at 30 June 2023 indicates that the Agency had cumulative revenue receivables from exchange transactions of TZS 9,303.1 million (2022: TZS 6,912.2 million). This substantial increase of TZS 2,390.9 million was mainly caused by increase in performance deductions charged to the service provider for underperformance as per TSP contract.

**AGING ANALYSIS-RECEIVABLES**

SN	CATEGORIES	TOTAL (TZS)	Less than or equal to 365 days (TZS)	More than 365 days (TZS)
1	A1 Outdoor	90,455,935	48,000,000	42,455,935
2	Spark Venture	187,000,000	72,000,000	115,000,000
3	Alliance Media (T) Ltd	17,094,438	-	17,094,438
4	Cash Collectors	4,692,698	4,692,698	-
5	UDART-Performance deductions	5,268,731,241	3,033,703,441	2,235,027,800
6	China Tanzania Urafiki Textile	173,810,000	-	173,810,000
7	WB &AFBD	2,753,050,845	2,753,050,845	-
8	UTT AMIS	70,334,932	34,888,929	35,446,003
9	TRA (VAT refundable)	634,278,562	597,555,258	36,723,304
10	Imprest	<u>103,484,583</u>	<u>103,484,583</u>	-
<b>TOTAL</b>		<b><u>9,303,108,234</u></b>	<b><u>6,647,375,754</u></b>	<b><u>2,655,732,480</u></b>

**Movement for provision of impairment of receivables**

Details	2022/23 (TZS)	2021/22 (TZS)
Opening balance as at 01.07.2022	3,693,656,915	-
Increase during the year	<u>2,754,730,000</u>	<u>3,693,656,915</u>
Closing balance as at 30.06.2023	<b><u>6,448,386,925</u></b>	<b><u>3,693,656,915</u></b>

**NOTE 70: INVENTORIES**

Details	2022/23 (TZS)	2021/22 (TZS)
Consumables	1,132,821,192	75,557,775
Fuel	11,685,252	20,414,288
Provision for obsolete stocks	<u>(17,202,968)</u>	-
<b>TOTAL</b>	<b><u>1,127,303,476</u></b>	<b><u>95,972,063</u></b>

- (c) The Inventories during the year ended 30 June 2023 amounted of TZS 1,127.3 million (2022: TZS 96.0 million). The increase of TZS 1,031.3 million was due to acquisition of smart cards close to the prior year; the cards are still in the store waiting for installation of smart gates in BRT system.
- (d) During the year ended 30<sup>th</sup> June 2023 inventories amounted of TZS 67.4 million (2022: 38.5 TZS million) was recognized as an expense and included in use of goods expenses.
- (e) There was no carrying amount of inventories carried at fair value less costs to sell during the financial year ended 30 June 2023 (2022: NIL).
- (f) There was no carrying amount of inventories pledged as security for liabilities during the financial year 30 June 2023 (2022: NIL).

**Movement for provision for obsolete stocks**

Details	2022/23 (TZS)	2021/22 (TZS)
Increase during the year	<u>17,202,968</u>	-
<b>Closing balance as at 30.06.2023</b>	<b><u>17,202,968</u></b>	<b>=</b>

**NOTE 71: OTHER FINANCIAL ASSETS**

Details	2022/23 (TZS)	2021/22 (TZS)
Other Financial Assets	<u>1,559,685,738</u>	<u>2,117,696,563</u>
<b>TOTAL</b>	<b><u>1,559,685,738</u></b>	<b><u>2,117,696,563</u></b>

The Financial Assets during the year ended 30 June 2023 worth TZS 1,560.0 million (2022: TZS 2,117.7 million). The decrease of TZS 557.7 million was due to withdrawn of fund from UTT-Amis to finance different activities during the financial year.

