



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL STATEMENTS AND COMPLIANCE AUDIT OF GEITA
URBAN WATER SUPPLY AND SANITATION AUTHORITY
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

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**THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE**

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GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

Mandate

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the URT of 1977 (as amended from time to time) and in Section 10 (1) of the Public Audit Act, Cap 418 (R.E 2021).

Vision

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

Mission

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

Motto: "Modernizing External Audit for Stronger Public Confidence"

Core values

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

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

We do this by:

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

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GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

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GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

ABBREVIATIONS

CAG	Controller and Auditor General
GEUWASA	Geita Urban Water Supply and Sanitation Authority
ISSAIs	International Standard of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
PAA	Public Audit Act, Cap 418 (R.E 2021)
PAC	Public Accounts Committee
PFA	Public Finance Regulations, 2009
PPA	Public Procurement Act, 2011 (as amended in 2016)
PPR	Public Procurement Regulations, 2013 (as amended in 2016)
URT	United Republic of Tanzania

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GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

1.0. REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30th JUNE 2020

1.1. THE BASIS FOR THE REPORT

In accordance with the Water Supply and Sanitation Act No. 5 of 2019 and the Tanzania Financial Reporting Standard No. 1 on Directors' Report, the Directors present this report together with the Draft Financial Statements for the financial year ended 30 June, 2020 which disclose the state of affairs of Geita Urban Water Supply and Sanitation Authority (GEUWASA).

1.2. INCORPORATION

Geita Urban Water Supply and Sanitation Authority was declared a full autonomous public utility body by the Minister responsible for Water through Government Notice No. 258 on 21st June, 2002 as per the Waterworks Regulations, 1997 (G.N. No. 371 of 1997). GEUWASA became a Regional Water Supply and Sanitation Authority in 2012. GEUWASA is classified as a category 'C' Water Authority since its establishment due to its inability to meet Operational and Maintenance Expenses in full.

1.3. CORPORATE OUTLOOK

VISION

"To be the most effective and efficient water supply and sanitation service provider in Tanzania".

MISSION

"To provide adequate water supply and sanitation services for sustainable development of Geita Region".

CORE VALUES

GEUWASA values aim at protecting Geita residents through ensuring; Professionalism, Result oriented, Obedience, Transparency, Efficiency, Customer focus and Team spirit.

1.4. POWERS AND DUTIES OF THE AUTHORITY.

The Powers and Duties vested to the Authority by Section 21 of The Water Supply and Sanitation Act, 2019 are as follows;

- i. To keep custody, acquire, including through compulsory purchase, construct and operate waterworks and sanitation works.
- ii. To have way leave to enter any land for the purpose of laying water mains or sewers, or erecting a public tap.
- iii. To install water meters for the purpose of measuring the amount of water supplied to a consumer.
- iv. To charge fees for services rendered.
- v. To enter into an agreement with the owner or occupier of land for more effectively collecting, conveying or preserving the purity of water which the water authority is authorized to take.

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- vi. To restrict, diminish, withhold or suspend the supply of water.
- vii. To supply water fittings to any person to whom a water authority supplies water.
- viii. To enter into a trade waste agreement for the discharge of waste into a sewerage system.
- ix. To prohibit the discharge of certain wastes into a sewerage system.
 - x. To enter premises for any purpose related to the provision of water supply and sanitation services to consumers.
- xi. To promulgate by-laws for the better performance of functions stipulated under the Act.

1.5. FUNCTIONS OF THE AUTHORITY

The Functions vested to the Authority by Section 20 of The Water Supply and Sanitation Act, 2019 are as follows;

- i. To provide water supply for uses as are required by the Act or any other written law dealing with the management of water resources, water quality standards and the environment.
- ii. To secure the continued supply of water for all lawful purposes by continuously treating the water and monitoring the quality of water supplied at such times and in such a manner as may be prescribed in the water quality standards or rules made under the Act.
- iii. To develop and maintain waterworks and sanitation works.
- iv. To protect and maintain water sources.
- v. To advise the Government in the formulation of policies and guidelines relating to potable water standards.
- vi. To plan and execute new projects for the supply of water and the provision of sanitation.
- vii. To educate and provide information to persons on public health aspects of water supply, water conservation, sanitation, and similar issues.
- viii. To liaise with local government authorities on matters relating to water supply and sanitation and the preparation and execution of plans relating to the expansion thereof.
- ix. To collect fees and levies including any regulatory levy for water supply and sanitation services supplied to consumers by the water authority.
- x. To propose water supply and sanitation tariff.
- xi. To provide amenities or facilities which the water authority considers necessary or desirable for persons making use of the services or the facilities provided by the water authority.
- xii. To do anything or enter into any transaction which, in the opinion of the Board of the water authority, is calculated to facilitate the proper exercise of the functions of the water authority under the Act.

1.6. ESTABLISHMENT AND COMPOSITION OF THE BOARD OF DIRECTORS

The Geita Urban Water Supply and Sanitation Authority is governed by a Board of Directors which consists of the Chairman and other nine members. The Board of Directors is the highest decision-making organ of the Authority.

The Authority's Board of Directors is established under section 10 of The Water Supply and Sanitation Act, 2019. The composition of members of the Board of Directors is elaborated in the Water Supply and Sanitation Act (Procedures for Nomination of Board Members), Regulations as published under Government Notice No. 828 of 2019. The Authority Board of

GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

Directors is composed of the following members:

- ✓ Board Chairperson.
- ✓ Representative of the Ministry of Water.
- ✓ Representative of Regional Administration Secretary Office.
- ✓ Town Executive Director.
- ✓ Representative of Domestic water consumers.
- ✓ Representative of Local commercial sector.
- ✓ Representative of women
- ✓ Representative of large consumers of water.
- ✓ Representative of Councilors
- ✓ Managing Director as a Secretary to the Board

The Managing Director is the Secretary to the Board of Directors and manages the day-to-day activities of the Authority, all other members are non-executive. For the period ending 30th June 2020, the Authority's Board had 9 members including the Chairman. Below are those members;

Table 1:Board of Directors

S/ N	NAME	REPRESENTING	QUALIFICATION	AGE	NATIONALITY	DATE OF APPOINTMENT
1	PATRICIA SAM KAMPAMBE	CHAIRPERSON	DIPLOMA IN EDUCATION	64	TANZANIAN	3/2/2020
2	FRANK JACOB CHANGAWA	SECRETARY	MSc. FINANCE AND INVESTMENT, BSc. ELECTRICAL ENGINEERING	38	TANZANIAN	3/2/2020
3	MODEST JOSEPH APOLINARY	TOWN EXECUTIVE DIRECTOR	BSc. MINING ENGINEERING	48	TANZANIAN	3/2/2020
4	RITHA F. KILUA	MINISTRY OF WATER	MSc. ENGINEERING	56	TANZANIAN	3/2/2020
5	FELIX E. NLALIO	REGIONAL ADMINISTRATIVE SECRETARIAT	MBA CORPORATE MANAGEMENT, BSc. CIVIL ENGINEERING	54	TANZANIAN	3/2/2020
6	GLADYS NDENEGO JEFTA	WOMEN	MSc. INTERNATIONAL CONSTRUCTION MANAGEMENT AND ENGINEERING, BSc. ENVIRONMENTAL ENGINEERING	41	TANZANIAN	3/2/2020
7	ASHA RAJABU MAGANYA	DOMESTIC WATER CONSUMERS	POSTGRADUATE DIPLOMA IN LAW, BACHELOR OF LAW	36	TANZANIAN	3/2/2020

