

THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



SONGEA WATER SUPPLY AND SANITATION AUTHORITY

REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE FINANCIAL AND
COMPLIANCE AUDIT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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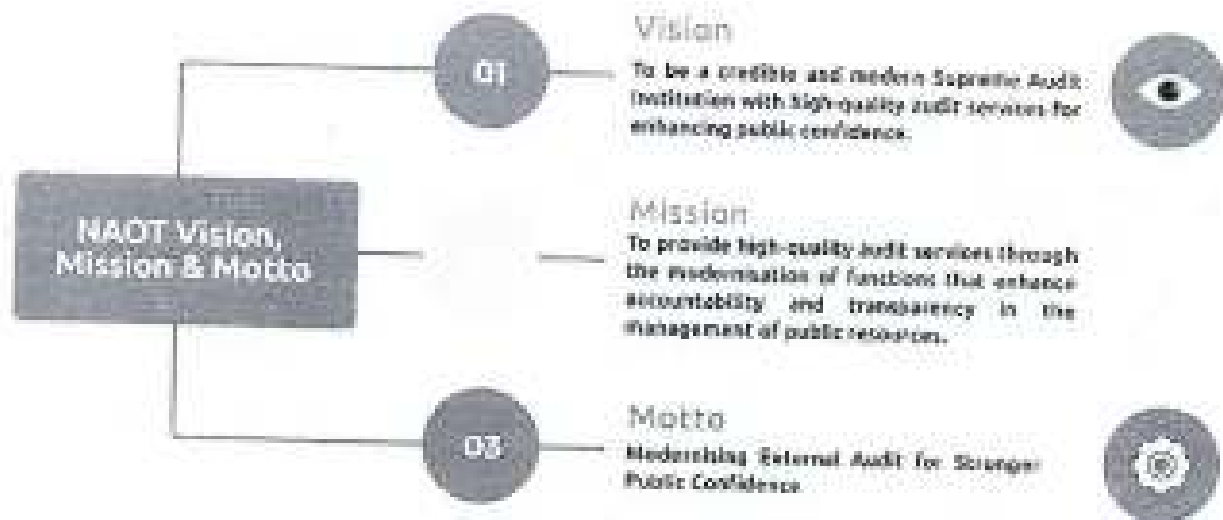
March 2025

AR/PA/Songea WSSA/2023/24

About the National Audit Office

Mandate

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



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 achievement of realistic, 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 increase value-adding ideas for the improvement of audit services.

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Abbreviations

AR	Audit Report
CAG	Controller and Auditor General
CPA	Certified Public Accountant
ECL	Expected Credit Loss
ERMS	Enterprise Resource Management Suite
EWURA	Energy and Water Utilities Authority
FVTSD	Fair Value Through Surplus or Deficit
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
KPIs	Key Performance Indicators
MoW	Ministry of Water
NBAA	National Water Funds
NHIF	National Board of Accountants and Auditors
NWIF	National Health Insurance Fund
PA	Public Authorities
PAA	Property Plant and Equipment
PPE	Public Audit Act
PPR	Public Service Social Security Fund
PSSSP	Public Procurement Regulations
TBS	Tanzania Bureau of Standards
TSh	Tanzania Shillings
TIB	Tanzania Investment Bank
WCF	World Health Organisation
WHO	Workers Compensation Fund
WSSA	Water Supply and Sanitation Authority

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board,
Songea Water Supply and Sanitation Authority,
P.O. Box 363,
SONGEA.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Songea Water Supply and Sanitation Authority, which comprise the statement of financial position as at 30 June 2024, 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 Songea Water Supply and Sanitation Authority as at 30 June 2024, 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 Songea Water Supply and Sanitation 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, statement of management responsibility and

Declaration by the Head of Finance but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I performed a compliance audit on the procurement of works, goods, and services in the Songea Water Supply and Sanitation Authority for the financial year 2023/24 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that, except for the matter described below, procurement of works, goods and services of Songea Water Supply and Sanitation Authority is generally in compliance with the requirements of the Public Procurement laws.

Expired performance security before completion of contracts

Regulation 29(6) of the Public Procurement Regulations, 2013 states that "the performance security shall be kept by procuring entity until the final completion of the contract and shall be released after issuance of certificate of completion of works or services if there is no claim filed against the tenderer, contract guarantor or the surety company". I observed that, during the year under review there were two tenderers No. AE/044/2022-2023/W/02 and AE/044/2022-2023/G/27 whose work were not yet completed as at 30 June 2024 but their performance securities were expired.

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 Songea Water Supply and Sanitation Authority for the financial year 2023/24 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that, except for the matter described below, Budget formulation and execution of Songea Water Supply and Sanitation Authority is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

Insufficient release of budgeted fund by the government

According to the Songea WSSA's approved Budget for 2023/24, a total of TZS 2,900,000,000 was budgeted for development expenditure. The fund was intended to meet development expenditure during the year under review. However, I observed that, only TZS 940,619,791 (32% of budgeted funds) were released by the Government through the Ministry of water.

Charles E. Kichere
Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March 2025



2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE AS AT 30 JUNE 2024

2.1 Introduction

In compliance with the Water and Sanitation Act No. 5 of 2019 and the Tanzania Financial Reporting Standard (TFRS) No. 1 The Report by Those Charged with Governance the Songee Water Supply and Sanitation Authority (Songee WSSA) submit the report and financial statements for the year ended 30 June 2024. Songee WSSA, previously abbreviated as SQUWASA was established on 1 July 1997 as a semi-autonomous authority under Act No. 8 of 1997, repealed by the Water and Sanitation Act No. 12 of 2009 and later by Act No 5 of 2019. The Authority is currently in category A, under this category, the Authority meets all its operation and maintenance costs including salaries for all the staff. However, major investments are funded by international funding agencies and the Government of the United Republic of Tanzania. Songee WSSA discharges its functions under the umbrella of the Ministry of Water. The Authority is closely regulated by the Energy and Water Utilities Regulatory Authority (EWURA).

2.2 Vision

The Vision of Songee WSSA is "To be an efficient and effective service provider of water supply and sanitation services in Tanzania".

2.3 Mission

The Mission of Songee WSSA is "To provide sustainable water supply and sanitation services to the inhabitants of Songee municipal while adhering to TBS standards and WHO guidelines"

2.4 Core Values

Since its inception SONGEE WSSA has been governed by its core values. The core values shape the culture and define the character of the Utility. They guide how we behave and make decisions. The following are the SONGEE WSSA's core values:

- Fairness
- Participation
- Service excellence
- Care to customer
- Respect
- Responsibility
- Cooperation
- Team spirit
- Integrity
- Accountability

3.5 NATURE OF OPERATION

a) Legislative and regulatory environment nature of operation

Songee Water Supply and Sanitation Authority (Songee WSSA) is among the regional water utilities in Tanzania mainland. It was established on 1 July 1997 as a semi-autonomous Authority under Act No. 8 of 1997, repealed by the Water and Sanitation Act No. 12 of 2009 and a later by Act No. 5 of 2019. Administratively, Songee WSSA operates under the umbrella of the Ministry of Water (MoW), while the discharges of water supply and sanitation services by Songee WSSA is regulated by Energy and Water Utilities Regulatory Authority (EWURA). As per Treasury Registrar Powers and Functions Act, CAP 370, Songee WSSA is also among of the Public Authorities which are under the custodian of the Office of the Treasury Registrar (OTR) in public investment aspect, where it reports its daily performance as performance contracts parameters set.

b) Industrial nature of operations

Songee WSSA performs its activities into two system; water supply system and waste water disposal systems (sanitation services).

The Water Supply System consist of six (6) spring water sources connected to the centralised water distribution namely Ruvuma, Lipasi, Lhwoyowoyo located in Ruvuma River and Southern Coast basin producing average of 5,800 m³/day and Ruhira A, Ruhira B & Mahilo located in Lake Nyasa Basin producing average 5,700m³/day. During low yield in dry season, water production is augmented by 6,400m³/day pumped from Ruhira surface-water intake located in Lake Nyasa basin.

Some areas of Songee Municipality such as Lihwena, Ruvuma Mbulani and Ndilima, are served directly by raw water and treated with chlorine of which Lihwena has average yield capacity of 864m³ /day, Kayoka A with average yield capacity of 648m³/day and Kayoka B with average yield of 324m³/day. Furthermore, the outskirts areas of Lukuyufusi, Lilambo, Mtendewawa, Chandarua and Mwengemshindo has their own source. Lukuyufusi has average production capacity of 514m³/day, Lilambo with average production capacity of 192m³ /day, Mtendewawa has average production capacity of 264m³ /day, Chandarua has average yield capacity of 172.8 m³/day while Mwengemshindo has 7 boreholes with low yields, and they are not developed.

The existing water supply to the Municipality of 14,478 m³/day cannot meet the current water demand of 20,366m³ /day. In order to augment the supply, one intervention is considered for implementation. It includes construction of impounding dam of storage capacity 4.8 million cubic meters at Mahilo within Matogora forest reserve area. The planned interventions are based on the design horizon of 20 years and will ensure constant supply of water annually.

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The Wastewater disposal system was commissioned during the early 2008. The service is currently serving 1,597 customers (June 2024) and are connected to the system which represents 5.7% of the population. The system comprises of Wastewater Stabilization Ponds with 2 anaerobic ponds, 2 facultative ponds and 2 Maturation ponds whose capacities are 12,578 m³, 25,920 m³ and 9,136 m³ respectively. The sewer network consists of the trunk mains, the secondary and tertiary lines of total length 37.7 km (June 2024).

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

Supply pipe Network which distributes water to 21,632 customers (June 2024). Songee WSSA provides two main services namely water supply services and sanitation services (waste water services and on-site sanitation). The water supply produced from the sources is treated at the New Treatment Plant (NTP) located at the Matogoro area. The Conventional Treatment Plant comprises of raw water settling tank, Clarifiers and Rapid Sand Filters and it has a capacity to treat 11,500m³ per day.

Water is then conveyed to reservoir tanks of total capacity 4,490m³, each tank commands one or more pressure zones. There is a total of 563.8 km of Water distribution network as of June 2024.

Waste water services is treated at Waste Water Treatment Plant (WWTP). The wastewater treatment plant is designed for an influent flow of 2,100 m³/day and Biological Oxygen Demand (BoD₅) of 240mg/L that equally distributed into 2 anaerobic ponds, however due to small number of connections the inflow was at an average of 1,500 m³ /day which led to an average of BoD₅ effluent 58mg/L. Following that situation 1 anaerobic pond was abandoned; the performance of the treatment plant on the effluent BoD₅ is improved to an average of 25mg/L to 30mg/L which complies with Tanzania Bureau of Standards (TBS). The receiving water body for disposal of the treated wastewater is the Ruvuma River.

On-site sanitation for faecal sludge management services is provided by using its cesspit emptier truck. The vacuum truck of capacity 4m³ sucks the sludge from emptiable pit latrines and septic tanks (soak away pit) and dispose them to the waste water treatment plant.

d) Structure of the operations and its economic model, including an overview of the main operating facilities and their locations

Songee WSSA operates functional wise. There is water supply and sanitation management directorate with infrastructure development, waste water and environmental and water distribution sections. The directorate is responsible for the core operation of the entity of supervising water supply and sanitation. Also, there is customer service directorate with credit control and billing and customer relation sections which is responsible for customer management. Furthermore, the Authority has human resources and administration directorate which is discharging the duties of personnel management and administration matters. There is organization units of the Authority like finance and accounts dealing with financial management and accounting of the various financial transactions, planning, monitoring and

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evaluation units responsible for planning, monitoring of the targets set by the Authority and resources mobilizations. Moreover, there are units such internal audit, legal unit dealing with internal control checking and consultation services, Procurement Management Unit deals with acquisition of the materials and logistics as well as store management Information and Communication Technology and the public relation unit.

e) Effective and efficient utilization of resources

The water sources are utilized effectively to meet the growing demand of Songea municipal. The daily water production is 8300 m³/day which is 72% of the capacity of the Conventional Treatment Plant of 11,500 m³/day, Labour productivity ratio stands at TZS 48,700,000 per labour. This implies that the labour force of 89 employees is deployed efficiently in production process.

f) Macro and Micro economic conditions (economic stability, globalizations and industry trends)

Songea WSSA is the government entity which runs its activity within the macro and microeconomic forces. The entity is affected with demand and supply forces of water supply materials like water meters and pipes and fittings. The entity is also affected with macroeconomic conditions such as exchange rate, inflation (cost increase) of materials. Songea WSSA takes initiatives of addressing these challenges of economic variables such as procurement in bulk of materials, maintain a sound working capital management to have a reliable liquidity position.

g) Market forces (The relative strengths and weaknesses of competitors and customers demand)

Songea WSSA provides water supply and sewerage services within Songea municipality. Being the sole provider of piped water distribution network, consumers depend on water supply from the Authority. However, there exist minor competition from local dug wells and boreholes that causes decrease in revenue to the Authority.

h) The speed and effect of technological change

Songea WSSA is a water utility operating with the environmental affected with technological change and digitalization. The entity has made changes to cope with these strategic changes. Some of the changes already instituted in the utility includes adoption of electronic government revenue collection system (GePG), installation of the systems such as Enterprise Resources Management System, Billing system (MAJIS), e-office, e-tax filing system. The entity continues to train workers to quickly adapt with technological changes.

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i) Societal issues (such as population and demographic changes)

The administrative area of Songea municipality comprises 21 wards with an overall area of 616Km². This is the service area of the utility and the population within this service area is about 286,920. However, the population currently supplied by the drinkable water system is only 215,434 which is about 75% of the population within the service area. Songea WSSA is implementing identified projects from the Joint town planning level (JTP). Service to peri-urban areas is provided through water kiosks and household connections. Currently there are 162 water kiosks out of these all are operational. Moreover, the Authority has identified and pays water bills for 16 poor households.

j) Environmental challenges (such as climate change, the loss of ecosystems, and resource shortages as planetary limits are approached)

Songea WSSA does not have sufficient groundwater for water supply. Most ground water exist as perched water in the aquifer that being recharged by rainfall annually. These boreholes or well dry up during the dry period especially in October and November. So, this poses great opportunity for Authority to supply water to these areas. Furthermore, based on the study by the Authority in collaborating with basin water offices and regional laboratory, most well/boreholes are polluted because they are constructed in the proximity to residential houses

Therefore, water supplied from these well/boreholes do not meet quality for human consumption. The Authority is collaborating with Basin water offices and local government offices in providing education regarding importance of using treated supplied water from the Authority to avoid prevalence of water borne diseases by using water from wells/boreholes.

k) The political environment (including other issues that may affect the ability of the organization to implement its strategy)

There are political environmental which affects the entity ability to implement its strategies and operation in general. Some of these challenges are changes in Tax policy on donor funded projects, changes of Municipal boundary and political influence in decision making. Songea WSSA takes proactive measures once these changes occur in order to align them with strategic direction of the utility once these political changes occur, some of the measures deployed includes revision of some action plan in order to cover the additional uncovered population, change of the water and sanitation Tariff, review our Investment plan in order to achieve the Key organisational goals.

l) Compliance with Laws and Regulation

Songea WSSA operates under various legal and regulatory environment. Under this condition's utility is guided with various acts such as Water supply and sanitation acts, public service Act, Taxation Acts, Environmental Act, Treasury Registrar Acts and Local governments Acts, Procurement Acts and Finance Act and Budget Act. There are also various regulations pertaining to these acts. Songea WSSA complies with these acts and regulations as usual and update its internal operating tools in alignment of these regulations and acts.

