



**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 2021**

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April 2022

AR/PA/GEUWASA/2020/21

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

GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

1.0. REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30th JUNE 2021

1.1. INTRODUCTION

Geita Urban Water Supply and Sanitation Authority (GEUWASA) was established under The Water Works Ordinance Cap 281 through the Government Notice No. 258 published on 21st June 2002. Subject to Section 3 (1) of The Water Works Regulations, repealed by Water Supply and Sanitation Act No.12 of 2009 which was also repealed by the Water Supply and Sanitation Act No. 5 of 2019 The Minister responsible for water declared GEUWASA as an autonomous body and became a Regional Water Supply and Sanitation Authority classified as a category C Water Authority. GEUWASA started its operations with effect from 1st July 2012.

GEUWASA is charged with the overall responsibility of operations and management of water supply and sanitation services in all areas under the administration of Geita Town Council. The activities of the Authority are carried out under the terms and conditions of the Memorandum of Understanding (MoU) between Geita Urban Water Supply and Sanitation Authority and the Government of the Republic of Tanzania represented by the Ministry of Water.

GEUWASA operates according to Water Supply and Sanitation Act No. 5 of 2019 and its Regulations of 2013, Operation guidelines and the Memorandum of Understanding (MoU) signed between the Authority and the Ministry of Water. The MoU forms the basis for the monitoring and regulation whereas the Operations Guideline has been prepared to guide the Authority on the framework on which to operate. The Authority is also closely regulated by the Energy and Water Utilities Regulatory Authority (EWURA).

Pursuant to the Tanzania Financial Reporting Standard No. 1 and Public Corporations Act, 1992 on Director's Report, the Directors submit their report and the financial statements for the financial year ended 30 June 2021, which disclose the state of affairs of Geita Urban Water Supply and Sanitation Authority (GEUWASA).

1.2. 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 year ended 30 June, 2021 which disclose the state of affairs of Geita Urban Water Supply and Sanitation Authority (GEUWASA).

1.3. 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

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'C' water supply body due to its inability to meet Operational and Maintenance Expenses in full.

1.4. CORPORATE OUTLOOK

1.4.1. VISION

"To be the most effective and efficient water supply and sanitation service provider in Tanzania" that protects public interest and provide exemplary services to its stakeholders using competent and highly motivated workers and aspires to have a community that enjoys better living standards and sustainable live hood.

1.4.2. MISSION

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

1.4.3. CORE VALUES

The following are the core values that GEUWASA undertakes to uphold in pursuing the attainment of the vision aiming at protecting Geita residents through ensuring Professionalism, Result oriented, Obedience, Transparency, Efficiency, Customer focus and Team spirit.

No.	Core Value	Description
1.	Professionalism	The Authority's staff will be performing their duties with respect to professional skills, ethics, standards and guidelines.
2.	Results Oriented	GEUWASA staff will focus on outcome without compromising process used to deliver a service. All endeavors of the GEUWASA will focus on the outcome rather than the action taken to achieve that outcome.
3.	Obedience	GEUWASA staff will comply to the order or request from Authority.
4.	Transparency	The Authority's staff shall operate in an open manner. All their decisions shall be conducted without bias, with respect for the interests of all stakeholders and in a fair and completely transparent manner.
5.	Efficiency	GEUWASA staff will achieve their assigned duties within the desired time frame and deliver results on time.
6.	Customer Focus	The conduct of employees and that of the GEUWASA will be customer oriented. The Authority will have in place the plans to seek for paths to avoid problems and to measure the satisfaction of the customers on services provided by GEUWASA.
7.	Team spirit	Understanding that team spirit is the key to success and plays an important role both in personal and professional life. The Authority's employees will all the time work together as a team for achieving a common goal.

1.5. 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 includes;

- 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.
- 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.

1.6. MANDATES AND RESPONSIBILITIES OF THE AUTHORITY

According to the Water Supply and Sanitation Act No. 5, 2019, Water Supply and Sanitation Authorities (WSSAs) are established;

- ✓ To ensure that customers are continuously supplied with adequate water, which meets Tanzania water quality standards.
- ✓ To provide, at WSSA's expense a basic level of water supply services to the identified economically disadvantaged households.
- ✓ To carry out the functions and responsibilities of WSSA with due diligence and in strict conformity with good governance practices.
- ✓ To ensure that, water production is continuously monitored in terms of quantity and quality.

1.7. PRINCIPAL ACTIVITY

The principal activity of the Authority is to provide water supply service and removal of waste water through sewerage system. The activities of the Authority are carried out under the terms and conditions of the Memorandum of Understanding between Geita Urban Water Supply and Sanitation Authority and the Government of the United Republic of Tanzania through the Ministry of Water.

1.8. FUNCTIONS OF THE AUTHORITY

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

- 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.

1.9. OBJECTIVES OF GEUWASA

The strategies of GEUWASA aimed at achieving the following objectives:

- ✓ Increase quantity and quality of water supply services and infrastructure.
- ✓ Good governance and administrative services enhanced.
- ✓ Improve Water Supply, Sanitation and other related services to Geita community.
- ✓ Increase water potential sources so as cover the scarcity of water.

1.10. 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;

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- 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.