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8	AMOS SAMWEL MAGIGE	LARGE WATER CONSUMERS	POSTGRADUATE DIPLOMA IN BUSINESS MANAGEMENT, BSc. GEOLOGY	35	TANZANIAN	3/2/2020
9	EMMANUEL DAVID MULELA	COMMERCIAL WATER CONSUMERS	DIPLOMA IN RANGE MANAGEMENT	70	TANZANIAN	3/2/2020

1.7. CORPORATE GOVERNANCE

The Directors are committed to the principles of good governance,* In pursuit of this commitment:

- i. The Board met regularly throughout the year as specified in its rules of procedure;
- ii. The Board accepts and exercises responsibility for strategic and policy decisions including approval of budgets and monitoring of performance of the Authority;
- iii. The Board brings skills and experience to complement those of the management team;
- iv. The positions of the Chairman and Chief Executive are held by different persons with specified term limits; and
- v. All Directors are independent and non-executive.

1.8. COMMITTEES OF THE AUTHORITY'S BOARD OF DIRECTORS.

The Authority's Board functions through two committees namely:

A. EMPLOYMENT AND DISCIPLINARY COMMITTEE

The Employment and Disciplinary Committee was established by the Board to act and assist the Board in regard to all matters relating to employment, human resources and staff discipline which include:

- i. To interview applicants for employment who are Board appointees and to provide recommendations to the Board;
- ii. To discuss and recommend disciplinary action to be taken against staff who are Board appointees;
- iii. To review and recommend incentive Scheme and reward package for staff; and
- iv. To review and recommend renewal of employment contracts of staff who are on contract terms.

Members of Employment and Disciplinary Committee who served for the period under review were as follows:

Table 2: Members of Employment and Disciplinary Committee

S/N	Name	Nationality	Position
1	Eng. Amos Samwel Magige	Tanzanian	Chairperson
2	Eng. Frank Jacob Changawa	Tanzanian	Secretary

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3	Eng. Felix E. Nlilio	Tanzanian	Member
4	Adv. Asha Rajabu Maganya	Tanzanian	Member

B. THE ACCOUNTING, FINANCE AND AUDIT COMMITTEE

The Accounting, Finance and Audit Committee was established by the Board to act and assist the Board in regard to all matters relating to Accounting, Finance and Audit which include:

- i. To review and recommend to the Board, GEUWASA Plan and Budget for each year;
- ii. To review and recommend proposals on the amendment of financial Regulations, Accounting Manual and staff rules and regulations;
- iii. To review and recommend to the Board, GEUWASA Plan and Budget for each year;
- iv. To review and recommend proposals on the amendment of financial Regulations, Accounting Manual and staff rules and regulations;
- v. To review and recommend requests for reallocation of funds;
- vi. To strengthen the internal controls of the Authority in order to reassure stakeholders that the Authority is being managed properly;
- vii. To advise and improve GEUWASA overall governance framework;
- viii. To enforce application of risk management policies and practices by management;
- ix. To review and approve GEUWASA draft Accounts before submission of same to the Controller and Auditor General;
- x. To review and direct management accordingly on matters raised by external and internal Auditors in their reports; and
- xi. To monitor the internal control process.

Table 3: Members of Accounting, Finance and Audit Committee

S/N	Name	Nationality	Position
1	Mr. Emanuel David Mulela	Tanzanian	Chairperson
2	Eng. Frank Jacob Changawa	Tanzanian	Secretary
3	Eng. Gladys Ndenego Jefta	Tanzanian	Member
4	Eng. Ritha F. Kilua	Tanzanian	Member
5	Eng. Modest Joseph Apolinary	Tanzanian	Member

1.9. MEETINGS OF THE AUTHORITY'S BOARD AND ITS COMMITTEES

The Board conducted four (4) ordinary meetings during the financial year 2019/20. In addition, there were eight (8) meetings of the Board Committees, whereby Employment and Disciplinary Committee held four (4) Ordinary meetings, while the Accounting, Finance and Audit Committee held four (4) ordinary meetings. During these meetings they discussed the Authority's quarterly performance reports, authorized the 2020/21 Budget, authorized employment of new staffs to fill various vacant positions as well as reviewing for signing the Performance Contract between the Authority and the Office of Treasury Registrar.

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Below is a summary indicating the number of meetings attended by members of the Board and Committees for the year 2019/20.

Table 4: Meetings attended by members of the Board and Committee

S/N	Board Member's Name	BOARD	Board Meetings.	
			Employment and Disciplinary Committee	Accounting, Finance and Audit Committee
1	Mrs. Patricia Sam Kampambe	4	N/A	N/A
2	Eng. Frank Jacob Changawa	4	4	4
3	Eng. Ritha F. Kilua	2	2	0
4	Eng. Felix E. Nlilio	2	1	0
5	Eng. Modest Joseph Apolinary	4	0	0
6	Eng. Gladys Ndenego Jefta	2	0	2
7	Eng. Amos Samwel Magige	2	2	0
8	Mr. Emanuel Mulela	4	0	4
9	Adv. Asha Rajabu Maganya	2	2	0

1.10. MANAGEMENT

The Authority is headed by the Managing Director who is appointed by the Minister responsible for Water. He is responsible for the day to day management of the Authority. Under the Managing Director, there are four departments headed by Departmental Managers namely; Technical, Finance, Commercial and Human Resources and Administration Departments. The Managing Director is also assisted by heads of independent units namely; Procurement Management Unit, Legal Unit, Internal Audit Unit as well as the Public Relation Unit.

1.11. FUTURE DEVELOPMENT PLANS

The authority has planned to conduct the following in both the short and the long run.

To provide our customers with adequate and clean water by;

- ✓ Expanding water treatment facilities from 7.5 Million Liters per Day to 46 Million Liters per Day by June 2025.
- ✓ Constructing modern and well-equipped Laboratory by June 2021.
- ✓ Rehabilitating 20 Kilometers of dilapidated distribution network by June 2022.
- ✓ Expanding water supply distribution network coverage from the current 270 Kilometers to 980 Kilometers by June 2025.
- ✓ Reducing Non-Revenue Water from 29 % to at most 25%.
- ✓ Installing computerized water production and distribution system by June 2024.

To move from Category C WSSA to Category A by;

- ✓ Improving average Monthly revenue collection from TZS 150 million to TZS 300 million by June 2025.
- ✓ Installing computerized revenue and expenditure monitoring system by June 2021.

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- ✓ Increasing customer base from 7452 customer up to 14,000 Customers by June 2025.
- ✓ Improve average hours of service from 8 hours to 18 hours.

To provide Quality Sanitation Services through;

- ✓ Expansion of the existing waste water treatment plant by June 2023.
- ✓ Procurement of new waste water truck emptier by June 2024.
- ✓ Construction of a new conventional sewerage system by June 2025.