2.6 OBJECTIVES AND STRATEGIES

During the year 2023/24 Songea WSSA aspires to achieve 10 objectives as stipulated in the Authority Strategic Plan of 2021/22-2025/26 and its Business Plan. Songea WSSA has deployed various strategies to achieve these objectives.

Table 1: Objectives and Strategies

S/N	Objectives	Strategies
1.	A. HIV/AIDS awareness and environmental conservation measures enhanced	<p>(i) Short-Term Strategies</p> <ul style="list-style-type: none"> • Visiting HIV centres, invite health specialist • Employ casual labour for environmental cleaning and Upkeep • Provide education and short seminars <p>(ii) Medium-Term Strategies</p> <ul style="list-style-type: none"> • Allocate adequate funds in budget for HIV and environmental conservation <p>(iii) Long Term Strategies</p> <ul style="list-style-type: none"> • Employ public health specialist or councillors
2.	B. Pro-poor services, gender outlook and Anti-corruption measures enhanced	<p>(i) Short-Term Strategies</p> <ul style="list-style-type: none"> • Report cases of corruption to the respective Authority. • Provide time for women forum association discussion matters <p>(ii) Medium-Term Strategies</p> <ul style="list-style-type: none"> • Allocate adequate budget for anticorruption and gender empowerment issues <p>(iii) Long Term Strategies</p> <ul style="list-style-type: none"> • Design an equal policy of 50% to 50% in gender employment
3.	C. Water Production System Improved	<p>(i) Short-Term Strategies</p> <ul style="list-style-type: none"> • Conduct regular repairs and maintenance of water infrastructure network to minimize water losses <p>(ii) Medium-Term Strategies</p> <ul style="list-style-type: none"> • Allocate budget in annual action plan and procurement. <p>(iii) Long Term Strategies</p> <ul style="list-style-type: none"> • Construction of storage facilities • Construction of new water sources

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S/N	Objectives	Strategies
4.	D. Water distribution network extended	<p>(i) Short-Term Strategies</p> <ul style="list-style-type: none"> • Carry out monthly water network expansion by excavating • Maintain optimal stocks of pipes for water distribution <p>(ii) Medium-Term Strategies</p> <ul style="list-style-type: none"> • Allocate budget in Annual plan for water distribution <p>(iii) Long Term Strategies</p> <ul style="list-style-type: none"> • Conduct trench excavation and pipe laying of 78 km to areas not reached with network • Write proposal for the bankable project for the water network distribution • Obtain supplier credit or financial institution credit facility for water network extension
5.	E. Sewerage disposal and Sanitation services improved.	<p>(i) Short-Term Strategies</p> <ul style="list-style-type: none"> • Conduct regular repairs of sewer network • Clean sewer environmental and upkeep the sewer system all the time <p>(ii) Medium-Term Strategies</p> <ul style="list-style-type: none"> • Implement annual action plan and budget for sewer system. <p>(iii) Long Term Strategies</p> <ul style="list-style-type: none"> • Prepared writeup of the bankable project proposal for the sewer system expansion
6.	F. Revenue base increased	<p>(i) Short-Term Strategies</p> <ul style="list-style-type: none"> • Sensitize customer to settle their bills timely • Conduct monthly new customer connections as per the target set. <p>(ii) Medium-Term Strategies</p> <ul style="list-style-type: none"> • Increase water production by increasing storage reservoirs • Expand water network <p>(iii) Long Term Strategies</p> <ul style="list-style-type: none"> • Connect more customers as per business plan • Construction of storage facilities to increase water production • Construction of new water sources
7.	G. Non-revenue water reduced	<p>(i) Short-Term Strategies</p> <ul style="list-style-type: none"> • Conduct regular repairs and maintenance of water network • Carry out survey of leakages and reports for repairs • Maintain a register for repairs and maintenance of water networks • Conduct periodic Audit of repairs • Prepare reports of repairs made <p>(ii) Medium-Term Strategies</p> <ul style="list-style-type: none"> • Allocate annual budget and design action plan for medium repairs and maintenance <p>(iii) Long Term Strategies</p> <ul style="list-style-type: none"> • Rehabilitate and replace old and dilapidated water infrastructure

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S/N	Objectives	Strategies
		<ul style="list-style-type: none"> Solicit funds of rehabilitation and replacement of water infrastructures
8.	H. Human resources and administrative capacity improved	<ul style="list-style-type: none"> (i) Short-Term Strategies <ul style="list-style-type: none"> Conduct short term and seminars to employees Procure administrative facilities for daily running of the Authority (ii) Medium-Term Strategies <ul style="list-style-type: none"> Allocate budget for recruitment of the vacant positions Allocate budget for administrative facilities (iii) Long Term Strategies <ul style="list-style-type: none"> Conduct long term training Prepare long term plan for the acquisition of administrative facilities
9.	I. Maintenance and repair of assets enhanced	<ul style="list-style-type: none"> (i) Short-Term Strategies <ul style="list-style-type: none"> Conduct short regulars' repairs and maintenance of office equipment Conduct regular inspection of office assets (ii) Medium-Term Strategies <ul style="list-style-type: none"> Design and implement action plan (iii) Long Term Strategies <ul style="list-style-type: none"> Conduct rehabilitation and replacement of old infrastructure assets
10.	J. Information technology, publicity and business promotion improve	<ul style="list-style-type: none"> (i) Short-Term Strategies <ul style="list-style-type: none"> Upkeep Maintain software systems all the time Carry out regular back up of the data Regular upkeep of the server (ii) Medium-Term Strategies <ul style="list-style-type: none"> Design medium term plan for the operating process Automation (iii) Long Term Strategies <ul style="list-style-type: none"> Automate all process of the Authority

Source: Annual Songea WSSA performance reports 2023/24

2.7 STAKEHOLDERS' RELATIONSHIP

Songea WSSA has good relationship with various stakeholders other than primary users that influence its operating activities in terms of the value and performance. Table 2 summarize the stakeholders, nature of the relationship and management of the relationship.

Table 2: Stakeholder's relationship

S/N	Name of the stakeholder	Nature of relationship	Techniques of managing relationship
1.	Ministry of Water	Policy makers and Administrator	<ul style="list-style-type: none"> Implement policy issues from the Ministry as stated in National water policy 2002 Provide quarterly reports Implement circulars issued by the permanent secretary.

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S/N	Name of the stakeholder	Nature of relationship	Techniques of managing relationship
			<ul style="list-style-type: none"> • Perform as per established performance benchmarks. • Submit bankable projects and request funds for project execution
2.	National Water Funds (NWF)	Financiers	<ul style="list-style-type: none"> • Implement water projects with funds from NWF • Perform implementing agency duties in supervising water projects in small towns • Provide progress reports of water projects (implementation reports of water projects) • Submit bankable projects • Seek concessional loans to finance water projects
3.	Treasury Registrar	Legislators	<ul style="list-style-type: none"> • Perform as per established performance-contract parameters • Provide quarterly reports • Implement directive circulars issued by Office of Treasury Registrar
4.	Controller and Auditor General (CAG)	Statutory Auditor	<ul style="list-style-type: none"> • Prepare Financial Report. • Implement audit recommendations • Comply with regulations, laws and other directive circulars • Implement water projects • Adhere with value for money • Perform at the established performance standards and benchmarks.
5.	EWURA	Regulator	<ul style="list-style-type: none"> • Comply with Regulations, laws and guidelines • Provide monthly progress reports in the system • Provide annual progress reports • Propose new water tariff
6.	Ruvuma Regional Administrative office (RAO)	Administrator	<ul style="list-style-type: none"> • Provide reports on water status and progressive projects • Inform of the water problem situation
7.	Songea Municipal Council	Legislator/Lawmaker	<ul style="list-style-type: none"> • Comply with local government laws and regulations • Collaborate in preparing an execution town master water plan
8.	Employees	Staff	<ul style="list-style-type: none"> • Pay timely salaries and other fringe benefits • Promote employees as per performance appraisal

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S/N	Name of the stakeholder	Nature of relationship	Techniques of managing relationship
9.	Customers	Customers	<ul style="list-style-type: none"> • Provide, quality, timely and reliable water supply and sanitation services • Demand payment of water bills in due time
10.	Contractors and Suppliers	Service/goods provider	<ul style="list-style-type: none"> • Receive delivery of goods/materials for water services • Pay the contractors/supplier timely for the goods/service/contract services delivered
11.	Media	Public Informer	<ul style="list-style-type: none"> • Inform the media on the services offered • Inform the media on water shortages or problem
12.	Politicians	Legislator	<ul style="list-style-type: none"> • Collaborate with politicians on water problem/shortage • Collaborate with politicians in mobilizing funds for water supply services

Source: Annual Songea WSSA Performance Report 2023/24

2.8 OPERATING AND FINANCIAL REVIEW (OFR)

a) Analysis of financial position

i) Property, plant and equipment

Property, plant and equipment net book value stood at TZS 28.24 billion as at 30 June 2024 compared to TZS 27.93 billion as at 30 June 2023, this represents an increase of 3%. The increase has been attributed to the addition of some assets in PPE Schedule.

ii) Trade and Other Receivables

Trade receivables increased by 22% from TZS 533.85 million in 2022/23 to TZS 651.91 million in 2023/24. The increase was due to decrease of the provision of the Expected Credit Losses made on the customers outstanding balances.

iii) Inventories

Inventories stood at TZS 663.70 million as at 30 June 2024 compared to TZS 619.08 million as at 30 June 2023. This represents a 7% increase. The increase of these current assets items was due to procurement of more inventories for the new connection of 1,048 new customers during the financial year 2023/24.

iv) Cash and Cash Equivalents

Cash and cash equivalents stood at TZS 281.97 million as at 30 June 2024 compared to TZS 226.72 million as at 30 June 2023. This represents a 24% increase. This increase was the result of transfers of funds made by the commercial banks at the end of the year to the central bank following the government directives.

v) Trade and Other Payables

Trade and other payable decreased to TZS 1,715.43 million for the year 2023/24 compared to TZS 1,741.60 million in the year 2022/23. The decrease of 2% was the efforts of Songee of starting to settle some of the outstanding liabilities during the reporting period.

vi) Accumulated Surplus

There was an increase of the Accumulated surplus for the financial year 2023/24 by 69% from 1.79 billion to TZS 3.02 billion during the reporting period. The increase was mainly caused by the surplus realized at the reporting period and reversal of erroneously accumulated impairment of receivables of the previous years.

vii) Borrowing

Obligations from borrowing have decreased from TZS 154.59 million in 2022/23 to TZS 40.19 million for the year ended 30 June 2024. This substantial decrease of 74% is due to loan repayment of the 120 million for the year 2023/24.

b) Analysis of financial performance**i) Revenue from exchange transaction**

The revenue from exchange transaction comprises water consumption. During the year under review revenue from exchange transactions stood at TZS 4.34 billion, compared to TZS 3.67 billion in 2022/23. The increase of 18% is the result of increase in billing value 2023/24 due to changes in tariff rates extension of water distribution network and connection of more customers.

ii) Other income

Other income comprises new water connection fees, reconnection fees, sludge disposal, miscellaneous income and rental income. During the reporting period other incomes were TZS 510.62 million where as in 2022/23 the same income stood at TZS 262.27 million being 95% increase. The increase was triggered by the recognition of decrease in provision for expected credit losses by TZS 312 million after assessment in 2024 compared to the amount of TZS 675 million of the provision established in 2023. Decrease of new connection income resulted following the tariff review by EWURA.

iii) Revenue from Non-Exchange Transactions

Revenue from non-exchange transactions comprises all grants from the governments for the implementation of ongoing and completed projects. During the year under review revenue from non-exchange transactions stood at TZS 942.90 million compared to TZS 499.26 million in the year 2022/23. This substantial increase of 89% was attributed to receipts of funds of other new projects of Subira and Luwasi and other completed projects of Lilambo and Mwengorohindo

iv) Water Production Expenses

During the financial year 2023/24 water production expenses increased slightly by 0.4% from TZS 382.47 million in 2022/23 to TZS 384.16 million in 2023/24. The insignificant was attributed to medical laboratory equipment, direct labor and electricity expenses from pumping activities in the pump station.

v) Sewerage Expenses

As at June 2024 Sewerage expense decreased from TZS 77.78 million in 2022/23 to TZS 49.32 million in 2023/24. The decrease of 37% was contributed by reduction of Direct labour expenses associated with sewer activities in the year and other expenses like food and refreshments. Major repairs and rehabilitation of sewer network which took place during the period under review were capitalized in water and sewer systems assets.

vi) Repairs and Maintenance Expenses

During the financial year 2023/24 repairs and maintenance expense decreased by 4% from TZS 163.98 million in 2022/23 to TZS 157.68 million in 2023/24. This decrease has been largely caused by decrease of costs of small tools and implements and spare parts expenses.

vii) Water distribution expenses

Water distribution expense stood at TZS 157.46 million in 2023/24 compared to TZS 139.03 million in 2022/23. This represents a 13% increase. The increase of water distribution expense in the reporting period was contributed by major costs of Direct labour, water meters, pipes and fittings and customer survey incurred in the supply water supply services during the period.

viii) Personnel Expenses

For the year ended 30 June 2024, personnel expenses stood at TZS 1,832.35 million compared to 1,573.49 million in the year 2022/23 being 16% increase. The increase in personnel expenses during the reporting period was attributed to the changes of the basic salaries of some staff and recruitment of additional staff to align with new scheme of service.

ix) Administration Expenses

Administrative expenses have increased by 4% from TZS 1,098.02 million in 2022/23 to TZS 1,142.32 million in 2023/24. The increase in administrative expenses during the year 2022/23 was mainly caused by Perdiem Domestic expenses due to changes of new travelling rates as per the government circular No 2 of 2022 from the Office of Treasury Registrar (OTR).

x) Other Expenses

Other expenses is largely composed of exhibitions and festivals of the various events, publicities and bulk messages relating to water supply services and water charge expenses. During the year under review other expenses increased by 20% from TZS 85.27 million in 2022/23 to TZS 103.34 million in 2023/24. This increase of 20% was caused by the water charge expenses and publicity expenses to meet the need of keeping customer aware of the water supply services.

xi) Depreciation and Impairment expenses

Depreciation and amortisation expenses is largely composed of depreciation charges from Property, Plant and Equipment (PPE), amortization of intangible assets and provision of the Expected Credit Losses. For the year ended 30 June 2024 depreciation and amortisation expenses increased by 23% from TZS 578.98 million in 2022/23 to TZS 712.36 million in 2023/24. This increase was caused by the review of the useful lives of the assets to align with the Public Finance Act CAP 348 sections and its regulations (Management of the Public Property) of 2024. The increase of the depreciation and impairment expenses was also attributed to the provision of the expected credit losses on financial assets as per IPSAS 41.

xii) Finance Costs

The finance costs comprise interest expenses charged by TIB Bank on Credit Facility of TZS 482 million to the Authority in 2019 and bank charges. During the year 2023/24 the finance costs decreased from TZS 27.24 million in 2022/23 to TZS 16.90 million in 2023/24. This represents a 38% decrease. The decrease was mainly attributed to the reduction of the floating interest expenses charged TIB bank from the Credit facility.

c) Analysis of Cash Flows**i) Cash Flows from operating activities**

Cash flow from operating activities comprise of receipts from water services rendered, other incomes and operating expenditures. The net cash flow from operating activities during the year ended 30 June 2024 stand at TZS 1.47 billion compared to TZS 963.29 million net cash inflow generated in operating activities for the year ended 30 June 2023. The increase of 53% is the result of few funds received from other receipts and more collection of funds from the principal revenue generating activities of Songea WSSA of the water bills.

