



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



**TANZANIA AIRPORT AUTHORITY (TAA)**

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

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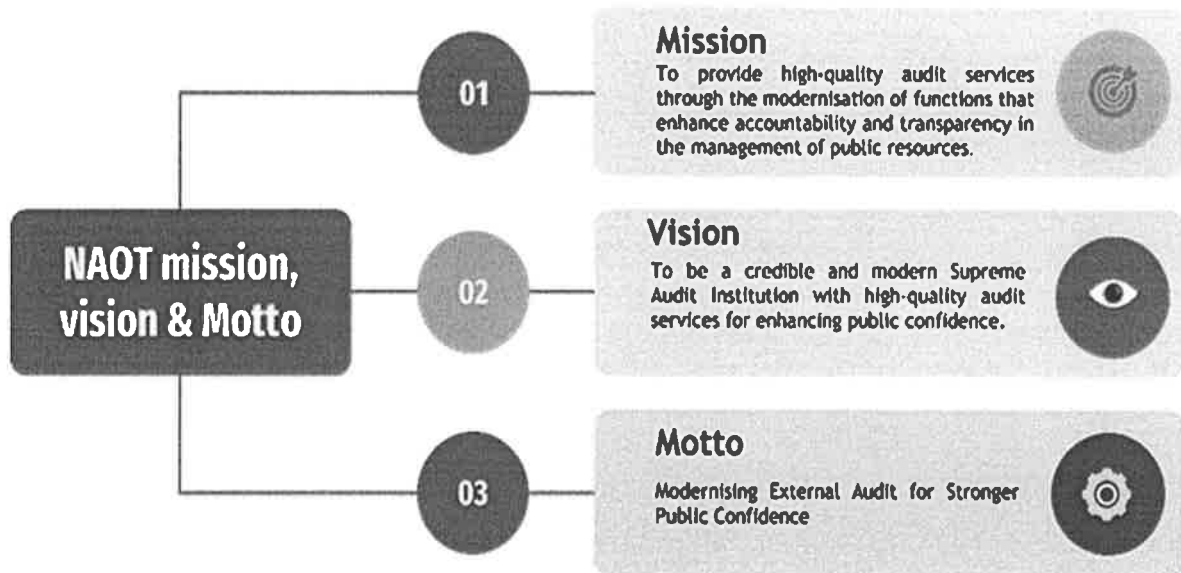
March 2024

AR/CG/TAA/2022/23

## About the National Audit Office

### Mandate

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



#### Independence and objectivity

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

#### Teamwork Spirit

We value and work together with Internal and external stakeholders.

#### Results-Oriented

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



#### Professional competence

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

#### Integrity

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

#### Creativity and Innovation

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

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

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## Abbreviations

ATM	Automatic Teller Machine
CCU	Chief Compliance Unit
CFO	Chief Fire Officer
CIA	Chief Internal Auditor
DETS	Director Engineering & Technical Services
DFB	Director Finance & Business
DG	Director General
DHRA	Director Human Resources & Administration
DNIA	Director Julius Nyerere International Airport
DRA	Director Regional Airports
HEU	Head of Environmental Unit
HPMU	Head of Procurement Management Unit
IATA	International Air Transport Association
ICAO	International Civil Aviation Organization
JNIA	Julius Nyerere International Airport
KADCO	Kilimanjaro Airports Development Company
LS	Legal Secretary
MAB	Ministerial Advisory Board
NBAA	National Board of Accountants and Auditors
PPE	Property, Plant and Equipment
PSC	Passenger Service Charge
RESA	Runway Ending Safety
RFFS	Rescue and Fire Fighting Services
TAA	Tanzania Airports Authority
TANROADS	Tanzania National Roads Agency
TB	Terminal Building
TCAA	Tanzania Civil Aviation Authority
TMA	Tanzania Meteorological Agency
TRA	Tanzania Revenue Authority
KOICA	Korea International Cooperation Agency
AMPAP	Airport Management Professional Accreditation Program
ACI	Airport Council International
WHO	World Health Organization
VIP	Very Important Person
CIP	Commercial Important Person
TCWG	Those Charged with Governance
TFRS	Tanzania Financial Reporting Standard
IPSAS	International Public Sector Accounting Standard
AMIS	Airports Management Information System
EO	E- Office
CPMS	Car Parking Management System
BHS	Baggage Handling Systems
CCTV	Closed Circuit Television Camera

<b>VGDS</b>	Visual Docking System
<b>GMS</b>	Government Mailing System
<b>PA</b>	Public Address Systems
<b>AGL</b>	Aeronautical Ground Light
<b>GePG</b>	Government electronic Payment Gateway
<b>BoT</b>	Bank of Tanzania
<b>CAG</b>	Controller and Auditor General
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>ISSAIs</b>	International Standard of Supreme Audit Institutions
<b>LAAC</b>	Local Authorities Accounts Committee
<b>PAA</b>	Public Audit Act
<b>PAC</b>	Public Accounts Committee
<b>PAR</b>	Public Audit Regulation
<b>PFA</b>	Public Finance Regulations
<b>PPA</b>	Public Procurement Act
<b>PPR</b>	Public Procurement Regulations

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

Director General,  
Tanzania Airports Authority,  
P.O. Box 18000,  
DAR ES SALAAM.

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

#### **Unqualified Opinion**

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

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

#### **Basis for Opinion**

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of the Tanzania Airports Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I have determined that there are no key audit matters to communicate in my report.

### **Other Information**

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

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

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

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

### **Responsibilities of management and those charged with governance for the Financial Statements**

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

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

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

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

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

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

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

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

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

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



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

Further, Section 48(3) of the Public Procurement Act, Cap. 410 [ R.E 2022] requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.

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

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

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

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

#### **Conclusion**

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

#### **(i) Unimplemented procurement - TZS 8,645,891,170**

Reg. 69(3) and 69(7) of the Public Procurement Regulations, 2013, requires a procuring entity to forecast its requirements for goods, services and works as accurately as possible, and must draw up procurement plans for those requirements for which sufficient funds have been included in the approved budget.

To the contrary, my review of procurement management for the year 2022/23 revealed that, Tanzania Airports Authority (TAA) planned to procure goods, works, consultancy and non-consultancy services worth TZS 40,758,720,715. However, as at 30 June 2023, TAA had only made procurements of TZS 32,112,829,545, leaving unimplemented procurements worth TZS 8,645,891,170.

#### **(ii) Non-submission of report on single source procurement to PPRA - TZS 8,957,347,972**

Contrary to the requirement of Reg. 87(3)(a) of the Public Procurement Regulations, 2013, TAA made single source procurements without submission of detailed report of the procurement process to PPRA.

### 1.2.2 Compliance with the Budget Act and other Budget Guidelines

#### **Subject matter: Budget formulation and execution**

I performed a compliance audit on budget formulation and execution in the Tanzania Airports Authority for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

#### **Conclusion**

Based on the audit work performed, I state that Budget formulation and execution of Tanzania Airports Authority is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.



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



March 2024

## **2.0 FINANCIAL STATEMENTS**

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

#### **2.1 INTRODUCTION**

Those Charged with Governance (TCWG) present these financial statements for the year ended 30 June 2023, which provides the results of TAA operations and its state of affairs. The report was prepared in compliance with Tanzania Financial Reporting Standard 1 (TFRS 1) - Report by those charged with governance issued by National Board of Accountancy and Auditors (NBAA) which became effective on 1st January 2021.

The report is addressed to primary users and other stakeholders by setting out analysis of the Authority operations and financial review, with a forward-looking orientation.

The report will assist primary users and other stakeholders in assessing the strategies adopted by the Authority and the potential for those strategies to succeed toward creating value over the short-term, medium-term and long-term periods.

#### **2.2 MISSION, VISION, OUR MOTTO AND CORE VALUES**

##### **Vision Statement**

To become a world class Airport Operator in the provision of airport facilities and services.

##### **Mission Statement**

To provide high quality airport facilities and services in the most cost-effective manner.

##### **Our Motto**

'Connecting Tanzania to the world'

##### **Core Values**

To enable the fulfilment of the Vision and Mission of the Authority, the following Core Values have been adopted and form the basis of the operations.

### **Customer Focus**

Our customers are the focus of our business and we have aligned our Strategic Objectives in anticipation of their expectations and we shall strive to meet these expectations with courtesy, willingness, efficiency and professionalism.

#### **a) Employees Development**

Our employees are our number one asset. We are committed to their growth, development and shall endeavor to support them with the necessary skills, training and confidence which they need to reach their highest potentials;

#### **b) Transformational Leadership**

Our leaders endeavor to develop a genuine trust between themselves, staff and stakeholders and will maintain this with continuous commitment with confidence, and courage towards achieving the Authority's vision.

#### **c) Safety and Security**

The foundation of all our operations is based on safety and maintaining a zero tolerance on security breaches. We shall endeavor to provide a conducive environment for our employees and customers who ensure safety against harm and loss.

#### **d) Integrity**

We are committed in our undertakings by conducting ourselves in the highest ethical manner in all relationships by being trustworthy and honest.

#### **e) Team work**

We endeavor in the highest degree to cooperate, work and communicate with our employees and partners and or stakeholders for achieving a common goal.

### **2.3 NATURE OF THE OPERATION**

#### ***Principal Activities***

The principal activities of the TAA are to operate, manage, maintain and develop 58 Government owned airports in Tanzania mainland in a professional and cost- effective manner.

The roles given to TAA according to its establishment order: -

- i) To operate, manage, maintain and develop Airports in Tanzania mainland in a professional and cost-effective manner

- ii) To provide comfortable, efficient and secure services and facilities for the movement of passengers and cargo in its airports thereby giving a positive image of the country to the outside world.
- iii) To give technical advice to the Government on the development of airports.
- iv) To ensure that the Government's Airport policies, regulations, procedures and international standards are implemented accordingly.
- v) To advise the Government on national and international aspects of Airports management.
- vi) To support national economic development by providing the necessary airports infrastructure, facilities, and services

**a) The legislative and regulatory environment in which the organization operates**

The Tanzania Airports Authority (TAA) was established on 29th November 1999 vide Government Notice Number 404 of 1999 under the Executive Agency Act No. 30 of 1997. The Authority was established to assume the functions of the former Directorate of Aerodromes under the Ministry of Communications and Transport, now renamed the Ministry of Works and Transport.

TAA was established following Government efforts to change the public service structure with intent to improve service delivery to stakeholders. TAA has ever since adopted a commercial management style with a view to become financially self-sufficient in the provision of airport services.

Since its establishment, the Authority has enjoyed a semi-autonomous status to operate commercially by formulating its own strategies in line with National

**Development Plans and Strategies.**

The Permanent Secretary, Ministry of Works and Transport- (Transport Sector) on behalf of Ministerial Advisory Board (MAB) is pleased to submit the Financial Statements Report for the year ended 30th June, 2023, prepared in accordance with The Public Finance Act 2001 (Revised Edition, 2004), The Executive Agencies Act 1997 Chapter 245, International Public Sector Accounting Standards (IPSAS), Accounting Circulars No. 3 of 2022/23 On Preparation of Financial Reports and Closure of the Financial Year 2022/23 and Tanzania Financial Reporting Standard No. 1 on Directors' Report issued by the National Board of Accountants and Auditors Tanzania (NBAA).

**b) The industry in which the entity operates**

The Tanzania Airports Authority (TAA) operates within the aviation and airport management industry in Tanzania. As a statutory body established by the government, TAA is responsible for the provision, development, and management of airports and related facilities across the country. The authority plays a critical role in ensuring safe, efficient, and reliable air transportation services for both domestic and international flights. TAA oversees a network of airports, including major international airports, regional airports, and smaller airstrips, catering to various airlines and aviation operators. Their core functions encompass airport infrastructure development, air traffic movement, passenger facilitation, cargo handling, aviation security, and airport maintenance. By promoting a robust aviation sector, TAA contributes to the growth of tourism, trade, and overall economic development in Tanzania, fostering connectivity and accessibility for travelers and businesses alike.

**c) Main products, services, customers, business processes and distribution methods**

The Tanzania Airports Authority (TAA) provides a range of products and services related to Airports management and aviation. Some of their main offerings include:

- (i) **Airport Infrastructure:** TAA is responsible for the development, maintenance, and upgrading of airport infrastructure, such as runways, taxiways, aprons, terminals, cargo facilities, and parking areas.
- (ii) **Passenger Services:** TAA focuses on passenger facilitation, providing services such as check-in counters, baggage handling, and passenger information.
- (iii) **Cargo Handling:** TAA offers cargo handling and logistics services to facilitate the movement of goods through airports, supporting trade and commerce.
- (iv) **Aviation Security:** TAA plays a crucial role in ensuring aviation security, implementing measures to protect airports and aircraft from potential threats.

**d) Customers:**

The primary customers of the Tanzania Airports Authority include:

- (i) **Airlines:** Both domestic and international airlines are key customers of TAA, as they utilize airport facilities for landing, take-off, and passenger handling.
- (ii) **Passengers:** TAA serves passengers traveling through Tanzania mainland

airports, providing a safe, convenient, and comfortable travel experience.

- (iii) **Cargo Operators:** Companies engaged in cargo transportation rely on TAA's services for handling and logistics support.
- (iv) **General Aviation:** Private and charter operators use infrastructure build by TAA.
- (v) **Retail business owners:** TAA accommodates a number of businesses in its terminals that includes: Duty free shops, restaurants, bureau de change, banks, VIP and CIP services.
- (vi) **Fuel Companies:** Within Airports operated by TAA fuel companies provide fuel services to Airlines and other Aircraft operators.

**e) Business Processes:**

TAA's business processes encompass a wide range of activities related to airport management, administration, and development. The key business processes include:

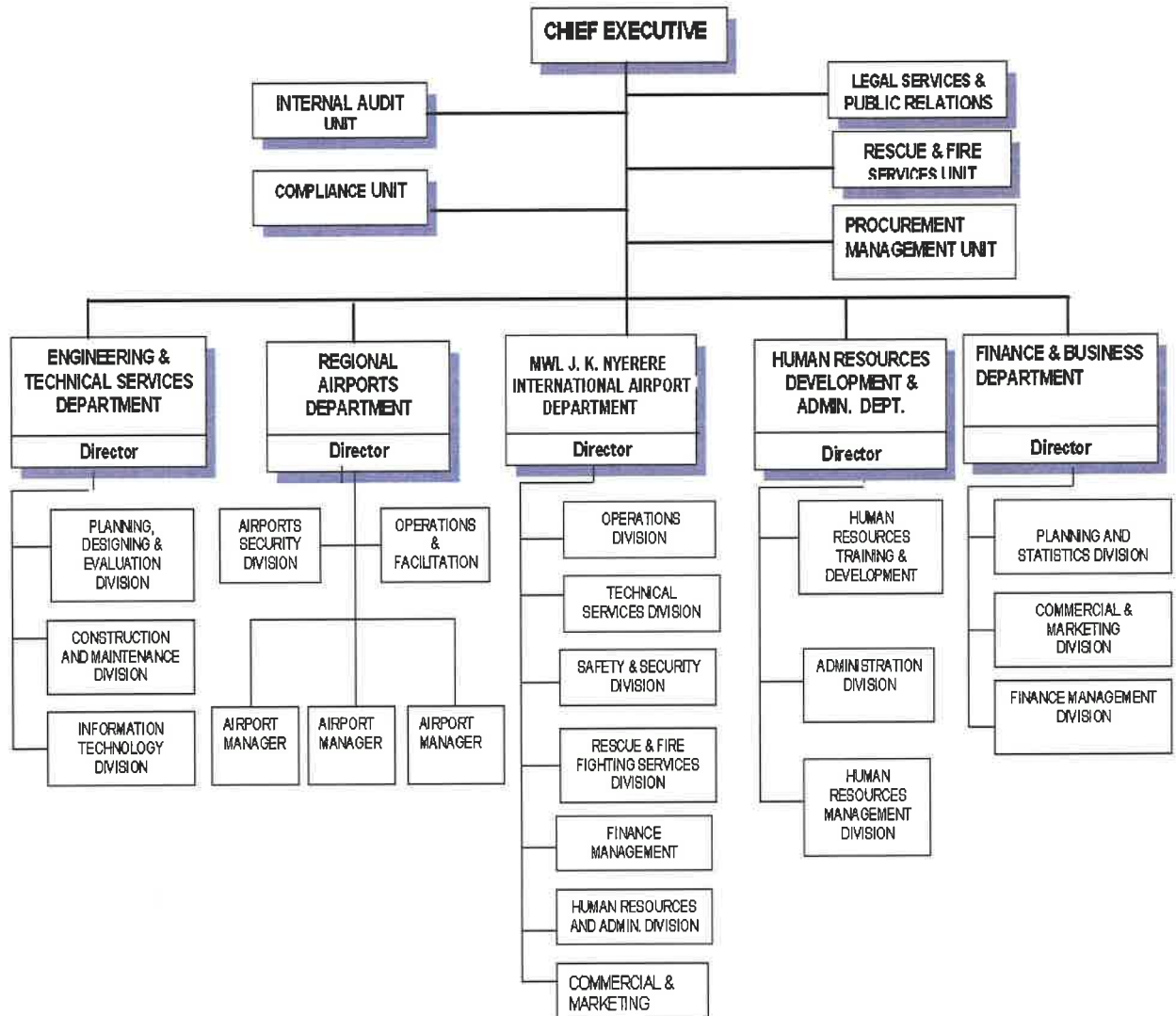
- (i) **Airport Planning and Development:** Identifying infrastructure needs, formulating expansion plans, and executing airport development projects.
- (ii) **Passenger and Cargo Handling:** Facilitating passenger check-in, baggage handling, security checks, and cargo logistics.
- (iii) **Aviation Security:** Implementing security protocols, conducting screening, and ensuring compliance with aviation security regulations.
- (iv) **Maintenance and Operations:** Regular maintenance and upkeep of airport facilities and equipment to ensure safety and operational efficiency.

**f) Distribution Methods:**

As a government-owned authority, the distribution of TAA's services is managed directly through the airports under its jurisdiction. Airlines and cargo operators access TAA's services through direct agreements and operational arrangements with the authority. Additionally, passengers and cargo owners' access TAA's services and facilities at the respective airports during their travel or cargo handling processes. TAA collaborates with relevant government agencies, international organizations, and stakeholders in the aviation industry to ensure effective distribution and implementation of its services and initiatives.

- g) Structure of the entity's operation, and its economic model, including an overview of the main operating facilities and their location.

### ORGANIZATION STRUCTURE





## **REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)**

### **h) Effectiveness and efficient utilization of resources (For public sector entities)**

In terms of resources, the Authority has tangibles and intangibles, which include intellectual resources, human resources, social and relationship resources and financial resources. These are explained below:

#### **i. Intellectual Resources**

The Authority intellectual resources include ICT application systems which has automated and modernized operations, thus, improved provision of Airports services and business operations. The Authority ICT systems in operations include the following: -

- Airports Management Information System (AMIS);
- E- Office
- Car Parking Management System (CPMS)
- Baggage Handling Systems (BHS)
- Closed Circuit Television Camera - CCTV
- Visual Docking System (VGDS)
- Government Mailing System (GMS) and
- Public Address Systems (PA)

In general, implementation of ICT application systems improves the Authority's service delivery process and enhances efficiency. The Authority shall continue with its initiative to automate business operations to enhance efficiency and reduce costs of business operations.

Factors that may affect availability, quality and affordability of intellectual resources include technological changes, systems security where protection software (antivirus) and firewalls are weak or outdated and unexpected power outage. However, the Authority is organized to cope with the said challenges of intellectual resources to meet current and future demands.

#### **ii. Human Resources**

The Authority has skilled, committed, motivated and competent employees dedicated to the provision of quality services that meet and exceed customers' expectations. Management adheres to the principles of good governance and promotes good working environment and labour relations. In addition, the Authority has continually invested on human resource development focusing on training, staff wellness, staff recognition, competitive remuneration and career growth.