**NOTE 77: PROPERTY, PLANT AND EQUIPMENT**

	Land	Office buildings and structures	Office equipment	Motor vehicle	Beds, Desks, Shelves, Tables, Chairs and Cabinets	Computers & photocopiers	Total
	TZS	TZS	TZS	TZS	TZS	TZS	TZS
Cost							
As at 01.07.2022	45,755,538,249	80,436,245,664	376,716,378	1,016,392,908	386,199,348	879,432,129	128,850,524,676
Additions	5,735,088,568	45,024,422,192	1,038,189,813	1,274,450,150	109,203,280	1,450,000,000	54,631,354,003
Disposal	-	-	-	-	-	-	-
As at 30.06.2023	51,490,626,817	125,460,667,856	1,414,906,191	2,290,843,058	495,402,628	2,329,432,129	183,481,878,679
Depreciation							
As at 01.07.2022	-	8,007,281,532	119,016,428	579,014,224	266,702,890	725,676,986	9,697,692,050
Charge	-	807,209,709	15,995,225	241,335,576	84,948,988	571,649,618	1,721,139,116
Disposal	-	-	-	-	-	-	-
As at 30.06.2023	-	8,814,491,241	135,011,643	820,349,798	351,651,878	1,297,326,604	11,418,831,165
Carrying Value							
As at 30.06.2023	51,490,626,817	16,646,176,615	1,279,894,548	1,470,493,257	143,750,749	1,032,105,524	172,063,047,512

	Land	Office buildings and structures	Office equipment	Motor vehicle	Beds, Shelves, Chairs Cabinets	Desks, Tables, and	Computers & Photocopiers	Total
TZS		TZS	TZS	TZS	TZS	TZS	TZS	TZS
Cost								
As at 01.07.2022	45,755,538,249	80,436,245,664	376,716,378	1,016,392,908	386,199,348	879,432,129	128,850,524,676	
Additions	5,735,088,568	45,024,422,192	1,038,189,813	1,274,450,150	109,203,280	1,450,000,000	54,631,354,003	
Disposal	-	-	-	-	-	-	-	
As at 30.06.2023	51,490,626,817	125,460,667,856	1,414,906,191	2,290,843,058	495,402,628	2,329,432,129	183,481,878,679	
Depreciation								
As at 01.07.2022	-	8,007,281,532	119,016,428	579,014,224	266,702,890	725,676,986	9,697,692,050	
Charge	-	807,209,709	15,995,225	241,335,576	84,948,988	571,649,618	1,721,139,116	
Disposal	-	-	-	-	-	-	-	
As at 30.06.2023	-	8,814,491,241	135,011,643	820,349,798	351,651,878	1,297,326,604	11,418,831,165	
Carrying Value								
As at 30.06.2023	51,490,626,817	16,646,176,615	1,279,894,548	1,470,493,257	143,750,749	1,032,105,524	172,063,047,512	

Cost

Controller and Auditor General

AR/DART/2022/23

As at 01.07.2021	44,769,961,737	80,464,998,423	151,002,378	932,333,741	386,199,348	612,677,382	127,288,420,250
Additions	985,576,512	-	225,714,000	184,693,826	-	266,754,747	1,662,739,085
Disposal/transfer	-	-	-	-100,634,659	-	-	-100,634,659
As at 30.06.2022	45,755,538,249	80,464,998,423	376,716,378	1,016,392,908	386,199,348	879,432,129	128,850,524,676
Depreciation							
As at 01.07.2021	-	7,200,071,813	101,559,295	472,375,386	206,729,006	484,430,161	8,465,165,661
Charge	-	807,209,709	17,457,133	178,520,738	59,973,884	241,246,825	1,304,408,289
Disposal/transfer	-	-	-	-71,881,900	-	-	-71,881,900
As at 30.06.2022	-	8,007,281,532	119,016,428	579,014,224	266,702,890	725,676,986	9,697,692,050
Carrying Value							
As at 30.06.2022	45,755,538,249	72,428,964,142	257,699,950	437,378,684	119,496,458	153,755,143	119,152,832,626

- (a) The Property, Plant and Equipment during the year ended 30 June 2023 stood at TZS 172,063.0 million (2022: TZS 119,152.8 million). The increase of TZS 52,910.2 million was mainly attributed by the acquisition of several assets to smoothen activities of the Agency.
- (b) There were no amounts of restrictions on title, and property, plant and equipment of the Agency pledged as security for liabilities during the year ended 30 June 2023 (2022: NIL).
- (c) There was no amount of expenditures recognized in the carrying amount of an item of property, plant and equipment during its construction during the financial year ended 30 June 2023 (2022: NIL).
- (d) During the financial year ended 30 June 2023 there was no contractual commitments for the acquisition of property, plant and equipment (2022: NIL).
- (e) There was no amount of impairment losses with regard to property, plant and equipment recognized, or reversed, during the period in accordance with IPSAS 21 or IPSAS 26