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ii) Cash flows from investing activities

Cash flow from investing activities comprises of expenditure spent in the acquisition capital assets. Songea WSSA spent TZS 1.28 billion to acquire capital assets and Work in progress and intangible assets during the reporting period. The net cash flow from investing activities during the year ended 30 June 2024 stood at TZS 1.28 billion compared to TZS 1 billion net cash outflow used in investing activities in the year ended 30 June 2023. The increase of 29% is the result of more purchases of capital assets for capitalization.

iii) Cash flows from financing activities

Cash flow from financing activities comprises cash proceeds from the acquisition of short term and long-term loans as well as the repayments of the loans and associated interest expenses. The net cash flow from financing activities for the year ended 30 June 2024 stood at TZS 131 million compared to TZS 130 million cash outflows from financing activities in the year ended 30 June 2023.

d) Budget Performance

During the financial year ended 30 June 2024 Songea WSSA planned to collect and spend TZS 5.17 billion from water sales and other income. The Authority managed to collect TZS 4.78 billion from the water sales which is 92%. Songea WSSA also planned to receive TZS 2.9 billion for development projects from the central government but received only TZS 940.62 million which is 32% of the planned target. General summary of the 2023/24 budget implementation is shown below;

Table 3: Budget Performance

Descriptions	Budget TZS	Actual Amount TZS	Performance %
REVENUE:			
Revenue from Exchange transactions other incomes	4,521,858,650	4,585,639,791.72	95
Revenue from non-Exchange transactions	349,245,482	190,160,311	54
Total Revenue	8,071,104,142	5,720,424,895	32
EXPENDITURE:			
Water production Expenses	377,899,420	354,826,139	94
Sewerage Disposal and Sanitation Expenses	158,006,000	48,280,006	31
Repairs and Maintenance Expenses	250,003,560	187,993,329	75
Water Distribution Expenses	663,455,647	382,083,100	58
Personnel Expenses	1,820,720,804	1,789,241,043	98
Administrative Expenses	1,672,708,447	1,663,164,104	99
Other Expenses	176,423,116	171,694,867	98
Finance costs	51,867,148	16,896,799	33
Development Project expenditures	2,900,000,000	940,619,791	32
Total Expenditure	8,071,104,142	5,556,798,227	

Source: Songea WSSA Annual budget 2023/24

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e) Future Development Plans

- i) Increase Water Production from the current 3,168,200m³/year (2023/24) during the dry spell to about 3,285,000 m³/year by the year 2024/25.
- ii) Expand the water distribution network from current 567 km (June 2023/24) to 570 km in the year 2024/25.
- iii) Improve Revenue collection from the current average of TZS 391,000,000 per month (2023/24) to TZS 460,000,000 per month in the year 2024/25.
- iv) Extend the current sewerage network from 37.7 km to 38.7 km by the year 2024/25 in order to increase population with access to sewerage services from 6.1% to 7% by June 2023/24.
- v) Reduce the Non-Revenue Water from the current 22% to 20% by the year 2023/24 through rehabilitation of old dilapidated network of length 32 km.
- vi) Increase the water treatment plant capacity from the current 11,500 m³/day (2023/24) to 23,000 m³/day by the year 2026/27.

f) Capital Structure

The capital structure is largely held by the government. Songea WSSA is totally public entity in which the government is the sole shareholder. Currently the capital funds (Taxpayer funds) stand at TZS 25.6 billion. The capital fund was invested in 1997 during the establishment of the Songea WSSA. The capital structure also composed of the Accumulated surplus of TZS 3.02 billion which has been increasing over the year due to surplus from the operation of the entity. The entity also currently resorts to debt financing and service credit facility with revenue from operating activities.

g) Treasury Policies and Objectives

Songea WSSA has good policies in managing liquidity positions, banking matters and constantly monitor cash inflows and outflows to optimize the utility liquidity position. Cash are transferred from the central bank every week and priority expenditures are identifies in which funds are directed.

h) Liquidity of the entity

Songea WSSA maintain a sound working capital management policy which makes it to hold sufficient current assets to finance its daily operation. During the reporting period, the entity has of TZS 652 million receivables and cash and cash equivalents amounting TZS 282 million as well as TZS 664 million of inventories to run its daily operation.

2.9 RESOURCES

Songea WSSA has abundant of various tangible and intangible resources on which it depends as inputs to its operation to achieve the objectives set. These resources are basically categorized

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as financial resources, human resources, intellectual resources, social relationship resources, natural resources and other resources depending on the nature of the operation.

a) Financial resources

Songea WSSA has adequate fund sources that finance its operating activities. The entity has sufficient liquid assets such as receivables, cash and cash equivalents of more than TZS 934 million readily available to finance its operating activities. There are also adequate inventories maintained at optimal level for the service provision and water network expansion. The entity generates surplus for the year and accumulated surplus (which currently stands at TZS 3.02 billion) to be channelled for further investment. The Authority's net asset keep on increasing as at the reporting date it stood at TZS 28.68 billion which signifies a bright future growth of the entity's equity financing. Currently the Authority has also adopted the credit facility financing, seeking concessional loans from different financial institutions and funds on favourable terms.

b) Human resources

Songea WSSA has adequate number of human capacities with sufficient experiences, competencies and motives to perform their task with high innovative skills and professional scepticism. The Authority has 89 employees in 3 Directorates and 6 units. The directorates, units and sections are headed by senior staff with adequate experiences. The employees are very loyal and ethical all the time and have a motive for improving and delivery of the water supply services as core function of the entity, they have ability to lead and collaborate with key stakeholders. Workers are creative and understandable in development and implementation of the Authority strategy to achieve the objective as stipulated in the Strategic plan and business plan of the Authority.

c) Intellectual resources

Currently Songea WSSA hold adequate intellectual resources which helps to achieve the desired milestones. The Authority has software and systems such as billing system, Enterprise Resources System (ERMS) which aid to integrate various operations across the entity units. The Authority enjoy a monopoly power of supplying water supply and sanitation in Songea Municipal as per Water supply and Sanitation Act No 5 of 2019. It has water supply license from EWURA which gives it a mandate of supplying water supply services in the service area. Songea WSSA has a good goodwill in the minds of the customers in supplying the service at a right time, and with high quality.

d) Social and relationship resources

Songea WSSA is a public institution surrounded by communities and groups of various stakeholders. The entity maintains a strong relationship to share information to enhance individual and collective well-being, Songea WSSA as a part of the community share norms and

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common values with other stakeholders such as customers, local councillors, casual labours, Makumbusho elders, and Domestic water points operators

e) Natural resources

Songea WSSA has natural abundant water resources for the supply of water services across the service area. Water resources are flowing by gravity system from Matogoro hills which lead to less pumping costs of water from Ruhila impounding Weir. There is also a natural sand available in local areas which is used for sedimentation during the water treatment at New Treatment Plant (NTP). Natural plantation is available at the river banks which protect water and prevent drought of water sources

f) Other resources

Songea WSSA has market position and a strong reputation in the customers. There are also government regulations and laws which protect the existence of Songea WSSA.

2.10 PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

Table 4: Principal Risks-Uncertainties and Opportunities

S/N	Objectives	Risks	Impacts	Risk mitigation
1.	HIV/AIDS awareness and environmental conservation measures enhanced	<ul style="list-style-type: none"> • Spread of HIV infection and environmental degradation 	<ul style="list-style-type: none"> • HIV infections • Environmental degradation • Non-compliance of the National policies 	<ul style="list-style-type: none"> • Promote HIV Campaign • Conserve environmental • Allocate budget
2.	Pro-poor services, gender outlook and Anti-corruption measures enhanced	<ul style="list-style-type: none"> • Loss of Corporate Social Responsibility culture and spread of corrupting practices • Gender inequality 	<ul style="list-style-type: none"> • Loss of Corporate culture • High corruption • Gender discrimination • Noncompliance of the National policies 	<ul style="list-style-type: none"> • Promote corporate culture by serving pro-poor families • Institute anti-corruption measures • Insist on gender empowerment and equality
3.	Water Production System improved	<ul style="list-style-type: none"> • Shortage of water during drought • Ineffective catchment management • Dam failures 	<ul style="list-style-type: none"> • The impact of a dam burst would be catastrophic • Shortage of water and outbreak of diseases 	<ul style="list-style-type: none"> • supply side measures include replacement/alternative water source; maintenance; • Regular dam inspections; emergency maintenance works, emergency reservoir

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S/N	Objectives	Risks	Impacts	Risk mitigation
4.	Water distribution network extended	<ul style="list-style-type: none"> • Distribution asset failures • Contamination/ infiltration 	<ul style="list-style-type: none"> • Occurrence of major outage, floods and increase of capital and operating expenditures • Contamination is a risk that could generate cost for Authority through needs 	<ul style="list-style-type: none"> • Asset investment planning; asset security; monitoring/shut down; insurance • Asset security; monitoring/shut down, alternative source.
5.	Sewerage disposal and Sanitation services improved.	<ul style="list-style-type: none"> • Sewer flooding • Major compliance breaches • Health and safety 	<ul style="list-style-type: none"> • The rise in the cost to wastewater in the sewerage network • The Environment Agency might impose legal units against the Authority • Emergence of diseases fatal diseases, such as leptospirosis 	<ul style="list-style-type: none"> • Construction of effective and efficient sewer system to prevent flooding • Policy, staff training, protective clothing • Adhere with environmental regulations
6.	Revenue base increased	<ul style="list-style-type: none"> • Revenue collection inefficiencies • Payment to fictitious vendors • Dummy payments (Mandatory expenditures) • Payment without sufficient documents (Ad hoc payments) • Transfer of funds to wrong account 	<ul style="list-style-type: none"> • Minimum revenue collection, failures to cover short term obligations and other necessary commitments of the Authority 	<ul style="list-style-type: none"> • Efforts of improving revenue collection are now available, including but not limited to, installing prepaid meters to great defaulters, conduct competent billing in order to get high billing value, • Institute a sound internal financial control.
7.	Non-Revenue water reduced	<ul style="list-style-type: none"> • Leakages due ground movements 	<ul style="list-style-type: none"> • Low collection • Low billing value 	<ul style="list-style-type: none"> • Purchase of water network materials for daily maintenance and repairs • Report and attend immediately leakages
8.	Human resources and administrative capacity improved	<ul style="list-style-type: none"> • Labour turnover • Dishonest employees • Existence of dummy workers 	<ul style="list-style-type: none"> • Employees shortage • Theft of institution properties • Unnecessary expenditures • Low productivity 	<ul style="list-style-type: none"> • Motivate employees • Design attractive remuneration to employees • Counsel employees • Employee competent employees

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S/N	Objectives	Risks	Impacts	Risk mitigation
		<ul style="list-style-type: none"> • Employees Incompetent employees 		<ul style="list-style-type: none"> • Conduct performance appraisal
9.	Maintenance and repair of assets enhanced	<ul style="list-style-type: none"> • Old Infrastructures and properties 	<ul style="list-style-type: none"> • Decrease of working morals • Lower of the entity reputation 	
10.	Information technology, publicity and business promotion improve	<ul style="list-style-type: none"> • Poor or non-functional of IT equipment's • Unautomated processes 	<ul style="list-style-type: none"> • Loss of data 	<ul style="list-style-type: none"> • Procure standard IT equipment • Train employees to align with automation

Source: Songea WSSA performance reports 2023/24

2.11 ENTITY'S OPERATING MODEL

Table 3: Entity Operating Model

S/N	Objectives	Inputs	Processes	Output	Outcome
1.	HIV/AIDS awareness and environmental conservation measures enhanced	Financial human resources	Conduct anti-HIV and environmental conservation campaign	Awareness of HIV and environmental conservation	Public awareness
2.	Pro-poor services, gender outlook and Anti-corruption measures enhanced	Financial human resources	Provide water to pro-poor families, anti-corruption and gender inequality campaign	Awareness of anti-corruption	Public awareness
3.	Water Production System Improved	Financial, human resources and materials, Intellectual resources	Produce and treat water from sources	Adequate safe and drinking water	Public access to safe and drinking water
4.	Water distribution network extended	Financial, human resources and materials, Intellectual resources	Upkeep and extend water supply network	Adequate safe and drinking water	Public access to safe and drinking water
5.	Sewerage disposal and Sanitation services improved.	Financial, human resources and materials, Intellectual resources	Upkeep and extend sewer network	Access sanitation services to	Public access to sanitation services

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S/N	Objectives	Inputs	Processes	Output	Outcome
6.	Revenue base increased	Financial, human resources and materials, Intellectual resources	Conduct proper billing and collect revenue	Revenue sufficiency	Public access to safe and drinking water
7.	Non-revenue water reduced	Financial, material, labour	Conduct regular repairs and maintenances of assets	Reduction of non-revenue water	Society access to safe and drinking water
8.	Human resources and administrative capacity improved	Financial resources, human resources	Building institution capacity	Job satisfaction And employee's retention Availability of administrative facilities	Public reputation, and good governance
9.	Maintenance and repair of assets enhanced	Financial resources and human resources, material resources and labour	Conduct regular repairs, rehabilitate, replace and maintenances of assets	Renewable, and reliable assets	Public access to safe and drinking water
10.	Information technology, publicity and business promotion improve	Financial, human, Intellectual and material resources	Carry out Automation of institution processes	Automated business processes	Enhance digital societies

Source: Songea WSSA performance reports 2023/24

2.12 KEY PERFORMANCE INDICATORS (KPIs)

Songea WSSA operate in the benchmark of key performance indicators. These indicators form references to which the new developments, operations, performance and financial position of Songea WSSA can be measured effectively.