1.11. 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 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 2021, the Authority's Board had 9 members including the Chairman. Below are those members;

S/ N	NAME	REPRESENTI NG	QUALIFICATION	AGE	NATIONALITY	DATE OF APPOINT MENT
1	PATRICIA SAM KAMPAMBE	CHAIRPERSON	DIPLOMA IN EDUCATION	65	TANZANIAN	3/2/2020
2	FRANK JACOB CHANGAWA	SECRETARY	MSc. FINANCE AND INVESTMENT, BSc. ELECTRICAL ENGINEERING	39	TANZANIAN	3/2/2020
3	MODEST JOSEPH APOLINARY	TOWN EXECUTIVE DIRECTOR	BSc. MINING ENGINEERING	49	TANZANIAN	3/2/2020

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4	RITHA F. KILUA	MINISTRY OF WATER	MSc. ENGINEERING	57	TANZANIAN	3/2/2020
5	FELIX E. NLALIO	REGIONAL ADMINISTRATIVE SECRETARIAT	MBA CORPORATE MANAGEMENT, BSc. CIVIL ENGINEERING	55	TANZANIAN	3/2/2020
6	GLADYS NDENEGO JEFTA	WOMEN	MSc. INTERNATIONAL CONSTRUCTION MANAGEMENT AND ENGINEERING, BSc. ENVIRONMENTAL ENGINEERING	42	TANZANIAN	3/2/2020
7	ASHA RAJABU MAGANYA	DOMESTIC WATER CONSUMERS	POSTGRADUATE DIPLOMA IN LAW, BACHELOR OF LAW	37	TANZANIAN	3/2/2020
8	AMOS SAMWEL MAGIGE	LARGE WATER CONSUMERS	POSTGRADUATE DIPLOMA IN BUSINESS MANAGEMENT, BSc. GEOLOGY	36	TANZANIAN	3/2/2020
9	EMMANUEL DAVID MULELA	COMMERCIAL WATER CONSUMERS	DIPLOMA IN RANGE MANAGEMENT	71	TANZANIAN	3/2/2020

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

The Authority's Board functions through three committees namely;

1.12.1. 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:

- To interview applicants for employment who are Board appointees and to provide recommendations to the Board;
- To discuss and recommend disciplinary action to be taken against staff who are Board appointees;
- To review and recommend incentive Scheme and reward package for staff; and
- 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:

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S/N	Name	Nationality	Position
1	Eng. Amos Samwel Magige	Tanzanian	Chairperson
2	Eng. Ritha F. Kilua	Tanzanian	Member
3	Eng. Felix E. Nlilio	Tanzanian	Member
4	Adv. Asha Rajabu Maganya	Tanzanian	Member

1.12.2. THE ACCOUNTING, FINANCE AND PLANNING COMMITTEE

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

- To review and recommend to the Board, GEUWASA Plan and Budget for each year;
- To review and recommend proposals on the amendment of financial Regulations, Accounting Manual and staff rules and regulations;
- To review and recommend requests for reallocation of funds;

Members of Accounting, Finance and Planning Committee who served for the period under review were as follows:

S/N	Name	Nationality	Position
1	Mr. Emanuel David Mulela	Tanzanian	Chairperson
2	Eng. Gladys Ndenego Jefta	Tanzanian	Member
3	Eng. Modest Joseph Apolinary	Tanzanian	Member

1.12.3. THE AUDIT COMMITTEE

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

- To strengthen the internal controls of the Authority in order to reassure stakeholders that the Authority is being managed properly;
- To advise and improve GEUWASA overall governance framework;
- To enforce application of risk management policies and practices by management;
- To review and approve GEUWASA draft Accounts before submission of same to the Controller and Auditor General;
- To review and direct management accordingly on matters raised by external and internal Auditors in their reports; and
- To monitor the internal control process.

Members of Audit Committee who served for the period under review were as follows:

S/N	Name	Nationality	Position
1	CPA. Anthony F. Mero	Tanzanian	Chairperson

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2	Eng. Amos Samuel Magige	Tanzanian	Member
3	Eng. Felix E. Nladio	Tanzanian	Member

Since it is required by Public Finance Laws and Regulations that the Audit Committee should be chaired by a person who possess knowledge and experience on Accounting and Auditing, The Board Co-opted CPA. Anthony F. Mero after he was recommended by the Geita Region Administrative Secretary.

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

The Board conducted four (4) ordinary meetings during the financial year 2020/2021. In addition, there were nine (9) meetings of the Board Committees, whereby Employment and Disciplinary Committee held three (3) Ordinary meetings, the Accounting, Finance and Planning Committee held four (4) meetings while the Audit Committee held two (2) ordinary meetings. During these meetings they discussed the following;

- i. To review the Authority's quarterly performance reports.
- ii. Authorized the 2021/2022 plan and budget.
- iii. Authorized employment of new staffs to fill various vacant positions.
- iv. Reviewing for signing the Performance Contract between the Authority and the Office of Treasury Registrar.
- 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 the 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.
- xii. To review and approve the Authority's internal audit charter.

Below is a summary indicating the number of meetings attended by members of the Board and Committees for the year 2020/2021.

S/N	Board Member's Name	BOARD	Board Meetings.		
			Employment and Disciplinary Committee	Audit Committee	Accounting, Finance and Planning Committee
1	Mrs. Patricia Sam Kampambe	4	N/A	N/A	N/A

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2	Eng. Frank Jacob Changawa	4	N/A	N/A	N/A
3	Eng. Ritha F. Kilua	3	3	N/A	N/A
4	Eng. Felix E. Nlilio	4	3	2	N/A
5	Eng. Modest Joseph Apolinary	2	N/A	N/A	2
6	Eng. Gladys Ndenego Jefta	4	N/A	N/A	4
7	Eng. Amos Samwel Magige	4	3	2	N/A
8	Mr. Emanuel D. Mulela	4	N/A	N/A	4
9	Adv. Asha Rajabu Maganya	4	3	N/A	N/A
10	CPA. Anthony F. Mero	N/A	N/A	2	N/A

1.14. 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.

1.15. 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% by June 2022.
 - ✓ 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.
 - ✓ 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.
- **To Improve Working Environment through;**
 - ✓ 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.

1.16. FINANCIAL PERFORMANCE FOR THE YEAR 2020/2021

During the financial year 2020/2021, Geita Urban Water Supply and Sanitation Authority recorded a deficit of TZS. 904,732,220 from its operations.

1.17. 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.

1.18. 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.