By 30 June 2023, the Authority had offices in Twenty-Six (26) Regions of Tanzania Mainland and a total of employees 790 compared to 702 employees in 30 June 2022. Factors that may affect the Authority in ensuring availability of competent human resources at an approved establishment include absence of employees, low level of support to staff careers development, the process of getting approval from the Government on staff establishment, and budgetary limitations and

control processes. Nevertheless, the Authority is taking close care of its human resources to ensure they are highly motivated to continuously working with the Government and meet future demand.

### **iii. Social and Relationship Resources**

The Authority social and relationship resources is composed of ethical and transparent relationship with its customers, regulated service providers, suppliers, regulatory bodies, Government and the public who are internal and external stakeholders by establishing a harmonious relationship. The Authority's creates shared value strategy relating to social development initiatives such as education and leadership development, financial inclusion, health and safety facilities which are delivered to the communities in the areas of operations.

During the year under review, stakeholders from both Airports areas extended required cooperation and support to the Authority's activities. In addition, the Authority had established and maintained good working relationships with local entities within the country and maintained international networking with relevant organs including KOICA, IATA, AMPAP and ACI.

Factors that may affect availability, quality and affordability of social and relationship resources include Authority's failure to participate and contribute to local and international communities' activities, non-payment of contributions and subscriptions to respective organs in this area, and low level of transparency and engagement with stakeholders. Despite these, the Authority maintains its commitments and initiatives on social and relationship resources to continuously meeting existing and future demand.

### **iv. Financial Resources**

TAA's financial resources consist of government funding, revenues generated from airport services (such as landing fees, parking fees, rent, concessions, advertisement, security fee, cute charges and other charges), government grants and loans. These resources are essential for infrastructure development, operational costs, and investment in modernizing airport facilities.

#### **i.) Macro and micro economic conditions of the Authority**

TAA traffic statistics data for financial and economic analysis are derived from aircraft movements, number of passengers and cargo tonnage. Generally, aircraft movements and number of passengers recorded in the FY 2022/2023 have indicated a promising trend when compared to the last year data (FY 2021/2022). Continual efforts by States to implement WHO and ICAO recommendations, including elimination of travel restrictions which were formerly imposed as a measure to control the COVID 19 pandemic acts as triggering factor towards the prevailing traffic performance. Other factors for the positive performance include continual improvement in other economic sectors within a country such as tourism, trade and investments. For the case of cargo performance, there was a slightly drop in the year 2022/23 when compared to the tonnages recorded in the year 2021/2022. The following is a snap chat of the overall traffic

performance.

- Overall aircraft movements grew by 17% (from 104,601 in FY 2021/2022 to 122,170 in 2022/2023)
- Overall number of passengers recorded growth of 29% (from 2,961,084 in 2021/2022 to 3,808,372 in 2022/2023)
- Overall, Cargo tonnage dropped by 1.2% (from 28,620 tons in 2021/2022 to 28,281 tons in 2022/2023).

**j.) Market forces (such as the relative strengths and weaknesses of competitors and customer demand)**

The following are the Tanzania Airports Authority's strengths, weaknesses, opportunities and challenges

**Strengths**

**(i) Transformational and committed leadership.**

The organization has leadership which responds to change and committed in undertaking their duties and responsibilities for the success of the organization.

**(ii) Competent and effective workforce**

TAA prides itself in having a competent and effective workforce behind its achievement. This high-profile team of employees has been developed over the years since its inception. This competency has been a result of an organization culture that encourages innovation, creativity and skills development.

**iii. Credit worthiness**

The Authority has built up a strong credibility to Development Partners and Financiers which in turn has enabled it to secure funding for upgrading, development and modernization of airports infrastructures and facilities.

**iv. Availability of improved airport infrastructures**

Since its establishment TAA has continued to make significant improvement on infrastructures and facilities at several airports, hence providing a conducive operating environment for airlines and the travelling public. These efforts have contributed to the steady growth of the air transport sub-sector in the country.

**Weaknesses**

**i. Inadequate Funds for major airport developments**

Development and modernization of Airport infrastructure and facilities at most airports require heavy investments. However, due to inadequate funds generated from within, it has not been possible to undertake major infrastructure developments at all airports without the support from the Government and Development Partners

**ii. Low investment in non-aeronautical projects**

Non-Aeronautical revenues could play an important role in supplementing the highly regulated aeronautical revenues. However due to low traffic and inadequate funding in commercial activities, the Authority has not been able to

develop sufficient non-aeronautical revenues.

**iii. Low level of ICT application**

ICT is an important enabler for users of airport infrastructure and facilities. However, most of our airports are yet to be connected with the National backbone cabling, thus hindering airport ICT connectivity. Also, automation of different systems in our airports are yet to be implemented.

**iv. Capacity constraints and inadequate Airport infrastructure and facilities**

Most airports under TAA have inadequate infrastructure and facilities for smooth and safe operations. Such a situation hinders the growth of Airport business.

**v. High dependency on aeronautical revenue sources**

**Opportunities**

**i. Peace and political stability**

Tanzania is one of the few African countries enjoying peace and political stability for many years due to its strong and democratic political environment. This acts as a competitive advantage in different investment opportunities available in our airports compared to other countries within a region.

**ii. Presence of Public Private Partnership (PPP) Policy, Act and regulation**

Having in place the Public Private Partnership Act, 2010, Revised 2022 Act and its regulations will enable TAA to partner with private sector in developing and modernizing Airports infrastructures and facilities for sustainable air transport in Tanzania.

**iii. Government support in capital development**

The Government continuously has been supporting TAA in financing infrastructure developments at its airports and expects that such support to continue in the coming years.

**iv. Attractive and wide range of Tourism mixed products**

Tanzania is among the destinations for tourism in the world with abundant natural attractions. Air Transport and airports have the potential to benefit from the growth of tourism in Tanzania.

**v. Investment operations in different areas**

The discovery of gas, oil and minerals and availability of vast business opportunities in the country has a positive impact on the aviation industry due increased number of investors coming to the country for these opportunities. Hence passengers and cargo volumes at some airports are likely to increase.

**vi. Revamping of National Carrier Airline (ATCL)**

The Government has made tremendous efforts in revamping the National Flag Carrier (Air Tanzania Company Limited - ATCL). Continual growth of ATCL has a positive impact on airports as it will establish scheduled flights operations in

almost all strategic airports in the country. This will trigger traffic performance in most of the airports together with enhancing connectivity.

**vii. Growing demand for Aviation and allied services**

Over the period, aviation industry has shown a steady growth in Tanzania. This in turn has resulted in continuous increase of demands for allied services at airports.

**viii. Anticipated integration of the East African region**

The integration of the East African region will result into growth of socio-economic activities and therefore giving room for expansion of the aviation market within the region.

**ix. Steady economic growth which move the country into lower middle-income status.**

**Challenges**

**i. Encroachment, trespassing and Environmental pollution at the airports and huge Compensation requirement.**

Encroachment and trespassing on the airport land continues to threaten airport safety, security as well as the environment of air transport in Tanzania. TAA will continue with efforts to resolve these problems through the implementation of safety, security and environmental measures at its airports. However, the cost of compensating, resettlement of occupants on airport land and mitigation of environmental issues are huge and remain a major challenge to TAA and the Government as a whole.

**ii. Management and Operations of Nonperforming Airports.**

Many airports operated by TAA are not commercially viable, yet TAA has the responsibility of managing and operating them as public service obligation. This necessitates cross-subsidization of meagre resources generated from commercially viable airports instead of re-investment to modernize and improve services.

**iii. Competition from Neighboring Airports**

With the integration of the East African region, airports in the partner states will create stiff competition among themselves.

**iv. Rapid aviation technological change**

The current worldwide innovation in the aviation industry for instance artificial intelligence; unmanned aircraft innovations; robotics; biometrics; block chain; alternative fuels and electric aircraft demonstrates a reciprocal need of advancements in technology across the industry and even other modes of transport. Achieving sustainable mobility will only be possible if all modes of transport work together to jointly address inefficiencies in the current transport system holistically.

**v. Outbreak of pandemic diseases and Natural disasters**

Upsurge of the pandemic diseases and natural disasters normally results into an unprecedented and precarious internal and external environment to the organization and the aviation industry at large.

**vi. Threats of terrorism**

Aviation Security has taken a center stage in governments worldwide due to terrorist incidences across the world which has claimed many lives and loss to properties. These include Aircraft hijacking, Hostage taking, Bomb threats, MANPADS and other related threats. The aviation industry is a target of terror attacks due to several reasons including strong reaction from Governments, organizations and companies affected; gaining of international attention and publicity for their cause; and targeting specific individuals on an aircraft such as diplomats or VIP's.

**vii. CRITICAL ISSUES**

The following critical issues were developed from the situation analysis on Technological changes, Societal issues, Environmental and political issues: -

- i) Improve airport infrastructure and facilities;
- ii) Improve and strengthen airport business processes;
- iii) Improve financial management controls;
- iv) Enhance safety, security, facilitation and environmental standards at Airports;
- v) Enhance use of ICT to manage and facilitate functions of the Authority;
- vi) Improve Performance Management systems;
  - i. Enhance human resource management;
  - ii. Improve programs for HIV/AIDS and Non-Communicable Diseases;
  - iii. Enhance Anti-corruption strategies to employees;
  - iv. Facilitate review of Authority's legislation and policies;
  - v. Enhance competitiveness and quality of services;
  - vi. Improve working environment.

**k) Compliance with Laws and Regulation**

TAA operates within a legal framework defined by the government of Tanzania and relevant aviation regulations. Compliance with these laws and regulations is essential for effective airport management and safety.

## REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

### 2.4 SERVICE PERFORMANCE INFORMATION

Below is a summary of service performance information. This is explained further in the respective sections.

Objective	Strategies	Target+	Risk	Impact	Mitigation	Input	Processes	Output	Outcomes	KPIs	Implementation	Budget (TZS 'Mio')	Actual (TZS 'Mio')
Airport operations efficiency enhanced	Enhance safety and Security at airports	Aerodrome Licenses for Ten airports (Kilwa Masoko, Nachingwea, Lindi, Tabora, Musoma, Iringa, Kigoma, Mafia, Mtwara, and Shinyanga) renewed by June 2023	Loss of aerodrome certificate/license	-Closure of airport operations -Loss of revenue	i) Internal safety and security audit conducted ii) Internal awareness training on regulatory requirements in day to day	Human Capital; Financial Capital	Notification; Inspection; Document review; Licensing	Aerodrome Licenses renewed	Increased number of licensed and or certified aerodromes	Number of certified and or licensed operational airports	Ten (10) aerodromes' licenses for (Kilwa Masoko, Nachingwea, Lindi, Tabora, Musoma, Iringa, Kigoma, Mafia, Mtwara, and Shinyanga) renewed.		
		Security fence at JNIA and Dodoma airport constructed by June, 2023	Sabotage of airport facilities	Disruption of airport operations /Loss of revenue	i. Regular security patrol ii. presence of manned watchtowers	Human Capital; Financial Capital; Social and Relationship Capital	Project initiation; Procurement; Contract management	Security fence at JNIA and Dodoma airport constructed	Reduced safety and Security incidents and accidents	Percentage change in Acts of unlawful interference and security incidents	Construction works of security fence at Dodoma airport completed by 80%		
Airports Development and Maintenance Improved	Improve airport infrastructure, systems and facilities	Carousel at Dodoma Airport Supplied, installed, tested and commissioned by June 2023	Ineffective performance of installed Airports equipment and	Disruption of airport operation	-Monthly and quarterly preventive maintenance -Daily inspection of equipment	Human Capital; Financial Capital	Project initiation; Procurement; Project execution; Monitoring and control; Closure	Carousel at Dodoma Airport installed	Improved Customer services	Number of airports with improved infrastructures	Carousel at Dodoma Airport Supplied, installed, tested and commissioned.		

Objective	Strategies	Target+	Risk	Impact	Mitigation	Input	Processes	Output	Outcomes	KPIs	Implementation	Budget (TZS 'Mio')	Actual (TZS 'Mio')
		Mpanda Terminal Building rehabilitated by June, 2023	Failure of Airport Buildings, Infrastructure and Equipment	Disruption of airport operation	-presence of Preventive maintenance program -Inspection of facilities and equipment within the building	Land; Human Capital; Financial Capital	Project initiation; Procurement; Contract management	Mpanda Terminal Building rehabilitated	Improved Customer services	Number of airports with improved infrastructures	Rehabilitation of Terminal Building at Mpanda airport completed by 50%		
		Detailed Engineering Design for construction of RESA at JNIA RWY 05 carried out by June 2023	-Aircraft overrun	Damage to aircraft/loss of revenue/death/injury	aeronautical study was Conducted -conduct runway inspection to avoid overrun that may be due to slippery runway	Human Capital; Financial Capital		Detailed Engineering Design of RESA at JNIA RWY 05 in place	Reduced Customer complaints	Number of airports with improved infrastructures	The detailed engineering design for construction of RESA at JNIA RWY 05 carried out and review of the Draft Final Report ongoing		
<b>Airport Business Development Improved</b>	Enhance business environment competitiveness and revenue maximization at Airports	New business opportunities at airports advertised, promoted and publicized to attract investors by June, 2023	Loss of Revenue	Failure to implement planned activities	-New business opportunities survey conducted at airports -participate in different national and international exhibition showcasing the Authority's services	Land; Human Capital; Financial Capital	Identification of business opportunities; Procurement of investor; Contract management	New investors obtained	Increased number of new investors	Percentage change in commercial contracts	<ul style="list-style-type: none"> <li>Airport's services and facilities, Investment opportunities, PPP projects and cargo business opportunities were promoted through Tanzania- Italy and Tanzania-EU Business and Investment forums coordinated by TIC and Ministry</li> </ul>		



Objective	Strategies	Target+	Risk	Impact	Mitigation	Input	Processes	Output	Outcomes	KPIs	Implementation	Budget (TZS 'Mio')	Actual (TZS 'Mio')
											of Foreign Affairs, also during African Investment forum- Ivory coast and the 15th Annual JTSR. • Airports Services, Facilities and Investment opportunities were promoted in Dar es salaam International Trade (DITF- Sabasaba) occurred from 28th June to 13th July 2023 in Dar es salaam. • Public information and promotion materials for airport services and business opportunities were produced and used during international and local business forums i. Nineteen (19) International Passengers airlines at JNIA		
		Existing Nineteen (19) International Passenger airlines at JNIA	Loss of customers	-Loss of revenue	-Quarterly Airport Customer Care Committee Meetings	Human Capital; Financial Capital	Market survey; Meetings;	Existing airlines maintained	Increased number of new investors	Number of new airlines			

Objective	Strategies	Target+	Risk	Impact	Mitigation	Input	Processes	Output	Outcomes	KPIs	Implementation	Budget (TZS 'Mio')	Actual (TZS 'Mio')
		maintained by June, 2023			-Quarterly Customer Satisfaction Survey to identify gaps that are to be worked upon						maintained. Those are Emirates (EK), Air Mozambique™, Kenya Airways, KLM Royal Dutch Air, Ethiopian Airline, Qatar Airways, EGYPT AIR, Rwanda Air, Oman Air, Turkish Air, Malawian, Fly Dubai, AIR UGANDA, AIR ZIMBABWE, AB AVIATION, AIR LINK, EWA, ATCL and PRECISION AIR.		
Capacity of the authority to deliver its mandate functions enhanced	Improve financial resource management	Financial statement for the 2021/2022 FY produced by June	Qualified Opinion	-Loss of trust from investor -Loss of reputation	Improve corporate planning and financial resource management	Human Capital; Financial Capital	Preparation & submission ; Approval	Financial statement for the 2021/2022 FY produced	Unqualified Audit opinion	Audit Opinion	The financial statement was prepared and submitted to the CAG in September 2022		
	Improve corporate planning	Annual Procurement plan for the	Failure to effectively implement	Failure to timely achieve	training to user department	Human Capital; Financial	Preparation & submission	Annual Procurement	Unqualified Audit opinion	Audit Opinion	Annual procurement plan for the		

Objective	Strategies	Target+	Risk	Impact	Mitigation	Input	Processes	Output	Outcomes	KPIs	Implementation	Budget (TZS 'Mio')	Actual (TZS 'Mio')
		2023/2024 FY prepared by June 2023	annual procurement plan	organizational procurement activities	regarding procurement processes	Capital	Approval; Execution; Monitoring & Evaluation	plan for the 2023/2024 in place			2023-2024 FY was prepared		
		Integrated Management System (IMS) surveillance audit for the certified (ISO) aerodromes (JNIA, Mwanza, Dodoma, Kigoma, Arusha, Mtwara Songwe and TAA-HQ conducted by June 2023	Failure to be ISO certified	Loss of trust and customers -Loss of revenue	Conducting Internal audits -Review of internal procedures related to ISO certification -Closure of ISO audit both internal and external audits	Human Capital; Financial Capital	Document review; Gap Analysis; Trainings; Internal Audits; certification audit; Surveillance audit.	IMS certificate in place	IMS certificate obtained	IMS certification	i. Integrated Management System (IMS) surveillance audit for the (JNIA, Mwanza, Dodoma, Kigoma, Arusha, Mtwara Songwe conducted ii. Accomplished review of documented information such as IMS procedures, checklist and working instruction documents. iii. Follow up of closure for Non-conformance details related to previous external audit undertaken. iv. Monitoring of IMS implementation within		

Objective	Strategies	Target+	Risk	Impact	Mitigation	Input	Processes	Output	Outcomes	KPIs	Implementation	Budget (TZS 'Mio')	Actual (TZS 'Mio')
											departments and units in all certified aerodromes conducted		

## REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

### 2.5 OBJECTIVES AND STRATEGIES OF THE AUTHORITY

S/N.	Objectives	Strategies
1.	<b>Objective A:</b> HIV/AIDS infections and non-communicable diseases reduced, and supportive services improved	<p><b>i. Short-Term Strategies</b></p> <ul style="list-style-type: none"> <li>Care and support services to PLWHIV provided;</li> <li>Program on health, nutrition and fitness approved and implemented.</li> </ul> <p><b>ii. Medium-Term Strategies</b></p> <ul style="list-style-type: none"> <li>Develop preventive mechanisms on HIV / AIDS and NCDs;</li> <li>Strengthen support services to staff living with HIV and AIDS</li> </ul> <p><b>iii. Long-Term Strategies</b></p> <ul style="list-style-type: none"> <li>Develop Programs to fight HIV/AIDS and Non-Communicable Diseases (NCD) at workplace.</li> </ul>
2.	<b>Objective B:</b> Implementation of National anti-corruption strategy enhanced and sustained.	<p><b>i. Short-Term Strategies</b></p> <ul style="list-style-type: none"> <li>Develop and facilitate Integrity committee.</li> <li>Maintain zero tolerance level on corruption practices and malpractice.</li> </ul> <p><b>ii. Medium-Term Strategies</b></p> <ul style="list-style-type: none"> <li>Conduct awareness programs on corruption and ethical issues;</li> <li>Enhance accountability and transparency.</li> </ul> <p><b>iii. Long-Term Strategies</b></p> <ul style="list-style-type: none"> <li>Perform risk assessments and fraud related audits</li> </ul>
3.	<b>Objective C:</b> Airport operations efficiency enhanced.	<p><b>i. Short-Term Strategies</b></p> <ul style="list-style-type: none"> <li>Improve safety, Security and environment at airports;</li> <li>Improve passengers' services at airports;</li> </ul> <p><b>ii. Medium-Term Strategies</b></p> <ul style="list-style-type: none"> <li>Enhance safety and Security at airports;</li> </ul>