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Table 6: Key Performance Indicators (KPIs)

No	Performance Indicator	Unit	Set Target 2022/23	Achievement 5/2022/23	Variance		Remarks
Protection of the user interests							
	User service accessibility				No	%	
PT 1	Proportion of population living within the area with Water Network	%	90	89.1	(0.9)	1	Proportion of population living within the area with water network decreased by 0.9 and proportion population with direct access to water supply increased by 0.4 due to customers outreach attributed by increase of distribution network about 42.511 km.
PT 2	Proportion of population with direct access to water supply	%	54	54.4	0.4	0.48	
PT 3	Number of households with connection to Water supply	No.	20,107	20,302	(+95)	(+0.47)	The increase of water supply connection resulted through increase an expansion of the distribution network, encouragement of citizens to connect to water supply services.
PT 4	Proportion of population connected with Sanitation network	%	8.0	5.7	(2.3)	(28.8)	Unfavourable due to delay in the enactment of the by-laws which requires compulsory connection for customers living within the wastewater network.
PT 5	Number of Households with connection to Sanitation	No.	1,617	1,597	(20)	(1.24)	Unfavourable due to delay in the enactment of the bylaws which requires compulsory connection for customers living within the wastewater network, high cost for material and fittings
PT 7	Average hours of supply	hours	24	23.14	(0.85)	(3.58)	favourable
	Quality of service supplied to users						
PT 8	Water quality compliance (%)						

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No	Performance Indicator	Unit	Set Target 2022/23	Achievement 2022/23	Variance		Remarks
	4.1 E-coli	%	100	100	0	0	Favourable
	4.2 Turbidity	%	100	100	0	0	favourable
Sustainability of the Operator							
Operator's financial and economic sustainability							
PT 9	Netting ratio (%)	%	100	100	(0)	(0)	Favourable
PT 10	Non-Revenue Water or NRW (%)	%	20	21.69	1.69	\$-45	NRW reduction could not meet the target despite several efforts exerted by Authority.
PT 11	Revenue collection efficiency (%)	%	92	106	14	13	Increase in revenue collection improved after customers especially government institutions paid their arrears.
PT 12	Working ratio	-	0.67	0.71	0.04	6	Authority has enough capital to run its day-to-day operations.
PT 13	Operating ratio	-	0.70	0.83	0.13	18	The Authority is able to meet its operating expenditure
Operator's Cost Indicators							
Operator's human resource Efficiency							
PT 15	Personnel / 1000 (Wb\$) connections	-	5	4	1	20	Favourable
Environmental sustainability							
PT 16	Wastewater quality compliance (%)						
	12.1 BOD ₅ compliance	%	100	100	0	0	Favourable
	12.2 COD compliance	%	100	100	0	0	Favourable

Source: Songea WSSA Annual Performance reports 2023/24

2.13 CORPORATE GOVERNANCE MATTERS

A. Corporate Governance Statement

Songea WSSA is public institution which adhere with the principle of good corporate governance and codes. The board members realise that, adherence to and satisfaction of strategic objectives, minimization of risks, ethical behaviours and integrity, absence of potential conflict of interests, promotion of investors and stakeholder's confidence, accountability, independence and proactive involvement of the Authority operation are the key to success of the Authority strategic objectives.

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B. Membership of those Charged with Governance

The Board of Directors of Songea WSSA is a governing body consisting of Non-Executive Directors and the Managing Director. The Chairman of the board and eight non-executive directors are appointed by the Minister responsible for water. The Managing Director (MD) is appointed by the Minister Responsible for water, and is the Secretary to the Board as per Section 17 of Water and Supply and sanitation Act 2019.

Table 7 : Members of the Board of Directors from 1 July 2023 to 30 June 2024

S/N	Name	Position	Discipline	Nationality	Age	Representation
1	Mrs. Rosalia Mwendu	Chairperson	Bachelor of Commerce and Management	Tanzanian	65	Municipal Resident
2	Mrs. Costancia Timothy	Member	Diploma in Hydro-Meteorology Technician	Tanzanian	62	Domestic Consumer
3	Mr. Steven Mashauni Njaki	Member	Bsc. Agriculture General, Msc. Soil Science & Land Management	Tanzanian	56	Regional Administrative Secretary
4	Mrs. Fatuma Hamisi Mssango	Member	Certificate in Nursing	Tanzanian	64	Women
5	Dkt. Fredericki Sagamiko	Member	Doctor of Philosophy in Public Health	Tanzanian	48	Municipal Director
6	Mr. Alex Tarimo	Member	Bachelor of Arts in Economics, MBA, MSc Investment Management, POE	Tanzanian	55	Ministry of Water
7	Hon. Mathew Ngumbiro	Member	Bachelor of Arts in Sociology	Tanzanian	58	Councillors
8	Dr. Majura Magafu	Member	Degree of Master of Medicine (MMed in Obstetrics & Gynecology)	Tanzanian	55	Big Consumers
9	Mr. Nikita Sibophile	Member	Advanced Diploma in Accountancy (ADA), Masters of Business Administration	Tanzanian	61	Commercial and Industrial customers
10	Eng. Patrick C. Kibasa	Secretary/ (MD)	Bsc. (Eng), Msc. Water Resources Engineering, MBA	Tanzanian	48	Managing Director

The new Board members who served the Board up to 30 June 2024 are indicated in

Table 8: Membership of the Members of the Board of Directors from 13 February 2023 to 30 June 2024

S/N	Name	Position	Discipline	Nationality	Age	Representation
1	Mrs. Rosalia John Mwendu	Chairman	Bachelor of Commerce and Management	Tanzanian	65	Municipal Resident

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2	Mrs. Costancia Ndiku Timothy	Member	Diploma In Hydro-Meteorology	Tanzanian	62	Domestic Consumer
3	Mr. Steven Masheuri Ndaki	Member	Bsc. Agriculture General, Mac. Soil Science & Land Management	Tanzanian	56	Regional Administrative Secretary
4	Mrs. Fatuma Hamisi Missango	Member	Certificate in Nursing	Tanzanian	64	Women
5	Dr. Frederick Sagamko	Member	Doctor of Philosophy in Public Health	Tanzanian	48	Municipal Director
6	Mr. Alex Tarimo	Member	Bachelor of Arts in Economics, MBA, MSc Investment Management, PGDE	Tanzanian	53	Ministry of Water
7	Hon. Matthew Caslan Ndumbaro	Member	Bachelor of Arts in Sociology	Tanzanian	58	Councillors
8	Dr. Magafu Majum Mzigaba	Member	Degree of Master of Medicine (MMed In Obstetrics & Gynaecology)	Tanzanian	55	Big Consumers
9	Mr. Nikita Kibopile	Member	Advanced Diploma in Accountancy (ADA), Masters of Business Administration	Tanzanian	61	Commercial and Industrial customers
10	Eng. Patrick C. Kibasa	Secretary MD	Bsc. (Eng), Mac. Water Resources Engineering, MBA	Tanzanian	48	Managing Director

C. Board Committees

The Board delegates specific responsibilities to the Finance, Planning, Employment and Disciplinary Committee as well as Audit Committee. It retains, however the overall responsibility for activities of the Authority, including implementation of corporate strategy. For the year ended 30 June 2024, the Board of Directors functioned through two committees: The Finance, Planning, Employment and Disciplinary committee, and Audit Committee. Membership and objectives of these Committees are detailed below:

(i) Finance, Planning, Employment and Disciplinary Committee

The committee monitors and reviews the financial issues, budgetary and planning matters as well as employment and disciplinary cases of the Authority. During the financial year 2023/24 the committee held three meetings, and some of the issues that were discussed were:

- ✓ Quarterly financial and performance reports;
- ✓ Budget approval and Mid-year budget reviews;
- ✓ Recruitment of staff of the Authority
- ✓ Approving employment and confirmation of new workers

SONGEA WATER SUPPLY AND SANITATION AUTHORITY

Table 9: Members of Finance, Planning, Employment and Disciplinary Committee from 1 July 2023 to 12 February 2024

S/N	Name	Position	Discipline	Nationality
1	Mrs. Costancia Timothy Nziku	Chairman	Diploma in Hydro- Meteorology	Tanzanian
2	Mr. Alex Tarimo	Member	Bachelor of Arts in Economics, MBA, MSc Investment Management, PGDE	Tanzanian
3	Dr. Magafu Majura Mzigaba	Member	Degree of Master of Medicine (MMed in Obstetrics & Gynaecology)	Tanzanian
4	Mr. Steven Ndaki	Member	Bsc. Agriculture General, Msc. Soil Science & Land Management	Tanzanian
5	Eng. Patrick C. Kibasa	Secretary	Bsc. (Eng), Msc. Water Resources Engineering, MBA	Tanzanian
6	Mrs. Rosalia John Mwenda	Member	Bachelor of Commerce and Management	Tanzanian

(ii) Audit Committee

The committee of the Board monitors and reviews the effectiveness of internal control mechanisms instituted in the Authority, risk management of the Authority and compliances of the laws and procedures in implementation of the various activities in the Authority. During the financial year 2023/24 the committee held three meetings, and below are some of the issues that were discussed.

- ✓ Reviews and assess the annual internal audit work plan
- ✓ Receive and discuss on the results of the internal audit work on periodic basis
- ✓ Review the effectiveness of the internal audit function
- ✓ Review and approves the statements made by management on the internal control and risk management systems.
- ✓ Reviews and monitor management responses on the internal audit findings and recommendations
- ✓ Reviews the financial reporting prepared by the management taking into account the external auditor's recommendation
- ✓ Overseeing the Authority's relationship with external auditors.

SONGEA WATER SUPPLY AND SANITATION AUTHORITY

Table 10: Audit committee from 1 July 2023 to 30 June 2024

S/N	Name	Position	Discipline	Nationality
1	Mr. Nikita Kibopla	Member	Advanced Diploma in Accountancy (ADA), Masters of Business Administration	Tanzanian
3	Dr. Frederick Sagamiko	Member	Doctor of Philosophy in Public Health	Tanzanian
4	Hon. Mathew Caslan Ndumbaro	Member	Bachelor of Arts in Sociology	Tanzanian
5	Mrs. Fatuma Missango	Secretary	Certificate in Nursing	Tanzanian
6	Eng. Patrick Kibasa	Invitee	Bsc. (Eng), Msc. Water Resources Engineering, MBA	Tanzanian
7	Mrs. Rosalia Mwenda	Invitee	Bachelor of Commerce and Management	Tanzanian

D. Environmental matters (including the impact of the operation of the entity on the environment) Policy

Policy: Environmental conservation and protection for upkeep of water resources

Implementation of the Policy: Songea WSSA in collaboration with Stakeholders will; provide a comprehensive support to conserve and protect environmental for water resources upkeep.

2.14 AUDIT MANDATE

The Controller and Auditor General is the statutory independent auditor of the Songea Water Supply and Sanitation Authority (Songea WSSA) by virtue of Article 143 of the constitution of the United Republic of Tanzania, 1977 and as amplified in section 10 of the Public Audit Act, Cap.418. According to section 33 (1) of the Public Audit Act, Cap 418, the Controller and Auditor General has powers to appoint any eligible person to conduct an audit of accounts of any entity on his behalf. Accordingly, M/s Financial Consultants & Services was appointed by the CAG to be an auditor of Songea WSSA for the fiscal year ended on 30 June 2024. The Controller and Auditor General shall perform quality reviews of the work and reports produced.

Other information of Financial Consultants & Services

- Physical Address: Magomeni Kagera Street, House no. 25 in Dar es Salaam
- Firms Registration (BRELA) no. 65340
- Taxpayer's Identification Number (TIN) 102-107-756
- Registration Number with NBAA-PF 044

2.15 RESPONSIBILITY OF THE AUDITOR

The auditors' responsibility is to consider whether there is a material inconsistency between the other information and the financial statements; and whether there is a material inconsistency between the other information and the auditor's knowledge obtained in the audit.

2.16 POLITICAL AND CHARITABLE DONATIONS

Songea WSSA did not make any political donations in the financial year 2022/23.

2.17 DISABLED PERSON

It is Authority's policy to give equal opportunities to disabled persons for vacancies they are able to fill.

2.18 PREJUDICIAL ISSUES.

In the opinion of the members of the Board of Directors, there are no serious unfavourable matters that can adversely affect Songea WSSA.

2.19 STATEMENT OF COMPLIANCE.

This report by Those Charged with Governance has been 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.

3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

Section 28 (1) of the Legislation and Operations Guidelines of 1997 for Urban Water Supply and Sanitation Authorities requires the directors to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the Authority as at the end of the financial year and of its surplus or deficit.

It also requires the directors to ensure that the Authority keeps proper accounting records that disclose with reasonable accuracy, the financial position of the Authority. The directors are also responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud, error and other irregularities.


The directors 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 International Public Sector Accounting Standards (IPSAS) and the requirements of the Water Supply and Sanitation Act, 2019.

The directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, well as adequate systems of internal financial control.

The report by those charged with governance has been approved by those charged with governance on 25/08/2025 and signed on its behalf by:



Mrs. Rosalia John Awanda
Chairperson of the Board



Eng. Patrick Kibasa
Managing Director

Date: 25/08/2025

SONGEE WATER SUPPLY AND SANITATION AUTHORITY

4.6 DECLARATION OF THE HEAD OF FINANCE

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

It is the duty of a Professional Accountant to assist the Board of Directors and Management to discharge the responsibility of preparing financial statements of the Authority showing a 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 the financial statement's rests with the Board of Directors as under Directors Responsibility statement on item No. 3 on Report of the Directors.