1.19. 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 2021 the Authority's capital balance stood at:

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	2020/2021	2019/2020
Capital Fund	431,270,000	431,270,000
Accumulated Surplus	14,843,332,427	15,645,654,647
TOTAL	15,274,602,427	16,076,924,647

1.20. 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.

1.21. EMPLOYEES' WELFARE

i. Management and Employees' Relationship

Employees and Management have maintained good relationships for the year 2020/2021. 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 dependents' in accordance with staff rules and regulations. The Authority contributes 3% while an employee contributes 3% to NHIF. For the year ended 30 June, 2021 the Authority spent TZS. 7,145,700 to pay for Employees Health Insurance at NHIF in addition to TZS. 2,550,000 that was used to pay for medical expenses that are not covered by the NHIF policy.

iv. Financial Assistance to Staff

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

v. Persons with Disabilities

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. The Authority is an equal opportunity employer and gives persons with disabilities opportunities for those vacancies they are able to fill.

vi. HIV/AIDS and Non Communicable Diseases Awareness Program

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The Authority has put in place a committee that, among other things is responsible for educating staff on HIV/AIDS and Non-Communicable Diseases. The HIV/AIDS awareness program in operation encourages her employees to undergo regular voluntary HIV tests.

1.22. GENDER PARITY

The Authority is an equal opportunity employer. As at 30th June 2021 the Authority had the following distribution of employees by gender:

Gender	30 th June 2021	30 th June 2020
Male	26	30
Female	17	15
Total	43	45

1.23. RELATED PARTY TRANSACTIONS

Transactions with related parties during the year were in the normal course of business. A total of TZS. 43,500,000 was paid to Board Members as Annual Fees in exchange to the services they offer to the Authority. With exception of the Geita Town Council Director whose position was given to another board member (Representative of the Regional Administration) during his suspension (He was suspended during the last two quarters of the financial period), all other members served for the whole financial period. These Fees were paid in the following tone;

POSITION	No. OF HOLDERS	ANNUAL FEE RATE	ANNUAL FEE
Chairperson	1	6,000,000	6,000,000
Other members	7	5,000,000	35,000,000
Town Council Director	1	2,500,000	2,500,000
Total	9		43,500,000

1.24. 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.

1.25. POLITICAL AND CHARITABLE DONATIONS

There were neither charitable nor political donations during 2020/2021.

1.26. 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

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Regulations; Staff Rules and Regulations; Water Supply and Sanitation Act of 2019; National Water Policy of 2002; the CCM 2020 - 2025 Election Manifesto; the Tanzania Development Vision 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.

1.27. EVENTS AFTER THE REPORTING DATE

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

1.28. ACCOUNTING POLICIES

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

1.29. 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).

1.30. 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 as at 30th June 2018, the statement of financial performance for the year ended 30th June 2018, the statement of changes in net assets and cash flows statement for the year ended 30th June 2018 as well as 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 Geita Urban Water Supply and Sanitation Authority (GEUWASA) as established by the Water Supply and Sanitation Act, 2019.

The Board confirms that suitable accounting policies have been used and applied consistently, reasonably and prudent judgments and estimates have been made in the preparation of financial statements for the year ended 30th June 2018. 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. The Board is also responsible for 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 Authority'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

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/ Governing Body/ 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 / Governing Body as under Board Members' Responsibility statement on an earlier page.

I CPA. Fortunatus F. Masele being the Head of Finance of the Authority hereby acknowledge my responsibility of ensuring that Financial Statements for the year ended 30th June, 2021 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 Geita Urban Water Supply and Sanitation Authority 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

GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

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 2021, 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(s) 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 2021, 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 (TZS 10,602,756,816.55) 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.

GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

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

GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

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.
- 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

GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

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 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.

4.2 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 2020/21 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



5.0. FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2021

		2020/2021 TZS	2019/2020 TZS
ASSETS			
Current Assets			
Cash and Cash equivalent	Note 3	570,654,568	61,460,789
Receivables and Prepayments	Note 4	110,339,642	139,977,802
Inventories	Note 5	88,508,573	199,075,863
Total Current Assets		769,502,783	400,514,454
Non-Current Assets			
Property, Plant and Equipment	Note 6	15,308,658,011	15,951,193,437
Work In Progress (WIP)	Note 7	2,338,478,389	409,990,888
Total Non-Current Assets		17,647,136,400	16,361,184,325
TOTAL ASSETS		18,416,639,183	16,761,698,779
LIABILITIES			
Current Liabilities			
Provisional Liabilities	Note 8	20,250,000	23,500,000
Payables	Note 9	137,683,592	237,761,482
Total Current Liabilities		157,933,592	261,261,482
Non-Current Liabilities			
Third-Party Projects	Note 10	2,984,103,164	423,512,650
TOTAL LIABILITIES		3,142,036,756	684,774,132
NET ASSETS/ EQUITY		15,274,602,427	16,076,924,647
Capital fund/grant		431,270,000	431,270,000
Accumulated Surplus/Deficit		14,843,332,427	15,645,654,647
NET ASSETS/ EQUITY		15,274,602,427	16,076,924,647



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 FOR THE YEAR ENDED 30TH JUNE 2021

		2020/2021	2019/2020
Revenue		TZS	TZS
Revenue from Exchange Transactions	Note 11	1,914,462,288	1,823,583,134
Revenue from Non-Exchange Transactions	Note 12	847,069,604	1,437,662,716
Fees, Fines, Penalties and Licenses	Note 13	26,564,510	22,793,100
Other Revenues	Note 14	46,060,000	16,094,420
Total Revenue		2,834,156,402	3,300,133,370
Expenses			
Water Production Expenses	Note 15	784,517,471	862,285,972
Repair and Maintenance	Note 16	271,677,277	221,603,515
Staff Expenses	Note 17	583,321,976	512,359,842
Administrative Expenses	Note 18	423,251,752	360,730,327
Board Expenses	Note 19	83,662,956	54,754,263
Information, Communication and Advertisements	Note 20	74,399,134	85,681,472
Professional Fees	Note 21	35,796,502	26,683,580
Other Expenses	Note 22	79,015,032	59,558,068
Contribution to Consolidated Fund	Note 23	5,000,000	20,000,000
Depreciation	Note 6	1,398,246,522	1,036,691,740
Total Expenses		3,738,888,621	3,240,348,778
Surplus (Deficit)		(904,732,220)	59,784,592