S/N.	Objectives	Strategies
		<ul style="list-style-type: none"> <li>• Improve facilitation of passengers, cargo and aircraft at airports;</li> <li>• Enhance environment management at airports;</li> </ul> <p>iii. Long-Term Strategies</p> <ul style="list-style-type: none"> <li>• Enhance airports operations and accessibility.</li> <li>• Enforce internal safety and security compliance.</li> <li>• Investment in terminal infrastructure to improve the efficiency of aeronautical services (e.g. luggage transfer and passengers flows)</li> </ul>
4.	<b>Objective D: Airports Development and Maintenance Improved</b>	<p>i. Short-Term Strategies</p> <ul style="list-style-type: none"> <li>• Increase certificate of Rights of Occupancy</li> </ul> <p>ii. Medium-Term Strategies</p> <ul style="list-style-type: none"> <li>• Strengthen authority real estate management;</li> <li>• Improve airport infrastructure, systems and facilities.</li> <li>• Enhance airports maintenance programs</li> </ul> <p>iii. Long-Term Strategies</p> <ul style="list-style-type: none"> <li>• Development of modern airport infrastructures</li> <li>• Increase airport infrastructure capacities in passenger terminal capacity by building a new terminal, extending existing ones or processing technology improvements.</li> <li>• Investment in passenger terminal capacity by building a new terminal, extending existing ones or processing technology improvements.</li> <li>• Investment in freight terminal capacity by improving technology, building a new terminal or extending existing ones.</li> </ul>
5.	<b>Objective E: Airport Business Development Improved</b>	<p>i. Short-Term Strategies</p> <ul style="list-style-type: none"> <li>• Improve non aeronautical revenue at airports.</li> </ul>

S/N.	Objectives	Strategies
		<ul style="list-style-type: none"> <li>• Develop airport marketing plan.</li> </ul> <p><b>ii. Medium-Term Strategies</b></p> <ul style="list-style-type: none"> <li>• Enhance business environment competitiveness.</li> <li>• Strengthen Airport business processes</li> <li>• Enhance revenue maximization at Airports</li> <li>• Automation of business processes at airports</li> </ul> <p><b>iii. Long-Term Strategies</b></p> <ul style="list-style-type: none"> <li>• Development of commercial activities by increasing the areas for non-aeronautical businesses at the airports.</li> <li>• Investment in freight terminal capacity by improving technology, building a new terminal or extending existing ones.</li> <li>• Development of hotels and commercial building complexes at the airports</li> <li>• Investment in publicity, communication and marketing towards airlines and/or towards passengers</li> </ul>
6.	<p><b>Objective F: Capacity of the Authority to deliver its mandate functions enhanced.</b></p>	<p><b>i. Short-Term Strategies</b></p> <ul style="list-style-type: none"> <li>• Increase annual revenue collection;</li> <li>• Improve expenditure control;</li> <li>• MTEF and Performance Reports prepared;</li> <li>• Integrated Management System (ISO 9001:2015; 14001:2015; &amp; 45001:2018) maintained;</li> <li>• Improve staff capacity, fringe benefits and working environment;</li> </ul> <p><b>ii. Medium-Term Strategies</b></p> <ul style="list-style-type: none"> <li>• Enhance human resource management;</li> <li>• Improve financial resource management;</li> <li>• Improve corporate planning;</li> <li>• Improve institutional governance and legal services;</li> </ul>

S/N.	Objectives	Strategies
		<b>iii. Long-Term Strategies</b> <ul style="list-style-type: none"> <li>• Improve institutional governance and legal services.</li> <li>• Improve corporate planning;</li> <li>• Enhance human resource management;</li> <li>• Improve financial resource management;</li> </ul>

## 6. STAKEHOLDERS' RELATIONSHIP

The Tanzania Airports Authority's stakeholders are individuals or institutions with direct or indirect interest on services offered by the Authority. The stakeholders are listed below:

**Table 1: TAA Stakeholders' Analysis**

S/N	STAKEHOLDER	SERVICE OFFERED	EXPECTATIONS
1.	Airlines Operators	<ul style="list-style-type: none"> <li>• Provision of Airport services</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate and</li> </ul>
2.	Passengers	<ul style="list-style-type: none"> <li>• Airport services;</li> <li>• Car Parking Space</li> <li>• Information on travel schedules</li> <li>• Cargo services</li> </ul>	<ul style="list-style-type: none"> <li>• Comfortability</li> <li>• Accurate information</li> <li>• Enough Space</li> <li>• Safe and secured</li> </ul>
3.	Tenants and concessionaire	<ul style="list-style-type: none"> <li>• Provision of Fuel farm and</li> <li>• Hydrant systems</li> <li>• Cargo warehouses</li> <li>• Parking space</li> <li>• Office services</li> </ul>	<ul style="list-style-type: none"> <li>• Enough and</li> <li>• affordable space</li> <li>• Compliance with standard</li> <li>• Compliance on safety and security procedures</li> </ul>
4.	Ministry of Works and Transport	<ul style="list-style-type: none"> <li>• Implementation of National Transport Policy, regulations and directives;</li> <li>• Technical advice on airport service operations</li> <li>• Annual and periodic</li> <li>• Performance reports</li> <li>• Annual Economic Survey</li> </ul>	<ul style="list-style-type: none"> <li>• Effective and efficiency implementation of National Transport Policy, regulations and directives;</li> <li>• Timely and quality reports</li> <li>• Accurate and reliable reports</li> </ul>
5.	Other Ministries/ Departments /Agencies	<ul style="list-style-type: none"> <li>• Provision of Airports Information</li> </ul>	<ul style="list-style-type: none"> <li>• Accurate and</li> <li>• reliable information</li> </ul>



S/N	STAKEHOLDER	SERVICE OFFERED	EXPECTATIONS
6.	National and International Regulatory Bodies	<ul style="list-style-type: none"> <li>• Compliance report</li> <li>• Airports facilities Information</li> <li>• AIP Information</li> </ul>	<ul style="list-style-type: none"> <li>• Reliable, quality and</li> <li>• timely information</li> <li>• Reliable power supply</li> <li>• Serviceable landing facilities</li> </ul>
7.	Contractors/suppliers/Consultant	<ul style="list-style-type: none"> <li>• Contract management</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency procurement procedures Timely payment Value for Money</li> </ul>

## 2.6 OPERATING AND FINANCIAL REVIEW

### a) Analysis of Financial Position

#### i. Cash and Cash Equivalent

Cash and Cash Equivalent involves cash at the end of the period with Revenue Accounts, Collection Accounts and Expenditure Accounts TZS 24.784 billion as at 30<sup>th</sup> June 2023 compared to TZS 35.999 billion for the financial year ended 30th June 2022.

#### ii. Inventories

The inventories as at 30<sup>th</sup> June 2023 was TZS 0.606 billion compared to TZS 0.344 billion for the Financial Year ended 30<sup>th</sup> June 2022. Stock of opening balance of spare parts procured previous years not consumed in 2022/2023.

#### iii. Prepayments

Prepayments during the year 2022/2023 amounting to TZS 0.430 billion compares to TZS 2.355 billion of the 2021/2022. Prepayment of assets and consumables from previous financial year 2021/2022 were received in current year.

#### iv. Account Receivables

The amount receivable as at 30 June 2023 is TZS 44.166 billion compared to TZS 32.361 billion for the financial year 2021/2022. Business activities at the Airports improved.

#### v. Property Plant and Equipment (PPE)

The total Carrying Amount for PPE as at 30 June 2023 is TZS 7,290 billion as compared to TZS 7,304 billion for the Financial Year ended 30 June

2022. The decrease was caused by wear and tear of the Asset as per IPSAS 17- Property, Plants and Equipment.

**vi. Work in Progress (WIP)**

The total Carrying Amount for WIP as at 30 June 2023 is TZS 6.211 billion as compared to TZS 17.730 billion for the Financial Year ended 30th June 2022.

**vii. Payables**

The Current Liabilities as at 30<sup>th</sup> June 2023 is TZS 5.237 billion compared to TZS 7.382 billion for the financial year 2021/2022. The Long-Term Liabilities includes CRDB Bank loan, as at 30<sup>th</sup> June 2023 is TZS 42.955 billion compared to TZS 56.044 billion for the Financial Year 2021/2022. VAT Outstanding and Other payables have been paid.

**viii. Accumulated Surplus /Deficit**

At the end of financial year 2022/2023 Tanzania Airports Authority had the Accumulated Surplus of TZS 865.952 billion compared to TZS 883.235 billion for financial year 2021/2022.

**b) Analysis of Financial Performance**

**Revenue**

**i. Revenue from non-exchange transaction**

The Revenue from non-exchange transaction (Government Subvention) as at 30<sup>th</sup> June, 2023 is TZS 47.730 billion compared to TZS 30.609 billion for the financial year 2021/2022. The increase was caused by Government grant to finance operation of Terminal Building III, Construction of AGL at Dodoma Airport and Acquisition of Fire Tender.

**ii. Revenue from exchange transaction**

The Revenue from exchange transactions was TZS 4.475 billion for the year 2022/23 compared to TZS 3.134 billion for the financial year 2021/2022.

**Expenses**

**i. Wages, Salaries and Employees Benefits**

The total wages, salaries and employee benefits was TZS 29.185 billion for the financial year 2022/23 compared to TZS 20.444 billion incurred in the financial year 2021/22. The increase caused by recategorization of staff and improvement of staff benefits.

**ii. Supplies and Consumable Goods**

Total expenditure for supplies and Consumable Goods was TZS 20.515 billion for the financial year 2022/23 compared to TZS 21.508 billion for the year ended 2021/22.

**iii. Maintenance expenses**

Total expenditure for Routine Maintenance and Repairs Expenses was TZS 18.403 billion for the year 2022/23 compared to TZS 12.282 billion in the financial year 2021/22. The increase caused by maintenance of buildings and other repairs of office buildings and terminals.

**iv. Other Expenses**

Other Expenses was TZS 6.067 billion for the year 2022/23 compared to TZS 1.564 billion in the financial year 2021/22. The difference caused by the setup of Muse System in terms of facilities of staffs, staffs training and other equipment's.

**v. Depreciation and amortization expenses**

The amount of depreciation charged was TZS 38.815 billion during the year 2022/23 compared to TZS 43.707 billion for the year 2021/22.

**vi. Interest Expenses**

The Finance/Interest cost was TZS 3.304 billion for the year 2022/23 compared to TZS 7.762 billion as in the year 2021/2022.

**V. Other Transfers**

The Amount other transfers which were transferred to TMA and TCAA for the year 2022/2023 was 8.816 billion compared to 7.325 billion for the 2021/2022.

## REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

### c) Budget Performance

Annual Approved Budget VS Actual Expenditure

Description	Annual Approved Budget	Actual Expenditure	Variance	% of Actual
<b>Recurrent Expenditure</b>				
PE Subvention	11,208,720,000.00	11,915,820,780.00	-707,100,780.00	106%
Other Charges	47,934,523,908.72	29,742,190,645.40	18,192,333,263.32	62%
<b>Total Recurrent Expenditure</b>	<b>59,143,243,908.72</b>	<b>41,658,011,425.40</b>	<b>17,485,232,483.32</b>	<b>70%</b>
<b>Development Expenditure</b>				
Got Funds	17,300,000,000.00	25,925,471,124.00	-8,625,471,124.00	150%
Own Source	48,750,943,815.28	59,015,021,901.00	10,264,078,085.72	121%
<b>Total Development Expenditure</b>	<b>66,050,943,815.28</b>	<b>84,940,493,025.00</b>	<b>18,889,549,209.72</b>	<b>129%</b>
Remittance to Consolidated Funds (PSC)	35,472,720,481.53	16,873,458,840.28	18,599,261,641.25	48%
<b>Total Expenditure</b>	<b>125,194,187,724.00</b>	<b>126,598,504,450.40</b>	<b>-1,404,316,726.40</b>	<b>101%</b>

### d) Future Plans

Proper organization and resource management is a catalyst towards attainment of strategic objectives of the organization. Effective and efficient planning, implementation and evaluation of organization strategies, streamlined business processes and corporate plans through competent and well-motivated workforce are required for future welfare of the Organization. To achieve the above objectives, TAA engineered the following plans: -

- (i) Continual acquisition of Modern safety and security equipment and facilities for operational airports;
- (ii) Implementation of Safety, Security, Facilitation and environmental standards at airports;
- (iii) Acquisition of Lands for new airports sites for New Manyara, Kisumba (Sumbawanga), Simiyu, Msalato, Dodoma, Lake Manyara, Nachingwea, Songea, Nyasurura (Musoma), Biharamulo, Morogoro, Bukoba and Masasi;
- (iv) Development of Land Use Plans for Dodoma, Iringa, Geita, Tanga and Lake Manyara;
- (v) Development of ICT Master Plan;

- (vi) Development and implementation of Revenue control and monitoring system;
- (vii) Acquisition of Fire Tender for Dodoma Airport;
- (viii) Implementation of Monitoring and Evaluation system; and
- (ix) Implementation of Institutional Risk Management Framework.

#### **f) Capital Structure**

The Authority's capital structure for the year ended 30 June 2023 consists of Capital Fund of TZS 6,435.234 billion (30 June 2023) and Accumulated Surplus of TZS 865.953 billion Thus making the Authority capital fund of TZS 7,301.187 billion

#### **g) Treasury Policies and Objectives**

TAA treasury policies involve mechanisms established by the board; which delegates financial decisions to Management in a controlled manner. The control instruments in place include; legislation, Government Circulars, Guidelines and the Board resolutions on opening, operating and signing mandate to the bank accounts. The main objective is to ensure proper control and safeguard of the Government financial resources. Under these mechanisms, the Authority's revenue is collected and remitted directly to the TAA revenue collection accounts maintained at designated commercial banks using GePG system; on weekly basis transferred to Authority's revenue collection accounts maintained at BoT. All expenditures of the Authority are incurred within the approved limits in the approved annual budget incorporated in MUSE system.

#### **h) Liquidity of the Entity**

During the financial year ended 30 June 2023, the Authority managed its liquidity level to ensure there is sufficient funds to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Authority's reputation. This was achieved through prudent liquidity management which includes maintaining sufficient cash and cash equivalents and striving to ensure that receivables are settled within grace period of 30 days.

The Authority current ratio for the financial year ended 30 June 2023, which measures the ability of current assets to meet short term obligations (current liabilities) was 3.1 time (30 June 2022 3.8times).

Moreover, the acid (quick) test ratio which also measure the ability of current assets, without inventories, to meet short-term obligations (current liabilities) was 3.07 times (30 June 2023: times).

Thus, the Authority's Liquidity gap which is the excess of current assets over current liabilities for the financial year ended 30 June 2022 was TZS 52.34 billion (30 June 2023: TZS 47.42 billion). All the above ratios, current ratio, acid test ratio and liquidity gap reveal that the Authority was able to fund its current liabilities when due. On similar grounds, liquidity level is expected to be affected by the same percentage. This will also have some effects on implementation of the planned activities for the financial year 2021/22. The Corporation shall continue to closely monitor its current sources of revenue, explore other sources of revenue and reduce unnecessary expenditure to reduce the effect of reduction in CFA revenue financial year under review and

the future.

## **2.7 RESOURCES**

During the financial year under review as Tanzania Airports Authority responsible for the management and development of 58 Airports in Tanzania and relies on various resources to carry out its functions effectively. The key resources of TAA include:

### **I. Financial Resources:**

TAA's financial resources consist of government funding, revenues generated from airport services (such as landing fees, parking fees, rent, concessions, advertisement, security fee, gate charges and other charges), government grants and loans. These resources are essential for infrastructure development, operational costs, and investment in modernizing airport facilities.

### **II. Human Resources:**

TAA employs a workforce with expertise in various fields, including airports management, engineering, security and operations, customer service, finance, and administration. Skilled and qualified personnel are vital for the smooth functioning of airports operations, safety, and service delivery.

### **III. Infrastructure:**

TAA's infrastructure resources include the physical assets of airports, such as runways, taxiways, terminals, cargo facilities, control towers, and parking areas. Proper maintenance and development of this infrastructure are critical to ensuring safe and efficient airport operations.

### **IV. Technology and Equipment:**

TAA utilizes advanced technology and specialized equipment for; airport security, baggage handling, communication systems, car parking system, gate system and other critical operations. Up-to-date technology enhances operational efficiency and safety.

### **V. Partnerships and Collaborations:**

TAA benefits from collaborations and partnerships with various stakeholders, including airlines, other aviation authorities, government agencies, international organizations such as IATA, ICAO, ACI and private entities. These collaborations help enhance airport services, facilitate air travel, and support the growth of the aviation industry.

### **VI. Legal and Regulatory Framework:**

TAA operates within a legal framework defined by the government of Tanzania and relevant aviation regulations. Compliance with these laws and regulations is essential for effective airport management and safety.

### **VII. Land and Property:**

TAA owns and manages land and properties associated with airports, including airport land, terminal buildings, cargo warehouses, and other facilities.

## 2.8 PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

### Principal Risks and Uncertainties

The Authority's principal risks and uncertainties with their impacts and mitigation are summarized under Table below:

**The Strategic Risks, Causes and Mitigation**

S/N	Risk and their causes		Risk Mitigation
1	Cyber Security Attack	ICT systems change periodically in line with technology advancement, the threat of cyber-attacks may be caused by •Weak Authentication and Authorization, •Outdated systems, malware (ransomware, computer virus), Spoofing attack etc.	<ul style="list-style-type: none"> <li>• The Authority continues to invest significantly in data management and cyber-security capabilities to better meet evolving customers' needs, expectations and to reduce the potential data breaches.</li> <li>• The Authority continues to engage with eGA to ensure that there is appropriate e-governance in place.</li> <li>• Continuously invest in ICT systems security to secure the confidentiality, integrity and availability of data.</li> <li>• Provide capacity building to ICT staff on systems security and create ICT Regulatory requirements awareness <ul style="list-style-type: none"> <li>• Conduct regular risk assessments to identify potential vulnerabilities and threats in organizations systems</li> </ul> </li> </ul>
2	Organizations' reputation risk	Involves a negative perception towards the Authority due to misinterpretation, misrepresentation and misreporting of institutions' information by person or media and/reports for knowing or unknowing reasons.	<p>Complying with Authority's Client Service Charter in improving service delivery.</p> <ul style="list-style-type: none"> <li>• Verified social media accounts for communicating Authority's activities hence creating trust to the public.</li> <li>• The Authority continues to engage itself with the Government, customers, surrounding community and other stakeholders in aviation industry to ensure better service delivery.</li> </ul>

S/N	Risk and their causes		Risk Mitigation
			<ul style="list-style-type: none"> <li>• Daily monitoring of TAA website contents and social media accounts and response to public concerns</li> </ul>
3	Unwillingness of staff to test for HIV/AIDS and Non communicable diseases (NCDs)	Unwillingness to test for HIV/AIDS and NCDs due to lack of confidentiality, inadequate knowledge on HIV/AIDS and NCDs and discrimination	<p>Sensitization program on HIV/AIDS and NCDs</p> <ul style="list-style-type: none"> <li>• Special arrangement on confidentiality issues concerning people living with HIV/AIDS</li> <li>• Involvement of professional counselors to provide education on importance of testing for HIV/AIDS and NCDs</li> <li>• Incentives for the people living with HIV/AIDS <ul style="list-style-type: none"> <li>• Distribution of condoms in all airport toilet</li> </ul> </li> </ul>
4	Loss of Aerodrome certificate/License	Failure to comply with Aerodrome Regulations requirements in operating government owned Airports in Tanzania Mainland.	<ul style="list-style-type: none"> <li>• Budget is allocated for certification and licensing of aerodromes</li> <li>• Certification and recertification of security personnel which is a regulatory requirement</li> <li>• Conduct internal safety and security audits, awareness training to staff and airport stakeholders to enhance airport operations efficiency</li> </ul>
5	Potential pollution to the environment	Environmental pollution due to excessive noise and gaseous emission from aircraft and other equipment, waste water discharge from airports' sewer networks, spillage as well as solid waste generated from airports' activities.	<ul style="list-style-type: none"> <li>• Environmental monitoring and management in Compliance to the National Environment Management Council (NEMC), ICAO Annex 16 and ISO 14001:2015 requirements including water quality testing and analysis, air quality testing and analysis, noise level management and solid waste management</li> <li>• Environmental and Occupational Health and safety awareness to airport staff and stakeholders</li> </ul>



## Opportunities

- a) **Attractive and wide range of Tourism mixed products**  
Tanzania is among the destinations for tourism in the world with abundant natural attractions. Air Transport and airports have the potential to benefit from the growth of tourism in Tanzania.
- b) **Growing demand for Aviation and allied services**  
Over the period aviation industry has shown a steady growth in Tanzania. This in turn has resulted in continuous increase of demands for allied services at airports.
- c) **Integration of the East African region**  
The integration of the East African region will result into growth of socio-economic activities and therefore giving room for expansion of the aviation market within the region.
- d) **Public Private Partnership (PPP)**  
The enactment of the Public Private Partnership Act, 2010, Revised 2022 Act and its regulations will enable TAA to partner with private sector in developing and modernizing airports infrastructures and facilities for sustainable air transport in Tanzania.
- e) **TAA Legislation**  
The Air transport sub-sector has undergone many changes at National, Regional and International levels. Some of the changes include the Government Policy on divesting itself from business, the National Transport Policy 2003, the TCAA Act 2006 (CAP.80 RE 2006) and many others which necessitate the need to have a legal framework for managing airports under TAA. In the endeavor to cope with the changing business environment, TAA is working with Ministry of Works, Transport and Communication, Attorney General Chambers and Law Reform Commission on a TAA Bill. The main reasons for the proposed TAA Bill are to establish an autonomous Airports Authority and to make provisions for its management, control and operations and provide for the maintenance and development of airports.
- f) **Low-Cost Carriers at our airports**  
The emergency of low-cost carrier services in Tanzania will have a positive impact on the performance of airports in terms of both aeronautical and non-aeronautical revenues. Also, the new competitive environment created by these airlines has subjected strong pressure on other airlines to reduce their charges. It is expected that, the low-cost carrier operations at airports may necessitate the airports to align their activities with the needs of Low-Cost Carriers.
- g) **Discoveries of minerals and gases**  
The discovery of gas, oil and minerals has a positive impact on the aviation industry due increased number of investors coming to the country for these opportunities. Hence cargo volumes at some airports are likely to increase due to importation of mining equipment's and spare parts.