#### NOTE 78: INTANGIBLE ASSETS

Details	Computer software (TZS)
<b>Cost</b>	
As at 01.07.2022	-
Addition	<u>41,867,863</u>
<b>As at 30.06.2023</b>	<b>41,867,863</b>
<b>Depreciation</b>	
As at 01.07.2022	-
Charge for the year	<u>6,977,977</u>
<b>As at 30.06.2023</b>	<b>6,977,977</b>
<b>Carrying Value</b>	
<b>As at 30.06.2023</b>	<b><u>34,889,886</u></b>

- (a) The net book value of intangible assets as at 30 June 2023 was TZS 34.9 million (2022: Nil). The value comprises of computer software's acquired by the Agency during the financial year.
- (b) All intangible assets were assessed and classified as having an definite useful life. No intangible asset was assessed as having an indefinite useful life during the financial year ended 30 June 2023 (2022: NIL).
- (c) The was carrying amounts of intangible assets whose title is restricted or carrying amounts of intangible assets pledged as security for liabilities during the financial year ended 30 June 2023 (2022: NIL).

- (d) There was no contractual commitment (s) for the acquisition of intangible assets as at the financial year ended 30 June 2023 (2022: NIL).

**NOTE 95: ASSET HELD FOR SALE**

<b>COST</b>	<b>2022/23 (TZS)</b>	<b>2021/22 (TZS)</b>
As at 01.07.2022	100,634,659	100,634,659
Addition	-	-
As at 30.06.2023	100,634,659	100,634,659
<b>Depreciation</b>		
As at 01.07.2022	71,881,899	71,881,899
Charge during the year	-	-
As at 30.06.2023	<u>71,881,899</u>	<u>71,881,899</u>
<b>Carrying Value</b>	<b><u>28,752,760</u></b>	<b><u>28,752,760</u></b>

This includes motor vehicles and other assets which management proposed to be sold. For the year ended 30th June 2023 the amount of non-current asset held for sale was TZS 28.8 million (2022: TZS 28.8 million). The agency is awaiting approval from the Ministry of Finance to dispose all assets held for sale.

**NOTE 89: PAYABLES**

<b>Details</b>	<b>2022/2023 (TZS)</b>	<b>2021/2022 (TZS)</b>
Staff claims	7,650,000	35,925,500
Supplies of goods and services	3,170,473,625	1,717,400,895
Withholding Tax payables	<u>65,674,540</u>	<u>6,731,434</u>
<b>TOTAL</b>	<b><u>3,243,798,165</u></b>	<b><u>1,760,057,829</u></b>

During the year ended 30 June 2023 payables was TZS 3,243.8 million (2022: TZS 1,760.1 million), the increase of TZS 1,483.7 million was mainly due to funds committed by donors (AfDB & World Bank) but not paid for goods and services enjoyed by the Agency.

## AGING ANALYSIS- PAYABLES

SN	CATEGORIES	TOTAL (TZS)	Less than or equal to 365 days (TZS)	More than 365 Days (TZS)
1.	Staff Claims	7,650,000	7,650,000	-
2.	Supplies and Consumables Used	3,170,473,625	3,170,473,625	-
3.	Withholding tax	<u>65,674,540</u>	<u>65,674,540</u>	-
	<b>TOTAL</b>	<b><u>3,243,798,165</u></b>	<b><u>3,243,798,165</u></b>	-

## NOTE 93: DEFERRED INCOME

Details	2022/23 (TZS)	2021/22 (TZS)
Deferred Subvention Capital	2,547,364,148	229,653,003
Deferred Subvention Revenue	<u>22,421,077</u>	<u>27,055,011</u>
	<b><u>2,569,785,225</u></b>	<b><u>256,708,014</u></b>

During the year deferred income was TZS 2,569.8 million (2022: TZS 256.7 million), the increase of TZS 2,313.1 million was caused by unpaid amount of land compensation to beneficiaries.