.....
PATRICIA SAM KAMPAMBE

BOARD CHAIRPERSON



.....
Eng. FRANK JACOB CHANGAWA

BOARD SECRETARY

Date: 25/02/2022

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30TH JUNE 2021

	Contributed Capital	Accumulated Surplus	Total Equity
Balance as at 30 June 2020	431,270,000	11,159,042,064	11,590,312,064
Prior Years' Adjustments (Note 39 & 40)	-	4,486,612,583	4,486,612,583
Restated Balance	431,270,000	15,645,654,647	16,076,924,647
Changes For the Year 2020/2021			
Balance as at 01 July 2020	431,270,000	15,645,654,647	16,076,924,647
Recognition of Assets	-	102,410,000	102,410,000
Surplus (Deficit) for the Year	-	(904,732,220)	(904,732,220)
Balance as at 30 June 2021	431,270,000	14,843,332,427	15,274,602,427

Controller and Auditor General

AR/PA/GEUWASA/2020/21

GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2021

		2020/2021	2019/2020
		TZS	TZS
Receipts			
Receipts from Exchange Transactions	Note 24	1,933,694,164	1,833,446,536
Receipts from Non-Exchange transactions	Note 25	2,780,182,200	924,205,326
Fees, Fines, Penalties and Licenses	Note 13	26,564,510	22,793,100
Other Receipts	Note 15	46,060,000	16,094,420
Total Receipts		4,786,500,874	2,796,539,383
Payments			
Water Production Expenses	Note 26	123,464,103	124,071,433
Repair and Maintenance	Note 27	254,369,618	221,603,515
Personnel Expenses	Note 17	583,321,976	512,359,842
Administrative Expenses	Note 28	404,736,628	359,455,280
Board Expenses	Note 29	84,912,956	51,454,263
Information, Communication and Advertisements	Note 30	69,799,010	85,681,472
Professional Fees	Note 31	25,796,502	26,683,580
Other Expenses	Note 32	73,144,214	60,524,354
Contribution to Consolidated Fund	Note 23	5,000,000	10,000,000
Total Payments		1,624,545,007	1,451,833,738
NET CASH FLOW FROM OPERATIONS		3,161,955,867	1,344,705,644
Cash Flow from Investing Activities			
Acquisition of Property, Plant and equipment	Note 33	(591,055,798)	(1,167,165,244)
Work In Progress (WIP)	Note 34	(2,061,706,289)	(409,622,406)
NET CASH FLOW USED IN INVESTING ACTIVITIES		(2,652,762,087)	(1,576,787,650)
NET CHANGE IN CASH AND CASH EQUIVALENTS		509,193,779	(232,082,006)
Opening Cash and Cash Equivalent	Note 35	61,460,789	293,542,795
Closing Cash and Cash Equivalent	Note 3	570,654,568	61,460,789

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2021

PARTICULARS	BUDGET		Actual Amount (Cash Basis)	Variance	Percentage	Reference to Explanation (Note 36)
	Original Budget	Final Budget				
Receipts						
Revenue from Exchange Transactions	2,515,080,000	2,515,080,000	1,933,694,164	-581,385,836	-23%	A
Revenue from Non-Exchange Transactions	2,385,942,329	2,385,942,329	2,763,165,850	-377,223,521	-16%	B
Fees, Fines, Penalties and Licenses	66,000,000	66,000,000	26,564,510	-39,435,490	-60%	C
Other Revenues	36,000,000	36,000,000	46,060,000	10,060,000	28%	D
Total Receipts	5,003,022,329	5,003,022,329	4,769,484,524	233,537,805	5%	
Payments						
Water Production Expenses	931,701,049	931,701,049	123,464,103	-808,236,946	-87%	E
Repair and Maintenance	431,879,000	384,879,000	254,369,618	-130,509,382	-34%	F
Personnel Expenses	965,153,800	965,153,800	583,321,976	-381,831,824	-40%	G
Administrative Expenses	572,430,000	579,430,000	404,736,628	-174,693,372	-30%	H
Board Expenses	69,320,000	109,320,000	84,912,956	-24,407,044	-22%	I
Information, Communication and Advertisements	92,660,000	92,660,000	69,799,010	-22,860,990	-25%	J
Professional Fees and Charges	42,000,000	42,000,000	25,796,502	-16,203,498	-39%	K
Other Expenses	128,060,000	128,060,000	73,144,214	-54,915,786	-43%	L
Contribution to Consolidated Fund	20,000,000	20,000,000	5,000,000	-15,000,000	-75%	M
Total Payments	3,253,203,849	3,253,203,849	1,624,545,007	-1,628,658,842	-50%	
Surplus/Deficit			3,144,939,517	-1,395,121,037		

Controller and Auditor General

AR/PA/GEUWASA/2020/21

GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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.

According to the Public Asset Management Guideline 2019 (Revised Edition), 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 (With exception of Light Motor Vehicles on which their useful lives was reviewed and changed, useful lives of other assets remained the same as was suggested by the Public Assets Management Guideline)

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	10 Years	10%
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.

GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

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 32 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.

GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

Reporting Period

These financial statements cover a period that runs from 1st July 2020 to 30th June 2021.