Improved Working Environment through;

- ✓ Implementation of GEUWASA staff regulations and Scheme of Service in full by December 2020.
- ✓ Reviewing salary structures and other staff remuneration schemes based on individual and organizational performance on annual basis.
- ✓ Development and implementation of the Authority's training policy by June 2021.
- ✓ Implementation of the Open Performance Appraisal System (OPRAS).
- ✓ Retooling plan developed by June, 2022.
- ✓ Conduction of Staff Meetings at both Departmental and Organizational level on weekly basis.

1.12. FINANCIAL PERFORMANCE FOR THE YEAR 2019/20

During the financial year 2019/20, Geita Urban Water Supply and Sanitation Authority recorded a surplus of TZS 59,784,592 from its operations, this surplus was achieved as a result of funds we obtained from the Ministry of water.

1.13. RISK MANAGEMENT AND INTERNAL CONTROLS

The Authority has developed Risk Management Frame work, which was duly approved by the Board. Every individual within the Authority is required to appreciate risks inherent at his/her place of work. In addition, it is the responsibility of Management to ensure that adequate internal financial and operational control systems are developed and maintained on an on-going basis in order to provide reasonable assurance regarding the effectiveness and efficiency of operations in:

- i. The safeguarding of the Entity's assets (including information);
- ii. Compliance with the applicable laws, regulations and supervisory requirements;
- iii. The reliability of the accounting records;
- iv. Business sustainability under normal as well as adverse conditions;
- v. Responsible behavior towards all stakeholders.

1.14. SOLVENCY

The Board of Directors confirms that applicable International Public Sector accounting standards have been followed and that the Financial Statements have been prepared on a going concern basis. The Board has reasonable expectation that the Authority has adequate resources to continue its operational effectiveness for a foreseeable future.

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1.15. CAPITAL STRUCTURE

The capital of the Authority includes Tax Payer's Fund (Capital Fund) and accumulated surplus. GEUWASA Complied with all requirements relating to maintenance of the Capital. As at 30th June, 2020 the Authority's capital balance stood at:

CAPITAL STRUCTURE AS AT 30 JUNE 2020

S/N	PARTICULARS	AMOUNT IN TZS	
		2019/20	2018/19
1	Capital Fund	431,270,000	431,270,000
2	Accumulated Surplus	11,159,042,064	11,099,257,472
TOTAL		11,590,312,064	11,530,527,472

1.16. CORPORATE RELATIONSHIPS WITH STAKEHOLDERS

The Authority's operations cut across several stakeholders' interests. The Authority enjoys good and cooperative support from almost all stakeholders. Key to this relationship has been prompt and informed thorough Communications system.

1.17. EMPLOYEES' WELFARE

i. Management and Employees' Relationship

Employees and Management have maintained good relationships for the year 2019/20. There were neither unresolved complaints nor conflicts.

ii. Training facilities

In order to develop suitable personnel in all relevant fields, the Authority provides training to its staff members at both in-house and external trainings.

iii. Medical Services

All members of GEUWASA staff are members of National Health Insurance Fund. In addition, GEUWASA meets all the uncovered medical expenses for its staff members together with their legal dependants' in accordance with staff rules and regulations. The Authority contributes 3% while an employee contributes 3% to NHIF. For the year ended 30 June, 2020 the Authority spent TZS 5,343,420 to pay for Employees Health Insurance at NHIF.

iv. Financial Assistance to Staff

The Authority provides salary advance to its staff members once they encounter financial difficulties.

v. Persons with Disabilities

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However, it is the policy of the Government not to discriminate persons with disabilities in recruitment. The Authority has a recruitment policy and Training manual, which accommodates all staff without discrimination.

vi. HIV/AIDS and Non-Communicable Diseases Awareness Program

The Authority has put in place a committee that, among other things is responsible for educating staff on HIV/AIDS and Non-Communicable Diseases.

1.18. GENDER PARITY

The Authority is an equal opportunity employer. As at 30th June, 2019 the Authority had the following distribution of employees by gender:

Gender	30 th June, 2020	30 th June, 2019
Male	30	16
Female	15	10
Total	45	26

1.19. RELATED PARTY TRANSACTIONS

Transactions with related parties during the year were in the normal course of business. A total of TZS 40,712,000 was paid as Annual Fees to Board members in the following manner;

S/N	PARTICULARS	ANNUAL FEES
1	Chairperson	3,900,000
2	Secretary	3,400,000
3	Members	33,412,500
	Total	40,712,500

1.20. ENVIRONMENTAL CONTROL PROGRAM

The Authority monitors the impact of its operations to the environment, which is mainly through the use of power, water and the generation of waste. The Authority minimizes its impact through better use of its premises and inbuilt facilities to ensure that there is proper waste management.

1.21. POLITICAL AND CHARITABLE DONATIONS

There were neither charitable nor political donations during 2019/20.

1.22. COMPLIANCE TO LAWS, REGULATIONS AND GUIDELINES

In performing the activities of the Authority, various laws and regulations having the impact on the Authority's operations are observed as a tool for financial management. These are Financial Regulations; Staff Rules and Regulations; Water Supply and Sanitation Act of 2019; National Water Policy of 2002; the CCM 2015 - 2020 Election Manifesto; the Tanzania Development Vision

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2025; the 2030 Agenda for Sustainable Development; the National Water Development Strategy 2006-2015; the Water Management Act 2009; Finance Act; Income Tax Act, 2004; and Public Procurement Act, 2011 and related regulations.

1.23. ACCOUNTING POLICIES

A summary of the key accounting policies for the Authority appears on Note 2 to the financial statements.

1.24. STATEMENT OF COMPLIANCE

The Director's report has been prepared in full compliance with requirements of the Tanzania Financial Reporting Standards No.1 (Directors' Report).

1.25. AUDITORS

The Controller and Auditor General is the statutory Auditor of the Geita Urban Water Supply and Sanitation Authority (GEUWASA) by virtue of Article 143 of the Constitution of the United Republic of Tanzania as amplified under Section 30 of the Public Audit Act, Cap 418 (R.E 2021).

BY THE ORDER OF THE BOARD;



PATRICIA SAM KAMPAMBE

BOARD CHAIRPERSON



Eng. FRANK JACOB CHANGAWA

BOARD SECRETARY

Date: 25/02/2022

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2.0 STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES.

As required under section 15(1) of the Public Corporation's Act (amendment) 1992, the Board is responsible for the preparation and fair presentation of the financial statements comprising the Statement of Financial Position, the Statement of Financial Performance, the Statement of Changes in Net Assets, the Statement of Cash Flows, the Statement of comparison of budget and actual amounts and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes; in accordance with International Public Sector Accounting Standards and in the manner required by the Water Supply and Sanitation Act No. 5 of 2019.

The Board confirms that suitable accounting policies have been used and applied consistently, reasonable and prudent judgments and estimates have been made in the preparation of financial statements for the year ended 30th June 2020. The Board also confirms that applicable International Public Sector Accounting Standards (IPSAS) have been followed and that the financial statements have been prepared on going-concern basis. Board is also responsible to; designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error; selecting appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Board Members have made an assessment of the Board's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the financial year ahead.

Approval of the financial statements

The financial statements of the Authority, as indicated above, were approved by the Board Members on 25/02/2022 and are signed on its behalf by;



PATRICIA SAM KAMPAMBE

BOARD CHAIRPERSON



Eng. FRANK JACOB CHANGAWA

BOARD SECRETARY

Date: 25/02/2022

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3.0 DECLARATION OF HEAD OF FINANCE OF GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY.