## NOTE 94: DEPOSITS

Details	2022/23 (TZS)	2021/22 (TZS)
Deposit General	91401655	373,377,789
Unapplied Deposit Account	<u>48,685,568</u>	<u>10,419,120</u>
	<b><u>140,087,223</u></b>	<b><u>383,796,909</u></b>

The amount of deposit for the year ended 30 June 2023 was TZS 140.1 million (2022: TZS 383.8 million), the decrease amount of TZS 243.7 was amount paid to respective creditors for the service enjoyed by the Agency.

## NOTE 18: LEVIES

Details	2022/23 (TZS)	2021/22 (TZS)
Fines and Penalties	<u>3,033,703,441</u>	<u>2,235,027,800</u>
<b>TOTAL</b>	<b><u>3,033,703,441</u></b>	<b><u>2,235,027,800</u></b>

During the year ended 30<sup>th</sup> June 2023, the amount of levies was TZS 3,033.7 million (2022: TZS 2,235.0 million), the increase of TZS 798.7 million was mainly caused by performance deductions charged to TSP as per contract.

**NOTE 21: INVESTMENT INCOME**

Details	2022/23 (TZS)	2021/22 (TZS)
Interest Income	<u>722,092,827</u>	-
<b>TOTAL</b>	<b><u>722,092,827</u></b>	-

During the financial year the Agency earned interest from the funds invested under UTT-Amis, amounted to TZS 722.09 million, no interest accrued in previous year as the funds were invested during the current financial year.

**NOTE 31: OTHER REVENUE**

Details	2022/23 (TZS)	2021/22 (TZS)
Billboards fees	328,960,206	524,000
Hire of Services	7,312,845,000	6,736,526,000
Miscellaneous Receipts	326,670,687	175,232,194
Parking fees	329,371,202	269,635,900
Sanitation fees	<u>102,447,298</u>	<u>89,792,100</u>
<b>TOTAL</b>	<b><u>8,400,294,393</u></b>	<b><u>7,271,710,194</u></b>

Other revenue for the year ended 30 June 2023 was TZS 8,400.2 Million (2022: TZS 7,271.7 million). The increase amount of TZS 1,128.6 was contributed by increase of monies received from billboards fee, parking fee, access fee, sanitation fee and miscellaneous receipts.

**NOTE 32. SUBVENTION FROM OTHER GOVERNMENT ENTITIES**

Details	2022/23 (TZS)	2021/22 (TZS)
Government Grant Development Foreign	53,334,720,130	4,788,883,337
Government Grant Development Local	5,487,198,876	357,939,254
Subvention for Other Charges	471,601,134	645,666,299
Subvention for Personal Emolument	<u>1,927,233,523</u>	<u>1,785,738,055</u>
<b>TOTAL</b>	<b><u>61,220,753,663</u></b>	<b><u>7,578,226,945</u></b>

During the financial year the amount for subvention from other Government entities was TZS 61,220.8 million (2022: TZS 7,578.2 billion), the increase of TZS 53,642.5 was due to increase in amount of subvention from the Government and Donors (WB & AfDB).

**NOTE 34. WAGES, SALARIES AND EMPLOYEE'S BENEFITS**

Details	2022/23 (TZS)	2021/22 (TZS)
Accommodation in lieu of Quarters	-	56,900,000
Acting Allowance	7,937,000	12,000,025
Casual Laborers	228,477,775	215,338,089
Civil Servants	1,936,431,273	1,787,238,055
Civil Servants Contracts	176,788,813	34,999,871
Court Attire Allowance	6,000,000	2,000,000
Electricity	147,276,868	106,272,516
Extra Duty	33,550,000	54,361,250
Facilitation Allowance	-	10,500,000
Field (Practical Allowance)	492,703,500	156,665,798
Food and Refreshment	320,574,790	300,666,411
Furniture	-	82,000,000
Honoraria	321,581,720	30,000,000
Housing allowance	751,494,285	675,094,099
Leave travel	180,207,239	163,555,997
Medical and Dental Refunds	2,999,956	55,657,300
Moving Expenses	19,388,900	52,104,000
National Health	54,050,000	-
Outfit Allowance	4,600,000	1,200,000
Responsibility Allowance	81,764,626	32,500,000
Sitting Allowance	370,728,900	362,419,167
Telephone	47,579,566	184,715,083
Transport Allowance	-	10,410,000
Water Allowance	-	138,668,732
Water and Waste Disposal	150,486,146	11,405,000
<b>TOTAL</b>	<b><u>5,334,621,357</u></b>	<b><u>4,536,671,393</u></b>