10. entity's operation				
Objectives	Human Capital; Financial Capital; Social and Relationship Capital	Processes	Outputs	Outcome
1. Airport operations efficiency enhanced.		<p>(i) Notification; Inspection; Document review; Licensing</p> <p>(ii) Project initiation; Procurement; Contract management</p>	<p>(i) Ten (10) Aerodrome Licenses renewed.</p> <p>(ii) Airport Security systems (CCTV, Xray machines, ETD and WTMD) serviced and maintained.</p> <p>(iii) 60 staff attended screener refresher course.</p> <p>(iv) Security fence at Dodoma airport constructed.</p> <p>(v) Environmental Management system and Occupationally health and safety system implemented.</p> <p>(vi) Safety and security internal Audits conducted.</p> <p>(vii) Passenger facilitation at</p>	<p>(i) Increased stakeholder's awareness on safety and security</p> <p>(ii) Reduced safety and Security incidents and accidents</p> <p>(iii) Improved Clean and Safe airport environment/Compliance to environmental standards.</p> <p>(iv) Reduced Customer complaints</p> <p>(v) Reduced Turnaround time (standard time for airport and passenger processing)</p> <p>(vi) Improved Customer services (information/handling)</p> <p>(vii) Increased number of licensed and or certified aerodromes</p>

10. entity's operation				
Objectives		Processes	Outputs	Outcome
2. Airports Development and Maintenance Improved	Land; Human Capital; Financial Capital	initiation; Procurement; Project execution; Monitoring and control; Closure	airports provided. <b>(viii)</b> Safety and Security at airports ensured <b>(i)</b> Airports infrastructure constructed and/or maintained; <b>(ii)</b> Airport systems and facilities installed and commissioned; <b>(iii)</b> Concept notes, feasibility study and design documents prepared.	(i) Increased viability in obtaining financing for airport development. (ii) Upgraded airport categories. (iii) Reduced airport land encroachment (iv) Increased number of operational airports; (v) Improved land use; (vi) Reduced maintenance costs; (vii) Improved passenger handling capacity;
3. Airport Business Development Improved	Land; Human Capital; Financial Capital	Identification of Business opportunities; Market survey; Meetings; Procurement of investor; Contract management	<b>(i).</b> Meetings with Airlines, Ground Handlers, Aviation Fuel service providers and tenants at Mwanza, JNIA, Songwe, Lake Manyara, Arusha, Tanga, Iringa, Geita, Kahama airports conducted. <b>(ii).</b> Nineteen (19) International Passengers	(i) Increased number of Aircraft, Passenger and cargo traffics; (ii) Increased in revenue; (iii) Increased number of new investors; (iv) Increased customer satisfaction; (v) Identified new business opportunities;

10. entity's operation				
Objectives		Processes	Outputs	Outcome
			<p>airlines maintained and two international passengers airlines attracted.</p> <p>(iii). Marketing plan and strategies finalized;</p> <p>(iv). Airports Services, Facilities and Investment opportunities were promoted</p> <p>(v). Concept note for development of cargo facility and warehouses at Songwe and Njombe airports were developed</p>	
Capacity of the authority to deliver its mandate functions enhanced		Human Capital; Financial Capital	Preparation & submission; Approval; Execution; Monitoring & Evaluation;	<p>(i) Improved Staff Performance;</p> <p>(ii) Improved Service Delivery;</p> <p>(iii) Increased Customer Satisfaction on service delivery;</p> <p>(iv) Unqualified Audit Opinion;</p> <p>(v) Increased Financial Liquidity;</p>

10. entity's operation				
Objectives			Processes	Outputs
				<p>(iv) MTEF 2023/2024 in place;</p> <p>(v) Annual Procurement plan for the 2023/2024 in place;</p> <p>(vi) Routine Audits conducted;</p> <p>(vii) Thirteen (13) cases pending in courts of law;- ie. Dar es Salaam- Eleven (11) cases, Tanga- one (1) case and Mbeya- one (1) cases were litigated and supervised; Three (3) Pleadings were filed to judicial bodies and Quasi-Judicial Bodies; and a total of 110 Contracts were vetted and reviewed.</p> <p>(viii) TAA Brand Manual finalized, distributed and implemented.</p>
			Document review; Gap Analysis; Trainings; Internal Audits;	IMS certificate in place
			Human Capital; Financial Capital	
				<p>(vi) Increased level of compliance to the rules and procedures;</p> <p>(vii) Improved staff morale;</p>

10. entity's operation				
Objectives		Processes	Outputs	Outcome
		certification audit; Surveillance audit.		

## REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

### 11. KEY PERFORMANCE INDICATORS

Objectives	Key Performance Indicator	Definition / Calculation	Purpose	Target Previous Year	Target Current Year	Target Future	Implementation status - Year End	Budget (TZS ,000)	Actual (TZS ,000)
Objective A: HIV/AIDS infections and non-communicable diseases reduced, and supportive services improved	Awareness Level to staff on HIV/AIDS and NCDs	This KPI will be measured by dividing respective sum of all the trainings on NCD and HIV/AIDS to the total No. of staff trained.	Intends to measure awareness level on individual staff on Non-communicable Diseases (NCD) and HIV/AIDS	3	3	4	<ul style="list-style-type: none"> <li>HIV/AIDS Programmes through training on HIV done to 11 Lindi staff where voluntary testing and cancelling was also done. Also, TAA staff participated in the National HIV Day by Marathon and public awareness activities in Lindi. Installation of preventive gears was done at JNIA and HQ. 100 dispensers of condom were facilitated</li> <li>HIV/AIDS and Non-Communicable diseases Committee Members and 15 peer groups from TAA HQ, JNIA, Arusha, Mwanza, Mtwara, Dodoma, Songwe and</li> </ul>	47.89	46.66

Objectives	Key Performance Indicator	Definition / Calculation	Purpose	Target Previous Year	Target Current Year	Target Future	Implementation status - Year End	Budget (TZS ,000)	Actual (TZS ,000)
							Kigoma were trained how to sensitize employee (pear groups) on the NCD and HIV/AIDS diseases		
<b>Objective B:</b> Implementation of National Anti-Corruption Strategy Enhanced and Sustained	Number of corruption incidences reported.	The KPI will be established by recording corruption incidences annually	This indicator intends to show corruption trends at the Authority	2	2	5	<ul style="list-style-type: none"> <li>• Anti-corruption, Integrity and Ethics training were conducted to Arusha, Mtwara, Songwe, Kigoma, JNIA and TAA HQ staff and all trained staff were vetted.</li> <li>• Sub-Integrity committees at JNIA and regional airports were formed and assigned their responsibilities.</li> <li>• Sub-Integrity committees in three airports at Arusha, Mtwara Airport and Songwe Airports were visited and trained on their respective responsibilities and on public service ethics was done to employees in the respective airports</li> </ul>	19.38	13.66
<b>Objective C:</b> Airport operations efficiency enhanced.	Number of certified and or licensed operational airports	This will be measured by the Number of licensed operational airports. Y= (y0+ y1)	This indicator intends to show level of airport effectiveness on compliance	10	10	13	Ten (10) aerodromes' licenses for (Kilwa Masoko, Nachingwea, Lindi, Tabora, Musoma, Iringa, Kigoma, Mafia, Mtwara, and Shinyanga) renewed.	.75	.75



Objectives	Key Performance Indicator	Definition / Calculation	Purpose	Target Previous Year	Target Current Year	Target Future	Implementation status - Year End	Budget (TZS ,000)	Actual (TZS ,000)
Objective D: Airports Development and Maintenance Improved	Number of airports with improved infrastructures	This will be measured by infrastructure conditional rating	with ICAO standards. This indicator intends to measure the operational readiness of airport infrastructure .	7	8	17	<ul style="list-style-type: none"> <li>Rehabilitation of Terminal Building at Mpanda airport completed by 50%</li> <li>The detailed engineering design for construction of RESA at JNIA RWY 05 carried out and review of the Draft Final Report ongoing.</li> <li>Generally, airports with improved infrastructures include JNIA, Dodoma, Arusha, Mwanza, Mpanda, Lake Manyara, Kahama, Kilwa Masoko</li> </ul>	7.55	8.76

	Number of certificate of Rights of Occupancy This indicator intends to measure performance of the authority to obtain Title Deeds.	This will be measured by number of airports with new Title Deeds (Certificate of Rights of Occupancy)	This indicator intends to measure performance of the authority to obtain Title Deeds.	0	10	1	<ul style="list-style-type: none"> <li>• Title deeds for Iringa, Njombe, Chunya, Morogoro, Ifakara, Biharamulo, Bukoba, Lake Manyara, Urambo and Kahama airports acquired.</li> <li>• Cadastral Survey for Mafia, Kasulu and Uvinza Airports completed by 100%. Payments Processes of Invoices for Application for Title Deeds for Kasulu and Uvinza Airports completed by 50%.</li> <li>• Cadastral Survey for Msalato, Dodoma, Lake Manyara, Manyoni, Kongwa and Kondo Airports completed by 80%</li> <li>• Compensation to 14 PAPs for acquisition of additional land at Chadulu B Street, Makole Ward for extension of Dodoma airport completed by 100%</li> <li>• Compensation of Bavunja Village for acquisition of additional land for Kibondo Airstrip Completed by 100%.</li> <li>• Preparations of carrying out Cadastral Survey are ongoing.</li> <li>• Disclosure of Valuation Report to</li> </ul>	749.26	347.85
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[illegible]

[illegible]

Objectives	Key Performance Indicator	Definition / Calculation	Purpose	Target Previous Year	Target Current Year	Target Future	Implementation status - Year End	Budget (TZS ,000)	Actual (TZS ,000)
Objective E: Airport Business Development Improved	Percentage change in commercial contracts	This will be measured by: The change in number of new commercial contracts vs number of contracts in baseline X 100 divide by the number of contracts in baseline $\frac{(Y1-Y0)}{Y0} \times 100$	This indicator aims to measure the increasing performance of commercial activities at airports.	9%	11%	13%	<ul style="list-style-type: none"> <li>Airport's services and facilities, Investment opportunities, PPP projects and cargo business opportunities were promoted through Tanzania- Italy and Tanzania-EU Business and Investment forums coordinated by TIC and Ministry of Foreign Affairs, also during African Investment forum- Ivory coast and the 15th Annual JTSR.</li> <li>Airports Services, Facilities and Investment opportunities were promoted in Dar es salaam International Trade (DITF-Sabasaba) occurred from 28<sup>th</sup> June to 13<sup>th</sup> July 2023 in Dar es salaam.</li> <li>Public information and promotion materials for airport services and business opportunities were produced and used during international and local business forums.</li> </ul>	5.5	5.5

Objectives	Key Performance Indicator	Definition / Calculation	Purpose	Target Previous Year	Target Current Year	Target Future	Implementation status - Year End	Budget (TZS ,000)	Actual (TZS ,000)
	Number of new airlines	This will be measured by: (No. of Airlines in Y1-No. of Airlines in Y0)	This indicator intends to determine the number of new airlines attracted	0	2	2	i. Nineteen (19) International Passengers airlines at JNIA maintained. Those are Emirates (EK), Air Mozambique™, Kenya Airways, KLM Royal Dutch Air, Ethiopian Airline, Qatar Airways, EGYPT AIR, Rwanda Air, Oman Air, Turkish Air, Malawian, Fly Dubai, AIR UGANDA, AIR ZIMBABWE, AB AVIATION, AIR LINK, EWA, ATCL and PRECISION AIR. ii. Two (2) new International Passengers airlines (Saudia Airline and Air France) established their routes to JNIA.	0	0
<b>Objective F:</b> Capacity of the Authority to deliver its mandate functions enhanced.	Audit Opinion	This will be established /measured by the type of CAG opinion received.	This indicator measures ability of TAA to utilize its resources in compliance with the governing legislations.	Unqualified	Unqualified	Unqualified	The financial statement was prepared and submitted to the CAG in September 2022	08	08

## **REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)**

### **2.9 CORPORATE GOVERNANCE MATTERS.**

#### **A. Corporate**

##### **Governance Statement**

A good corporate governance requires legal, regulatory and institutional basis that is appropriate and efficient. Clear governance rules as well as the necessity of accountability in its actions allow management to be carried out focusing the priorities defined by the organization, and decision makers to have their actions assured by a formally established institutional structure, among other benefits.

Governance is associated with setting of rules for the decision-making process; it defines who makes decisions, who is responsible for them, and how decisions must be made. In essence, it defines roles and responsibilities. Management has to do with the execution of rules set by governance, and the operational routine of the organization. Good corporate governance is critical in the public sector entities, and Tanzania Airports Authority in particular, is committed to adhering to the highest standards of corporate governance. This commitment is rooted in the reputation built on a solid foundation of integrity, excellence, accountability, transparency, fairness and inclusiveness.

In view thereof, during the year under review, the Authority complied with aspects of good corporate governance principles which include:

- (i) **Accountability:** TAA by its mandate is accountable to the Government of Tanzania under Ministry of Works and Transport (Transport), to national and international aviation regulations, safety and security standards, and industry best practices.
- (ii) **Transparency:** The TAA is accountable to the general public as it manages public assets and provides essential services. Public accountability involves transparency in decision-making, disclosure of financial and non-financial information, and responsiveness to public inquiries and concerns.
- (iii) **Fairness:** The Management of TAA ensures that it considers the legitimate interests and expectations of all stakeholders;
- (iv) **Responsibility:** The Management of TAA assumes responsibility for the assets and actions of the Authority and is willing to take corrective actions to keep the Authority on a strategic path that is ethical and sustainable;

#### **B. Membership of those charged with governance.**

The Ministerial Advisory Board (MAB), which consists of the Chairman and six other members, is established under Section 6 of the Executive Agencies Act, No. 30 of 1997. The Chairman and the Board Members are appointed by the Minister responsible for Air transport

TAA is devoted to the principles of effective corporate governance. The Board has two committees namely Project and Technical Committee (PTC) and Business and Finance Committee (BFC). The Committees are accountable to the Board. The Board Committees have specific purpose, roles, duties and responsibilities for the effective oversight for the Agency's functions.

Table below shows the Board Members who served the Authority during the financial year under review.

S/N	Name	Position	Qualifications	Nationality	Appointed	End of Tenure
1	Dr. Masatu Masinde Chiguma	Chairman	BSc. Civil Eng (UDSM) MSc. CivilEng Phd. Transportation on Planning	Tanzanian	20-Jan-20	01-Feb-23
2	Mr. Alex John Haraba	Member	Adv Dip Material Mgt, CPSP-2008, MBA	Tanzanian	20-Jan-20	01-Feb-23
3	Dr. Paschal Arsein Mugabe	Member	Bachelor of Social Science (PSPA), MBA, Masters of Env. Science, Phd Env. Science	Tanzanian	20-Jan-20	01-Feb-23
4	Eng. Daniel B. Kiunsi	Member	Bsc. Electrical Eng.	Tanzanian	27-Jan-20	01-Feb-23
5	Eng. Ven Kayamba Ndyamukama	Member	Bachelor of Engineering (Civil), M.Sc (Highways)	Tanzanian	27-Jan-20	01-Feb-23

The Board is required to meet at least four (4) times a year. In the year ended 30th June 2023 the Board afforded to meet only two times because its life span lapsed in the mid of the reported financial year. Senior Management may be invited to attend board meetings to facilitate the effective control of all the authority's operational activities, acting as a medium of communication and coordination on various business units.

The Board meetings, during the financial year under review, discussed and deliberated on Performance Progress Reports for the 2022/2023 as follows:

- Finance and Business.
- Human Resources and Administration.
- Julius Nyerere International Airport.
- Procurement Management.
- Internal Audit.
- Legal and Public Relation



- Engineering and Technical Services.
- Regional Airports.
- Compliance.
- Environmental Management; and
- Rescue and Fire Fighting Services

**C. Committees of those charged with governance:**

To ensure a high standard of corporate governance throughout the Authority, the Authority has five (5) Committees:

**i. Tender Board**

During the year members of the Tender Board are stipulated in the Table below:

S/N	NAME	DESIGNATION	POSITION	APPOINTMENT DATE	NATIONALITY
1	Mr. Vedastus Fabian	CCU	Chairperson	15/04/2022	Tanzanian
2	Eng. Mbila Mdemu	DETS	Member	1/02/2021	Tanzanian
3	Mr. Lewis Mtoi	MIT	Member	08/10/2021	Tanzanian
4	Mr. Hamis Amir	DRA	Member	02/07/2021	Tanzanian
5	Mrs. Naghuhiwa N. Semadio	DHRA	Member	15/04/2022	Tanzanian
6	Mr. Nasib Elias	Ag. MPS	Member	08/07/2021	Tanzanian
7	CPA. Shadrack Chilongani	Ag. DFB	Member	18/05/2021	Tanzanian
8	Mr. Josephat M. Msafiri	Ag. HPMU	Secretary	1/12/2019	Tanzanian

**Meetings of the Tender Board:**

Details	Number of meetings required annually		Number of meetings held	
	Ordinary	Extra Ordinary	Ordinary	Extra Ordinary
Tender Board	4		4	3

For the Financial year ended 30th June, 2023, TAA Tender Board Committee pursued its functions as per Section 33 of Public Procurement Act 2011 as amended 2016.

## REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

The Tender Board meetings, during the financial year under review, discussed and deliberated on the following main issues: -

1. Supply, installation and testing of AGL at Dodoma Airport
2. Supply and installation of security fence at Dodoma Airport and JNIA
3. construction of terminal build Mpanda and Kahama Airports.
4. Approval of various submitted tender documents, Methods of procurement and Shortlists
  1. Approval of various submitted Evaluation recommendations
  2. Approval of negotiation plan
  3. Approval of negotiation minutes
  4. Deliberation on the submitted micro procurements

### ii. Integrity Committee

During the year members of Integrity Committee are as stipulated in the Table below:

S/N	NAME	DESIGNATION	STATUS	DATE APPOINTED
1.	Mr. Bethuel Moshi	P/Accountant	Chairperson	18/10/2021
2.	Mr. Priscus Mkawe	HRO	Secretary	21-Feb-2018
3.	Mr. Raymond Mmewa	Security Officer	Member	18/10/2021
4.	Mr. Steven Minja	PSO	Member	21-Feb-2018
5.	Diana Wangeri	Operation Officer	Member	18/10/2021
6	Maria Ndukeki	S/Internal Auditor	Member	18/10/2021

This Committee is responsible for ensuring compliance with National Anti-corruption Strategy and Implementation Plan Phase three 2017-2022. In the financial year under review the Committee continues implementing its Strategic objectives as follows;

1. Sub Integrity committees were visited and assessed at two airports (Dodoma, Kigoma, Songwe and Arusha)
2. A total number of 105 staff were trained on Ethics and anticorruption strategy to Public Servants at TAA HQ, Dodoma and Kigoma.
3. A total number of 556 staff and stakeholders were trained on Ethics and anticorruption strategy to Public Servants at Julius Nyerere International Airport.
4. Followups on Installation of CCTV cameras at major airports as part of

implementation of Phase III of National Anticorruption Strategy

5. Awareness materials (posters and brochures) for preventing and combating corruption were provided at Julius Nyerere International Airport
6. Total number of 68 staff from JNIA and TAA HQ were trained in E-Mrejesho (Dawati la Malalamiko).