I, CPA Maswo Nyamhanga, being the Manager responsible for Finance/Accounting of Songee Water Supply and Sanitation Authority (SONGEE WSSA), hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2024 have been prepared in compliance with applicable accounting standards and statutory requirements.

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

Signed by:



Position: Finance Manager
NBAA Membership No: ACPA 5275

Date: 24/03/2025

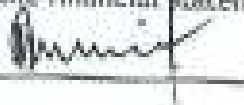
SONGEE WATER SUPPLY AND SANITATION AUTHORITY

5.0 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	2023/24 TZS	Restated 2023/23 TZS
ASSETS			
Current assets			
Cash and cash equivalents	5	281,968,189	228,719,232
Trade and other receivables from exchange transactions	6	651,914,867	533,845,344
Inventories	7	<u>663,702,313</u>	<u>619,075,129</u>
		<u>1,597,585,371</u>	<u>1,379,640,121</u>
Non-current assets			
Property, plant and equipment	8	28,243,050,368	27,939,964,218
Intangible assets	10	17,551,800	-
Work in Progress	9	553,880,197	-
Restricted funds	11	<u>26,468,932</u>	<u>26,468,932</u>
Total assets		<u>28,840,972,112</u>	<u>27,966,433,150</u>
LIABILITIES			
Current Liabilities			
Trade and other payables from exchange transactions	12	<u>1,715,433,580</u>	<u>1,741,596,678</u>
		<u>1,715,433,580</u>	<u>1,741,596,678</u>
Non-current Liabilities			
Borrowings	13	<u>40,194,600</u>	<u>154,589,686</u>
		<u>40,194,600</u>	<u>154,589,686</u>
Total liabilities		<u>1,755,628,180</u>	<u>1,896,186,364</u>
NET ASSETS		<u>28,682,909,303</u>	<u>27,449,886,907</u>
Taxpayers Fund			
Accumulated Surplus		25,658,044,496	25,658,044,496
		<u>3,024,864,807</u>	<u>1,791,842,411</u>
		<u>28,682,909,303</u>	<u>27,449,886,907</u>

The Statement of Financial Position is to be read in conjunction with the notes forming part of the financial statements set out on pages 40 to 70.



Mrs. Rosalia John Mwenda
Chairperson of the Board



Eng. Patrick Kibasa
Managing Director

Date: 25/02/2024

SONGWA WATER SUPPLY AND SANITATION AUTHORITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

	Note	2023/24 TZS	2022/23 TZS
REVENUE			
Revenue from exchange transactions	14	4,335,398,740	3,669,069,452
Other income	15	510,625,834	267,269,826
Revenue from non-exchange transactions	16	<u>942,891,291</u>	<u>499,255,400</u>
Net Income		<u>5,788,915,865</u>	<u>4,435,614,678</u>
EXPENSES			
Water production expenses	17	384,162,974	382,467,678
Sewerage Disposal and Sanitation expenses	18	49,318,413	77,780,950
Repair and maintenance expenses	19	157,680,653	163,980,975
Water distribution expenses	20	157,463,287	139,027,810
Personnel expenses	21	1,832,350,185	1,571,485,772
Administration expenses	22	1,142,316,240	1,098,023,130
Other expenses	23	103,337,369	86,274,385
Depreciation and Amortisation	24	712,367,530	578,977,020
Finance cost	25	<u>16,896,799</u>	<u>27,340,655</u>
Total expenditure		<u>4,355,893,469</u>	<u>4,127,258,275</u>
Surplus/(deficit) for the year		1,233,022,396	308,356,403

The Statement of Financial Performance is to be read in conjunction with the notes forming part of the financial statements set out on pages 46 to 70



Mrs. Rosalia John Mwenda
Chairperson of the Board



Eng. Patrick Kibesa
Managing Director


Date: 25/06/2025

SONGEA WATER SUPPLY AND SANITATION AUTHORITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	CAPITAL FUND TZS	ACCUMULATED SURPLUS TZS	TOTAL TZS
Year ended 30 June 2023				
As at 1 July 2022		25,658,044,496	1,732,952,670	27,390,997,166
Prior Year Adjustments	12		(244,466,361)	(244,466,361)
Surplus for the year			<u>303,356,102</u>	<u>303,356,102</u>
As at 30 June 2023		<u>25,658,044,496</u>	<u>1,791,842,411</u>	<u>27,449,886,907</u>
Year ended 30 June 2024				
As at 1 July 2023		25,658,044,496	1,791,842,411	27,449,886,907
Surplus for the year			<u>1,333,022,396</u>	<u>1,333,022,396</u>
As at 30 June 2024		<u>25,658,044,496</u>	<u>3,124,864,807</u>	<u>28,782,909,303</u>

The Statement of Changes in Net Assets is to be read in conjunction with the notes forming part of the financial statements set out on pages 40 to 70.


 Mrs. Rosalia John Mwenda
 Chairperson of the Board


 Eng. Patrick Kibasa
 Managing Director

Date: 2 July 2024

SONGEA WATER SUPPLY AND SANITATION AUTHORITY

CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

		2023/24	2022/23
CASH FLOW FROM OPERATING ACTIVITIES			
RECEIPTS:			
		TZS	TZS
Rendaring of services	28	4,588,639,794	3,643,884,920
Other Income Receipts	27	<u>1,377,377,665</u>	<u>994,029,016</u>
		5,966,017,459	4,637,913,936
PAYMENTS:			
Water production expenses	28	(354,826,168)	(387,283,680)
Sewerage expenses	28	(48,318,433)	(71,469,813)
Repair and maintenance expenses	28	(187,992,329)	(208,996,875)
Water distribution expenses	28	(382,083,100)	(585,809,881)
Personnel expenses	28	(1,789,241,043)	(1,452,154,951)
Administration expenses	28	(1,683,164,104)	(793,428,008)
Other expenses	28	(59,582,777)	(169,907,387)
Bank Charges		<u>(6,473,028)</u>	<u>(5,657,543)</u>
Total Payments		<u>(4,492,678,001)</u>	<u>(3,679,658,138)</u>
Net Cash Flow from Operating Activities	29	1,469,338,458	963,285,798
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	30	(711,903,000)	(876,865,079)
Purchase of Intangible Assets	10	(17,910,000)	-
Increase in Work in Progress	9	<u>(553,882,328)</u>	<u>(123,600,000)</u>
Cash Used in Investing Activities		(1,283,695,328)	(1,000,465,079)
CASH FLOW FROM FINANCING ACTIVITIES			
Grants from the Government (MoW)	33	308,999,922	869,453,073
Grants from the Government (MoW) to small towns water Utilities	33	(208,999,922)	(852,379,671)
Loan repayment to TIB	13	(120,583,116)	(120,583,116)
Interest Paid to TIB Loan	13	<u>(10,567,437)</u>	<u>(25,875,188)</u>
Net cash flow Used in Financing Activities		(131,159,523)	(130,384,892)
Net Change in Cash and Cash Equivalents		54,492,607	(167,564,141)
Cash and Cash Equivalents at the Beginning of the Year		229,525,926	397,090,070
Cash and Cash Equivalents as at 30 June 2024		284,018,536	229,525,928

The Cash flow Statement is to be read in conjunction with the notes forming part of the financial statements set out on pages 40 to 70.



Rosalie John Mwenda
Chairperson of the Board



Eng. Patrick Kibasa
Managing Director

Date: 25/03/2025

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNT FOR THE YEAR ENDED 30 JUNE 2024

	Original Budget		Adjustments	Final Budget		Actual Amount		Difference	Explanation of the material differences
	T25	(A)		T25	(B)	T25	(C)		
							(D)=(C-B)		
REVENUE									
Revenue from Exchange Transactions	4,821,838,688			4,821,838,688	4,589,639,794	232,198,894			
Revenue from Non-Exchange Transactions	2,800,000,000			2,800,000,000	4,403,813,791	1,603,813,791		The variance of 68% was because funds for the ongoing projects were not released as planned by the Central government.	
Other Income	349,249,482			349,249,482	190,165,311	159,084,171			
Total Revenue	8,071,088,170			8,071,088,170	9,193,623,876	1,122,535,706			
EXPENDITURE									
Water production Expenses	477,899,420	(100,000,000)		377,899,420	394,876,189	17,076,769			
Sewerage Disposal and Sanitation Expenses	198,006,000			198,006,000	46,380,008	151,625,992		The variance of 68% was because no collection of the sewer network was carried out during the budget period.	
Repairs and Maintenance Expenses	253,003,560	(100,000,000)		153,003,560	187,933,329	34,929,769			
Water Distribution Expenses	893,455,447	(200,000,000)		693,455,447	383,083,100	310,372,347		The variance of 68% was due to the fact that funds for the ongoing projects were not released as planned by the Central government.	
Personnel Expenses	1,570,738,804	(150,000,000)		1,420,738,804	1,789,241,043	368,502,239			
Administrative Expenses	1,123,708,447	50,000,000		1,173,708,447	1,603,164,324	429,455,877			
Other Expenses	176,423,116			176,423,116	173,084,867	3,338,249			
Finance Costs	51,887,148			51,887,148	16,898,799	34,988,349			
Development Expenditure	2,800,000,000			2,800,000,000	940,619,291	1,859,380,709		The variance was due to the fact that funds for the ongoing projects were not released as planned by the Central government.	

Controller and Auditor General

AR/PA/Songea WSSA/2023/24

	Original Budget T25 (A)	Adjustments	Final Budget T25 (B)	Actual Amount T25 (C)	Difference T25 (D)=(C-B)	Explanation of the Material differences
Total Expenditure	8,071,404,142		8,071,104,142	5,556,798,228	2,514,305,914	
Net Receipts/Payments	-		-	143,626,648	-163,826,658	

*The Budget and financial statement are prepared on a differential basis. A statement of comparisons of a Budget and actual amount above is prepared on the same basis as the Budget. Additional information about the budget and a reconciliation of amount as per the above statement and the actual amount in the statement of cash flow is disclosed in the note 30 to the financial statement.

SONGEA WATER SUPPLY AND SANITATION AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

1.0 General Information

Statute

(i) Songea Water Supply and Sanitation Authority (SONGEA WSSA) was established under the Water Works Ordinance Cap 281 in accordance with the Government Notice No. 371 published on 25 July 1997. Subject to Section 3 (1) of the Water Works Regulation, the Minister responsible for Water declared Songea Water Supply and Sanitation Authority an autonomous body with effect from 01 January 1997, there by revoking the Government Notices No. 254 of 1949, No. 478 of 1962 and No. 113 of 1975 made by the legislative body.

The Waterworks Act was repealed by the Water Supply and Sanitation Act 2009, which was also repealed by Water and Sanitation Act No 5 of 2019.

(ii) Songea Water Supply and Sanitation Authority discharge its functions under the Ministry of Water (MOW) and is closely regulated by the Energy and Water Utilities Regulatory Authority (EWURA).

The principal activities of Songea Water Supply and Sanitation Authority is production, distribution and delivery of clean and portable water including collection, treatment and disposal of the sewage emanating from the urban areas of the Songea Municipality.

(iii) The registered office and address of its principal place of business is:

Managing Director's Office,
Songea Water Supply and Sanitation Authority,
70 Road of Souwasa,
57101 Songea, Ruvuma.

(iv) The overall managerial responsibility of SONGEA WSSA is vested in the Board of Directors while the day-to-day operations are looked after by the Managing Director assisted by the management team from four departments (Technical, Commercial, Finance and Human Resources and Administration) and head of units.

(v) These financial statements of SONGEA WSSA for the year ended 30 June 2024 were authorized for issue in accordance with the resolution of the Board of Directors on 25/03/2025.

2.0 Summary of Accounting Standards Adopted

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

At the reporting date 30 June 2024, the Authority adopted various international public sector accounting standards (IPSAS) in preparation of these financial statements. These standards had material effects on the current financial statements. Table 11 indicates accounting standards and their interpretations which were applied in the preparation of these financial statements.

Table 11: Summary of accounting standards applied and their interpretations

IPSAS 1 Presentation of financial statements	Basing on this standard, complete set of the components of financial statements including statement of financial performance, statement of financial position, statement of changes in net assets, cash flow statements, statement of comparison of budget and actual amounts and notes have been presented.
IPSAS 2 Cash flow statement	As per requirement of this Standard cash flow statement has been prepared under direct method and its reconciliation note of net cash flow from operating activities has been prepared.
IPSAS 3 Accounting Policies Changes in Accounting Estimates and Errors.	As per requirement of this standard the Prior Period errors have been corrected and changes of the Accounting Policies
IPSAS 9 Revenue from exchange transactions	As per requirement of this standard, the Authority has recognised all revenues from water sales as revenue from exchange transaction. Revenue from the sale of water is recognised when the Authority has delivered clean water to customers and the customers has accepted the bill.
IPASA 12 Inventories	Inventories as reported in these financial statements at the lower of cost and their net realisable value.
IPSAS 17 Property, plant and equipment	Basic items of Property, Plant and Equipment are shown on the note 9 of this financial statement have been recognised, measured and reported.
IPAS 20 Related party disclosures.	As per requirement of this standard, disclosure of the remuneration of the key management personnel, and other emoluments have been made on the note no 4.13
IPSAS 23 Revenue from non-exchange transactions	The Authority based on this standard to account for the transactions such as transfers as shown in the note 10.
IPSAS 24 Presentation of Budget information in the financial statements	The Authority has applied this accounting standard, to prepare the statement of comparison of budget and actual amounts as shown in the page 38 of these financial statements.
IPSAS 41 Financial instruments recognition and measurements	The Authority adopted and applied the requirements of this standard to account all of the transactions related to financial instruments (Cash and Cash Equivalent in Commercial banks and Trade Receivables).

3.0 Basis of Preparation

These financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) accrual basis. The complete set of the financial statements comprises a statement of financial position, a statement of financial performance, a statement of changes in net assets/equity, a cash flow statement, a comparison of budget and actual amounts, and notes comprising a summary of significant accounting policies and other explanatory notes. The measurement basis applied in the preparation of these financial statements is the historical cost basis, except where otherwise stated. The financial statements are presented in Tanzanian Shillings (TZS). The financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

4.0 Significant Accounting Policies

(i) Revenue recognition

As per International public sector accounting standard 9, revenue from exchange transaction (IPSAS 9) Paragraph 7, revenue from water sales have been treated as revenue from exchange transaction. Revenue from exchange transactions is recognized when the Authority has delivered clean water to the customer; the customers have accepted the bills and collection of the related receivable is reasonably assured.

SONGEO WSSA recognizes revenue from non-exchange transactions as per IPSAS 23 Revenue from non-exchanges (Transfers and Taxes) when it receives resources and provides no or nominal consideration in return or provides the consideration, not approximately equal to the fair value of resources received.