During the financial year 2022/23 the amount of wages, salaries and employee benefits was TZS 5,334.6 million (2022: TZS 4,536.7 million), the increase of TZS 797.9 million was mainly caused by increase in salaries for employees and activities financed by donors.

**NOTE 35. USE OF GOODS AND SERVICE**

Details	2022/23 (TZS)	2021/22 (TZS)
Accommodation	31,600,000	6,700,000
Advertising and Publication	50,633,120	30,444,850
Air Travel Tickets	227,826,152	54,491,317
Communication Network Services	45,743,831	54,130,728
Computer supplies and accessories	6,170,000	900,000
Conference facilities	83,369,725	55,654,200
Diesel	229,608,847	165,756,712
Educational radio and TV broadcasting	19,486,000	11,450,000
Electricity	37,510,807	50,301,653
Entertainment	476,942,885	147,165,083
Food and Refreshments	156,044,875	254,587,505
Gifts and Prizes	10,200,000	14,500,000

Ground travel (bus, railway, water, etc)	7,435,080	3,600,000
Ground travel (bus, railway taxi, etc)	346,782,958	255,573,089
Internet and Email connections	62,540,155	11,639,609
Lodging/Accommodation	10,000,000	-
Newspaper	3,000,000	-
Office Consumables (papers, pencils, pens and stationaries)	255,099,338.20	198,932,633
Outsourcing Costs (includes cleaning and security services)	980,974,660	1,070,677,876
Per Diem - Domestic	2,771,255,898	1,874,515,459
Per Diem - Foreign	166,473,832	6,868,960
Printing and Photocopying Costs	1,980,000	-
Protective Clothing, footwear and gears	9,500,000	1,173,000
Remuneration of Instructors	3,980,000	-
Research and Dissertation	-	11,050,000
Sewage Charges	-	1,890,752
Software License Fees	5,000,000	-
Special Uniforms and Clothing	3,960,000	1,250,000
Subscription Fees	14,230,000	2,045,000
Telephone Charges (Land Lines)	46,321,587	-
Training Materials	-	280,000
Tuition Fees	462,415,701	122,591,597
Uniforms	17,525,000	8,900,000
Visa Application Fees	2,500,000	-
Water Charges	43,967,512	33,467,321
<b>TOTAL</b>	<b><u>6,590,077,963</u></b>	<b><u>4,450,146,494</u></b>

During the financial year the amount of use of goods and services was TZS 6,590.1 million (2022: TZS 4,450.1 million), the increase of TZS 2,139.9 million was mainly caused by the activities funded by donors which increases significantly.

#### NOTE 36. MAINTENANCE EXPENSES

Details	2022/23 (TZS)	2021/22 (TZS)
Computers, printers, scanners, and other computer related equipment	1,000,000	-
Motor Vehicles and Water Craft	92,124,979	146,841,608
Outsource maintenance contract services	833,561,445	854,740,614
Small Tools and Implements	7,880,000	10,046,757
Tyres and Batteries	48,456,942	27,270,498
<b>TOTAL</b>	<b><u>983,023,366</u></b>	<b><u>1,038,899,477</u></b>

Maintenance expenses were TZS 983.0 million (2022: TZS 1,038.9 million), the decrease by TZS 55.9 million was due to the decrease of motor vehicle and outsourced maintenance activities

**NOTE 77: DEPRECIATION EXPENSES**

	2022/23	2021/22
	(TZS')	(TZS')
Depreciation expenses	<u>1,721,139,116</u>	<u>1,304,408,290</u>
<b>TOTAL</b>	<b><u>1,721,139,116</u></b>	<b><u>1,304,408,290</u></b>

During the year the Agency charged depreciation of TZS 1,721.1 million (2022: TZS 1,304.4 million), the increase of TZS 416.7 million in depreciation was caused by acquisition of new assets by the Agency.