3. 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;

	2020/2021	2019/2020
1 CASH AT BANK		
CRDB Collection Account	6,876,520	3,553,367
GEUWASA Expenditure A/C	56,073,312	15,219,826
Projects A/C	499,153,229	18,703,738
NMB Collection Account	3,757,006	18,632,185
NBC Collection Account	309,074	5,351,673
AZANIA Collection Account	-	-
BOT Collection Account	4,485,427	-
2 CASH AT HAND	-	-
TOTAL	570,654,568	61,460,789

GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

4. RECEIVABLES AND PREPAYMENTS.

The Authority ended the 2020/2021 Financial Period with some amounts that were not received but all conditions pertaining to their receivable were met. Such amounts include;

		2020/2021	2019/2020
1	WATER SALES		
	Commercial	15,260,298	16,712,400
	Domestic	64,188,853	67,512,014
	Institutions	3,457,233	18,849,995
	Kiosk	1,474,674	2,344,300
	Industries	6,057,740	359,738
2	MOWI- Send Star & CIB	19,036,178	31,744,778
	Fine and Penalties (Illegal Connections)	-	-
3	New Customer Connection		
4	Charges	-	1,676,700
5	Prepaid Insurance	864,666	777,876
	TOTAL	110,339,642	139,977,802

The aging- analysis of receivables is as follows;

S/ N	PARTICULARS	TOTAL	AGING ANALYSIS OF RECEIVABLES					ABOVE 5 YEARS
			UP TO 1 MONTH	1 TO 3 MONTHS	3 TO 12 MONTHS	1 TO 3 YEARS	3 TO 5 YEARS	
1	Water Sales	90,438,798	10,810,198	50,686,414	28,942,186	-	-	-
	Ministry of							
2	Water	19,036,178	-	-	-	19,036,178	-	-
	TOTAL	109,474,976	10,810,198	50,686,414	28,942,186	19,036,178	-	-

5. INVENTORY.

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

	2020/2021	2019/2020
1 Pipes	3,676,400	3,100,000
2 Fittings	50,658,900	51,311,400
3 Stationeries	5,812,714	5,798,070
4 Water Meters	20,150,627	133,823,539
5 Treatment Chemicals	8,209,932	5,042,854
TOTAL	88,508,573	199,075,863

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. This car is recorded in our books at fair value. Other Assets are maintained at cost less accumulated depreciation. The table in the next page shows the Assets that were in the books of the Authority at the yearend.

GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

Description	Land	Buildings	Motor Vehicles		Motor Cycles	Plant and Machinery	Water Infrastructures	Sewerage Infrastructures	Computers	Office Equipments	Furniture and Fittings	Total
			Light Trucks	Heavy Duty Trucks								
Opening Balance 1st July, 2019	237,960,000	970,236,089	40,600,000	502,103,662	17,269,817	4,617,162,904	8,004,619,281	-	26,359,020	23,542,737	49,701,000	14,489,554,510
Additions	-	-	-	-	19,180,000	-	1,021,523,009	-	10,342,950	108,126,285	7,993,000	1,167,165,244
Transfer from (LV WATSA N II)	-	34,898,594	-	-	-	508,940,000	3,304,953,458	896,421,710	-	-	-	4,745,213,762
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30th June, 2020	237,960,000	1,005,134,683	40,600,000	502,103,662	36,449,817	5,126,102,904	12,331,095,748	896,421,710	36,701,970	131,669,022	57,694,000	20,401,933,516
Depreciation for the year (2019/2020)	-	19,404,722	8,120,000	50,210,366	5,207,117	307,810,860	533,641,285.41	59,761,447.34	9,175,493	26,333,804.35	5,769,400	1,025,434,495
Accumulated Depreciation as at 30th June 2020	-	69,474,043	16,240,000	343,104,169	16,146,250	1,442,287,934	2,433,287,106	59,761,447	20,484,831	35,547,899	14,406,400	4,450,740,080
Net Book Value as at 30th June, 2020	237,960,000	935,660,640	24,360,000	158,999,493	20,303,567	3,683,814,970	9,897,808,642	836,660,263	16,217,139	96,121,123	43,287,600	15,951,193,437

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Opening Balance 1st July, 2020	237,960,000	1,005,134,683	40,600,000	502,103,662	36,449,817	5,126,102,904	12,331,095,748	896,421,710	36,701,970	131,669,022	57,694,000	20,401,933,516
Additions	78,410,000	77,601,360	24,000,000	-	2,580,000	-	537,869,536	-	11,207,000	19,683,200	4,360,000	755,711,096
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30th June, 2021	316,370,000	1,082,736,043	64,600,000	502,103,662	39,029,817	5,126,102,904	12,868,965,284	896,421,710	47,908,970	151,352,222	62,054,000	21,157,644,612
Depreciation for the year (2020/2021)	-	21,654,721	12,920,000	50,210,366	5,575,688	341,740,194	857,931,019	59,761,447	11,977,243	30,270,444	6,205,400	1,398,246,522
Accumulated Depreciation as at 30th June, 2021	-	91,128,764	29,160,000	393,314,535	21,721,938	1,784,028,128	3,291,218,125	119,522,895	32,462,073	65,818,343	20,611,800	5,848,986,601
Net Book Value as at 30th June, 2021	316,370,000	991,607,279	35,440,000	108,789,127	17,307,879	3,342,074,776	9,577,747,159	776,898,815	15,446,897	85,533,878	41,442,200	15,308,658,011

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7. WORK IN PROGRESS (WIP).

Work in progress refers to projects that remained unfinished by the time we were closing our books of Accounts, Part of this WIP represent the projects that the Authority has been entrusted to undertake by the Ministry of Water in Areas that are not part of our operational boundaries. These items are transferred to their respective Asset groups once they are completed in full. By the end of 2020/2021 Financial Period, the Authority had the following under this category;

PARTICULARS	2020/2021	2019/2020
OFFICE BUILDING	-	62,245,298
THIRD-PARTY PROJECTS	2,338,478,389	347,745,590
TOTAL	2,338,478,389	409,990,888

8. PROVISIONAL LIABILITIES.

The Authority estimated the following amounts as liabilities simply because it is certain that they will be settled after year end and they meet cut-off criteria. The basis of estimation was prior year's expenses of the same.