Other income is recognized when the estimations and related payments have been received by the Authority. These include reconnection fees, new water connections, and other non-water income.

(ii) Foreign currency transaction

(a) Functional and presentation currency

Items included in the financial statements are measured in Tanzanian shillings, the currency of the primary environment in which the entity operates ("functional currency"). The financial statements of the Authority are presented in Tanzania shillings which is the Authority's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into Tanzanian Shillings, using exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities in foreign currencies at the end of the year are translated into Tanzanian Shillings at the rates of exchange ruling at the end of the financial year. Foreign exchange gains and losses resulting from the settlement

of such transactions and the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value was determined. Balances in the Financial Position which are in foreign currency are translated at the closing rate at the date of that statement of financial position.

(iii) Impairment of assets

Songee WSSA complies with IPSAS 21 impairment of non-cash generating assets Paragraph 26 whereby at each reporting date an assessment is made to detect whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Authority estimates the asset's recoverable amount. This determination requires significant judgment. In making this judgment, the Authority evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

An asset's recoverable amount is the higher of an assets 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 groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

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 recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot 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 the statement of comprehensive income. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(iv) Government grants and Donor funds

In compliance with IPSA 23 Revenue from non-exchange transaction, government grants and donor funds are recognized after an assessment is made whether they are associated with stipulated conditions or restrictions. These grants are recognised as deferred revenue when they have return obligations (stipulated conditions) and they are also recognised upfront as revenue from non-exchange transactions when they have no any conditions attached.

(v) Inventories

Inventories comprise of pipes and fittings, spare parts, water meters, chemical and other printing and stationaries. As per IPSAS 12 inventories paragraph 16, inventories of the of the Authority are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(vi) Financial Instruments

During the financial year 2023/24 Songea WSSA adopted and applied International Public Sector Standard 41 *Financial Instruments* as directed by Treasury Circular No 3 of 2022/23 referenced EG.03/102/09/198 dated 1 June 2023. Under this standard the Authority applied a single classification and measurement model for its financial assets-based characteristics of the contractual cash flows and the objective for which the asset is held. Single forward-looking expected credit loss (ECL) was applicable to all financial instruments subject to impairment testing. Songea WSSA gathered all historical data from 2018 to 2024, which were used to establish the amount of impairment as provision for Expected Credit Losses in its financial statements.

Songea WSSA recognizes financial instruments when it becomes a party to the contractual provisions of the instrument.

4.1 Financial Assets

4.1.1 Initial and Subsequent Measurement

Financial assets are initially measured at fair value and subsequently measured as per the following criteria:

- The management model within which the Financial Asset is held.
- The characteristics of contractual cash flows are solely payments of Principal and Interest.

4.1.2 Classification of Financial Assets

Classification is based on the criteria mentioned above, as a result, the following classes of financial instruments arise namely;

- Financial assets at Amortized Cost,
- Financial asset at Fair Value through Net asset/ Equity, and
- Financial asset at Fair Value through Surplus or Deficit.

4.1.3 Financial Assets at amortized Cost

Financial Assets are subsequently measured at Amortized Cost if both of the following conditions are met;

- The financial asset is held within a management model whose objective is to hold financial assets to collect contractual cash flow and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. This includes CASH AND CASH EQUIVALENT

4.1.4 Financial Assets at Fair Value through Net Assets/Equity

Financial assets are subsequently measured at fair value through net assets or equity if both of the following conditions are met;

- The financial asset is held within management model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- The contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4.1.5 Financial Assets at Fair Value through Surplus/Deficit

Financial Assets are subsequently measured at Fair Value through Surplus /Deficit unless they are measured at amortized costs or fair values through net assets/equity based on conditions mentioned above.

4.1.6 Impairment of financial assets

The impairment of financial asset is calculated using expected credit losses model. The Entity recognizes loss allowances (Expected Credit Losses (ECL)) on all financial assets except those that are measured at FVTSD and credit impaired financial assets. Songee WSSA uses the Simplified approach in determining the impairment of receivables and cash and cash equivalents. A loss allowance is calculated at each reporting date however, the ECL model is updated on annual basis to accommodate any event that might cause significant increase in credit risks on financial asset.

The term 'expected credit loss' does not imply that losses are anticipated, rather that there is recognition of the potential risk of loss. Determining whether an expected credit loss should be based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk of the financial asset since initial recognition.

Loss allowances for ECL are presented in the statement of financial position as follows:
Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;

4.1.7 Inputs into measurement of ECLs

The key inputs into the measurement of ECLs are the discounted product of: probability of default (PD), loss given default (LGD) and exposure at default (EAD).

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The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

EAD is based on the amounts the Entity expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). Loss Given Default (LGD) represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD).

LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof. The Lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band.

This is supported by historical analysis.

(vii) Cash and cash equivalents

	2024	2023
Cash at Bank and on hand	284,018,536	229,525,929
Expected Credit Loss:		
Opening	2,806,677	
Charged during the year	(756,330)	2,806,677
Closing	<u>2,050,347</u>	<u>2,806,677</u>
Cash as per Statement of financial position	281,968,189	226,719,252

Analysis of Cash and Cash Equivalent

For the statement of cash flows, cash, and cash equivalent comprises of the following balances with less than one-month maturity from the date of acquisition

	2024	2023
Cash as per Statement of financial position	281,968,189	226,719,252
Expected Credit Loss	<u>2,050,347</u>	<u>2,806,677</u>
Gross Cash and Cash Equivalents at Cash flow	284,018,536	229,525,929

Moreover, Songea WSSA operates with CRDB Bank, NMB Bank, MCB Bank, and TCB Bank with current global ratings of AA- from Fitch, Aa3 from Moody's, and AA- from S&P, which gives Probabilities of Default (PD) of 2.16%, 0.4%, and 0.61% respectively.

4.1.8 Derecognition Financial assets.

The Entity derecognizes a financial asset when:

- The contractual rights to the cash flows from the financial asset expire; or
- It transfers the rights to receive the contractual cash flows in a transaction in which either substantially all of the risks and rewards of ownership of the financial asset are transferred; or the Entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.
- When The Entity enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

4.2 Financial Liabilities

4.2.1 Recognition

Financial liabilities are recognized when the Entity has contractual obligation to deliver cash as a result of goods or services received.

4.2.2 Measurement

Financial liabilities are initially measured at fair value and net gains and losses, including any interest expense, are recognized in surplus or deficit. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in surplus or deficit. Any gain or loss on derecognition is also recognized in surplus or deficit.

4.2.3 Derecognition

The Authority derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Authority also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in surplus or deficit.

4.3 Property, plant and Equipment.

Property, plant and equipment (PPE) comprised land, buildings, Concrete water and sewerage infrastructures, water and sewer system, motor vehicles, motorcycles, computer equipment, furniture, generators and control panel, pumps, office equipment and plant and machineries. Songea WSSA account all items of PPE in its financial statements in accordance of IPSAS 17 Property, Land and Equipment. The cost of an of an item of PPE shall be recognised as an asset if and only if; it is probably that future economic benefits or service potential associated with

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Item will flow to Songea WSSA and the cost or fair of an item can be measured reliably. An item of Property, Plant and Equipment that qualifies for recognition shall be measured at cost while Item of PPE acquired at non-exchange is measured at the fair value.

4.4 Depreciation and useful life.

Songea WSSA applies consistently Public Finance Act CAP 348 and its regulations (Management of the Public Property) of 2024 in determining depreciation rates and useful lives of the property, plant and equipment. It is the policy of Songea WSSA to calculate depreciation of its assets on a straight-line basis. The useful lives of the assets are summarized hereunder:

Asset	Useful life
Land	Indefinite
Buildings	50
Concrete Water & Sewerage infrastructure	50
Water and Sewerage System	25
Motor vehicles	20
Motorcycles	7
Computers	8
Equipment	10
Generators	15
Pumps	15
Furniture and fittings	10
Water meters	15
Plant and machinery	15

Note: Land is considered to have an indefinite life and thus, it is not depreciated.

4.5. Assessment and review of the useful lives of the Assets

Songea WSSA assessed the conditions of its assets for the year ended 30 June 2024 and unveiled that, some of the assets were still in use despite their fully depreciation. As per the requirement of the Treasury circular no 3 of 2022/23 and International Public Sector Standard 17 Property Plant and Equipment Paragraph 17 and 67 in which it is directed that, residual values and useful lives of assets shall be reviewed at least at each annual reporting date. Where there are justifiable reasons for departure from the adopted accounting policy disclosure should be made.

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The new revised useful lives are as follows.

Asset	Useful life	Remaining useful lives	Total year of service (TYS)	Rates in %
Land	Indefinite	Indefinite	Indefinite	Indefinite
Buildings	50	25	75	1.33%
Concrete Water & Sewerage Infrastructure	50	25	75	1.33%
Water and Sewerage System	25	25	50	2.00%
Water vehicles	20	10	30	3.33%
Motorcycles	7	6	13	7.69%
Computers	8	7	15	6.67%
Equipment	10	9	19	5.26%
Generators	15	15	30	3.33%
Pumps	15	15	30	3.33%
Furniture and fittings	10	9	19	5.26%
Water Meters	15	4	19	5.26%
Plant and machinery	15	15	30	3.33%

Depreciation of an asset begins when it is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized.

4.6 Prior Period Errors Correction

For the year 2023/24 Songee WSSA made correction of prior period error by restating the opening balances of the PPE assets from 2017 as the error occurred before the earliest prior period presented. The adjustment resulted from the adoption of the new useful lives of assets to comply with those of the government and review of the useful lives of assets which were fully depreciated but still in use. Adjustment amount of TZS 190,000,000 was passed in the statements of the changes in net assets of the comparative information in respect of the changes in the useful lives of the assets. Furthermore following the adoption of IPSAS 41 financial instruments the Authority made adjustment in the amount of the accumulated impairment of receivables of TZ 433 Million which were erroneously carried in the financial statements in the previous years and established the correct amount of TZS 678 Million as the provision of expected Credit Losses resulting from cash and cash equivalents of TZS 2.8 Million and 675 Million of receivables. In compliance of the IPSAS 3 paragraph 46 and 47 and Accountant General Circular No 3 with reference number EG.03/102/09/198 of 2022/23 Paragraph 3.11. The net effect of the prior period adjustment are reflected in the Statement of changes in net assets (SCAN) of the comparative financial information 2022/23 and in the Note 30.

4.7 Trade and other payables.

Payables are recognized at fair value. Other payables are recognized when incurred through either enjoyment of services on credit and/or receiving of goods supplied on credit.

4.8 Employee benefits.

4.8.1 Retirement benefit obligation.

Employees of SONGEEA WSSA are registered in one pension funds which is Public Service Social Security Fund (PSSSF) This follow after the government restructuring of the pension's funds in in PSSSF were mandated to manage all contributions from the Public Servants. The percentage of the contribution to are 5% and 15% of the employee basic salary to employee and employer respectively.

4.9 Provisions

SONGEEA WSSA follows the guidance of IPASA 19 Provisions, contingent liabilities and contingent assets. Provisions are recognized when Authority has a present legal or constructive obligation as a result of past events; and it is probable that an outflow of resources will be required to settle the obligation and the amount has been established reliably.

4.9 Taxation

SONGEEA WSSA is a public utility and as such it is exempted from corporation tax and other taxes accordingly, no provision for tax has been made in the financial statements. However, like all other entities collect and deduct other taxes on behalf of Tanzania Revenue Authority and remit as required by various tax laws and regulations.

4.10 Critical Accounting Estimates and Judgements

The preparation of the SONGEEA WSSA'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, uncertainties 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.

4.11 Events after Reporting Date

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

4.12 Segment Reporting.

Since the Authority does not engage in activities that generate multiple sources of revenue it would require separate reports for evaluating the Authority's performance and for making decisions about the future allocation of resources. Therefore, these financial statements do not include segment reporting.

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4.13 Related party Disclosures

In accordance with IPSAS 20 *Related Party Disclosures*, related party transactions refer to the transfer of resources or obligations between the related parties regardless of whether the price is charged. For the year ended 30 June 2024 Songee WWSA made various transactions to its key management personnel including remunerations, director fees, and other expenses or the services provided by those key personnel in their capacity as members of the governing body or otherwise as employees of Songee WWSA. There were no transactions of other parties in which these key management personnel have significant influence.

Board of Directors

		2023/24	2022/23
Transaction Details	No	TZS	TZS
Director fees	10	35,439,412	48,356,706
Board Meeting expenses	5	<u>7,475,000</u>	<u>15,095,000</u>
Total remuneration		<u>42,914,412</u>	<u>63,451,706</u>

Compensation of Senior Staff

Transaction Details	No		
Salaries, Short term Benefits and Allowances	10	<u>586,667,472</u>	<u>580,997,272</u>
Total remuneration		<u>586,667,472</u>	<u>580,997,272</u>

30.6.2024

TZS

30.6.2023

TZS

5.0 CASH AND CASH EQUIVALENTS

OPERATIONS:

120301 - CRDB - Operating Account	3,387,936	15,102,304
120304 - MMB - Collection Account	374,200	18,060
120305 - NBC - Current Account	48,000	53,017,593
120312 - BOT - SOWASA	186,368,942	52,018,244
120303 - CRDB - Collection Account	<u>300,000</u>	<u>13,000,452</u>
	190,477,078	133,976,661

PROJECT:

120302 - GRDS - Project Account	<u>93,541,457</u>	<u>95,549,268</u>
	284,018,535	229,525,929
Less: ECL	<u>(7,050,396)</u>	<u>(7,806,677)</u>
	<u>281,968,139</u>	<u>226,719,252</u>

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	30.6.2024	30.6.2023
	TZS	TZS
6.0 Receivables From exchange Transactions		
320201 - Commercial	51,939,607	280,213,170
320202 - Domestic	653,348,327	719,473,146
320203 - Institutions	292,206,900	191,747,996
320208 - Industry	0	6,675
320204 - Kiosk	<u>12,138,570</u>	<u>10,050,196</u>
	1,009,633,413	1,201,491,183
Less: Provision for Impairment losses	<u>364,200,546</u>	<u>675,565,839</u>
	<u>645,432,867</u>	<u>525,925,344</u>
Other receivables	<u>6,682,000</u>	<u>7,920,000</u>
	<u>652,114,867</u>	<u>533,845,344</u>
<i>Movement of provision for Expected Loss</i>		
As at 1 July	<u>364,200,546</u>	<u>675,565,838</u>
As at 30 June 2023	364,200,546	675,565,838

Terms and conditions of the above trade receivables:

Trade receivables are non-interest bearing and are generally on 30-day terms.