**NOTE 78: AMORTIZATION EXPENSES**

	2022/23	2021/22
	(TZS')	(TZS')
Amortization expenses	<u>6,977,977</u>	-
<b>TOTAL</b>	<b><u>6,977,977</u></b>	<b>-</b>

The amount of TZS 6.9 million as an amortization expenses relate to newly acquired computer software during the financial year.

**NOTE 47. LOSS ON ASSETS AND LIABILITIES**

Details	2022/23	2021/22
	(TZS)	(TZS)
Doubtful debt	2,754,730,000	3,693,656,915
Obsolete stocks	<u>17,202,968</u>	-
<b>TOTAL</b>	<b><u>2,771,932,968</u></b>	<b><u>3,693,656,915</u></b>

The amount for the year ended 30 June 2023 was TZS 2,771.9 Million (2022: TZS 3,693.7 million), the figure includes TZS 2,754.7 million provision for impairment of receivables and TZS 17.2 million provision for obsolete stocks as stipulated by accounting standards on measurement of impairment loss.

**NOTE 52. OTHER EXPENSES**

Details	2022/23	2021/22
	(TZS)	(TZS)
Agency fees	25,949,140	18,697,270
Audit fee	22,000,000	12,517,000
Burial Expenses	3,000,000	13,066,000
Consultancy fees	2,916,111,433	3,873,311,719
Legal fees	5,000	-
Other Payments	60,000,000	-
Registration Fees	<u>3,000,000</u>	-
<b>TOTAL</b>	<b><u>3,030,065,573</u></b>	<b><u>3,917,591,989</u></b>

During the year other expenses were TZS 3,030.1 million (2022: TZS 3,917.6 million), the decrease of TZS 887.5 was due to the decrease of scheduled activities for the year under review.

#### NOTE 56. SOCIAL BENEFITS

Details	2022/23 (TZS)	2021/22 (TZS)
Relief Assistance	<u>10,630,000</u>	-
TOTAL	<u>10,630,000</u>	-

During the year the Agency contributed a total of TZS 10.6 million as Social benefits to different organization to support social activities

#### NOTE 60. OTHER TRANSFER

Details	2022/23 (TZS)	2021/22 (TZS)
Contribution to CF (15%)	<u>226,237,169</u>	<u>100,000,000</u>
TOTAL	<u>226,237,169</u>	<u>100,000,000</u>

During the financial year the Agency managed to contribute TZS 226.2 million (2022: TZS 100 million) to the consolidated fund and recorded an increase of TZS 126.2 from previous year contribution.

#### NOTES TO THE CASH FLOW STATEMENT

##### (a) Receipts

Particular	Amount (TZS)
Subvention from other Gvt Entities	61,220,753,663
Add/less change in working capital	
Deferred Subvention Capital	2,317,711,145
Deferred Subvention Current	<u>(4,633,934)</u>
Statement of Cash flows	<u>63,533,830,874</u>

##### Levies

Fines and Penalties	<u>3,033,703,441</u>
Statement of Cashflows	<u>3,033,703,441</u>

##### Investment Income

Interest	<u>722,092,827</u>
Statement of Cashflows	<u>722,092,827</u>

##### Other Revenue

Add/less change in working capital	
Receivable from Exchange Transaction	<u>(5,103,109,670)</u>

Statement of Cashflows	<u>3,297,184,723</u>
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**(b) Payments****i. Wages, salaries and employee benefits**

Particular	Amount (TZS)
Opening payable balance of Wages, Salaries and Employee Benefits as at 1 July 2022	35,925,500
Add:	
Expenses incurred in the financial performance with regard to Wages, Salaries and Employee Benefits	<u>5,334,621,356</u>
<b>Total expenditure for Wages, Salaries and Employee Benefits (Accrual and Cash)</b>	<b>5,370,546,856</b>
Less:	
Closing payable balance of Wages, Salaries and Employee Benefits as at 30 June 2023	<u>7,650,000</u>
<b>Cash paid for Wages, Salaries and Employee Benefits per Cash Flow Statements</b>	<b><u>5,362,896,856</u></b>