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 Statement of 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/Management to discharge the responsibility of preparing financial Statements of an entity showing the true and fair view of the entity in accordance with international accounting standards and statutory reporting requirements. Full legal responsibility for financial statements rests with the Board of Directors as explained under Board Members' Responsibility statement on an earlier page.

I Fortunatus F. Masele Being the Consultant of the Authority hereby acknowledge my responsibility of ensuring that Financial Statements for the year ended 30th June, 2020 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of National Arts Council as on that date and they have been prepared based on properly maintained financial records.



Signed by: CPA. FORTUNATUS F. MASELE

Position: FINANCE MANAGER

NBAA Membership No: GA 5176

Date: 25/02/2022

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4.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board,
Geita Urban Water Supply and Sanitation Authority,
P. O. Box 477,
GEITA.

4.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Qualified Opinion

I have audited the financial statements of Geita Urban Water Supply and Sanitation Authority, which comprise the statement of financial position as at 30 June, 2020, and the statement of financial performance, statement of changes in net assets and cash flows statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matter described in the basis for qualified opinion section of my report, the accompanying financial statements present fairly in all material respects, the financial position of the Geita Urban Water Supply and Sanitation Authority as at 30 June, 2020, and its financial performance and cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting.

Basis of Opinion

Lack of complete record to support the Accumulated Surplus balance

Accumulated Surplus balance is composed of surplus/deficit retained from prior periods and surplus for the year; whereby expenses were deducted from revenues. However, the Authority did not maintain records of both revenues and expenses from financial years 2013/14 to 2016/17 as a result, I was unable to audit these items. Hence, there was no basis of confirming the accuracy and completeness of the accumulated surplus which comprise the current balance and prior periods balances.

I conducted my audit in accordance with 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 Statement". I am independent of Geita Urban Water Supply and Sanitation Authority I conducted my audit 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.

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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 Director's Report and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon.

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

GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

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.
- 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

GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

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 benefits of such communication.

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

Further, Section 48(3) of the Public Procurement Act, 2011 (as amended in 2016) 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.

5.0 REPORT ON COMPLIANCE WITH LEGISLATIONS


Compliance with the Public Procurement Laws

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

I performed a compliance audit on procurement of works, goods and services in the Geita Urban Water Supply and Sanitation Authority for the financial year 2019/20 as per stipulations of Public Procurement Laws.

Conclusion

Based on the audit work performed, I state that procurement of works, goods and services of Geita Urban Water Supply and Sanitation Authority is generally in compliance with the requirements of the Public Procurement Act, 2011 and its underlying Regulations of 2013 (as amended in 2016).


Salhina M. Mkumba
Ag. Controller and Auditor General,
Dodoma, United Republic of Tanzania.
April 2022



GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

5.0 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2020

	NOTES	2019/20 TZS	2018/19 TZS
ASSETS			
Current Assets			
Cash and Cash equivalent	Note 3	61,460,789	293,542,795
Receivables and Prepayments	Note 4	139,977,802	122,706,727
Inventories	Note 5	199,075,863	168,328,830
Total Current Assets		400,514,454	584,578,352
Non-Current Assets			
Property, Plant and Equipment	Note 6	11,399,753,798	11,269,280,295
Work In Progress (WIP)	Note 7	472,388,632	-
Total Non-Current Assets		11,872,142,430	11,269,280,295
TOTAL ASSETS		12,272,656,884	11,853,858,647
LIABILITIES			
Current Liabilities			
Payables	Note 8	258,832,170	123,331,174
Third-Party Projects	Note 9	423,512,650	200,000,000
Total Current Liabilities		682,344,820	323,331,174
Non-Current Liabilities		-	-
TOTAL LIABILITIES		682,344,820	323,331,174
NET ASSETS/ EQUITY		11,590,312,064	11,530,527,472
Capital fund/grant		431,270,000	431,270,000
Accumulated Surplus/Deficit		11,159,042,064	11,099,257,472
NET ASSETS/ EQUITY		11,590,312,064	11,530,527,472



PATRICIA SAM KAMPAMBE

BOARD CHAIRPERSON



Eng. FRANK JACOB CHANGAWA

BOARD SECRETARY

Date: 25/02/2022

GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE AS AT 30TH JUNE, 2020

AMOUNTS IN TZS

PARTICULARS	NOTES	2019/20	2018/19
Revenue			
Revenue from Exchange Transactions	Note 10	1,846,100,554	1,030,954,034
Revenue from Non-Exchange Transactions	Note 11	1,454,032,816	1,285,986,932
Total Revenue		3,300,133,370	2,316,940,966
Expenses			
Water Production Expenses	Note 12	862,285,972	817,468,949
Water Distribution Expenses	Note 13	-	1,080,000
Repair and Maintenance	Note 14	221,603,514	179,345,109
Personnel Expenses	Note 15	512,359,842	247,095,334
Administrative Expenses	Note 16	360,730,327	243,259,591
Board Expenses	Note 17	54,754,263	30,225,120
Information, Communication and Advertisements	Note 18	85,681,472	55,017,811
Professional Fees	Note 19	26,683,580	34,232,241
Other Expenses	Note 20	59,558,068	62,621,171
Contribution to Consolidated Fund	Note 21	20,000,000	-
Depreciation	Note 6	1,036,691,740	942,865,626
Total Expenses		3,240,348,778	2,613,210,952
Surplus (Deficit)		59,784,5992	(296,269,986)



PATRICIA SAM KAMPAMBE

BOARD CHAIRPERSON



Eng. FRANK JACOB CHANGAWA

BOARD SECRETARY

Date: 25/02/2022

Controller and Auditor General

AR/PA/GEUWASA/2019/20

GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE, 2020

	Contributed Capital	Accumulated Surplus	Total
Balance as at 01.07.2018	431,270,000	11,552,064,310	11,983,334,310
Prior Year Adjustments	-	53,463,149	53,463,149
Restated Balance as at 01.07.2018	431,270,000	11,605,527,459	12,036,797,459
Surplus (Deficit) for the Year	-	-296,269,986	-296,269,986
Balance as at 30.06.2019	431,270,000	11,309,257,473	11,740,527,473
Balance as at 01.07.2019	431,270,000	11,309,257,472	11,740,527,472
Prior Year Adjustments (Note 31)	0	-210,000,000	-210,000,000
Restated Balance as at 01.07.2019	431,270,000	11,099,257,472	11,530,527,472
Surplus (Deficit) for the Year	-	59,784,592	59,784,592
Balance as at 30.06.2020	431,270,000	11,159,042,064	11,590,312,064

GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2020

DESCRIPTION	NOTES	AMOUNT IN TZS	
Receipts		2019/2020	2018/19
Receipts from Exchange Transactions	Note 22	1,855,963,956	1,030,528,661
Receipts from Non-Exchange Transactions	Note 25	940,575,426	503,862,595
Total Receipts		2,796,539,382	1,534,391,256
Payments			
Water Production Expenses	Note 27	124,071,433	63,982,232
Water Distribution Expenses	Note 13	-	1,080,000
Repair and Maintenance	Note 14	221,603,514	179,345,109
Personnel Expenses	Note 15	512,359,842	247,095,334
Administrative Expenses	Note 23	359,455,280	245,312,513
Board Expenses	Note 28	51,454,263	22,025,120
Information, Comm.and Advertisements	Note 18	85,681,472	55,017,811
Professional Fees	Note 19	26,683,580	34,232,241
Other Expenses	Note 26	60,524,354	63,141,709
Contribution to Consolidated Fund	Note 30	10,000,000	-
Total Payments		1,451,833,738	911,232,069
NET CASH FLOW FROM OPERATIONS		1,344,705,644	623,159,188
Cash Flow from Investing Activities			
Acquisition of Property, Plant and Equipment	Note 24	(1,167,165,244)	(518,106,210)
Work In Progress (WIP)	Note 4	(62,245,298)	-
Third-Party Projects		(347,377,108)	(62,253,139)
NET CASH FLOW USED IN INVESTING ACTIVITIES		(1,576,787,650)	(580,359,350)
NET CASH FLOW FROM FINANCING ACTIVITIES		-	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(232,082,006)	42,799,838
Opening Cash and Cash Equivalent	Note 29	293,542,795	250,742,958
Closing Cash and Cash Equivalent	Note 3	61,460,789	293,542,795

Controller and Auditor General

AR/PA/GEUWASA/2019/20

GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30TH JUNE, 2020

	Original Budget TZS	Final Budget TZS	Actual Performance TZS	Difference TZS	Percentage %	Reference (Note 32)
Receipts						
Revenue from Exchange Transactions	2,426,640,000	2,426,640,000	1,855,963,956	-570,676,044	-24%	A
Revenue from Non-exchange Transactions	1,336,258,680	1,336,258,680	940,575,426	-395,683,254	-30%	B
Total Receipts	3,762,898,680	3,762,898,680	2,796,539,382	966,359,298	-26%	
Payments						
Water Production Expenses	741,038,049	741,038,049	124,071,433	-616,966,616	-83%	C
Repair and Maintenance	199,440,000	199,440,000	221,603,514	22,163,514	11%	D
Personnel Expenses	441,489,680	441,489,680	512,359,842	70,870,162	16%	E
Administrative Expenses	365,169,500	365,169,500	359,455,280	-5,714,220	-2%	F
Board Expenses	36,320,000	36,320,000	51,454,263	15,134,263	42%	F
Information, Communication and Advertisements	67,100,000	67,100,000	85,681,472	18,581,472	28%	G
Professional Fees and Charges	49,800,000	49,800,000	26,683,580	-23,116,420	-46%	H
Other Expenses	87,340,000	87,340,000	60,524,354	-26,815,646	-31%	I
Contribution to Consolidated Fund	10,000,000	10,000,000	10,000,000	0	0%	
Acquisition of PPEs	1,580,000,000	1,580,000,000	1,576,787,650	-3,212,350	0%	
Total Payments	3,577,697,229	3,577,697,229	3,028,621,388	549,075,841	-15%	
Budgetary Surplus/Deficit	185,201,451	185,201,451	-232,082,006	417,283,457		

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1. GENERAL INFORMATION

Geita Urban Water Supply and Sanitation Authority was declared a full autonomous public utility body by the Minister responsible for Water through Government Notice No. 258 on 21st June 2002 as per the Waterworks Regulations, 1997 (G.N. No. 371 of 1997). GEUWASA became a Regional Water Supply and Sanitation Authority in 2012. The address of its registered office is;

GEUWASA BUILDING,
BOMANI STREET,
P. O BOX 477,
GEITA.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) accrual basis. The complete set of the financial statements comprises a statement of financial position, a statement of financial performance, a statement of changes in net assets, a cash flow statement, a comparison of budget and actual amounts and notes comprising a summary of significant policies and other explanatory notes.

The preparation of financial statements in conformity with IPSAS requires the use of accounting estimates in some circumstances. It also requires management to exercise its judgments in the process of applying the Authority's accounting policies. The areas involving higher degree of complex judgments or assumptions and significant estimates to the financial statements are separately disclosed in notes to accounts.

The financial statements have been prepared on going concern basis and the accounting policies have been applied consistently throughout the period. The principal accounting policies adopted in the preparation of these financial statements are set out below.

Property Plant and Equipment

Property, Plant and equipment are initially recorded at cost. Property Plant and equipment are reported at cost less provision for accumulated depreciation (loss in value due to wear and tear resulted from the use of such asset) except land which is subsequently measured at revaluation model. The cost of assets owned by the Authority includes expenditure that is directly attributable to the acquisition of the item (s). All repairs and maintenance relating to the item(s) are charged to the income and expenditure account during the financial year in which they relate.

GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

Depreciation Charge

Depreciation is charged on fixed assets acquired during the year, for the period of use of such asset in the year of acquisition and subsequently to the year of disposal of an asset.

Depreciation on assets is calculated using the straight-line method to allocate costs to the residual values over the estimated useful lives of assets using the following rates which have been applied consistently:

S/N	ASSET CATEGORY	EXPECTED USEFULL LIFE	DEPRECIATION RATE
1	Land	Infinite	0%
2	Office Buildings	50 Years	2%
3	Plant and Machinery	15 Years	6.67%
4	Office Equipment	5 Years	20%
5	Furniture and Fixtures	10 Years	10%
6	Light Motor Vehicles	5 Years	20%
7	Heavy Duty Motor Vehicles	10 Years	10%
8	Motor Cycles	7 Years	14.29%
9	Computer and IT Equipment	4 years	25%
10	Water Infrastructures	15 Years	6.67%

Taxation

The Authority is an autonomous Government Authority which is non-profit making. GEUWASA depends on levies from provision of water supply and sanitation services as its main source of income. The Authority is exempted from paying income tax as per provisions of Income Tax Act, 2004.

Receivables from non-exchange transactions

Receivables from non-exchange transactions are recognized when it is probable that the future service potential associated with the asset will flow to the entity; and the fair value of the asset can be measured reliably.

Receivables from exchange transactions

Receivables from exchange transactions are carried out at anticipated realizable value. Provision for impairment (failure to pay) is made based on specific receivables considered being doubtful of recovery.

Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held with banks, other highly liquid investments with original maturities of three months or less.

Provisions

Provisions are recognized when the Authority has constructive obligations as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate of such obligations can be made.

Employment benefits

Employee benefits include salaries, pensions and other employment related benefits recognized on accrual basis. The salaries of 11 staff employed by the Ministry of Water were directly paid to them by the Permanent Secretary, Ministry of Water. The amounts paid to them are not included in these financial statements. The remained 34 staff were paid by the Authority and their salaries has been included in the financial statements. The Authority also operates a defined pension benefit scheme to its employees in which it contributes 15% of employees' gross salary in the Public Service Social Security Fund (PSSSF). These amounts are charged in the Statement of Financial Performance.

Comparative figures

Comparative figures have been adjusted whenever necessary to conform to changes in presentation in the current year.

Impairment of assets

An impairment of an asset is recognized when its carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and its value in use and it is determined for an individual assets.

Provision for impairment of receivables

Receivables are recognized initially at fair value and subsequently measured at value less provision for bad and doubtful debts. Specific provision is not made in the Financial Statements against receivables considered to be doubtful of recovery.

Functional and presentation currency

Items included in the financial statements of the Geita Urban Water Supply and Sanitation Authority was measured using Tanzanian Shillings (TZS) which is the currency of the primary economic environment in which it operates.