As at 30 June 2024, Expected Credit Losses on receivables amounted to TZS 364,200,546.22 Below is the Ageing of the remaining receivables

	30.6.2024	30.6.2023
	TZS	TZS
Overdue 1 - 60 days	91,268,081	74,738,348
Overdue 61 - 360 days	221,651,055	181,507,418
Overdue > 360 days	<u>338,995,731</u>	<u>277,999,578</u>
	<u>651,914,867</u>	<u>533,845,344</u>

	30.06.2024	30.06.2023
	TZS	TZS
7.0 INVENTORIES		
Pipes and fittings	622,147,310	548,561,881
Water Meters	9,011,000	23,340,594
Water Chemicals	24,200,000	40,200,000
Printing & Stationeries	7,544,000	6,250,050
Fuels and Lubricants		<u>723,000</u>
	<u>663,702,315</u>	<u>619,075,525</u>

SONGEA WATER SUPPLY AND SANITATION AUTHORITY

3.0 PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Concrete Water & Sewer Infrastructure	Water & Sewerage Systems	Motor vehicle	Motor cycles	Office Equipments	Computers and Equipments	Generators and Control panel	Pumps	Furniture and Fixings	Plant and Machinery	Water Meters	Total
Details	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'
Cost as at 1 July 2023	303,990	1,369,296	20,816,786	13,875,892	431,133	77,536	131,228	464,237	392,630	602,927	33,152	73,939	423,624	38,733,920
Additions for the Year	0	30,508	281,223	663,364	-	-	1,133	38,040	-	1,549	2,250	-	211,384	1,017,920
As at 30 JUNE 2024	303,990	1,399,804	21,098,019	14,539,256	431,133	77,536	132,361	502,277	392,630	604,476	35,402	73,939	634,808	39,751,840
As at 1 July 2023	-	428,776	3,330,564	3,694,036	125,167	68,460	125,789	430,866	335,050	107,202	9000	56,195	60,931	10,973,956
Charge for the year	-	17,021	279,830	287,544	34,327	5,963	860,249	34,856	13,075	14,801	1,862	2,462	31,256	1,123,009
As at 30 JUNE 2024	-	445,797	3,610,394	3,981,580	159,494	74,423	1,011,038	465,722	348,105	122,003	10,862	58,657	94,187	11,508,773
Net book value	303,990	834,007	15,668,126	10,847,092	291,409	3,113	-371	56,575	23,405	332,464	24,540	15,282	938,761	28,243,056
YEAR ENDED 30 JUNE 2023														
Cost as at 1 July 2022	288,590	1,369,296	20,816,786	12,455,120	431,133	77,536	127,023	446,247	392,630	642,927	21,066	73,939	226,626	37,278,993
Transfers	-	-	-	578,127	-	-	-	-	-	-	-	-	-	578,127
Additions for the Year	3,000	-	-	642,587	-	-	4,208	17,960	-	-	12,086	-	194,998	875,866
As at 30 JUNE 2023	301,590	1,369,296	20,816,786	13,075,841	431,133	77,536	131,231	464,237	392,630	642,927	33,152	73,939	421,624	38,153,859
Depreciation For the Year Ended 30 June 2023														
As at 1 July 2022	-	411,894	4,869,173	3,694,036	601,196	68,706	125,369	429,875	341,245	67,465	7,342	53,217	31,417	10,213,001
Charge for the year	-	16,882	481,389	-	23,871	7,754	600	907	15,705	17,717	1,458	2,958	28,514	378,955
As at 30 JUNE 2023	0	428,776	5,350,564	3,694,036	625,067	76,460	125,969	430,782	356,950	85,182	8,799	56,175	60,931	10,591,956
Net book value	303,990	840,520	15,468,222	10,381,805	306,066	9,076	5,262	33,455	35,680	357,245	24,353	17,764	360,673	27,561,903

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9.0	Work In Progress	2023/24	2023/23
	Description	TZS	TZS
	As at 1 July,	0	454,526,656
	Additions During the Year	553,881,012	123,600,000
	Total	<u>553,881,012</u>	<u>578,126,656</u>
	Transfer to PPE	0	578,126,656
	As at 30 June 2024	<u>553,881,012</u>	<u>0</u>
10	Intangible Assets	2023/24	2023/23
	Cost	TZS	TZS
	As at 1 July,		
	Additions During the Year	<u>17,910,000</u>	<u>0</u>
	As at 30 June 2024	<u>17,910,000</u>	<u>0</u>
	Amortization		
	As at 1 July 2023		
	Amortization charge during the year	<u>358,200</u>	<u>0</u>
	As at 30 June 2024	<u>358,200</u>	<u>0</u>
	As at 30 June 2023	<u>17,551,800</u>	<u>0</u>
		30.06.2024	30.06.2023
11.	Restricted funds	TZS	TZS
	Cash in bank - restricted funds (TIB)	<u>26,468,932</u>	<u>26,468,932</u>
		<u>26,468,932</u>	<u>26,468,932</u>
	Restricted Fund represent Songea WSSA TIB Loan Service Reserve		
12.	TRADE AND OTHER PAYABLES	30.06.2024	30.06.2023 TZS
		TZS	
	Trade payables	480,679,830	444,907,352
	Ministry project control Account	0	51,934,468
	Statutory liabilities	631,804,125	635,345,918
	EWURA payable	123,221,320	90,531,060
	NEC bank loan	0	11,182,077
	Fine and Penalties	145,791,526	158,791,326
	Other payables	<u>334,936,979</u>	<u>348,913,777</u>
		<u>1,715,433,580</u>	<u>1,741,596,678</u>

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	30.6.2024 TZS	30.6.2023 TZS
13. Borrowings (TIB Loan)		
Opening balance (Principal and Interest)	154,589,686	279,444,835
Addition Loan interest during the year	16,755,437	21,603,112
LESS: Principal loan Paid	(120,583,116)	(120,583,116)
Less: Loan Interest Paid	<u>(10,567,407)</u>	<u>(25,875,146)</u>
Total Balance loan from TIB (Principal and interest)	<u>40,194,600</u>	<u>154,589,686</u>
	2023/24 TZS	2022/23 TZS
14. REVENUE FROM EXCHANGE TRANSACTIONS		
Water consumption- Commercial	254,928,535	224,538,080
Water consumption- Domestic	3,489,987,139	2,952,455,485
Water consumption - Institution	246,732,421	180,897,487
Water consumption-Kiosk	2,786,882	13,291,009
Water consumption-industrial	13,136,505	2,042,917
Water consumption- Prepaid customers	155,811,039	200,271,877
Water consumption-Sewerage	<u>212,016,319</u>	<u>195,591,387</u>
	<u>4,319,398,740</u>	<u>3,662,089,452</u>
15. OTHER INCOME		
110201 - New Water Connection Fees	52,916,000	58,140,947
110203 - Rental Charges	25,920,000	21,406,000
110204 - Reconnection Fees	31,027,054	43,105,000
110205 - Sludge Disposal	21,821,499	23,985,180
110206 - Miscellaneous Income	86,819,656	115,632,699
Decrease in ECL	<u>312,121,623</u>	<u>0</u>
	<u>510,623,834</u>	<u>267,269,826</u>
16. REVENUE FROM NON-EXCHANGE TRANSACTIONS		
Capital Grants from the Government	940,619,791	450,000,000
Land transferred	2,271,500	-
Grant Funds from Donors GIZ	-	7,210,000
Grants from IFWIF - Songea WSSA (Incremental cost)	<u>942,891,291</u>	<u>457,210,000</u>
	<u>942,891,291</u>	<u>457,210,000</u>

Revenue from non-exchange transactions relates to the grants received from the central Government from the completion of the Lilambo and Nvengamahindo Projects as well as implementation of ongoing Subira and Luwawasi Projects.

Controller and Auditor General

AR/PA/Songea WSSA/2023/24

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	2023/24	2022/23
	TZS	TZS
17. WATER PRODUCTION EXPENSES		
2114104 - Food and Refreshments	-	752,000
2204109 - Chemicals	72,447,346	75,023,541
2228101 - Medical & Laboratory Equipment	32,262,633	7,550,000
22018104 - Electrical cabling & equipment	7,305,400	6,606,200
2220107 - Small Tools and Implement	1,905,000	636,000
2003101 - Petrol	107,130	-
22003102 - Diesel	-	67,355
2201112 - Outsourcing Cost	9,780,000	9,752,500
2020108 - Direct Labour (Contract/Casual)	57,823,796	48,117,756
2120110 - Pipes and Fittings	650,000	15,176,100
2232118 - Compensation	5,261,928	11,305,000
1114102 - Hardship Allowances	0	2,772,500
1121101 - Electricity	175,341,863	167,311,236
261290 - Kwana Basin	9,851,800	12,000,000
261292 - Nyaasa Basin	11,526,458	27,038,368
22028102 - Precision Tools and Measures	-	356,322
	<u>384,162,974</u>	<u>302,467,678</u>
18. SEWERAGE DISPOSAL AND SANITATION EXPENSES	2022/23	2022/23
	TZS	TZS
2520108 - Direct Labour (Contract/Casual)	40,565,677	61,185,697
2520107 - Small Tools and Implements	2,085,000	2,625,146
22003101 - Petrol	2,221,756	394,284
2821101 - Electricity	600,000	1,350,000
22003101 - Extra Duty	-	396,825
2112113 - Food and Refreshment	3,416,000	11,625,900
2114102 - Hardship allowance	450,000	0
	<u>49,318,433</u>	<u>77,780,930</u>
19. REPAIR AND MAINTENANCE		
2602010 - Casual Labourers	74,695,334	63,722,100
2420110 - Pipes and Fittings	9,090,680	1,503,773
27105 - Small Tools and Implements	9,972,363	17,443,727
2109101 - Building Material	16,433,292	12,171,106
22028102 Precision tools, weights and measures instruments	-	4,037,700
2021101 - Motor Vehicles and Water Craft	1,300,000	0
2021102 - Tyres and Batteries	5,445,000	5,880,000
2021105 - Small Car Mechanics Tools	-	180,000
2021108 - Spare Parts	-	57,272,519
2109104 - Print and Weather Protection	40,353,982	600,000
21113103 Extra Duty	240,000	120,000

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22012115. Network maintenance costs	<u>157,680,653</u>	<u>1,050,000</u> <u>163,980,973</u>
20. WATER DISTRIBUTION EXPENSES	2023/24	2022/23
	TZS	TZS
21121101. Electricity	0	630,000
21113103. Extra duty	5,900,000	1,960,000
2020109 - Measuring Instruments	17,007,788	14,762,712
2120108 - Direct Labour	69,140,031	47,137,764
2320110 - Pipes and Fittings	22,163,300	22,310,637
22012110. Mobile charges	6,168,994	20,267,352
22012105. Advertising and Publications	7,400,234	27,195,000
2420107 - Small Tools and Implements	175,000	1,121,480
2301101 - Office Consumables	179,000	3,060,000
41122204. Pre-paid battery	2,114,790	330,000
22003102. Diesel	0	232,865
Printer, scanner, power bank and mobile	2,020,000	-
Computer Supplies, Printer, accessories	3,285,000	-
Customer survey	21,708,250	-
	<u>157,463,287</u>	<u>139,027,810</u>
21. PERSONNEL EXPENSES		
2111101 - Civil Servant	1,458,482,925	1,215,715,115
2211101 - PSSSF	218,772,440	192,116,687
2211105 - NHIF	41,477,446	36,464,734
2112103 - Extra Duty Allowances	57,026,715	26,703,000
3722108. WCF	6,917,249	6,113,536
2831311 - Skills Development Levy	9,694,000	14,296,700
2113101 - Leave Travel	-	33,592,500
2113122 - House/Transport Allowance	4,645,200	22,792,500
2113102 - Internship Allowance	-	482,000
2113115 - Subsistence Allowance	4,741,000	-
21113112. Responsibility Allowance	30,600,000	15,208,000
	<u>1,832,350,185</u>	<u>1,573,485,722</u>
22. ADMINISTRATION EXPENSES	2023/24	2022/23
	TZS	TZS
2031101 - Audit Fee	56,354,000	47,872,000
2311193 - ERB Fees	2,126,250	3,385,000
2631239 - Songee Municipal (SERVICE LEVY)	3,000,000	10,976,738
2012102 - Posts and Telegrams	1,488,500	1,721,000
2012110 - Mobile Charges	6,491,456	6,104,994
2012113 - Subscription Fe	0	300,000
2831311 - Skills Development Levy	52,442,373	48,140,235
3214106 - Entertainment	7,130,000	6,279,107
1311195 - NBAA Fees	918,750	1,101,250
2001112 - Outsourcing Cost (Cleaning)	81,902,692	64,573,904
2002102 - Water Charges	19,252,975	9,940,000
2003106 - Lubricants	0	2,737,200
2010105 - Per Diem Domestic	357,886,205	224,074,099

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22. ADMINISTRATION EXPENSES	2023/24 TZS	2022/23 TZS
2721101 - Electricity	5,380,000.00	18,249,000
2202108 - Direct labour	21,439,356	7,131,200
2313103 - Extra Duty	18,610,000	4,660,000
2320107 - Small Tools and Implements	3,222,500	402,940
21113121 - Special Allowance	20,670,000	10,440,000
2801101 - Office Consumables	25,279,211	30,327,756
2701102 - Computer Accessories and Supply	3,210,067	20,188,975
2113119 - Medical Expenses	25,000	50,000
2714104 - Food and Refreshments	39,143,316	22,417,650
2031102 - Legal Fees	7,712,000	2,289,500
2803102 - Diesel	127,109,074	135,738,442
2703102 - Petrol	58,439,791	44,600,564
2008102 - Tuition Fees	20,017,000	11,041,200
2008105 - Training Materials	11,462,600	9,758,316
2008107 - Training Allowances	6,154,630	3,662,800
2208104 - Board remuneration	42,317,088	56,382,000
2701101 - Workers Council	2,950,000	200,000
2032111 - Burial Expenses	11,369,900	5,435,000
22012116 - Annual Fee for Operating TAREPS	0	1,500,000
2113128 - Court Attire	3,030,000	1,200,000
22012105 - Advertising	8,182,203	1,200,000
22022102 - Servers	100,000	-
2028105 - Fire Fighting Expenses	0	143,644
21114101 - Honorarium	7,400,000	24,410,000
2311106 - PSPTB Fees	1,517,440	500,000
2008101 - Accommodation	18,261,794	13,430,081
2008104 - Instructor Remuneration	14,912,647	10,501,765
22032151 - Fine & Penalties	0	158,791,526
212104 - Sports & Games	0	21,743,000
2209127 - Land Scaping	5,721,010	8,175,130
3122210 - Office Chairs & Shelves	1,632,000	-
3221107 - Uniforms	5,006,000	20,665,000
2212101 - Internet and Email connections	39,701,610	25,644,024
22032110 - Infrastructure Insurance	8,298,586	-
22028103 - Navigation equipment (Camera)	12,854,814	-
22012109 - Telephone charges	780,000	-
	<u>1,142,316,249</u>	<u>1,098,023,130</u>
23. OTHER EXPENSES	2023/24 TZS	2022/23 TZS
2810105 - Per Diem Domestic	-	3,656,100
2903102 - Diesel	-	12,960,130
2014101 - Exhibition and Festivals etc	19,209,000	22,323,812
21121103 - Extra Duty	-	596,600
2001108 - Newspaper & Magazines	94,000	-
22012111 - Publicity (Messages)	38,605,928	3,631,543
22014105 - Sports & Games	1,091,000	21,266,900
2712105 - Advertising	-	0
2214104 - Food & Refreshments	8,885,000	14,455,500
226110 - Special woman clothes	714,000	900,000