S/N	PARTICULARS	2020/2021	2019/2020
1	BOARD MEMBERS ANNUAL FEES	10,250,000	11,500,000
2	AUDIT FEES	10,000,000	12,000,000
	TOTAL	20,250,000	23,500,000

9. PAYABLES.

The Authority ended the 2020/2021 financial period with some commitments that it needs to settle in the near future, these amounts include;

		2020/2021	2019/2020
1	TANESCO	4,621,532	8,472,032
2	EWURA LEVY	1,479,458	1,343,974
3	OSHA	1,300,000	-
4	TEMESA	10,429,312	10,429,312
5	TTCL	864,526	-
6	WMA	5,300,000	-

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7	LAKE VICTORIA WATER BOARD	714,316	-
8	E-GOVERNMENT AUTHORITY	-	2,806,728
9	CIB UNITED - NEW CUSTOMER CONNECTIONS	-	12,708,600
10	SEND STAR- OFFICE BUILDING	19,036,178	19,036,178
11	SUPPLIES AND CONSUMABLES	93,938,270	173,872,796
12	BOARD MEMBER'S ANNUAL FEES		
13	CONTRIBUTION TO CONSOLIDATED FUND		
14	TRA	-	9,091,861
	TOTAL	137,683,592	237,761,482

10. THIRD-PARTY PROJECTS

GEUWASA was entrusted by the Ministry of Water to use Force Account to implement some projects that failed to be completed by Contractors on agreed time. All risks and rewards of these projects are currently borne by the Authority until it is decided otherwise, due to this fact they are considered as part of our financial position until when they will be transferred to third parties. The following are the said projects;

	PARTICULARS	2020/2021	2019/2020
1	Nyamtukuza Project	1,166,627,005	423,512,650
2	Katoro- Buseresere Project	1,817,476,159	-
	TOTAL	2,984,103,164	423,512,650

11. REVENUE FROM EXCHANGE TRANSACTIONS

The Authority ended the financial period earning the following revenue from its operations;

	2020/2021	2019/2020
1	Water Sales	1,607,841,160
2	New Connection	244,631,127
3	Sanitation	61,990,001
	TOTAL	1,914,462,288
		1,823,583,134

GEITA URBAN WATER SUPPLY AND SANITATION AUTHORITY

12. REVENUE FROM NON-EXCHANGE TRANSACTIONS.

The following were revenue from non-exchange transactions for the period;

	2020/2021	2019/2020
1 Receipts from Other Government Entities	189,866,736	700,692,676
2 Transfer of Assets (LV WATSAN II)	-	-
3 Water Treatment Chemicals (In-kind Revenue)	269,397,666	412,251,440
4 Electricity for Water Production (In-kind Revenue)	387,805,201	324,718,600
TOTAL	847,069,604	1,437,662,716

In addition to receiving funds from the Government, Geita Gold Mining Limited (GGML) supports The Authority in paying water production expenses at Nyankanga dam, these monies are recognized as in-kind revenue in one side and form part of water production expenses on the other. During the period under review, it was recognized as follows;

	2020/2021	2019/2020
1 Water Treatment Chemicals (In-kind Revenue)	269,397,666	412,251,440
2 Electricity for Water Production (In-kind Revenue)	387,805,201	324,718,600
4 Fines and Penalties		
TOTAL	657,202,868	736,970,040

13. FEES, FINES, PENALTIES AND LICENCES.

	AMOUNT IN TZS	
PARTICULARS	2020/2021	2019/2020
Reconnection Fee	6,394,510	6,423,000
Fines and Penalties	20,170,000	16,370,100
TOTAL	26,564,510	22,793,100

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14. OTHER REVENUE

These revenues are monies earned by the Authority upon execution of other projects other ^{than} its core functions. During the period, the following monies were earned;

	2020/2021	2019/2020
Other Own Source Revenue	46,060,000	16,094,420
TOTAL	46,060,000	16,094,420

15. WATER PRODUCTION EXPENSES

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

	2020/2021	2019/2020
Plant Electricity	476,604,701	481,840,487
Treatment Chemicals	295,263,702	361,802,180
Quality Analysis	12,649,068	18,643,305
TOTAL	784,517,471	862,285,972

16. REPAIR AND MAINTANANCE EXPENSES

	2020/2021	2019/2020
1 Buildings	4,799,927	-
2 Transport equipment	68,834,776	75,293,097
3 Machinery, Equipment and plant	4,192,000	-
4 Office Equipment and appliances	936,000	377,300
5 Other routine maintenance expense not elsewhere classified	1,792,700	-
6 Water and electrical installation	191,121,874	145,933,118
TOTAL	271,677,277	221,603,515

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17. 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;

	2020/2021	2019/2020
1 Salaries	212,337,235	218,158,062
2 Casual Laborers	127,030,921	125,343,200
3 Leave Passage	14,926,000	10,471,000
4 Extra Duty Allowance	63,490,000	26,200,000
5 Acting Allowance	-	-
6 Subsistence Allowance	2,560,000	11,950,000
7 Utility Allowance	20,700,000	16,425,000
8 Health Expenses	2,550,000	459,200
9 Housing Allowance	45,000,000	26,000,000
10 Communication Allowance	18,600,000	15,180,000
11 Public Sector Social Security Fund (PSSSF)	45,838,800	35,558,800
12 Transport Allowance	14,850,000	15,076,000
13 National Health Insurance Fund (NHIF)	14,291,400	10,686,840
14 Workers Compensation Fund (WCF)	1,147,620	851,740
TOTAL	583,321,976	512,359,842

18. ADMINISTRATIVE EXPENSES

	2020/2021	2019/2020
1 Office consumables	30,530,341	44,798,800
2 Newspapers, magazines and periodicals	3,040,200	1,490,700
3 Security Charges	13,841,560	19,258,000
4 Cleaning Equipment	1,370,500	17,280,060
5 Office Electricity	3,050,000	5,729,622
6 Water Charges	2,867,875	2,286,340