#### Meetings of the Integrity Committee:

Details	Number of meetings required annually		Number of meetings held	
	Ordinary	Extra Ordinary	Ordinary	Extra Ordinary
Integrity Committee	4	-	4	-

#### iii. ICT Steering Committee

The Committee was established by e-Government Act No.10 of 2019 Section 18-1 and is accountable to Director General of the Authority.

#### Functions of the Committee

- i. To review and approve ICT policy and strategy of the institution, followed by relevant approval requirements, if applicable.
- ii. To ensure alignment of ICT with organization's business needs so that ICT initiatives and services facilitate achievement of organization's strategic objectives.
- iii. To review and provide advice on ICT investment portfolio and priorities with a view of attain in value delivery.
- iv. To ensure all ICT related risks are professionally managed, this includes reviewing and approving institutional disaster recovery plan and ensure its effective implementation.
- v. To ensure e-Government guidelines and standards are implemented by institution to meet compliance requirements.
- vi. To ensure optimal resource utilization in ICT initiatives implementation, including proper management of ICT infrastructure, human capital and finance.
- vii. To undertake continuous monitoring and evaluation of institutional ICT projects to ensure the anticipated benefits are realized.
- viii. To approve any other institutional e-Government sub-committee as may, from time to time, be constituted and address specific ICT related matters.
- ix. To prepare and submit quarterly e-Government progress report to the Authority; and
- x. To perform such other functions as may be directed by the Accounting Officer or Authority.

**The ICT Steering Committee is constituted by the following members:**

S/N	NAME	DESIGNATION	POSITION	APPOINTMENT DATE	NATIONALITY
1	Mussa I. Mbura	DG	Chairman	18/03/2022	Tanzanian
2	Eng. Mbila Mdemu	DETS	Member	16/10/2020	Tanzanian
3	Mr. Lewis Mtoi	MIT	Secretary	16/10/2020	Tanzanian
6	Mr. Nasib Elias	Ag. MPS	Member	16/10/2020	Tanzanian
7	CPA.Shadrack Chilongani	Ag. DFB	Member	16/10/2020	Tanzanian
8	Mr. Josephat Msafiri	Ag. HPMU	Member	16/10/2020	Tanzanian
9	Mr. Leonard Lwiza	Head of ICT Mo WT (Transport Sector)	Member	23/08/ 2021	Tanzanian
10	CPA.Irene Sikumbili	Chief Internal Auditor - CIA	Member	16/10/2020	Tanzanian

**Meetings of the ICT Steering Committee:**

Details	Number of meetings required annually		Number of meetings held	
	Ordinary	Extra Ordinary	Ordinary	Extra Ordinary
Meetings Quarterly	4	NA	2	NA

During the year 2022/23 the Committee has ensured alignment of ICT with organization's business needs to meet initiatives and services facilitate for achievement of organization's strategic objectives, monitoring and evaluation of institutional ICT projects, prepare and submit quarterly e-Government progress report to the Authority.

The Integrity Committee meetings, during the financial year under review, discusses The ICT Steering Committee and deliberated on the following main issues: -

- a. Review and approve of ICT Steering Committee Charter, ICT Policy, ICT Security Policy and Disaster Recovery Plan.
- b. Review and Approve of the following projects.
  - i) Extension of Airport Management Information Systems (AMIS) at Mwanza, Arusha, Dodoma, Songwe and Bukoba airports.
  - ii) Installation of ICT Systems at Mpanda Airport

- c. Review the status of previous projects namely; Car Parking Management System (Mwanza and Dodoma) Installation of ICT Systems at Arusha Airport, Improvement of Local Area Network (LAN) at TAA - HQ, Enhancements of Car Parking System at JNIA TBIII, Extension of e-Office at Regional Airports (Dodoma, Kigoma, Songwe, Mwanza, Arusha and Mtwara), ICT Master Plan and CCTV System at JNIA Runway 05
- d. Review of ICT Audit findings from NAOT, e-GA, MoWT and TAA Tender Board.
- e. Recommend and approve of the use of Help Desk Services.

#### **D. Environmental and Occupational Health and Safety Management**

Tanzania Airports Authority developed and implemented Integrated Management System Policy (IMS) which comprises Quality Management System (ISO 9001:2015), Environmental Management System (ISO 14001:2015) and Occupational Health and Safety Management System (ISO 45001:2018).

The Environmental Management System and Occupational Health and Safety Management System address environmental pollution, local air quality, noise management, waste management, climate change, occupational hazards and accidents and to monitor contractors and suppliers to ensure their operations do not jeopardize the quality, safety and environmental standards of airports. The following are the implementation of the IMS at airports: -

##### **Environmental Management System:**

The Authority has managed to install one incinerator at Arusha airport in order to enhance hazardous waste management in compliance with National and International requirements. The construction of garbage transfer stations at Songwe and Bukoba airports to improve solid waste management system completed. To meet requirements of the Environmental Management Act (The Environmental Impact Assessment and Audit) (Amendment) Regulations, 2018, TAA managed to obtain Environmental Audit Certificates for Mwanza and Arusha Airports. Monitoring of Environmental and Social Management Plan (ESMP) were conducted at Tabora, Dodoma, Mwanza, Mpanda, Songea and Julius Nyerere International Airport.

##### **Occupational Health and Safety Management System:**

During the reporting period, Occupational Health and Safety System at airports monitored. Moreover, to build the capacity of Airport staff on the Occupational Health and Safety; Environmental and Occupational Health and Safety awareness training for twenty-nine (29) staffs from Julius Nyerere International Airport and Headquarter was conducted on 30<sup>th</sup> May 2023. To environmental health protection; TAA conducted water quality monitoring for potable water from sixteen (16) TAA owned boreholes (JNIA (7), Mafia (1), Lindi (1), Arusha (1), Songea (2), Lake Manyara (1), Kigoma (1), Dodoma (1), Mpanda (1) and three wastewater treatment systems (JNIA, Mwanza and Bukoba).

## **E. Employee's welfare**

### **i. Management and Employees' Relationship**

There were continued good relation between employees and management for the year ended 30th June, 2023. There were no any material unresolved complaints received by Management from the employees during the year. A healthy relationship continues to exist between Management and TUGHE.

TAA employees are members of Social Security Fund (PSSSF) and submits its contributions monthly with regards to its employees.

TAA promoted 193 employees, re-categorized 15 employees, and confirmed 187 employees; Conducted two (2) Master workers councils; purchased four (14) motor vehicles; and provided supportive services to HIV/AIDS affected employees.

### **ii. Training**

For the financial year ended 30th June, 2023, the Agency spent TZS 1.238 billion for staff training on Airport operation courses, contract administration and management and financial management courses in order to improve employee's technical skills for efficiency and effective execution of their duties.

- a) 102 Staff were trained on long course which includes diploma and bachelor's degree to improve their working capability on implementing their targeted goals and ensure proper qualification of their substantive post. Long term course costs Tanzania Airports Authority TZS 161,584,500
- b) 980 Staff were trained on short Course which improved their working capability on implementing their targeted goals. TAA spent a sum of TZS 1,076,292,800 on short term course both local and international training.

Accounts and Finance staffs attended AUDITAX training and NBAA courses that includes IPSAS, Tanzania Financial Reporting Standard 1 and filling of returns to TRA, Asset management and other professional development studies. 240 security staff were trained on short course which covers risk.

#### **Management, safety management and screeners course.**

83 of security staff joined long term course, 153 of fire staff were trained on aircraft fire fighting refresher course, 52 Engineers attended short term courses on construction contract administration, Airport planning, design and construction and maintenance of generator with switchgear for low and medium voltage. Moreover 8 operation staff

attended customer service training and staff from other cadres up to 545 attended short term course and 19 from this cadre joined long term course in Universities and Colleges.

**iii. Persons with Disabilities**

Disadvantaged groups have equal opportunities and every assistance is being provided to enable them work comfortably.

We have 3 disabled staff who are supported by special infrastructures needs to meet their daily living and supported by special treatment to balance their living. In the year ended 30<sup>th</sup> June 2023 the Agency spent 7,200,000 as monthly support to this group. However, TZS 800,000 used for procurement of wheelchair.

**iv. Gender Parity**

Policies exist to maintain gender balance based on qualifications and ability. The Agency had 793 employees, out of which 253 were female and 540 were male.

**v. Medical Assistance**

The Authority contributes to National Health Insurance Fund (NHIF) to cover for medical expenses of the employees with maximum number of five beneficiaries to each employee.

**vi. Related Party Transactions**

Details of transactions with related parties and outstanding balances as at the reporting date are disclosed in note 95 of the financial statements. All transactions with related parties were undertaken on arm's length basis.

**F. Social and Community issues**

**Corporate Social Responsibility (CSR)**

TAA is committed to donate and assist the communities around its airports to address issues of prime local concern such as security, education, health, environment protection and water supply programs among other. The Authority provided support in the form of charitable donations, sponsorship, staff volunteering and other resources such as the sharing of professional skills and expertise.

In the reporting period, TAA made contributions in education, security and health sectors worth TZS 105.4 million as follows;

- i ) Donated building materials for health and education at Malinyi in Morogoro, Mbeya and Masasi - Mtwara; and school desks at Ukonga Dar es Salaam and Tabora;
- ii) Donated building materials for Primary Schools and Health centers in Songwe and Mpanda;



- iii) Donated building materials for Police Post at Mtwara Airport; and
- iv) Donated for clothing to Tanzania Albinism Society (TAS) on the National Albinism Day which was conducted in Ruvuma Region

## G. Essential contractual or other arrangements

### Concession arrangements

The Authority has entered into the following service concession agreements for the construction and operation of the facilities and at the end of the contractual period the assets will revert back to the Authority.

S/N	OPERATOR	DETAILS	DURATION OF OPERATION (YEARS)	End period
1	Air Freight Services Ltd	Construction of Cargo Warehouse at JNIA	14	19th June 2027
2	Swissport Tanzania Ltd	Construction of Cargo Warehouse at JNIA	15	21st April, 2028
3	Precision Air Services Ltd	Construction of Aircraft maintenance hangar at JNIA	15	14th February, 2030
4	Everett Aviation Ltd	Helicopter maintenance hangar at JNIA	15	31st December 2028
5	Prime Regional Supplies Limited	Construction of Aviation Fuel Facilities Lake Manyara Airport	5	20th April, 2025
6	Prime Regional Supplies Limited	Construction of Aviation Fuel Facilities Tanga Airport	5	22nd April, 2025

The ongoing Airport Infrastructure Development to meet market demand opens the commercial activities in Airports that requires capitalization. The Concession Policy is a tool used to ensure that the Authority balance the need of supply and demand of concessions and facilities within Airports in compliance with National and International standards. The policy enables the Authority to ensure Concessions are fairly charged, promptly and adequately remit the rentals and concession required as per concession agreements.

### 2.10 EXTERNAL AUDITORS

Article 143 of the Constitution of the United Republic of Tanzania of 1977 and section 10 of the Public Audit Act, Cap 418 (R.E. 2021) mandates the Controller and Auditor General as the statutory auditor of all public sector entities including Tanzania Airports Authority (TAA).



## 2.11 RESPONSIBILITY OF THE AUDITOR

The Controller and Auditor General has a statutory responsibility to report to the stakeholders as to whether, in his opinion, the financial statements of the Authority present fairly the financial position, financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard, the Tanzania Financial Reporting Standard (TFRS 1) and in the manner required by the Tanzania Airports Authority establishment order. And whether the procurement transactions and processes have complied with the requirements of the Public Procurement Act, [CAP. 410 R.E. 2022] and its underlying Regulations of 2013 as amended in 2016,

## STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

Those Charged with Governance accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the financial statements. Furthermore, those Charged with Governance accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Public Sector Accounting Standards (IPSAS) accrual basis of accounting, the Public Finance Act, Cap. 348 and NBAA's Pronouncements Therefore, Those Charged with Governance are of the opinion that the Financial Statements of the Authority give a true and fair view of the Agency's state of the financial affairs and of its operating results for the year ended 30 June 2023.

Nothing has come to attention of Those Charged with the Governance to indicate that the Government of the United Republic of Tanzania shall wind up the operations of the Authority, thus, not to remain a going concern for at least next twelve months from the date of this statement.

Mussa.I. Mbura,  
Director General

Signature:  .....

Date: 11/08/2024 .....

## REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

### 2.12 POLITICAL AND CHARITABLE DONATIONS

The Authority did not make any political donations during the year ended 30 June 2023. Donations were made as part of corporate social responsibility to institutions and charitable organizations to acknowledge the Authority's responsibility to community social needs. During the financial year ended 30 June 2023 the Authority spent TZS105.4 million to support several social and economic development initiatives implemented throughout the country.

The list of beneficiaries on corporate social responsibilities funds for the financial year 2022/23 is provided under Table below:

S/N	Beneficiary's Name Amount	(TZS '000)	Purpose
1	Malinyi District Council, Masasi District Council, Dar es Salaam City Council City Council and Uyui District	55,400	Donated building materials for health and education sector at Malinyi in Morogoro, Mbeya and Masasi - Mtwara; and school desks at Ukonga, Dar es Salaam and Tabora.
2	Mpanda District Council	19,000	Donated building materials for Primary Schools and Health centers in Songwe and Mpanda
3	Mtwara Police Station	13,000	Donated building materials for Police Post at Mtwara Airport
4	Tanzania Albinism Society (TAS)	18,000	Donated for clothing to Tanzania Albinism Society (TAS) on the National Albinism Day which was conducted in Ruvuma Region
	<b>TOTAL</b>	<b>105,400</b>	

### 2.13 DISABLED PERSONS

The Authority is an equal opportunity employer and as a matter of policy, recruitment processes are transparent and competitive. In case of applications for employment by persons with disabilities will be considered bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort shall be made to ensure that their employment with the Authority continues, and appropriate training is arranged.

It is the policy of the Authority that training, career development and promotion in case of persons with disabilities should, as far as possible, be identical to that of other employees.

We have 3 disabled staff who are supported by special infrastructures needs to meet their daily living and supported by special treatment to balance their living. A sum of TZS 8,000,000 was spent for monthly support and purchase of wheelchair.

## 2.14 PREJUDICIAL ISSUES

The prejudicial issues during the reporting financial year included ongoing cases at various court of law. A total of (13) cases for and against TAA were litigated whereby Five (5) cases have been concluded consequently the TAA court cases register has been updated. At 30 June 2023 there were six (6) pending cases in courts of law and Arbitration proceedings in tribunal; - ie. Dar es Salaam - Five (5) cases, Mbeya- one (1) and Arbitration proceedings in Mwanza against rental defaulters. Case status report is provided under table herein below: -

### CASES STATUS REPORT BY 30 JUNE 2023

S/N	COURT & CASE NO	PARTIES	AMOUNT OF CLAIM AGAINST TAA (TSH.)	STATUS
1.	COURT OF APPEAL OF TANZANIA MBEYA REGISTRY	Mayuma Investment Limited Vs TAA and AG	300,000,000	The matter is pending waiting for schedule of the court of appeal sessions
2.	HIGH COURT LAND DIVISION LAND CASE NO. 202/2020	Elizabeth Simon Mwakapangala Vs. TAA and 2 Others	200,000,000	Court proceedings & records of appeal have been requested for appealing to the CA
3.	HIGH COURT LABOUR DIVISION LABOUR REVISION NO. 360/2018	Shamte Habibu & 11 Others Vs. TAA	41,300,000	The matter is scheduled for showing causes that led not to pay them on time on 24th August, 2023
4.	HIGH COURT LAND DIVISION LAND CASE NO. 83/2021	Joha Hassan & Anather Vs TAA and 5 Others	70,000,000	The matter is scheduled for showing cause
5.	HIGH COURT LAND DIVISION LAND CASE NO. 72/2023	Rebecca John Genya Vs. TAA & Others	Applicant to be declared the rightful owner of the suit plot	The matter is scheduled for mention on 31st July 2023.
6.	HIGH COURT LAND DIVISION LAND CASE NO. 135/2023	Abuu Sadiki Lema Vs. TAA & Others	500,000,000	The matter is scheduled for mention on 2nd August 2023.
7.	HIGH COURT DSM DISTRICT REGISTRY CIVIL CASE NO. 76/2023	Martinair Holland N.V & Another Vs. TAA & Others	1,894,912,744.20	The matter is scheduled for mention on 27 <sup>th</sup> August, 202
8.	ARBITRATION NO/04/2023	TAA Vs. City Delivery Services		The release of an Award is schedule on 31 <sup>st</sup> August, 2023
9.	ARBITRATION NO/05/2023	TAA Vs. Dooreach Group LTD		

S/N	COURT & CASE NO	PARTIES	AMOUNT OF CLAIM AGAINST TAA (TSH.)	STATUS
10.	ARBITRATIONNO/06/2023	TAA Vs. Signware House LTD		
11.	ARBITRATION NO/07/2023	TAA Vs. Victoria Palace Hotel		
12.	ARBITRATIONNO/08/2023	TAAVs. Far End Travelers Tours		
13.	ARBITRATION NO/09/2023	TAA Vs. Lake Zone Charters Ltd		
TOTAL			3,006,212,744	

## 2.15 STATEMENT OF COMPLIANCE

The Report by Those Charged with Governance is prepared in compliance with the new Tanzania Financial Reporting Standard No. 1 (TFRS No. 1) as issued by the National Board of Accountants and Auditors (NBAA) and became effective from 1 January 2021. The Authority's financial statements have been prepared in compliance with the International Public Sector Accounting Standards (IPSASs) accrual basis of accounting as issued by the International Public Sector Accounting Standards Board (IPSASB).

## 2.16 APPROVAL

The report by those charged with governance has been approved by those charged with governance on and signed on its behalf by:

  
 Name : Godwin Kinyona Title: Permanent Secretary Date: 11/5/2024

#### **DECLARATION BY DIRECTOR OF FINANCE AND BUSINESS**

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountant (Registration) Act No 33 of 1972 as amended by Act No 2 of 1995 requires financial statements to be accompanied with a declaration issued by the Director of Finance and Business responsible for the preparation of financial statements of entity concerned.

It is the duty of professional Accountants to assist the Management to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable international accounting standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Those Charged with Governance.

I CPA, Shadrack Chilongani being the Ag. Director of Finance and Business of Tanzania Airports Authority hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June,2023 have been prepared in compliance with International Public Sector Accounting Standards(IPSAS) and the Public Finance Act of 2001 (revised 2004) requirements.

I thus confirm that the financial statements present fairly in all material aspects, the Financial Position of Tanzania Airport Authority as at 30 June,2023, and its Financial Performance and Cash Flows for the year ended have been prepared based on properly maintained financial records.