Events after reporting date

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

Reporting Period

These financial statements cover a period that runs from 1st July, 2019 to 30th July 2020.

3. CLOSING CASH AND CASH EQUIVALENTS.

Cash and cash equivalents at the end of the financial period comprised of cash, short-term deposits with maturity of three months or less. The authority balances stood at;

	2019/20	2018/19
1 CASH AT BANK		
2 CRDB Collection Account	3,553,367	23,872,881
3 GEUWASA Expenditure A/C	15,219,826	162,449,563
4 Projects A/C	18,703,738	31,939,886
5 NMB Collection Account	18,632,185	75,280,464
6 NBC Collection Account	5,351,673	-
TOTAL	61,460,789	293,542,795

4. RECEIVABLES AND PREPAYMENTS

The Authority ended the 2019/20 Financial Period with some amounts that were not received but all conditions pertaining to their receivable were met. Such amounts include;

	2019/20	2018/19
1 WATER SALES		
Commercial	16,712,400	9,944,456
Domestic	67,512,014	63,545,028
Institutions	18,849,995	8,281,254
Kiosk	2,344,300	1,026,997
Industries	359,738	3,411,292
2 MOWI- Send Star & CIB	31,744,778	31,744,778
3 Fine and Penalties (Illegal Connections)	-	2,700,000
4 New Customer Connection Charges	1,676,700	-
5 Prepaid Insurance	777,875	2,052,922
TOTAL	139,977,802	122,706,727

5. INVENTORY.

Inventories are stated at the lower of cost as per IPSAS 12 para 11 and 17. They constitute low cost of water meters, pipes and fittings the quantities of which have been tabulated as follows;

	2019/20	2018/19
1 Pipes	3,100,000	29,733,501
2 Fittings	51,311,400	105,882,890
3 Stationeries	5,798,070	-
4 Water Meters	133,823,539	23,712,439
5 Treatment Chemicals	5,042,854	9,000,000
TOTAL	199,075,863	168,328,830

6. PROPERTY, PLANT AND EQUIPMENT.

During the period, the Authority received one motor vehicle from the Ministry of Water in addition to other Assets that were paid for using funds obtained both from its internal and external sources. We have not included the fair value of the car since we are yet to receive the report from the Regional Valuer on the fair value of that car. Other Assets are maintained at cost less accumulated depreciation.

Description	Land	Buildings	Motor Vehicles		Motor Cycles	Plant and Machinery	Water Infrastructures	Computers	Office Equipments	Furniture and Fittings	Total
			Light Trucks	Heavy Duty Trucks							
Opening Balance 1st July, 2018	17,260,000	574,132,560	49,285,795	502,103,662	12,269,817	4,617,162,904	7,620,226,978	13,070,000	17,682,737	12,576,000	13,435,770,453
Additions	220,700,000	396,103,529	19,600,000	-	5,000,000	-	384,392,303	13,289,020	5,860,000	37,125,000	1,082,069,852
Disposal	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30th June, 2019	237,960,000	970,236,089	68,885,795	502,103,662	17,269,817	4,617,162,904	8,004,619,281	26,359,020	23,542,737	49,701,000	14,517,840,305
Depreciation for the year (2018/2019)	-	19,404,722	13,777,159	50,210,366	1,752,831	307,810,860	533,641,285	6,589,755	4,708,547	4,970,100	942,865,626
Accumulated Depreciation as at 30th June 2019	-	49,371,350	61,420,094	292,893,803	10,224,848	1,100,547,741	1,704,941,743	11,309,338	9,214,095	8,637,000	3,248,560,011
Net Book Value as at 30th June, 2019	237,960,000	920,864,739	7,465,701	209,209,859	7,044,970	3,516,615,164	6,299,677,538	15,049,682	14,328,642	41,064,000	11,269,280,294

Opening Balance 1st July, 2019	237,960,000	970,236,089	68,885,795	502,103,662	17,269,817	4,617,162,904	8,004,619,281	26,359,020	23,542,737	49,701,000	14,517,840,305
Additions	-	-	-	-	19,180,000	-	1,021,523,009	10,342,950	108,126,285	7,993,000	1,167,165,244
Disposal	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30th June, 2020	237,960,000	970,236,089	68,885,795	502,103,662	36,449,817	4,617,162,904	9,026,142,290	36,701,970	131,669,022	57,694,000	15,685,005,549
Depreciation for the year (2019/2020)	-	19,404,722	13,777,159	50,210,366	2,467,117	307,810,860	601,742,819	9,175,493	26,333,804	5,769,400	1,036,691,740
Accumulated Depreciation as at 30th June 2020	-	68,776,072	75,197,253	343,104,169	12,691,964	1,408,358,601	2,306,684,563	20,484,831	35,547,899	14,406,400	4,285,251,751
Net Book Value as at 30th June, 2020	237,960,000	901,460,018	(6,311,458)	158,999,493	23,757,853	3,208,804,303	6,719,457,727	16,217,139	96,121,123	43,287,600	11,399,753,798

GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

7. WORK IN PROGRESS (WIP).

Work in progress refers to projects that remained unfinished by the time we were closing our books of Accounts, these items are transferred to their respective Asset groups once they are completed in full. By the end of 2019/20 Financial Period, the Authority had the following under this category;

PARTICULARS	2019/20	2018/19
1 Office Building	62,245,298	-
2 Third-Party Projects	410,143,334	-
TOTAL	472,388,632	-

8. PAYABLES.

The Authority ended the 2019/20 financial period with some commitments that it needs to settle in the near future, these amounts include;

	2019/20	2018/19
1 TANESCO	8,472,032.46	9,716,532.00
2 EWURA LEVY	1,343,974.02	1,532,384.20
3 E-GOVERNMENT AUTHORITY CIB UNITED - NEW CUSTOMER	2,806,728.33	-
4 CONNECTIONS	12,708,600.00	12,708,600.00
5 SEND STAR- OFFICE BUILDING	19,036,178.24	19,036,178.24
6 SUPPLIES AND CONSUMABLES	173,872,795.50	62,137,480.00
7 BOARD MEMBER'S ANNUAL FEES	11,500,000.00	8,200,000.00
8 CONTRIBUTION TO CONSOLIDATED FUND	20,000,000.00	10,000,000.00
9 TRA	9,091,861.14	-
TOTAL	258,832,169.70	123,331,174.44

9. THIRD-PARTY PROJECTS

The Authority was entrusted by the Ministry of Water to execute water project at Nyamtukuza, execution of this project was neither extending the Authority area of service nor executing the Authority's budget but the monies for execution of this project were paid to Authority Account. By the end of the 2019/2020, the following amounts was expended;

	2019/2020	2018/2019
1 NYANG'HWALE PROJECT	423,512,650	200,000,000

GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

10. REVENUE FROM EXCHANGE TRANSACTION.

Exchange Transactions comprised of revenue generated from Authority's day to day activities. Those items were constituted of the following;

	2019/20	2018/19
1 Water Sales	1,485,077,474	690,340,840
2 Reconnection Fee	6,423,000	7,661,500
3 New Connection	274,023,460	259,300,384
4 Sanitation	80,576,620	72,551,310
5 Other Revenue	-	1,100,000
TOTAL	1,846,100,554	1,030,954,034

11. REVENUE FROM NON-EXCHANGE TRANSACTIONS.

Receipts from Non-Exchange Transactions were made up of those monies received by the authority without offering anything in return. They were constituted of the following;

		AMOUNT IN TZS	
S/N	PARTICULARS	2019/20	2018/19
1	Ministry of Water	700,692,676	528,227,074
2	Water Treatment Chemicals (In-kind Revenue)	412,251,440	329,536,410
3	Electricity for Water Production (In-kind Revenue)	324,718,600	418,143,148
4	Penalty	16,370,100	10,080,300
	TOTAL	1,454,032,816	1,285,986,932

12. WATER PRODUCTION COSTS.

These are items that were incurred by the Authority in the process of producing water. The items were;

	2019/20	2018/19
1 Plant Electricity	481,840,487.00	469,102,857.64
2 Treatment Chemicals	361,802,180.21	341,775,154.18
3 Quality Analysis	18,643,304.91	6,590,937.00
TOTAL	862,285,972.12	817,468,948.82

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13. WATER DISTRIBUTION EXPENSES.