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7	Land Rent	2,688,831	4,068,850
8	Annual Meetings	1,970,000	20,475,958
9	Sports	4,399,000	468,000
10	Rewards Against Vandalism	2,000,000	60,000
11	Water Services to pro-poor	174,987	23,871
12	Office Tea	834,856	4,500,000
13	Protective Gears	2,790,190	1,742,000
14	Fighting against Corruption	2,820,000	-
15	Fighting against HIV/AIDS	2,550,000	-
16	Procurement Expenses	3,000,000	7,037,000
17	Workers Council	2,650,000	3,400,000
18	Computer supplies and accessories	-	-
19	Computer software	1,880,000	-
20	Software license and fees	341,000	-
21	Diesel	73,094,387	75,361,479
22	Petrol	23,445,592	-
23	Lubricants	2,242,840	-
24	Staff Uniforms	2,832,000	10,700,000
25	Rent of Vehicles and crafts	6,422,500	-
26	Training Expenses	12,415,000	25,664,885
27	Travelling Expenses	148,147,204	48,301,202
28	Entertainment (Hospitality)	6,134,500	-
29	Exhibitions and Festivals	39,421,700	14,778,800
30	Accommodation (Hospitality)	13,447,500	19,218,760
31	Food and Refreshments	12,849,190	34,086,000
TOTAL		423,251,752	360,730,327

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19. BOARD EXPENSES

		2020/2021	2019/2020
1	Annual Fees	42,687,500	40,712,500
2	Other Board Expenses	40,975,456	14,041,763
	TOTAL	83,662,956	54,754,263

20. INFORMATION, COMMUNICATION AND ADVERTISEMENTS

		2020/2021	2019/2020
1	Internet, Email and Communication	20,962,806	57,640,932
2	Telephone charges- Landline	23,246,559	-
3	Mobile phones- charges	20,350,269	-
4	Postal Charges	725,500	1,107,100
5	Promotion and Advertisement	9,114,000	26,933,440
	TOTAL	74,399,134	85,681,472

21. PROFESSIONAL FEES AND CHARGES

		2020/2021	2019/2020
1	Audit Fee	10,000,000	12,000,000
2	Consultancy Fees	6,262,000	4,738,000
3	Other Audit Expenses	16,340,000	6,520,000
4	Bank Charges	3,194,502	3,425,580
	TOTAL	35,796,502	26,683,580

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22. OTHER EXPENSES

	2020/2021	2019/2020
1 Unforeseen Events (COVID- 19)	5,551,200	11,224,500
2 Weights and measures Instruments	9,600,000	-
3 Insurance Charges	10,289,198	8,556,632
4 Burial Expenses	433,000	1,950,000
5 Preparation of Budget, Annual Reports and Financial Statements	9,520,000	11,140,000
6 Employment Expenses	1,902,000	12,178,000
7 Negotiated compensation	17,982,348	-
8 Other Fees and Charges (EWURA, ATAWAS)	23,737,286	14,508,936
TOTAL	79,015,032	59,558,068

23. CONTRIBUTION TO CONSOLIDATED FUND

In support of the Late President John Pombe Magufuli's advice to all Government entities to give back some money to support the Central Government in financing development projects that are being executed using local funds, The Authority paid to the Treasury the following amounts.

	2020/2021	2019/2020
Contribution to Consolidated Fund	5,000,000	20,000,000
TOTAL	5,000,000	20,000,000

24. RECEIPTS FROM EXCHANGE TRANSACTIONS

	2020/2021	2019/2020
Water Sales	1,655,122,237	1,494,940,876
New Connection	236,346,827	274,023,460
Sanitation	42,225,100	64,482,200
TOTAL	1,933,694,164	1,833,446,536

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

	2020/2021	2019/2020
Amount Reported in the Statement of Performance	847,069,604	1,437,662,716
Add: Receipts for Third-party projects	2,560,590,514	223,512,650
Add: Prior Years Receivables Paid	29,724,950	-
Less: In- Kind Revenue	657,202,868	736,970,040
Amount paid during the year	2,780,182,200	924,205,326

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

	2020/2021	2019/2020
Amount Reported in the Statement of Performance	784,517,471	862,285,972
Less: Prior Year's electricity paid during the period	(3,850,500)	(1,244,500)
Less: In- Kind Revenue	(657,202,868)	(736,970,040)
Amount as Per Cash Flow Statement	123,464,103	124,071,433

27. RECONCILIATION STATEMENT BETWEEN REPAIR AND MAINTANENCE EXPENSES IN THE STATEMENT OF PERFORMANCE AND THE AMOUNT REPORTED IN THE CASH FLOW STATEMENT

	2020/2021	2019/2020
Amount Reported in the Statement of Performance	271,677,277	221,603,515
Less: Payables for the period	17,307,659	-
Amount as Per Cash Flow Statement	254,369,618	221,603,515

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

	2020/2021	2019/2020
Amount Reported in the Statement of Performance	423,251,752	358,677,405
Add: Prior Year's Prepayment	864,666	777,876
Less: Payables for the period	19,379,790	-
Amount as Per Cash Flow Statement	404,736,628	359,455,280

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

	2020/2021	2019/2020
Actual Board Expense incurred during the period	83,662,956	54,754,263
Add: Prior year's payables	11,500,000	8,200,000
Total Amount Payable	95,162,956	62,954,263
Amount payable as at 30 June 2021	10,250,000	11,500,000
Amount of Board Expenses paid during the period	84,912,956	51,454,263

30. RECONCILIATION STATEMENT BETWEEN THE REPORTED AMOUNT OF INFORMATION, COMMUNICATION AND ADVERTISEMENT IN THE STATEMENT OF PERFORMANCE AND THE AMOUNT REPORTED IN THE CASH FLOW STATEMENT