Signed by: CPA. Shadrack E.D. Chilongani

Signature: 

Position: Ag. Director of Finance and Business

NBAA Membership No: ACPA 2044

Date: 11/03/2024

# STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

		2022/23	2021/22 -
		TZS	Restated
	Note		TZS
<b>ASSETS</b>			
<b>Current Asset</b>			
Cash and Cash Equivalents	62	24,783,773,547	35,999,764,499
Receivables	67	44,166,170,984	32,360,789,767
Prepayments	69	430,318,522	2,355,387,826
Inventories	70	605,987,404	343,944,278
<b>Total Current Asset</b>		<b>69,986,250,457</b>	<b>71,059,886,370</b>
<b>Non-Current Asset</b>			
Property, Plant and Equipment	77	7,290,514,046,230	7,304,441,865,130
Work In Progress	82	6,211,499,630	17,729,633,712
<b>Total Non-Current Asset</b>		<b>7,296,725,545,860</b>	<b>7,322,171,498,842</b>
<b>TOTAL ASSETS</b>		<b>7,366,711,796,317</b>	<b>7,393,231,385,212</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables and Accruals	89	5,237,420,947	7,382,507,339
Deferred Income	93	8,662,278,128	7,821,178,456
Deposits	94	8,669,465,432	3,514,141,758
<b>Total Current Liabilities</b>		<b>22,569,164,507</b>	<b>18,717,827,553</b>
<b>Non-Current Liabilities</b>			
Other Borrowing by Government entities - CRDB	101	42,955,601,531	56,044,505,519
<b>Total Non-Current Liabilities</b>		<b>42,955,601,531</b>	<b>56,044,505,519</b>
<b>TOTAL LIABILITIES</b>		<b>65,524,766,038</b>	<b>74,762,333,072</b>
<b>NET ASSETS</b>		<b>7,301,187,030,278</b>	<b>7,318,469,052,140</b>
<b>Capital Contributed by:</b>			
Taxpayers' funds		6,435,234,340,697	6,435,234,340,697
Accumulated Surpluses		865,952,689,565	883,234,711,443
<b>TOTAL NET ASSETS</b>		<b>7,301,187,030,278</b>	<b>7,318,469,052,140</b>

Signature: 

Mussa I. Mbura

Director General

Date : 11/03/2024

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

		2022/23	2021/22
Classification of Expenses by Nature	Note	TZS	TZS
<b>REVENUE</b>			
Revenue:			
Revenue Grants	16	47,730,365,804	30,609,268,677
Revenue from Exchange Transactions	17	4,475,492,386	3,134,053,450
Fees, Fines, Penalties and Forfeits	19	3,566,865,318	3,087,710,475
Other Revenue	31	52,051,303,687	55,903,097,653
<b>Total Revenue</b>		<b>107,824,027,196</b>	<b>92,734,130,255</b>
<b>EXPENSES AND TRANSFERS</b>			
Expenses:			
Wages, Salaries and Employee Benefits	34	29,184,929,567	20,443,744,379
Use of Goods and Service	35	20,510,874,890	21,507,875,392
Maintenance Expenses	36	18,403,183,670	12,282,326,002
Depreciation of Property, Plant and Equipment	37	38,814,941,721	43,706,857,914
Interest Expenses	42	3,304,416,872	7,761,634,226
Loss on disposal	44	4,580,357	0
Other Expenses	52	6,066,887,320	1,564,262,754
<b>Total Expenses</b>		<b>116,289,814,397</b>	<b>107,266,700,667</b>
Transfers:			
Other Transfers	60	8,816,234,662	7,324,936,015
Total Transfer		8,816,234,662	7,324,936,015
<b>TOTAL EXPENSES AND TRANSFERS</b>		<b>125,106,049,059</b>	<b>114,591,636,682</b>
<b>Deficit for the year</b>		<b>-17,282,021,862</b>	<b>-21,857,506,425</b>

Signature: ..... 

Mussa I. Mbura

Director General

Date: 01/03/2024



# STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED 30<sup>th</sup> JUNE, 2023

	Taxpayer's Fund TZS	Restated Accumulated. Surplus/(Deficit) TZS	Total TZS
Balance as at 01 Jul 2022	6,435,234,340,697	883,234,711,443	7,318,469,052,140
Deficit for the Year	-	-17,282,021,862	-17,282,021,862
<b>Balance as at 30 Jun 2023</b>	<b>6,435,234,340,697</b>	<b>865,952,689,565</b>	<b>7,301,187,030,278</b>
<b>FOR THE YEAR ENDED 30 JUNE 2022</b>			
Balance as at 01 Jul 2021 Restated	6,435,234,340,697	906,224,938,296	7,341,459,278,993
Deficit for the Year	-	- 21,857,506,425	-21,857,506,425
Prior year adjustment	-	-1,132,720,428	-1,132,720,428
<b>Closing Balance as at 30 Jun 2022</b>	<b>6,435,234,340,697</b>	<b>883,234,711,443</b>	<b>7,318,469,052,140</b>

Signature :.....

Mussa I. Mbura

Director General

Date : 11/03/2024

## CASHFLOW STATEMENT FOR THE YEAR ENDED 30 June 2023

	2022/23 TZS	2021/22 TZS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>RECEIPTS:</b>		
Revenue Grants	48,571,465,492	38,430,447,133
Revenue from Exchange Transactions	4,475,492,386	3,134,053,450
Fees, Fines, Penalties and Forfeits	3,566,865,318	3,573,100,586
Other Revenue	39,992,219,487	62,273,132,110
Increase or decrease in deposit	5,155,323,674	0
<b>Total Receipts</b>	<b>101,761,366,358</b>	<b>107,410,733,279</b>
<b>PAYMENTS:</b>		
Wages, Salaries and Employee Benefits	29,091,072,368	20,537,818,662
Use of Goods and Service	22,632,276,085	26,435,665,235
Other Transfers	8,816,234,662	7,324,936,015
Other Expenses	6,066,887,320	1,564,262,754
Maintenance Expenses	18,403,183,670	12,282,326,002
Interest Expenses	3,304,416,872	7,643,051,321
<b>Total Payments</b>	<b>88,314,070,977</b>	<b>75,788,059,989</b>
<b>NET CASH FLOWS GENERATED FROM OPERATING ACTIVITIES</b>	<b>13,447,295,382</b>	<b>31,622,673,290</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payment for Work in Progress	-3,711,587,887	-6,577,101,975
Acquisition of Property, Plant and Equipment	-7,517,558,219	-12,554,414,511
Prepayment of Assets	-345,236,243	0
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>-11,574,382,349</b>	<b>-19,131,516,486</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Loan repayment	-13,088,903,987	0
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>-13,088,903,987</b>	<b>0</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>-11,215,990,955</b>	<b>12,491,156,804</b>
Cash and cash equivalents at beginning of period	35,999,764,499	23,508,607,695
Cash and cash equivalents at end of period	24,783,773,544	35,999,764,499

Signature : 

Mussa I. Mbura

Director General

Date: 11/03/2024

**STATEMENTS OF COMPARISON OF BUDGET AND ACTUAL FOR THE YEAR ENDED 30 JUNE 2023**

	<b>Budgeted Amount</b>		<b>Actual Amount on Comparison Basis (A)</b>		<b>Different Final Budget &amp; Actual (B- A)</b>	
	<b>Original Budget</b>	<b>Reallocations/ Adjustments</b>	<b>Final Budget (B)</b>			
	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>	<b>TZS</b>
<b>RECEIPTS:</b>						
Revenue from	7,994,980,484	0	7,994,980,484	4,475,492,386	3,519,488,098	
Exchange						
Transactions	4,002,422,915		4,002,422,915	3,566,865,318	435,557,597	
Fees, Fines,						
Penalties and forfeits	44,719,951,594	0	44,719,951,594	39,992,219,487	4,727,732,107	
Other Revenue	0	0	0	5,155,323,674	(5,155,323,674)	
Increase or decrease						
in deposit	44,757,990,000	0	44,757,990,000	48,571,465,492	(3,813,475,492)	
Revenue Grants	101,475,344,993	0	101,475,344,993	101,761,366,357	(286,021,364)	
<b>Total Receipts</b>						
<b>PAYMENTS:</b>						
Interest Expenses	3,304,416,872	0	3,304,416,872	3,304,416,872	0	
Maintenance	20,410,943,800	365,903,700	20,776,847,500	18,403,183,670	2,373,663,830	
Expenses						
Other Expenses	8,481,719,745	-953,054,886	7,528,664,859	6,066,887,320	1,461,777,539	
Other Transfers	8,816,234,662	0	8,816,234,662	8,816,234,662	0	
Use of Goods and	26,645,971,401	-1,858,451,228	26,114,478,068	22,632,276,085	3,482,201,983	
Service						
Wages, Salaries and	28,375,163,374	-143,180,505	28,231,982,869	29,091,072,368	-859,089,499	
Employee Benefits						
of	53,368,812,868	1,277,317,057	54,646,129,925	7,517,558,219	47,128,571,706	
Acquisition						
of						
Property, Plant and						
Equipment						
Prepayment	0	0	0	345,236,243	(345,236,243)	

# Budgeted Amount

Payment for work in Progress  
Total Payment  
Net  
Receipts/(Payments)

## Original Budget

TZS

0

176,059,748,542

-50,695,983,945

## Reallocations/ Adjustments

TZS

0

15,492,033

-15,492,033

## Final Budget (B)

TZS

0

176,075,240,575

-50,711,475,978

## Actual Amount on Comparison Basis (A)

TZS

3,711,587,887

99,888,453,326

1,872,913,031

## Different Final Budget & Actual (B- A)

TZS

(3,711,587,887)

76,186,787,249

-68,210,338,529

Signature : .....

Mussa I. Mbura

Director General

Date: 11/08/2024

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

### 1. GENERAL INFORMATION

Tanzania Airports Authority (TAA) was established under the Executive Agencies Act No. 30 of 1997 through a Government Notice Number 404 of 29 November 1999, assuming the functions of the former Directorate of Aerodromes under the Ministry of Communications and Transport, then the Ministry of Works, Transport and Communications currently the Ministry of Works and Transport. The operation of the Authority is vested on the Ministerial Advisory Board appointed by the Minister of Communication and Transport for a term of three years. The day to day running of the affairs of the Authority is vested on the Director General. The head office of TAA is located at Julius Nyerere International Airport, Terminal. Its main responsibility of the Authority is the provision of public airport services in Tanzania Mainland.

#### PLACE OF BUSINESS.

Julius Nyerere international Airport,  
Terminal One,  
P.O.BOX 18000,  
Dar es Salaam.  
Phone: +255 22 2842402/3  
Fax: +255 22 2844495

#### PARENT MINISTRY

Ministry of Works and Transport,  
Government City Mtumba,  
P.O.BOX 638  
40470 Dodoma, Tanzania.

#### BANKERS

Bank of Tanzania,  
2 Mirambo Street,  
P.O.BOX 2939  
11884 Dar es Salaam, Tanzania.

#### LAWYERS

Attorney General Chambers,  
Kivukoni Front,  
P.O.BOX 9050,  
Dar-es-salaam, Tanzania.

NMB BANK LIMITED,  
Bank House Branch,  
P.O.BOX 9213,  
Dar-es Salaam, Tanzania

CRDB Bank plc,  
P.O.BOX 268,  
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#### AUDITOR

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## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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

The entity's financial statements have been prepared in accordance with Public Finance Act No. 6 of 2001 (revised 2004), and comply with the requirements of International Public Sector Accounting Standards (IPSAS -Accrual) and accounting circulars issued by the Government. The financial statements are presented in Tanzania Shillings (TZS) which is a functional and reporting currency of the Government.

The measurement base applied is historical cost, these financial statements have been prepared on going concern basis. Accounting policies have been consistently applied to all the years presented. The cash flow statement is prepared using direct method. Presentations of Financial Statement 2022/2023 were presented by nature.

#### **Date of authorisation**

The authorised date for issue of Financial Statements to the Public is after receiving opinion from the Controller and Auditor General and the report being tabled to the Parliament.

### **4.0 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted, which are consistent with those of previous years, are shown below.

#### **4.1 Foreign currency translation**

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

Items included in the financial statements of the Tanzania Airports Authority are measured using the currency of the primary economic environment in which the Authority operates (the functional currency). The financial statements are presented in Tanzanian Shillings (TZS), which is the Authority functional and presentation currency.

##### **b) Transactions and balances**

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance.

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **4.2 Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, and are measured at amortized cost. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

### **4.3 Employment benefits**

The Authority operates defined contribution plans. Employees are members of Public Service Social Security Fund (PSSSF). The Authority contributes 15% of basic salary of each permanent and pensionable employee to PSSSF. The Authority operates insured (health benefit) plan where contributions are paid to the National Health Insurance Fund (NHIF), both the employer and employee contribute 3% of basic salary.

### **4.4 Short- and long-term employee benefits**

The cost of all short term employee benefits, such as leave pay, is recognized during the period in which the employee renders the related service. The Authority recognizes the expected cost of performance bonuses only when the Authority has a present legal or constructive obligation to make such payment, and a reliable estimate can be made.

### **4.5 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Authority and revenue can be reliably measured.

### **4.6 Grants from Government and Donors**

Funds received from the government and Donors are credited to the deferred satisfy When services are delivered and the conditions attached to the funds are met, the contribution is recognized as revenue in the statement of financial performance equivalent to the extent of the expenses incurred for the year. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Authority with no future related costs are recognized in the statement of financial performance in the period in which they become receivable. Non exchange transactions are measured at fair value.

### **4.7 Revenue from Exchange Transactions**

Revenue shall be measured at the fair value of the consideration received or receivable.

#### **Recognition:**

#### **4.7.1 From sale of goods:**

When significant risks and rewards have been transferred to purchaser, loss of effective control by seller, amount of revenue can be reliably measured, it is likely that the economic benefits or service potential associated

with the transaction will flow to the entity, and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **4.7.2 From rendering of services:**

Reference to the stage of completion of the transaction at the reporting date, provided the outcome of the transaction can be estimated reliably. If the outcome of the transaction cannot be estimated reliably, revenue shall be recognized only to the extent of the expenses recognized that are recoverable.

#### **4.7.3 For interest, royalties, dividends, fees, charges and rent income:**

These are recognised when it is probable that economic benefits or service potential will flow to TAA, and the amount of the revenue can be measured reliably.

- Interest income on a time proportion basis that takes into account the effective yield on the asset.
- Royalties and fees as they are earned in accordance with the substance of the relevant agreement.
- Dividends or their equivalents when the shareholder's or TAA's right to receive payment are established.
- Rental income from use of assets and services is recognized on a straight-line basis over the term of the relevant lease.
- Car parking charges as income is earned i.e. when it accrues not necessarily paid.

#### **4.8 Expenses**

Under accrual basis expenditure is recorded in the accounts when it incurred and not necessarily when it is paid for.

#### **4.9 Inventories**

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. However, where inventories are acquired through a non-exchange transaction, their cost shall be measured as their fair value as at the date of acquisition. Inventories are required to be measured at the lower of cost and current replacement cost where they are held for:

- Distribution at no charge or for a nominal charge
- Consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Costs include all purchase cost, conversion cost (materials, labour, and overhead), and other costs to bring inventory to its present location and condition, but not foreign exchange differences and selling costs. Trade discounts, rebates, and other similar items are deducted in determining the costs of purchase.

For inventory items that are not interchangeable, specific costs are attributed to the specific individual items of inventory.

TAA applies the same cost formula for all inventories having similar



nature and use; a difference in geographical location of inventories by itself is not sufficient to justify the use of different cost formulas.

For interchangeable items, cost is determined on a first in, first out basis. For inventories with a different nature or use, different cost formulas are used.

When inventories are sold, exchanged, or distributed, the carrying amount is recognized as an expense in the period in which the related revenue is recognized. If there is no related revenue, the expense is recognized when the goods are distributed or related services have been rendered.

Write downs to net realisable value are recognized as an expense in the period the loss or the write down occurs. Reversals arising from an increase in net realisable value are recognized as a reduction of the inventory expense in the period in which they occur.

#### **4.10 Property, Plant and Equipment**

Property, plant and equipment are stated at cost, excluding the costs of day today servicing, less accumulated depreciation and accumulated impairment in value. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Authority recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for no amount or nominal consideration the asset is initially measured at its fair value.

Depreciation is calculated on a straight-line basis over the useful life of the assets.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable to the recoverable amount or recoverable service amount. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of financial performance in the year the asset is derecognized. The residual values, useful lives and methods of depreciating property, plant and equipment are reviewed, and adjusted if appropriate, at each financial year end.

The annual rates of depreciation which have been consistently applied are:

S/N	Asset	Rate (%)
1	Household Furniture	10
2	Office Furniture and Fittings	10
3	Land	NIL
4	Buildings	2
5	Runways, Taxiway, and Apron	2
6	Motor Vehicles	25
7	Equipment and Plants	10
8	Computer	33
9	Chain Link and Block Wall	5
10	Fire Fighting Vehicles	10
11	Office Equipment	10
12	Intangible Assets	33

#### 4.11 Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

The useful life of the intangible assets is assessed as either finite or indefinite.

An intangible asset with a finite life is amortized over its useful life. Software costs are expensed on a straight-line basis over three years.

Intangible assets with a finite useful life are assessed for impairment whenever there is an indication that the asset may be impaired.

The amortization period and the amortization method, for an intangible asset with a finite useful life, are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on an intangible asset with a finite life is recognized in surplus or deficit as the expense category that is consistent with the nature of the intangible asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the surplus or deficit when the asset is derecognized.

#### **4.12 Impairment of non-financial assets**

At each reporting date, the Authority assesses whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Authority estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Authority's of assets.

Impairment losses, including impairment on inventories, are recognized in the statement of financial performance in those expense categories consistent with the nature of the impaired asset.

Goodwill is tested for impairment on an annual basis. For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Authority estimates the asset's or cash generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in surplus or deficit.

#### **4.13 Financial Instruments (financial assets/liabilities)**

##### **4.13.1 Initial Recognition**

TAA recognizes a financial asset or a financial liability in its statement of financial position when, and only when, the Authority becomes a party to the contractual provisions of the instrument.

##### **4.14 Related Party Transactions**

Parties are considered to be related if one party can control the other party individually or jointly, or to exercise significant influence over the other party in making financial and operating decisions. They include relationship with subsidiaries, associates, joint ventures and key Management personnel. For TAA, key management shall include; Members of the Ministerial Advisory Board, Members of the Audit Committee, Director General, Directors; Heads of Units and their close relatives. Some of the Authority's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these Financial Statements.

##### **4.15 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are recognized

in surplus or deficit in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Capitalization ceases when construction of the asset is complete; thereafter all borrowing costs are charged to the statement of financial performance.

#### **4.16 Provisions**

Provisions are recognized when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that an out flow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Authority expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

#### **4.17 Contingent liabilities**

The Authority does not recognize a contingent liability, but discloses details of any contingencies in the notes to the Financial Statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

The Authority does not recognize a contingent liability but discloses details of any contingencies in the notes to the Financial Statements unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

For the financial year 2022/2023, the Authority have a possible obligation from TRA audit due to the late submission of the statement of estimates and payments of tax. TRA they are still working on the subject matter and a no offence has yet been issued that result in not being able to measure reliably.

#### **4.18 Contingent Assets**

The Authority does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority in the notes to the Financial Statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the Financial Statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the Financial Statements of the period in which the change occurs.

IPSAS 19 provides a choice of presenting expenditures to settle a provision either net of any reimbursement or on a gross basis. The Authority has elected to present the expenses excluding the reimbursements.

Reimbursements are accounted for separately.

IPSAS 19 also requires provisions to be measured as the best estimate of the present value of the amount required to settle the obligation. In making this estimate the Authority

#### **4.19 Taxes**

The Authority is exempt from all taxes except value added tax. Thus, no provision is made for tax and deferred taxation.

##### **4.19.1 Value added tax**

Revenues, expenses and assets are recognized net of the amount of value-added tax except:

Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation Authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and Receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to Tanzania Revenue Authority is included as part of receivables or payables in the statement of financial position.

#### **4.20 Events after reporting period.**

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the Financial Statements are authorised for issue. Two types of events are identified:

- (i) Those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- (ii) Those which are indicative of conditions that arose after their reporting period (Non adjusting events after the reporting period).

Adjusting events are reflected in the Financial Statements and their details are disclosed in the notes. Non adjusting events are merely disclosed in the Financial Statements. Financial Statements are authorized for issue when they are approved by Accounting Officer.

#### **4.21 Nature and purpose of reserves**

The Authority has not created and maintained special purpose reserves to meet specific requirements. Two reserves are being maintained. Revaluation reserve which caters for the increase in value of PPE arising from revaluation exercise which was conducted in 2015/2016 and Accumulated reserve which caters for surplus/(deficits) realized over the years.