**ii. Use of Goods and Service**

Description	Amount (TZS)
Opening payable as at 1 <sup>st</sup> July, 2022	
Withholding tax payable 1 <sup>st</sup> July 2022	6,731,434
Supplies of goods and services 1 <sup>st</sup> July 2022	1,717,400,895
Add:	
Expenses in the financial performance	6,590,077,963
Closing balance Imprest 30 June 2023	103,484,583
Closing balance Inventory 30 June 2023	1,127,303,476
Provision for obsolete stocks	<u>17,202,968</u>
<b>Total (A)</b>	<b>9,562,201,319</b>
Less:	
Opening balance Imprest 30 June 2023	60,961,900
Opening balance inventory 30 June 2023	95,972,063
<b>Ending payable as at 30 June, 2023</b>	
Withholding tax payable 30 June 2023	65,674,540
Supplies of goods and services 30 June 2023	<u>3,170,473,625</u>
<b>Total (B)</b>	<b><u>3,393,082,128</u></b>
<b>Cash paid for Supplies and Consumables Used per Cash Flow Statements (A - B)</b>	<b><u>6,169,119,191</u></b>

**iii. Social benefits**

Description	Amount (TZS)
Opening balance	-
Expenditure incurred during the year	10,630,000.00
<b>Total</b>	<b><u>10,630,000.00</u></b>
<b>Cash paid for Other Expenses per Cash Flow Statements</b>	<b><u>10,630,000.00</u></b>

**iv. Other Transfers**

Description	Amount (TZS)
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Opening balance	-
Expenditure incurred during the year	226,237,169.46
Total	<u>226,237,169.46</u>
Cash paid for Other Expenses per Cash Flow Statements	<u>226,237,169.46</u>

**v. Other Expenses**

Description	Amount (TZS)
Opening balance	-
Expenditure incurred during the year	3,030,065,573
Total	<u>3,030,065,573</u>
Cash paid for Other Expenses per Cash Flow Statements	<u>3,030,065,573</u>

**vi. Maintenance Expenses**

Description	Amount (TZS)
Opening balance	-
Expenditure incurred during the year	983,023,366
Total	<u>983,023,366</u>
Cash paid for Maintenance Expenses per Cash Flow Statements	<u>983,023,366</u>

**CASH FLOW RECONCILIATION - CASH FLOW GENERATED FROM OPERATIONS**

Details	2022/23 (TZS)
Surplus/(surplus) for the year	52,702,138,835
Add/ (Less) Non-Cash Item	
Depreciation	1,721,139,116
Amortization of Intangible Assets	6,977,977
Loss on Assets and Liabilities	2,771,932,968
Investment Income	<u>(722,092,827)</u>
Adjusted Surplus	56,480,096,069
Add/ (Less) Change in Working Capital	
Deferred Income	2,313,077,211
Deposit	(243,709,686)
Inventories	(1,048,534,381)
Payables and Accruals	1,483,740,336
Receivables	<u>(5,145,632,354)</u>
Net Cashflow from operating activities	<u>53,839,037,197</u>

## 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 2022/23	Prior year's figure Audited in financial statement 2021/22	Re-Classified Amount	Reason for Re-Classification
STATEMENT OF FINANCIAL POSITION				
Cash and cash equivalents	722,673,964	2,840,370,527.58	(2,117,696,563)	Reclassification of cash and cash equivalents to separate figure of Other Financial Assets
Other Financial Assets	2,117,696,563	-	2,117,696,563	
Current liabilities	256,708,015	27,055,111	229,653,003	Combined deferred income for current and non-current liabilities
Revenue from exchange transactions	-	9,506,737,994	(9,506,737,994)	Reclassification of revenue to their respective items
Levies	2,235,027,800			
Other revenue	7,271,710,194			
STATEMENT OF FINANCIAL PERFORMANCE				
Other expenses	4,017,591,989	3,917,591,989	(100,000,000)	
Other transfers	100,000,000	-		Reclassification of other expenses to separate figure of Other transfers