These items were incurred by the Authority in the process of distributing water to customers. Our water distribution system was designed in such a way that water moves from storage facilities to customers through gravitational force. This design enables the Authority to spend no money in moving water toward customer houses, we only spent money in cleaning pipelines.

	2019/20	2018/19
1 Cleanliness of Pipelines and Casting Marker Posts	-	1,080,000.00
TOTAL	-	1,080,000.00

14. REPAIR AND MAINTANANCE EXPENSES.

In order to run our day to day operations, the Authority spent monies in making sure that water supply facilities are well maintained. During the period we incurred the following expenses in making sure that the service we offer run smoothly;

	2019/20	2018/19
1 Pipes and Fittings	135,998,117.89	159,475,607.57
2 Motor Vehicles	75,293,096.55	19,359,501.61
3 Water pumps	8,363,000.00	360,000.00
4 ICT Equipment	377,300.00	150,000.00
5 Technical equipment	-	-
6 Electrical equipment	1,572,000.00	-
TOTAL	221,603,514.44	179,345,109.18

15. STAFF EXPENSES.

In order to run our day to day operations, The Authority rewards its employees in exchange for services they offer. The following expenses were incurred;

	2019/20	2018/19
1 Salaries	218,158,062.00	206,160,334.00
2 Casual Laborers	125,343,200.00	-
3 Leave Passage	10,471,000.00	6,996,000.00
4 Extra Duty Allowance	26,200,000.00	18,670,000.00

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5	Acting Allowance	-	1,520,000.00
6	Subsistence Allowance	11,950,000.00	3,670,000.00
7	Utility Allowance	16,425,000.00	-
8	Health Expenses	459,200.00	-
9	Housing Allowance	26,000,000.00	8,800,000.00
10	Communication Allowance	15,180,000.00	-
11	Public Sector Social Security Fund (PSSSF)	35,558,800.00	-
12	Transport Allowance	15,076,000.00	1,279,000.00
13	National Health Insurance Fund (NHIF)	10,686,840.00	-
14	Workers Compensation Fund (WCF)	851,740.00	-
	TOTAL	512,359,842.00	247,095,334.00

16. ADMINISTRATIVE EXPENSES.

In order to serve its day to day operations, the Authority incurred the following expenses;

	2019/2020	2018/2019
1 Stationeries	41,371,800	30,352,790
2 Milk Allowance	3,427,000	3,936,000
3 Newspapers, magazines and periodicals	1,490,700	450,500
4 Security Charges	19,258,000	14,450,000
5 Cleaning Equipment	17,280,060	3,394,719
6 Office Electricity	5,729,622	3,500,000
7 Water Charges	2,286,340	258,150
8 Land Rent	4,068,850	500,000
9 Annual Meetings	20,475,958	18,178,550
10 Sports	468,000	763,000
11 Rewards Against Vandalism	60,000	2,650,000
12 Water Services to pro-poor	23,871	-
13 Office Tea	4,500,000	2,985,500
14 Protective Gears	1,742,000	5,614,000
15 Procurement Expenses	7,037,000	6,330,000
16 Workers Council	3,400,000	-
17 Fuel and Lubricants	75,361,479	45,318,330
18 Staff Uniforms	10,700,000	3,028,000
19 Training Expenses	25,664,885	26,373,800

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20	Travelling Expenses	48,301,202	42,047,752
21	Exhibitions and Festivals	14,778,800	7,800,000
22		-	8,460,000
23	Accommodation (Hospitality) Food and Refreshments	19,218,760	16,868,500
24	(Entertainment)	34,086,000	-
	TOTAL	360,730,327	243,259,591

17. BOARD EXPENSES.

During the period, the Board of Directors spent the following amounts;

		2019/2020	2018/2019
1	Annual Fees	40,712,500	22,050,000
2	Other Board Expenses	14,041,763	8,175,120
	TOTAL	54,754,263	30,225,120

18. SALES AND MARKETING EXPENSES.

The Authority spent the following amounts to pay for various sales and marketing issues;

		2019/20	2018/19
1	Internet, Email and Communication	57,640,931.57	38,960,311.32
2	Postal Charges	1,107,100.00	330,000.00
3	Promotion and Advertisement	26,933,440.00	15,727,500.00
	TOTAL	85,681,471.57	55,017,811.32

19. PROFESSIONAL FEES AND CHARGES.

The Authority spent the following amounts to pay for various fees and charges.

		2019/20	2018/19
1	Audit Fee	12,000,000.00	12,000,000.00
2	Consultancy Fees	4,738,000.00	13,470,000.00
3	Other Audit Expenses	6,520,000.00	4,410,000.00

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4	Bank Charges	3,425,580.44	4,352,241.00
	TOTAL	26,683,580.44	34,232,241.00

20. OTHER EXPENSES.

The Authority spent the following amounts to pay other expenses;

	2019/2020	2018/2019
1 Unforeseen Events	11,224,500	8,143,350
2 Insurance Charges	8,556,632	24,532,413
3 Burial Expenses	1,950,000	6,270,000
Preparation of Budget, Annual Reports		
4 and Financial Statements	11,140,000	4,450,000
5 Employment Expenses	12,178,000	11,923,000
Other Fees and Charges (EWURA,		
6 ATAWAS)	14,508,936	7,302,408
TOTAL	59,558,068	62,621,171

21. CONTRIBUTION TO THE CONSOLIDATION FUND.

GEUWASA is obliged to contribute some of its income to the Consolidation Fund.
During the Financial period we paid the following amount;

	2019/20	2018/19
1 Contribution to Consolidated Fund	20,000,000	-
TOTAL	20,000,000	-

22. RECEIPTS FROM EXCHANGE TRANSACTIONS.

Exchange Transactions comprised of receipts from Authority's day to day activities.
Those items were constituted of the following;

	2019/2020	2018/2019
1 Water Sales	1,494,940,876	689,915,467
2 Reconnection Fee	6,423,000	7,661,500

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3 New Connection	274,023,460	259,300,384
4 Sanitation	64,482,200	72,551,310
5 Other Collections	16,094,420	1,100,000
TOTAL	1,855,963,956	1,030,528,661

23. RECONCILIATION STATEMENT BETWEEN THE REPORTED AMOUNT IN THE STATEMENT OF PERFORMANCE AND THE AMOUNT REPORTED IN THE CASH FLOW STATEMENT.