#### **4.22 Service concession arrangements**

The Authority analyses all aspects of service concession arrangements that it enters into in determining the appropriate accounting treatment and disclosure requirements. In particular, where a private party contributes

an asset to the arrangement, the Authority recognizes that asset when, and only when, it controls or regulates the services the operator must provide together with the asset, to whom it must provide them, and at what price. In the case of assets other than 'whole of life' assets, the asset entails that where TAA controls it, through ownership, beneficial entitlement or otherwise like any significant residual interest in the asset at the end of the arrangement. Assets so recognized are measured at their fair value. To the extent that an asset has been recognized, the Authority also recognizes a corresponding liability, adjusted by a cash consideration paid or received.

#### **4.23 Significant judgments and sources of estimation uncertainty**

The preparation of the Authority's Financial Statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

#### **4.24 Judgments**

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

##### **(i) Estimates and assumptions**

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

##### **(ii) Useful lives and residual values**

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

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

##### **(iii) Held to maturity investments and loans and receivables**

The Authority assesses its loans and receivables (including trade

receivables) and its held to maturity investments at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the Authority evaluates the indicators present in the market to determine if those indicators are indicative of impairment in its loans and receivables or held to maturity investments. Where specific impairments have not been identified the impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period

**(iv) Budget information**

The annual budget is prepared on cash basis following a major source of revenue (passenger service charge) of the Authority originating from government appropriation process through the Parliament. Explanations are provided for material variations of the original budget and final budget. Financial Statements are prepared on an accrual basis. Statement of comparison of budget and actual are prepared on a comparable basis by adjusting actual expenditure reflected in Financial Statements which are on accrual basis to cash basis for comparative purposes. Explanation of material variations between budget amount and actual amount is explained in the notes. A separate statement of comparison of budget and actual is prepared.

**4.25 Transitional provision**

There is no transition provision after the lapse of the five years grace period, therefore the financial statements for the year ended 30th June 2022 complies with the requirements of International Public Sector Accounting Standards as issued by IPSASB.

**4.26 Future change in accounting policies**

Standards issued but not yet effective up to the date of issuance of the entity's financial statements are listed below. These listings of standards issued are those which the Government is reasonably expecting to have an impact on disclosures, financial position or performance when applied at future date. The government intends to adopt these standards when they become effective.

**IPSAS 41-Financial instruments:** This standard was effective for annual financial statements covering periods beginning January 1, 2022 with earlier period being encouraged.

**IPSAS 42-Social Benefits:** The IPSAS was published in the end of January 2019 and the effective date was 1 January 2022.

#### 4.27 Exchange rates

All monetary amounts in the Financial Statements are expressed in Tanzania Shillings, the legal tender show as TZS. The Tanzania Shilling closing rate (The Bank of Tanzania Middle Rate) for major currencies was:

Currency	30th June, 2023	30th June, 2022
United States Dollars (USD)	2,339.1	2,304
Euro	2,557.1	2,434

#### 4.28 Financial risk management

The Authority seeks to minimize its exposure to financial risk. The only financial assets that it may purchase are cash, or cash equivalents and bank deposits. The only financial liabilities that it may have (other than supplier liabilities) are bank overdrafts and bank loans.

#### 4.29 Currency risk

The Authority manages its bank accounts in Tanzanian shillings, which is the official currency of the Tanzania. The exposure to currency risk is not there. Foreign loans are extended to the Authority by the Government through on lending agreements which are entered into in Tanzanian Shillings. Revenue which is quoted in foreign currencies is paid in Tanzanian Shillings at exchange rate prevailing on the date of payment or is paid in foreign currency on the date of payment.

#### 4.30 Interest rate risk

Interest rate risk arises from possible impact of changes in the interest rates on the value of financial instruments. The Authority does not have assets and liabilities that are materially dependent on interest rate levels therefore, management believes that the Authority has no exposure to interest rate risk.

#### 4.31 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Authority is exposed to credit risk on its receivables and prepayment accounts. The Authority seeks to reduce the credit risk by setting credit limits for receivables and monitoring existing outstanding receivables' balances. Prepayments are highly discouraged and monitored very closely.

#### 4.32 Liquidity risk

Liquidity risk is the risk of the Authority not being able to meet its obligations as they fall due. The Authority's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Authority's reputation. The Authority ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow



forecasts.

#### **4.33 Capital Maintenance**

Authority's capital is constituted by the Net Assets. The Government is the sole owner of the Authority and capital is maintained through sufficient appropriation from Government funding and internal commercial sources which are retained by the Authority. There are no externally imposed capital requirements attached. Funds are provided to achieve the objective of providing effective, efficient and safe airports transport services in Tanzania Mainland.

#### **4.34 Capital Commitments**

Capital commitments constitute those which have been budgeted and approved for but not yet contracted and those which have been contracted and are due for execution or under execution. Details of which are reflected in the notes. Capital commitments are segregated between those relating to TAA and those of subsidiaries, associates and under joint arrangements.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

	<b>2023</b>	<b>2022</b>
	<b>TZS</b>	<b>TZS</b>
<b>16 - Revenue Grants</b>		
Government Grant Development Local	23,553,414,454.85	8,618,152,758
Government Grant Other Charges	12,678,384,569.00	11,172,886,799
Government Grant Personal Emolument	11,498,566,780	10,818,229,120
	<b>47,730,365,803.85</b>	<b>30,609,268,677</b>
<b>17 - Revenue from Exchange Transactions</b>		
Advertising Fees	1,785,522,827.31	485,390,111
Recovery of Public Money	2,689,969,558.96	2,648,663,339
	<b>4,475,492,386.27</b>	<b>3,134,053,450</b>
<b>19- Fees, Fees, Penalties and forfeits</b>		
Other Fines, Penalties, and Forfeitures	3,566,865,318	3,087,710,475
	<b>3,566,865,318</b>	<b>3,087,710,475</b>
<b>31- Other Revenue</b>		
Aircraft Landing & Parking Charges	18,221,063,972.98	26,800,112,786 0
Miscellaneous Receipts	16,194,313,896.89	15,594,194,714
Receipt from security Fees	11,535,700,492.40	7,721,020,520
Revenue from Rent of Government Quarters	6,100,040,325.09	5,777,904,633
Tender Documents	185,000.00	9,865,000
	<b>52,051,303,687</b>	<b>55,903,097,653</b>
<b>34 - Wages, Salaries and Employee Benefits</b>		
Acting Allowance	75,000,000.00	55,066,182
Casual Labour	31,617,600.00	30,610,800
Casual Labour	153,540,887.74	139,878,011
Civil Servants	12,243,441,053.29	10,634,054,431

	2023 TZS	2022 TZS
Court Attire Allowance	6,000,000.00	4,500,000
Electricity	175,090,000.00	253,059,994
Electricity Allowance	800,000.00	0
Extra-Duty	5,148,688,042.85	3,624,204,580
Food and Refreshment	69,671,247.97	130,270,776
Furniture	90,277,600.00	89,000,000
Honoraria	7,300,000.00	0
Housing Allowance	2,059,144,839.34	188,099,999
Internship Allowance	1,154,689,278.81	834,221,923
Leave Travel	973,255,613.60	974,477,620
Local Based Staff Salary	620,398,685.65	858,773,295
Medical and Dental Refunds	33,500,936.39	27,604,752
Moving Expenses	455,696,500.00	172,631,583
Outfit Allowance	4,527,579.00	2,595,080
Responsibility Allowance	0	27,600,000
Risk Allowance	1,231,705,000.00	226,800,000
Sewage Charges	46,983,999.68	26,556,652
Sitting Allowance	111,371,667.49	25,150,000
Special Allowance	3,999,434,922.67	1,628,397,817
Subsistence Allowance	284,766,700.00	222,924,000
Telephone	183,769,218.18	242,518,779
Telephone Allowance	11,827,500.00	7,130,596
Water and Waste Disposal	12,430,693.70	17,617,506
	<b>29,184,929,567.36</b>	<b>20,443,744,376</b>
<b>35 - Use of Goods and Service</b>		
Advertising and Publication	39,299,289.00	11,714,944
Air Travel Tickets	515,396,317.10	410,696,175
Arms and Ammunitions	1,615,000.00	0
	<b>2023 TZS</b>	<b>2022 TZS</b>

Books, Reference and Periodicals	128,729,031.91	127,908,354
Carpet	11,056,128.00	0
Catering Services	200,618,379.00	274,098,636
Cleaning Supplies	19,659,600.00	3,801,800
Communication Network Services	1,056,000.00	200,000
Computer Supplies and Accessories	14,676,098.95	335,819,984
Conference Facilities	273,731,463.70	201,183,466
Courier Services	250,000.00	0
Diesel	2,054,369,140.88	3,726,161,092
Drugs and Medicines	1,957,865.22	467,000
Electricity	5,819,348,903.51	5,611,699,657
Entertainment	24,639,895.00	26,983,332
Exhibition, Festivals and Celebrations	27,290,393.04	72,602,795
Firewood	1,680,000.00	0
Food and Refreshments	257,625,250.91	152,217,424
Fumigation	166,767,357.67	192,219,083
Furniture and Appliances	9,880,000.02	0
Gifts and Prizes	169,531,000.00	282,403,511
Ground Transport (Bus, Train, Water)	56,327,827.22	35,257,718
Ground travel (bus, railway taxi, etc)	115,049,705.49	82,006,067
Health Insurance	32,886.00	807,240
Hiring of Training Facilities	160,000.00	61,000
Internet and Email connections	144,440,673.29	141,860,000
Joint Training & Operations (Regional)	500,000.00	0
Lubricants	0	4,800,539
Materials Testing Services	300,000.00	5,444,190
Medical Gases and Chemicals	1,800,000.00	0
Mobile Charges	49,104,999.00	41,525,298
	<b>2023</b>	<b>2022</b>
Natural Gas	490,000.00	0
News Services Fees	920,000.00	0
Newspapers and Magazines	28,095,100.00	18,890,540

Non-Agriculture Chemicals Supplies and Services	293,207,095.84	73,852,307
Office Consumables (papers, pencils, pens and stationaries)	684,390,490.60	664,918,180
Other Gas	0	160,000
Outsourcing Costs (includes cleaning and security services)	3,388,588,535.26	2,876,609,101
Per Diem - Domestic	1,538,917,569.00	1,698,082,971
Per Diem - Foreign	295,992,349.00	113,886,416
Petrol	17,403,563.60	5,951,725
Posts and Telegraphs	17,107,700.51	6,749,792
Printing accessories	555,000.00	0
Printing and Photocopying Costs	283,112,089.71	1,338,886,317
Printing Material	113,455,523.00	81,942,976
Production and Printing of Training Materials	9,797,000.00	10,000,000
Protective Clothing, footwear and gears	238,888,411.23	80,365,319
Publicity	123,784,650.20	11,558,210
Remuneration of Instructors	53,562,510.00	39,479,797
Rent of Private vehicles	749,780,111.67	0
Rent of Vehicles and Crafts	17,724,400.00	0
Satellite access services	0	565,500
Sewage Charges	5,888,683.74	65,219,099
Software License Fees	241,402,021.26	17,781,420
Specialized Medical Supplies	7,144,037.61	0
Subscription Fees	78,535,490.00	99,777,229
Tapes, Films, and Materials (split)	625,000.00	0
Technical Service Fees	12,100,000.00	0
Telephone charge	53,555,260.99	0
Telephone Charges (Land Lines)	17,091,114.88	48,946,592
Testing Facilities	48,819,449.20	11,615,000
Training Allowances	458,459,073.80	112,533,900
Training Materials	11,869,999.00	0
Tuition Fees	710,975,365.40	655,723,113

Uniforms	30,700,000.00	0
Uniforms and Ceremonial Dresses	346,293,867.69	932,843,688
Visa Application Fees	4,266,650.00	709,800
Water Charges	490,233,946.97	702,093,260
Wire, Wireless, Telephone, Telex Services and Facsimile	30,249,624.90	96,793,838
	<b>20,510,874,890</b>	<b>21,507,875,395</b>

### **36 - Maintenance Expenses**

Aggregates and Road Surfacing Materials	2,381,188,568.00	2,047,190,620
Air conditioners	102,895,263.51	103,276,940
Cement, Bricks and Building Materials	489,775,174.41	294,490,559
Computers, printers, scanners, and other computer related equipment	66,452,850.01	663,611,965
Direct Labour (contracted or casual hire)	213,954,862.00	164,118,002
Electrical and Other Cabling Materials	882,583,522.24	114,820,780
Fire Protection Equipment	552,406,861.33	105,118,790
Mechanical, electrical, and electronic spare parts	1,408,192,011.08	500,174,222
Medical and Laboratory equipment	2,000,000.00	0
Metal Fence and Posts	152,504,715.89	135,399,225
Motor Vehicles and Watercraft	20,545,057.74	7,892,334
Navigation Equipment (flight calibrations, signalling and beacons)	14,902,065.00	0
Oil and Grease	19,865,523.95	8,755,950
Oil, grease, and other chemical materials	163,928,580.19	118,246,152
	<b>2023</b>	<b>2022</b>
Outsource	2,700,000.00	39,264,677
Outsource maintenance contract services	8,561,867,852.56	5,507,138,570
Paint	139,668,845.08	140,020,405
Paint and Weather Protection Coatings	79,943,538.00	10,472,420
Photocopiers	0	955,000



Pipes and Fittings	53,517,225.00	34,027,860
Plumbing Supplies and Fixtures	176,057,630.64	84,168,955
Repair and Maintenance of Furniture	41,397,159.35	0
Repair and Maintenance of Sewerage System	192,217,063.50	1,336,000
Roofing Materials	78,712,378.50	14,869,111
Small Car Mechanics Tools	0	3,337,500
Small tools and equipment	148,282,834.99	44,966,521
Upkeep Allowances	300,000.00	2,057,500
Upkeep of Grounds and Amenities	1,861,853,949.78	1,593,890,343
Small Tools and Implements	80,718,103.41	64,306,004
Spare Parts	176,007,971.40	92,338,497
Telephone Equipment (mobile)	7,186,537.68	2,575,000
Tyres and Batteries	260,141,688.42	210,654,866
Water Pumps	43,561,511.56	70,637,742
Wood and Timber Supplies	18,556,626.00	28,863,244
X-Ray Equipment	9,297,698.64	73,350,250
	<b>18,403,183,669.86</b>	<b>12,282,326,004</b>

### **37 - Depreciation of Property, Plant and Equipment**

Office Fittings	420,427,147.00	0
Chain Link and Block Wall	319,214,653.00	310,605,238
Depreciation Hardware servers and equipment (incl. desktops, Laptops, UPS, etc)	8,880,720,193.43	13,157,813,835
Depreciation Motor Vehicles (Administrative)	471,740,972.00	491,362,384
Depreciation Office buildings and structures	3,194,675,817.27	3,221,376,949
	<b>2023</b>	<b>2022</b>
Depreciation-Furniture and Fittings	194,175,471.12	127,749,580
Firefighting, ambulances and rescue vehicles	832,262,218.00	893,449,016
Other Office equipment	0	420,427,147
Plant and Machinery	16,762,157,659.00	17,192,692,094
Public Building	0	-1
Roads	7,739,567,590.00	7,891,381,668

	<b>38,814,941,720.83</b>	<b>43,706,857,911</b>
<b>42 - Interest Expenses</b>		
Foreign exchange differences (loss)	115,903,796.54	0
Interest on Domestic loans	3,188,513,075.31	7,761,634,226
	<b>3,304,416,871.85</b>	<b>7,761,634,226</b>
<b>44-Loss on Disposal</b>		
Loss on disposal	4,580,357.00	-
	<b>4,580,357.00</b>	-
<b>52 - Other Expenses</b>		
Agency fees	175,000.00	120,000
Audit fees	84,839,666.00	95,439,200
Bank Charges and Commissions	0	6,000,000
Burial Expenses	43,769,300.00	63,777,100
Car Wash	5,400,000.00	2,040,000
Consultancy fees	2,993,899,622.04	1,143,436,863
Legal fees	3,650,000.00	0
Subscription to other International Institutions	840,000.00	0
Parking Expenses	3,340,000.00	1,540,000
Registration Fees	97,819,276.20	20,327,499
Special Operation Services	47,226,349.47	49,343,929
Specialized Equipment and Supplies	676,000.00	0
Sundry Expenses	2,588,334,753.01	101,035,310
	<b>2023</b>	<b>2022</b>
Upkeep of Grounds and Amenities	196,917,352.95	81,202,853
	<b>6,066,887,319.67</b>	<b>1,564,262,754</b>
<b>60 - Other Transfers</b>		
Revenue Transfer	8,816,234,661.99	7,324,936,015
	<b>8,816,234,661.99</b>	<b>7,324,936,015</b>
<b>62 - Cash and Cash Equivalents</b>		
BoT Own source Collection Account	4,356,479,607.90	4,773,602,831



Deposit Account USD	1,016,776,229.42	1,113,776,820
Deposit General Cash Account	8,034,714,432.28	209,089,857
Development Expenditure Cash Account	2,042,862,291.58	944,940,970
Own source Collection Account - CRDB	170,148,955.99	3,818,971,174
Own source Collection Account - NMB	580,000.00	452,053,117
Own source Collection Account CRDB - USD	36,895,809.60	25,216,184
Own source Collection Account NMB - USD	0	1,552,319,066
Outsource Development Expenditure	834,243,804.71	5,414,493,528
Outsource Recurrent Expenditure GF	3,948,236,527.17	5,606,704,432
Recurrent Expenditure Cash Account	1,099,969,762.83	2,404,075,366
Unapplied Cash Account	634,751,000.00	2,191,275,080
USD BOT Collection Account	2,073,046,000.50	7,493,247,323
USD Recurrent Expenditure	535,069,125.00	228,750
	<b>24,783,773,546.98</b>	<b>35,999,994,498</b>
<b>67 - Receivables</b>		
Advance Tax Withholding (WHT)	0	661,079,801
Imprest Receivable	837,919,951.62	430,543,135
Trade Receivables	43,322,131,032.65	31,263,046,832
Staff advances and imprest	6,120,000.00	6,120,000
	<b>44,166,170,984.27</b>	<b>32,360,789,768</b>
<b>69 - Prepayments</b>		
Advance for work in progress	0	87,171,204
Advance supplies of goods and services	85,082,278.80	3,505,400
	<b>2023</b>	<b>2022</b>
Prepayments-Fuel	0	120,288,233
Prepayments - Assets	345,236,243.20	2,144,422,989
	<b>430,318,522.00</b>	<b>2,355,387,826</b>
<b>70 - Inventories</b>		
Building Materials - Inventory	5,790,117.00	0
Consumables	317,936,580.00	40,686,225
Fuel	40,668,918.00	21,611,875
Spare parts and tyres	241,591,788.66	281,596,177
	<b>605,987,403.66</b>	<b>343,894,277</b>
<b>77 - Property, Plant and Equipment</b>		

Leasehold Land	6,450,802,877,147	6,450,802,877,148
Buildings	167,104,519,185.98	164,596,912,572
Running Ways	430,532,024,744	423,413,940,995
Motor Vehicles	7,391,540,662	6,995,038,000
Rescue and Fire Fighting Vehicles and Equipment	13,050,644,129	12,625,727,023
Plant & Machinery	359,186,830,042	355,027,447,542
Furniture & Fittings	6,624,172,554	6,099,791,390
Office Equipment	7,236,384,022	5,386,700,201
Computers Equipment	76,742,778,556	71,580,116,018
Chain Links	10,214,937,119	7,594,703,905
Acc. Buildings	(13,975,826,937)	(10,781,151,120)
Acc. Running Ways	(60,849,017,699)	(53,109,450,109)
Acc. Motor Vehicles	(3,780,239,412)	(3,432,168,084)
Acc. Rescue and Fire Fighting Vehicles and Equipment	(6,710,934,266)	(5,878,672,046)
Acc. Plant & Machinery	(86,769,186,471)	(70,007,028,621)
Acc. Furniture & Fittings	(5,810,692,771)	(5,390,265,625)
Acc. Office Equipment	(3,492,104,252)	(3,297,928,781)
Acc. Computers Equipment	(53,909,496,648)	(45,028,776,455)
Acc. Chain Links	(3,075,163,475)	(2,755,948,823)
	<b>7,290,514,046,230</b>	<b>7,304,441,865,130</b>
<b>82 - Work In Progress</b>		<b>Restated</b>
Other structure - WIP	6,211,499,629.62	17,729,633,712
	<b>6,211,499,629.62</b>	<b>17,729,633,712</b>
<b>89 - Payables and Accruals</b>		
Advance for Work in Progress	0	36,414,800
Advance Utility	0	83,848,927
Misc Deduction	2,060,237.37	1,523,695
Retention	310,565,861.91	94,995,982
Staff Claim	136,669,529.60	42,812,330
Supplies of goods and services	1,866,228,837.06	648,026,516
VAT Payable	2,704,494,724.33	6,304,494,721
Withholding tax	0	170,390,369
Withholding Tax Payable	217,401,756.47	0