**LIST OF TRANSACTIONS/BALANCES WITH OTHER GOVERNMENT ENTITIES FOR THE YEAR  
ENDED 30 JUNE 2023**

SN	GOODS/ SERVICES RECEIVED	NAME OF ENTITY PROVIDED GOODS/SERVICES	AMOUNT PAID (TZS)
1	SERVICE	TANESCO	28,488,018.47
2	GOODS	GPSA	960,018,513.82
3	SERVICE	DAWASA	42,749,259.12
4	SERVICE	TTCL	52,588,589.09
5	SERVICE	AGENCY FOR DEVELOPMENT EDUCATION MANAGEMENT	7,950,000.00
6	GOODS	DODOMA CITY COUNCIL	20,000,000.00
7	SERVICE	E GOVERNMENT AGENCY	4,000,000.00
8	SERVICE	MZUMBE UNIVERSITY MOROGORO	4,680,000.00
9	SERVICE	PUBLIC PROCUREMENT REGULATORY AUTHORITY	1,500,000.00
10	SERVICE	TEMESA	4,464,262.46
11	SERVICE	TANZANIA PUBLIC SERVICE COLLEGE	12,250,000.00
12	SERVICE	NBAA	13,270,000.00
13	SERVICE	TBA	15,739,621.76
14	SERVICE	TANZANIA AIRPORT AUTHORITY	1,190,000.00
15	SERVICE	TANZANIA STANDARD NEWSPAPER	1,180,000.00
16	SERVICE	TBS	17,380,000.00
17	SERVICE	ICT COMMISSIONER	5,000,000.00
18	SERVICE	ENGINEERS REGISTRATION BOARD	4,200,000.00
19	SERVICE	MUHIMBILI UNIVERSITY OF HEALTH AND ALLIED SCIENCES	1,600,000.00
20	SERVICE	LAW SCHOOL OF TANZANIA	4,100,000.00
21	SERVICE	BUREAU FOR INDUSTRIAL COOPERATION	13,138,300.00
22	SERVICE	MINISTRY OF LANDS REVENUE COLLECTION AC	60,000,000.00
23	SERVICE	NATIONAL ENVIRONMENT MANAGEMENT COUNCIL NEMC	6,936,000.00
24	SERVICE	TANZANIA BROADCASTING CORPORATION	9,981,000.00
25	SERVICE	Tanzania Records and Archives Management Professional Association	900,000.00
26	SERVICE	DAR ES SALAAM INSTITUTE OF TECHNOLOGY	3,640,000.00
27	SERVICE	FIRE AND RESCUE FORCE TANZANIA	4,080,000.00
28	SERVICE	UTAWALA CHUO CHA SANAA	6,050,000.00

**NOTE 30: RELATED PARTY DISCLOSURES**

During the financial year ended 30 June DART has related party relationships with a number of Organisations including:

**Senior management**

The aggregate remuneration of key management personnel and the number of individuals, determined on a full-time equivalent basis, receiving remuneration within this category, showing separately major classes of key management personnel and including a description of each class. During the year there was no loan advanced to senior management.

Related party transactions incurred by the DART Agency during the year are shown in the table hereunder:

Particulars/Year	2022/23 TZS '000'	2021/2022 TZS '000'
Board Meeting Sitting Allowances	37,511	30,182
Emoluments of Key Personnel	1,153,680	748,656
<b>Total</b>	<b>1,191,191</b>	<b>778,838</b>



**NOTE 31: EVENTS AFTER THE REPORTING DATE**

There are no material non-adjusting events favourable or unfavourable that occurred between the reporting date and the date when the Financial Statements were authorized for issue.

**NOTE 32: PRIOR YEARS' ADJUSTMENTS**

There were no prior year adjustments for the financial year ended 30 June 2023.

**NOTE 33: CONTINGENT LIABILITIES**

There are no carrying amount of contingent liabilities during the financial year ended 30 June 2023 (2022: NIL).