	2020/2021	2019/2020
Amount Reported in the Statement of Performance	74,399,134	85,681,472
Add: Prior Year's Prepayment	-	-
Less: Payables for the period	4,600,124	-
Amount as Per Cash Flow Statement	69,799,010	85,681,472

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31. RECONCILIATION STATEMENT BETWEEN THE AMOUNT OF PROFESSIONAL FEES REPORTED IN THE STATEMENT OF PERFORMANCE AND THE AMOUNT REPORTED IN THE CASH FLOW STATEMENT

	2020/2021	2019/2020
Expenses reported in the Statement of Performance	35,796,502	26,683,580
Add: Prior Year's fees paid	-	12,000,000
Professional Fees Payable for the Period	35,796,502	38,683,580
Less : Unpaid Professional Fees for the period	10,000,000	12,000,000
Professional Fees paid during the period	25,796,502	26,683,580

32. RECONCILIATION STATEMENT BETWEEN THE AMOUNT OF OTHER EXPENSES REPORTED IN THE STATEMENT OF PERFORMANCE AND THAT REPORTED IN CASH FLOW STATEMENT

	2020/2021	2019/2020
Other Expenses as per Statement of Financial Performance	79,015,032	59,558,068
Add: Prior Year's payables	1,343,974	1,532,384
Total Amount Payable	80,359,006	61,090,453
Less: Amount payable as at 30 June 2020	8,079,458	1,343,974
Add: Prepayments made During the Period	864,666	777,876
Other Expenses paid for During the Year	73,144,214	60,524,354

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

Additions on Property, Plant and Equipment		755,711,096
Less: Non- Cash Items		
Recognition of Non-Cash items	102,410,000	
Transfer from WIP	62,245,298	164,655,298
		591,055,798

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34. CASH PAID ON ACQUISITION OF WIP

Additions on Work-In Progress	1,928,487,501
Add: Amount paid for WIP reported in prior years	133,218,788
Work- In Progress paid for during the year	2,061,706,289

35. OPENING CASH AND CASH EQUIVALENTS

	2020/2021	2019/2020
1 CASH AT BANK		
CRDB Collection Account	3,553,367	23,872,881
GEUWASA Expenditure A/C	15,219,826	162,449,563
Projects A/C	18,703,738	31,939,886
NMB Collection Account	18,632,185	75,280,464
NBC Collection Account	5,351,673	-
2 CASH AT HAND	-	-
3 SHORT-TERM DEPOSITS	-	-
4 UNDEPOSITED CHEQUES	-	-
TOTAL	61,460,789	293,542,795

36. 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;

- A. We managed to collect less revenue from exchange transactions compared to what we planned because of the Authority's failure to produce and sell the targeted quantity of water during the period.
- B. We collected less revenue from non-exchange transactions since the Government failed to supply us full of the approved funds. In addition to that Geita Gold Mining Limited paid for less services (electricity and water treatment chemicals) than budgeted due to inability of Nyankanga water treatment plant to produce the targeted quantity of water.
- C. We collected less fees, fines and penalties due to conduction of many customer engagement programs aimed at educating people on electronic payment gateway, the system enables customers to pay for their bills much easier than it used to be.

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- D. We collected more of other revenue because of increased trust built in the Authority by other Institutions. This enables us to get orders to construct water storage systems in many Government Institutions.
- E. We spent less in water production expenses due to the Authority failure to produce the targeted quantity of water during the period.
- F. We spent less in repair and maintenance costs due to absence of major repair(s) in main pipelines as well as in motor vehicles.
- G. We spent less on staff expenses due to the Authority's failure to apply its proposed scheme of service and salary structures.
- H. We spent less on administrative expenses due to delay of issuance of Government Notice on expansion of our area of service.
- I. We spent less on Board Expenses due to late filling of one position in the Authority's Board setup.
- J. We spent less on Information, Communication and Advertisement due to increased awareness of our customers on the use of digital platforms as means of obtaining information from the Authority.
- K. 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.
- L. We spent less on other expenses due to the Authority's failure to produce the targeted units of water.
- M. We contributed less on the consolidation fund as a result of the Authority's failure to meet its planned cash flows.

37. CURRENCY

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

38. EVENTS AFTER REPORTING DATE

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

39. NON-CASH ITEMS RECOGNIZED DURING THE PERIOD.

	DEBIT	CREDIT
LAND	78,410,000	
LIGHT TRUCKS	24,000,000	
ACCUMULATED SURPLUS		102,410,000
Being recognition of newly valued items of Property, Plant and Equipments		

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40. SCHEDULE OF ADJUSTMENTS

The following adjustments were done during the period;

PARTICULARS	DEBIT	CREDIT
PAYABLES (PROVISIONAL LIABILITIES)	12,000,000	
ACCUMULATED SURPLUS		12,000,000
Being recognition of Audit Fess that was not included in prior year payables		
BUILDINGS	34,898,594	
PLANT AND MACHINERY	508,940,000	
WATER INFRASTRUCTURES	3,304,953,458	
SEWERAGE INFRASTRUCTURES	896,421,710	
ACCUMULATED SURPLUS (TRANSFER FROM LV WATSAN- II PROJECT)		4,745,213,762
Being recognition of Asset items omitted in the prior Year at their cost values		
ACCUMULATED SURPLUS	11,257,246	
2019/2020 ANNUAL DEPRECIATION		11,257,246
Being correction of error on computation of prior year depreciation		
ACCUMULATED SURPLUS	267,343,933	
RECOGNIZED ASSET TRANSFERRED FROM LV-WATSAN II		267,343,933
Being Depreciation charge for 2019/2020 for recognized Assets		
PAYABLES (CONTRIBUTION TO THE CONSOLIDATED FUND)	20,000,000	
ACCUMULATED SURPLUS		20,000,000
Being correction of an error on wrongly recognized contribution to the consolidated fund		
ACCUMULATED SURPLUS	10,429,312	
PAYABLES		10,429,312