	<b>5,237,420,947</b>	<b>7,382,507,339.81</b>
<b>93 - Deferred Income</b>		
Deferred Subvention Capital	6,325,190,113.00	3,953,133,443
Deferred Subvention Current	2,337,088,031.00	3,868,045,013
	<b>8,662,278,128.00</b>	<b>7,821,178,456</b>
<b>93 b. Fund received</b>		
Government Grant Development Local	25,925,471,124.85	10,961,444,151.20
Government Grant Other Charges	10,697,427,587.00	16,650,773,861.8
Government Grant Personal Emolument	11,948,566,780.00	10,818,229,120
	<b>48,571,465,492</b>	<b>38,430,447,133</b>
<b>94-Deposit</b>		
Deposit General	8,034,714,432.28	1,322,866,678
Unapplied Deposit Account	634,751,000.00	2,191,275,080
	<b>8,669,465,432.28</b>	<b>3,514,141,758</b>
<b>101 - Other Borrowing by Government Entities</b>		
CRDB Bank Limited	42,955,601,531	56,044,685,327
	<b>42,955,601,531</b>	<b>56,044,685,327</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO DEFICIT

Deficit for the year	-17,282,021,860	-21,857,506,425
<b>Adjustment: Non-cash items</b>		
Loss on disposal	4,580,357	
Depreciation charges for the year	38,814,941,720	43,706,857,914
	<b>21,537,500,218</b>	<b>21,849,351,489</b>
<b>Movement in working capital</b>		
(Increase)/Decrease in inventories	- 262,043,126	137,357,251
(Increase)/Decrease in receivables	-11,805,381,216	6,479,881,434
(Increase)/Decrease in prepayment	125,882,558	- 138,809,453
Increase/(Decrease) in deferred income (Capital)	2,372,056,670	3,953,133,443
Increase/(Decrease) in deferred income (Revenue)	-1,530,956,982	3,868,045,013
Increase/(Decrease) in deposits	5,155,323,675	
Increase/(Decrease) in payables and accruals	-2,145,086,393	-4,526,285,884
<b>Net cash flows generated from operating activities</b>	<b>13,447,295,384</b>	<b>31,622,673,293</b>

### Note 95: Related party Transaction.

#### Key Management Personnel

Key management personnel are described as those persons having authority and responsibility for planning, directing and controlling the activities of the Authority directly or indirectly. TAA Key management personnel comprising of Director General, Directors of Departments and Head of units. Key management personnel and the compensation paid or payable to key management for employee services is as follows:

Management	2022/23	2021/22
Salaries	587,420,000	477,420,000
Allowances and other short-term benefits	362,790,500	212,790,500
<b>Total</b>	<b>950,210,500</b>	<b>690,210,500</b>
<b>Ministerial Advisory Board Members -MAB</b>	<b>2022/23</b>	<b>2021/22</b>
Sitting Allowances	51,400,000	71,400,000

**Note 96: Events after the reporting date**

The Authority has no an event to report after Balance sheet date.

**Note 97: Capital Commitments**

Capital commitments represent the number of commitments which have been contracted and ongoing projects.

S/N	ACTIVITY/PROJECT NAME 2022/2023	OUTSTANDING/ REMAINING VALUE AS AT 30JUNE,2023
1.	To service and manage Airport Information Management System (AMIS) - CUTE systems at JNIA TBI & TBII	1,600,000,000.00
2.	To prepare ICT masterplan	100,000,000.00
3.	To Rehabilitate and upgrade CCTV control room at TBII and ICT equipment at JNIA and TAA-HQ server room	24,509,000.00
4.	To extend, install, configure, testing, training, commissioning and maintenance of e-office system from TAA-HQ to Regional Airports (Arusha, Mwanza, Songwe, Mtwara, Dodoma and Kigoma)	63,054,000.00
5.	To conduct Routine Maintenance of Runway at Regional Airports	2,873,487,242.00
6.	To rehabilitate and upgrade electrical system at TAA-HQ building	42,701,590.00
7.	To renovate engineer's office into Terminal building at Songea Airport	890,347,652.31
8.	To Rehabilitate Mpanda Terminal building	302,239,903.29
9.	To construct Inner Security Fence at Dodoma Airport	628,113,975.00
10.	To acquire one (1) new Fire Tender for Dodoma Airport	2,174,559,400.00
<b>TOTAL</b>		<b>8,699,012,762.60</b>

**Note 98 Disclosures of Budgetary Basis, Period and Scope**

The annual budget is prepared on cash basis following a major source of revenue (passenger service charge) of the Authority originating from government appropriation process through the Parliament. The approved budget covers the fiscal period from July 1, 2022, to June 30, 2023

Explanations are provided for material variations of the original budget and final budget. Financial Statements are prepared on an accrual basis. Statement of comparison of budget and actual are prepared on a comparable basis by adjusting actual expenditure reflected in Financial Statements which are on accrual basis to cash basis for comparative purposes. Explanation of material variations between budget amount and actual amount is explained in this note.

**The difference between Budget and Actual was due to; -**

**Revenue from Exchange Transactions**

The decrease was due to the occurrence of Precision Air accident in Bukoba because the company suspended operations in Bukoba, Kahama, Kigoma, Tabora and other airports in turn caused decline in cute charges. Also, after COVID 19 pandemic customers reduced spending on advertisements which have not returned to the peak.

**OTHER REVENUE**

The decrease was due to the occurrence of Precision Air accident in Bukoba because the company suspended operations in Bukoba, Kahama, Kigoma, Tabora and other airports in turn caused decline in cute charges. Also, after COVID 19 pandemic customers reduced spending on advertisements which have not returned to the peak.

**Maintenance Expenses**

The cost was less than budgeted, are prepared in advance and can only ever estimate income and expenditure.as to this item price of this maintenance expenses was less than budgeted which resulted to remain with balances. In additions to this there was some planned activities which did not occur as expected

**Other Expenses**

The cost of item during budget were over budgeted during execution of budget cost per item were less than budget this lead to remain that amount of balances.

**Use of Goods and Service**

Planned activity did not occur as expected. When preparing a budget, you must decide when the activity will take place. If it happens at a different time from planned you will get variance.as it seen in activity

### **Wages, Salaries and Employee Benefits**

The excess of actual expenditure over the budget was due to increase in number of staff who were employed during the financial year in addition to that there was an introduction Risk and house allowance to employees.

### **Property, Plant and Equipment**

The Budget and actual Amount of PPE differ due to the fact that some of the development activities have not been performed and carried forward and to be performed in the next financial year.

### **Note 99: Correction of Error Made on the financial statement**

On 30 June 2023, Authority made three adjustments on assets as per IPSAS 17 requirement and treatment.

1. Unfinished rehabilitation of Iringa running way project which is being built and financed by TANROAD there was misclassification of value of Work in Progress of TZS 1,194,753,412.91 which was classified as work in progress. Below is adjustment made.

#### **Effect on period prior to 2022**

1	Item	DR	CR
	Accumulated surplus	1,194,753,412.91	
	WIP		1,194,753,412.91

2. Total TZS 362,884,140 of Consultancy services was classified as WIP and during the year the Authority made an adjustment to be an expense.

#### **Effect on period prior to 2022**

1	Item	Dr	Cr
	Accumulated surplus	362,884,140	
	WIP		362,884,140

3. During the year 2022 the Management made estimates to establish costs and useful life of Rescue and Fire Fighting Vehicles and Equipment that estimates have Effect on the reported amounts of assets, Accounts subject to significant estimates include Rescue and Fire Fighting Vehicles and Equipment with an estimation cost of 424,917,107 and adjustments has been made as follows.

#### **Effect on period prior to 2022**

1		Dr	Cr
	PPE	424,917,107	
	Accumulated Surplus		424,917,107



### Total correction of Error

Detail	Decrease surplus	Increase surplus	Amount affect surplus /Deficit
rehabilitation of Iringa running way project	1,194,753,412.91		
Consultancy services	362,884,140		
useful life of Rescue and Fire Fighting Vehicles and Equipment that estimates			
	1,557,637,552.91	424,917,107	1,132,720,445.91

### CONTINGENT LIABILITY:

- TRA initiated a Tax Audit on Tanzania Airports Authority financial statements for June 2017, June 2018, June 2019 and June 2020 and VAT return for the year 2016, 2017, 2018, 2019 and 2020. This leads the Commissioner General to issue an additional assessment based on tax computation to the tune of TZS 6,097,487,009.00.

Tanzania Airports Authority is disclosing TZS 6,097,487,009.00 billion for the liability that may be posed by Section 48 (1) of the Tax Administration Act, 2015 which allows the Commissioner General to adjust the assessment. Currently the case is pending waiting for the response from the Commissioner General due to remission requested by TAA.

- Tanzania Airport Authority in collaboration with the Ministry of Land, Housing and Housing Development through a joint team of experts visited JNIA, Moshi, Arusha and Lindi airports as model airports to see for themselves and determine the distribution of land use in the airports.

This step was reached due to the calculation and provision of Land Rent Tax not considering the actual use of those areas and leading to Land Rent Tax for Plots with Title Deeds being large and not being paid.

As a solution to this challenge, the expert team recommended to visit all Airports with the Title Deeds and classify the use for each area within the plot to enable the calculation and issuance of the Land Rent Tax is ongoing and expected to be submitted after processing this request to be exempted from the arrears of the Land rent along with its interest amounting to TZS 12,373,873,209.26 to November 2022.

It's clear that the costs are high for the Authority to pay. Therefore, there is a possible (but not probable) obligation to be confirmed by a future event that is outside the control of the Authority. However, the Authority relies on input from the team of expert from TAA and Ministry of Land, Housing and Housing Development in assessing the probability of future obligations.



ASSET MOVEMENT 2022/2023											
Asset Class	Cost			Accumulated Depreciation and Impairment							Gain/Loss on Disposal
	At 01 July, 2022	Additions (monetary)	Additions (non-monetary)	Disposal	At 30 June, 2023	Acc. Depreciation & Impairment at 01-July-2022	Charge during the year-Depreciation	Acc. Depreciation 30 June, 2023	Disposal	Total Acc. Depreciation & Impairment at 30 June, 2023	Carrying Value at 30 June 2023
Leasehold Land	6,450,802,877,148	-	-	-	6,450,802,877,148	-	-	-	-	-	6,450,802,877,148
Buildings	164,596,912,572	584,287,500	1,923,309,115	-	167,104,519,186	10,781,151,120.33	3,194,675,817	13,975,826,937	-	13,975,826,937	153,128,692,249
Running Ways	424,608,694,408	-	5,923,330,335	-	430,532,024,743	53,109,450,109.16	7,739,567,590	60,849,017,699	-	60,849,017,699	369,683,007,045
Motor Vehicles	5,375,367,482	0	2,144,423,180	(128,250,000)	7,391,540,662	3,432,168,084.25	471,740,972	3,903,909,056	(123,669,643)	3,780,239,413	3,611,301,249
Rescue and Fire Fighting Vehicles and Equipment	13,050,644,129	-	-	-	13,050,644,129	5,878,672,046.14	832,262,218	6,710,934,265	-	6,710,934,265	6,339,709,865
Plant & Machinery	355,027,447,542	886,772,000	3,302,610,501	-	359,186,830,043	70,007,028,621.00	16,762,157,659	86,769,186,280	-	86,769,186,280	272,417,643,763
Furniture & Fittings	6,099,791,390	524,381,164	-	-	6,624,172,554	5,390,265,624.55	420,427,147	5,810,692,771	-	5,810,692,772	813,479,783
Office Equipment	5,386,700,201	1,072,897,339	776,786,482	-	7,236,384,022	3,297,928,781.31	194,175,471	3,492,104,252	-	3,492,104,252	3,744,279,770
Computers Equipment	71,580,116,018	4,479,210,215.96	683,452,321	-	76,742,778,555	45,028,776,454.65	8,880,720,193	53,909,496,648	-	53,909,496,648	22,833,281,907
Chain Links	7,594,703,905	-	2,620,233,214	-	10,214,937,119	2,755,948,822.90	319,214,653	3,075,163,476	-	3,075,163,476	7,139,773,643
<b>TOTAL</b>	<b>7,504,123,254,795</b>	<b>7,517,558,219</b>	<b>17,374,145,149</b>	<b>(128,250,000)</b>	<b>7,528,886,708,161</b>	<b>199,681,389,664</b>	<b>38,814,941,720</b>	<b>238,496,331,384</b>	<b>(123,669,643)</b>	<b>238,372,661,742</b>	<b>7,290,514,046,230</b>
											<b>(4,580,357)</b>

ASSET MOVEMENT 2021/2022									
Asset Class	Cost			Accumulated Depreciation and Impairment					Carrying Value at 30 June 2022
	At 01 July, 2021	Additions (monetary)	Additions (non-monetary)	At 30 June, 2022	Acc. Depreciation & Impairment at 01 July 2022	Charge during the year - Depreciation	Acc. Depreciation 30 June, 2022	Total Acc. Depreciation & Impairment at 30 June, 2022	
Leasehold Land	6,450,802,877,148	-	-	6,450,802,877,148	-	-	-	-	6,450,802,877,148
Buildings	159,163,404,569	-	5,433,508,003	164,596,912,572	7,559,774,171,23	3,221,376,949	10,781,151,120	10,781,151,120	153,815,761,451
Running Ways	418,747,031,527	-	5,861,662,881	424,608,694,408	45,218,068,440,21	7,891,381,669	4,420,521,005	53,109,450,109	371,499,244,298
Motor Vehicles	4,744,892,218	619,475,264	435,917,107	5,800,284,589	2,940,805,699,77	491,362,384	3,432,168,084	3,432,168,084	2,368,116,505
Rescue and Fire Fighting Vehicles and Equipment	12,593,221,759	32,505,264	-	12,625,727,023	4,985,223,030,24	893,449,016	2,905,565,579	5,878,672,046	6,747,054,977
Plant & Machinery	343,151,622,023	10,690,377,902	1,185,447,616	355,027,447,542	52,814,336,526,76	17,192,692,094	70,007,028,621	70,007,028,621	285,020,418,921
Furniture & Fittings	5,724,966,730	374,824,660	-	6,099,791,390	5,262,516,044,47	127,749,580	5,390,265,625	5,390,265,625	709,525,766
Office Equipment	3,346,690,000	721,241,305	1,318,768,896	5,386,700,201	2,877,501,633,82	420,427,147	3,297,928,781	3,297,928,781	2,088,771,420
Computers Equipment	71,464,125,902	115,990,116	-	71,580,116,018	31,870,962,619,80	13,157,813,835	45,028,776,455	45,028,776,455	26,551,339,563
Chain Links	4,576,381,106	-	3,018,322,799	7,594,703,905	2,445,343,583,47	310,605,239	2,755,948,823	2,755,948,823	4,838,755,082
TOTAL	474,315,212,982	12,554,414,511	16,828,710,195	7,504,123,254,796	155,974,531,749,78	43,706,857,914	148,019,354,093	199,681,389,664	7,304,441,865,131

#### Note 100 - Disclosed Analysis for Foreign exchange differences (loss) TZS 115,903,796

The Institution made a gain of TZS 115,903,796 resulting from gain or loss on the exchange transaction for the financial year 2022/2023 and the breakdown of its calculations is as follow

#### GAIN OR LOSS IN EXCHANGE

Detail	Rate	Loan balance as at 30 <sup>th</sup> June 2023
Exchange Rate as at the end of the year	2,339	18,010,620
Exchange Rate as at the beginning of the year	2,333	18,010,620
Gain or Loss in Exchange		42,128,641,523
		42,012,733,817
		115,907,706

Statement of reconciliation between the actual amounts on a comparable basis resented in the Statement of Comparison of Budget and Actual Amounts and the actual amounts in the Statement of Cash Flows for the Year Ended June 30, 2023

	TZS	TZS	TZS	TZS
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	13,447,295,382	11,574,382,349	-	25,021,677,731
Basis Differences		-		
Timing Differences		-		-
Entity Differences		-		-
Transactional Differences			13,373,569,095	
Actual Amount in Cash Flows Statement of	13,447,295,384	11,574,382,349	-13,373,569,095	11,648,108,638

INTRA GOVERNMENT ENTITIES TRANSACTIONS

SN	GOOD/SERVICES PROVIDED	NAME OF THE ENTITY RECEIVED GOOD/SERVICE	AMOUNT RECEIVED	RECEIVABLE BALANCE
1	AIRCRAFT CHARGES	AIR TANZANIA COMPANY LTD	6,322,125,467	20,417,303,389
2	FUEL THROUPUT	PUMA ENERGY TANZANIA	6,203,052,344	1,252,064,397
3	VIP SERVICES CHARGES	BANK OF TANZANIA	11,800,000	0
4	VIP SERVICES CHARGES	GOVERNMENT CHEMISTRY LABORATORY AUTHORITY	2,580,000	0
5	VIP SERVICES CHARGES	GPSA	1,610,000	0

6	VIP SERVICES CHARGES	MEDICAL STORES DEPARTMENT (MSD)	1,740,000	0
7	VIP SERVICES CHARGES	MINISTRY OF AGRICULTURE	14,440,000	2,450,000
8	VIP SERVICES CHARGES	MINISTRY OF COMMUNICATION, INFORMATION & TECH	2,050,000	0
9	VIP SERVICES CHARGES	MINISTRY OF CONSTITUTION & LEGAL AFFAIRS	1,560,000	0
10	VIP SERVICES CHARGES	MINISTRY OF EDUCATION, SCIENCE AND TECH	13,340,000	0
11	VIP SERVICES CHARGES	MINISTRY OF ENERGY	2,910,000	0
12	VIP SERVICES CHARGES	MINISTRY OF FINANCE AND PLANNING	14,520,000	0

SN	GOOD/SERVICES PROVIDED	NAME OF THE ENTITY RECEIVED GOOD/SERVICE	AMOUNT RECEIVED	RECEIVABLE BALANCE
13	VIP SERVICES CHARGES	MINISTRY OF HOME AFFAIRS	15,020,000	0
14	VIP SERVICES CHARGES	MINISTRY OF INVESTMENT, INDUSTRY AND TRADE	1,330,000	0
15	VIP SERVICES CHARGES	MINISTRY OF LAND	1,150,000	0
16	VIP SERVICES CHARGES	MINISTRY OF LIVESTOCK AND FISHERIES	2,390,000	500,000
17	VIP SERVICES CHARGES	MINISTRY OF MINERALS	19,350,000	1,760,000
18	VIP SERVICES CHARGES	MTENDAJI MKUU WA MAHAKAMA YA TANZANIA	750,000	0
19	RENT AND VIP SERVICES	NMB	15,787,281	14,903,180
20	UTILITY CHARGES	TCAA	185,949,969	277,964,489
21	UTILITY CHARGES	TMA	32,931,468	68,100,592
22	UTILITY CHARGES	TRA	17,686,000	10,594,700
23	AIRCRAFT CHARGES	TANZANIA NATIONAL PARKS	18,708,977	34,747,460

24	AIRCRAFT CHARGES	TANZANIA WILDLIFE MANAGEMENT AUTHORITY (TAWA)	2,055,023	24,962,123
25	OFFICE RENT	TANZANIA POSTS CORPORATION		107,004,619
		TOTAL	12,904,836,530	22,212,354,950