	2019/2020	2018/2019
Amount Reported in the Statement of Performance	360,730,327	243,259,591
Add: Prepaid Insurance for 2019/2020	777,876	2,052,922
Less: Prepaid Insurance for 2018/2019	(2,052,922)	-
Amount as Per Cash Flow Statement	359,455,280	245,312,513

24. CASH FLOW FROM ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT.

Additions on Property, Plant and Equipment	1,167,165,244
Less: Non- Cash Items	
Recognition of Non-Cash items	-
Transfer from WIP	-
Property, Plant and Equipment paid for during the year	1,167,165,244

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25. RECONCILIATION STATEMENT BETWEEN THE REPORTED AMOUNT OF RECEIPTS FROM NON- EXCHANGE TRANSACTIONS IN THE STATEMENT OF PERFORMANCE AND THE AMOUNT REPORTED IN THE CASH FLOW STATEMENT.

	2019/2020	2018/2019
Amount Reported in the Statement of Performance	1,454,032,816	1,285,986,932
Less: In- Kind Revenue	(736,970,040)	(747,679,558)
Less: Receivables from Ministry of water for the Current Year	-	(31,744,778)
Less: Penalty and Fines Receivable	-	(2,700,000)
Add: Amount Received for Third-Party Projects	223,512,650	-
Amount as Per Cash Flow Statement	940,575,426	503,862,595

26. RECONCILIATION STATEMENT BETWEEN THE AMOUNTS OF OTHER EXPENSES REPORTED IN THE STATEMENT OF PERFORMANCE AND THAT REPORTED IN CASH FLOW STATEMENT.

	2019/2020	2018/2019
Actual Levy incurred during the period	59,558,068	62,621,171
Add: 2018/2019 Unpaid levy	1,532,384	-
Add: Prepaid insurance	777,876	2,052,922
Total Amount Payable	61,868,328	64,674,093
Amount payable as at 30 June 2020	1,343,974	1,532,384
Amount of levy paid during the period	60,524,354	63,141,709

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27. RECONCILIATION STATEMENT BETWEEN THE REPORTED AMOUNT OF WATER PRODUCTION EXPENSES IN THE STATEMENT OF PERFORMANCE AND THE AMOUNT REPORTED IN THE CASH FLOW STATEMENT.

	2019/2020	2018/2019
Amount Reported in the Statement of Performance	862,285,972	817,468,949
Less: Prior Year's electricity paid during the period	(1,244,500)	(5,807,159)
Less: In- Kind Revenue	(736,970,040)	(747,679,558)
Amount as Per Cash Flow Statement	124,071,433	63,982,232

28. RECONCILIATION STATEMENT BETWEEN THE AMOUNT OF BOARD EXPENSES REPORTED IN THE STATEMENT OF PERFORMANCE AND THAT REPORTED IN CASH FLOW STATEMENT.

	2019/2020	2018/2019
Actual Board Expense incurred during the period	54,754,263	30,225,120
Add: 2018/2019 Unpaid Expense	8,200,000	-
Total Amount Payable	62,954,263	30,225,120
Amount payable as at 30 June 2020	11,500,000	8,200,000
Amount of Board Expenses paid during the period	51,454,263	22,025,120

29. OPENING CASH AND CASH EQUIVALENTS.

The Authority opened the period with the following amounts in its Bank Deposits.

	2019/20	2018/19
1 CASH AT BANK		
CRDB Collection Account	23,872,881	81,936,500
GEUWASA Expenditure A/C	162,449,563	147,356,414
Projects A/C	31,939,886	21,450,044
NMB Collection Account	75,280,464	-
NBC Collection Account	-	-

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2	CASH AT HAND	-	-
3	SHORT-TERM DEPOSITS	-	-
4	UNDEPOSITED CHEQUES	-	-
	TOTAL	293,542,795	250,742,958

30. RECONCILIATION STATEMENT BETWEEN THE AMOUNT OF CONTRIBUTION TO THE CONSOLIDATION FUND REPORTED IN THE STATEMENT OF PERFORMANCE AND THAT REPORTED IN CASH FLOW STATEMENT

	2019/20	2018/19
Actual Contribution for the period	20,000,000	10,000,000
Add: 2018/19 Unpaid Contribution	10,000,000	-
Total Contribution Payable	30,000,000	10,000,000
Contribution payable as at 30 June 2020	20,000,000	10,000,000
Amount of Contribution paid during the period	10,000,000	-

31. SCHEDULE OF ADJUSTMENTS

During the period, the Authority made the following adjustments in prior year's financial statements;

S/N	PARTICULARS	DEBIT	CREDIT
	Accumulated Surplus	200,000,000	
	Third-Party Projects		200,000,000
1	Being recognition of monies received for third-party projects that was wrongly recorded as revenue from non-exchange transactions.		
	Accumulated surplus	10,000,000	
	Payables		10,000,000
2	Being recognition of the Authority contribution to the consolidated fund that did not form part of 2018/2019 financial statements.		

32. EXPLANATIONS ON ITEMS IN THE STATEMENT OF COMPARISON OF BUDGETED AMOUNTS AND ACTUAL AMOUNTS.

This Statement is prepared on Cash Basis Accounting with exception of the amounts of in kind revenue. The reason for this inclusion was to give the true picture of the amount that needs to be incurred in order to produce a single unit of water. The reasons for discrepancy between Budgeted and Actual amounts is as follows;

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- A. We managed to collect less revenue from exchange transactions compared to what we planned because of the Authority's failure to produce the targeted quantity of water during the period.
- B. Geita Gold Mining Limited paid for more services (electricity and water treatment chemicals) than budgeted in addition to collection of more fines during the year.
- C. We spent more in water production expenses due to replacement of submersible pumps in some boreholes during the period.
- D. We spent more in repair and maintenance costs due to major repair(s) in main pipelines as well as in motor vehicles.
- E. We spent more on staff expenses due to expansion of the Authority's area of service that necessitate employment of more employees on contractual terms.
- F. We spent more on Board Expenses due to application of Treasury Circular number 1 of 2020 which increased the Board Members' Annual Fees with effect from January 2020.
- G. We spent more on Information, Communication and Advertisement due to increased usage of internet as a result of registration of the Authority in Government e-Payment Gateway.
- H. We paid less on professional fees and charges due to the use of internal capacity to develop various manuals that used to be developed by experts from outside the Authority.
- I. We spent less on other expenses due to the Authority's failure to produce the targeted units of water.

33. CURRENCY

These financial statements are prepared in Tanzania Shillings (TZS) as the presentation currency and the legal currency of Tanzania.

34. EVENTS AFTER REPORTING DATE

The Authority paid TZS. 10,000,000 as its contribution to the consolidated fund for the year 2018/2019; this was resulted from the order given by The President of the United Republic of Tanzania Dr. John Pombe Joseph Magufuli to Chairpersons of the Board of Directors and Chief Executive Officers in the event held on 24 November 2019 at The State House in Chamwino, Dodoma. The order wanted all Government Authorities to contribute before 10th January, 2020.

35. COMPARATIVE FIGURES

Previous financial year's figures have been regrouped or reclassified wherever considered necessary in order to facilitate comparability with the current year's figures.