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23. OTHER EXPENSES

	2023/24	2022/23
	TZS	TZS
2111314 - Sitting Allowance		120,000
2232125- Donations Contributions	14,210,000	3,100,000
2113144 - Facilitation Allowances		1,000,000
22002101. Water charges	18,972,411	895,000
22001101. Office consumables		10,000
22019101. Cement, Bricks and Building Mat.		451,000
22018105. small tool and implements		700,000
Gift and Prizes	<u>600,000</u>	<u>0</u>
	<u>193,332,369</u>	<u>86,274,385</u>

24. DEPRECIATION AND IMPAIEMENT CHARGES
Depreciation expenses -PPE

	712,009,330	578,927,020
	<u>712,009,330</u>	<u>578,927,020</u>

25. FINANCE COSTS

Interest expenses on TIB loan	10,425,773	21,603,112
Bank charges	6,471,026	5,637,543
	<u>16,896,799</u>	<u>27,240,655</u>

26. Reconciliation of Net Cash Flow on Revenue from Accrual to Cash Basis for 2023/24

	Total Revenue	Accrued Amount/ (Prepayments)	Actual Receipts to Cash Flow	Actual Receipts to Cash Flow
	TZS	TZS	2024	2023
REVENUE FROM EXCHANGE			TZS	TZS
Water Consumption:				
110101 - Domestic	3,449,987,418	(48,193,884)		
110102 - Commercial	254,928,539	38,161,748	3,498,128,302	2,722,874,046
110103 - Institutions	246,732,142	(193,573,844)	198,768,787	229,363,408
110104 - Industrial	13,136,505	(20,917,784)	440,305,986	291,117,200
110105 - Kiosk	2,786,892	(5,234,690)	54,054,389	2,042,918
110108 - Prepaid Water	158,811,039	(44,477,640)	8,001,532	9,785,307
110106- Sewerage Charge	<u>212,018,219</u>	<u>(154,241,024)</u>	200,288,679	234,632,369
	<u>4,135,298,740</u>	<u>(354,241,024)</u>	<u>4,582,629,795</u>	<u>3,443,884,220</u>

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27. Reconciliation on net cash Flows on Revenue from Other Incomes from Accrual basis as at 30 June 2024

OTHER REVENUE	Total Revenue	Accrued	Actual Receipts	Actual
	TZS	Amount/ (Prepayments)	to Cash Flow	Receipts to Cash Flow
	TZS	TZS	2024 TZS	2023 TZS
110201 - New Water Connection Fees	32,916,000	(233,233,662)	266,169,662	290,704,737
110203 - Rental Charges	25,920,000	-	25,920,000	21,406,000
110204 - Reconnection Fees	31,027,054	-	31,027,054	43,105,000
110205 - Sludge Disposal	21,821,499	-	21,821,499	23,985,100
110206 - Miscellaneous Income	86,819,658	-	86,819,659	115,612,699
A. Total Other Income	198,504,211	(233,253,662)	431,757,874	494,833,616
OTHER RECEIPTS FROM NON-EXCHANGE				
13310101 Capital Grants from the Government	940,619,791	-	940,619,791	499,255,400
B. Sub Total Grants	940,619,791	-	940,619,791	499,255,400
Total Other Receipts(A+B)	1,139,124,002	(233,253,662)	1,372,377,665	994,089,016

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29. Reconciliation of Net Cash Flow from Operating Activities

	2023/24	2022/23
Surplus/(Deficit) from ordinary activities	125	125
Depreciation	1,233,022,396	303,356,102
Increase/(Decrease) in Provision for Expected Credit Losses charged to Other Income	712,367,530	378,977,020
Grant Income on Land Acquired	(312,121,622)	-
Restricted Fund Balance	(2,271,501)	-
Increase/(Decrease) in Payables	26,468,932	-
Gains/Losses on Sale of Property Plant and Equipment	(26,163,928)	64,549,759
Increase/(Decrease) in Inventories	732,135	16,417,040
Increase/(Decrease) in receivables	(44,626,790)	25,189,399
Net Cash flow from operating activities	<u>118,059,524</u>	<u>125,204,331</u>
	1,462,338,458	963,284,813

30. Reconciliation of PPE Additions from Total Addition to Cash Flow

	2024	2023
Total assets addition as per PPE Schedule	125	125
Less: Non Cash PPE/Credit Purchase	1,017,803,000	676,865,079
Less: Land Acquired	(281,949,628)	-
Less: Water meters from store	(8,641,000)	0
Balance purchase Addition in Cash (Monetary)	<u>13,609,372</u>	<u>0</u>
Represented by:	211,903,000	876,865,079
Concrete Water & Sewer Infrastructure	281,223,540	642,587,000
Water & Sewerage System	161,213,372	0
Water Pump	1,540,000	0
Land	0	5,000,000
Office equipment	1,153,480	4,204,079
Computer and equipment	58,040,000	17,998,000
Furniture and Fixings	2,750,000	12,006,000
Water meters	195,974,628	194,998,000
Buildings	<u>10,508,000</u>	<u>0</u>
	211,903,000	876,865,079

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31. Reconciliation between the Actual Amounts on Comparable Basis and Actual Amounts in the Statement of Cash Flows

As per requirement of IPSAS 24, paragraph 47 and Accountant General Directives via Circular No 3 of 2022/23 Referenced EG.03/102/09/198 Dated 1 June 2023 paragraph 3.7, where the, the financial statements and budget are not prepared on comparable basis they shall be reconciled with the amount presented in the financial statements, identifying separately any basis, timing and entity differences. Songea WSSA made reconciliation of the reconciliation between the Actual Amounts on Comparable Basis and Actual Amounts in the Statement of Cash Flows. There was total basis differences of TZS 109,134,063 from both operating, investing and financing activities which triggered a difference of the Actual comparable amount.

Reconciliation Report of the Actual amount and Total Actual Cash flows (TZS)

	Operating	Investing	Financing	Total
Actual Amount on Comparable Basis as per Statement of Comparison and Actual Amount	163,626,669	-	-	163,626,669
Basis Differences	1,305,711,289	(1,381,695,328)	(131,150,523)	(109,134,063)
Timing Differences	-	-	-	-
Entity Differences	-	-	-	-
Actual amount in the Statement of Cash flows	1,469,338,458	(1,383,695,328)	(131,150,523)	54,492,606

32. Prior Year Adjustments In Net Assets

	2024 TZS	2023 TZS
Prior year Adjustment of the ECL on Cash and Cash Equivalents	-	(2,806,677)
Prior year Adjustment of the ECL on Account receivables	-	(675,565,869)
Prior year Adjustment of Previous Acc Receivables (Reversal)	-	433,906,155
		<u>(244,466,391)</u>

33. Reconciliation of Government Grants Received for Small Towns Water Utilities Projects (Mbinga, Tunduru and Namtumbo)

	2024 TZS	2023 TZS
Grants from Government to Small Town Water Utilities		
Balance as of 01 July	51,924,968	35,851,566
Additional grant received	<u>154,074,954</u>	0
Total receipts for the year on financing Transfer to Small Towns During the year	<u>205,999,922</u>	<u>869,453,073</u>
Fund Balance as at 30 June	<u>(205,999,992)</u>	<u>(853,179,671)</u>
	0	51,924,968

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34. Schedule of Intra Entity Transactions and Balances

As per requirement of Accountant General Directives via Circular No 3 of 2022/23 Referenced EG.03/102/09/198 Dated 1st June 2023 paragraph 3.10 and Treasury Circular No 7 of 2020/2021, Songee WSSA traded with various public sector entities. Below is the schedule of Account receivables and payables transactions and balances as indicated hereunder:

Songee WSSA Intra Entity Transactions and Balances (Value in TZS)

a) Receivables				
S/N	Service Provided	Name of Entity Received Services	Amount received	Receivable Balance
1	Water Supply Services	Sabasaba primary School	643,810	110,029
2	Water Supply Services	songee boys secondary school	295,000	(76)
3	Water Supply Services	Songee District Council (Maji Asili) W	534,500	(228,494)
4	Water Supply Services	Udhambi Uhora Wa Shule	204,000	(866)
5	Water Supply Services	Shule Ya Maingi Kiburung'oma	485,000	230,233
6	Water Supply Services	Masbara Ya Maji (Maji)	756,000	10,559
7	Water Supply Services	shule ya maingi kipera	669,800	67,849
8	Water Supply Services	Ofisi ya serikali ya mtaa wa mji mweru A	29,500	3,488
9	Water Supply Services	Halmashauri ya mji wa mbiaga	0	(28,707)
10	Water Supply Services	Association of Moshi Technical graduates	50,000	86,573
11	Water Supply Services	Kituo cha polisi itaboni	303,402	960
12	Water Supply Services	Ofisi ya Kata seedfani	80,000	7,168
13	Water Supply Services	TAA Airport Songee	4,860,402	(942,800)
14	Water Supply Services	TWA AIRPORT Songee	244,200	30,833
15	Water Supply Services	Samora primary School	662,941	19,220
16	Water Supply Services	Songee urban teachers (SUT)	914,458	80,265
17	Water Supply Services	Ofisi ya meneja wa mkoa (TEMESA-RUVUMA)	354,972	112,363
18	Water Supply Services	N.H.C	132,493	-
19	Water Supply Services	Mahakama ya mkoa RUVUMA	747,000	(132,186)
20	Water Supply Services	GPSA RUVUMA NO 2	1,918,282	138,037
21	Water Supply Services	Ofisi ya Wkurugenzi Mtendaji (w) madaba	681,000	63,235
22	Water Supply Services	Likuyufusi Primary School	389,700	125,441
23	Water Supply Services	Siri sekondari	328,243	97,490
24	Water Supply Services	VETA	4,308,287	(921)
25	Water Supply Services	Regional Administrative secretary (Rufu)	0	8,987,431
26	Water Supply Services	District Executive Residence	103,000	619,822
27	Water Supply Services	Kibwaal primary school	309,670	59,408
28	Water Supply Services	Tamba Mashujaa P/School	95,000	43,037
29	Water Supply Services	CCM Songee	812,177	34,782
30	Water Supply Services	Ofisi ya Afisa Mtendaji Kata	432,237	14,980

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a) Receivables				
S/N	Service Provided	Name of Entity Received Services	Amount received	Receivable Balance
31	Water Supply Services	Mahakama Ya Mwanzo	1,068,089	31,382
32	Water Supply Services	TAKURURU	524,900	-
33	Water Supply Services	Makambi Primary school	35,000	211,109
34	Water Supply Services	Songea primary school	84,260	94,620
35	Water Supply Services	Kawawa Primary School	343,500	-
36	Water Supply Services	Mlaranyaki primary school	400,000	-
37	Water Supply Services	Majengo PRIMARY School	228,270	-
38	Water Supply Services	Zimanimoto primary school	392,000	-
39	Water Supply Services	Mashujaa secondary school	709,500	-
40	Water Supply Services	Majimaji Stadium No 1	0	13,654,942
41	Water Supply Services	Mlaranyaki Primary School	585,000	-
42	Water Supply Services	Area commissioner office	1,155,000	-
43	Water Supply Services	Regional Police Commander	515,000	-
44	Water Supply Services	RPC QUARTER NO 7	180,000	(2,500)
45	Water Supply Services	RPC DAWATI house	110,000	-
46	Water Supply Services	London secondary	1,806,820	-
47	Water Supply Services	Noel Nindi (POLISI MATARAWE)	184,368	-
48	Water Supply Services	RPC STAFF NO 2	27,000	-
49	Water Supply Services	AKURUGENZI MANIPAA GARDEN	2,659,200	-
50	Water Supply Services	MGANGA MKUU MATARAWE	382,232	-
51	Water Supply Services	POLISI JAMU STATION	80,000	-
52	Water Supply Services	REGIONAL EMIGRATION OFFICER	120,000	-
53	Water Supply Services	MUU YA SOKO	74,000	-
54	Water Supply Services	MWIKU SHULE YA MINGI MIMBENI	140,000	-
55	Water Supply Services	RPC HOUSE STAFF NO 3	476,000	-
56	Water Supply Services	RPC STAFF NO 1	270,000	-
57	Water Supply Services	Regional Administrative secretary	0	6,067,401
58	Water Supply Services	RPC OFFICE TUNDURU ROAD	1,548,500	-
59	Water Supply Services	maji maji stadium no 2	0	13,654,942
60	Water Supply Services	MGANGA MKUU Mjimwama	2,778,799	0
61	Water Supply Services	songea girls' sec school	8,350,000	-
62	Water Supply Services	Mkurugenzi wa manipaa	2,880,018	0
63	Water Supply Services	Regional commissioner	0	2,141,735
64	Water Supply Services	Regional police commander	545,000	-
65	Water Supply Services	Mahenge primary school	247,915	0
66	Water Supply Services	High court, tanzania	0	721,279
67	Water Supply Services	The principal L.T.c	31,400,000	-
68	Water Supply Services	Songea medical school (postc)	16,200,000	0
69	Water Supply Services	Shule ya mingi makinginda	257,100	60,476
70	Water supply services	Kisuo cha afya matete	60,000	-
71	Water supply services	Matarawe primary school	208,600	290,134
72	Water supply services	Shule ya mingi misufini B	179,280	(1,700)
73	Water supply services	Matarawe sec. school	339,900	-
74	Water supply services	Shule ya mingi mlowaka	159,000	43,753
75	Water supply services	Buhwika primary school	50,000	-
76	Water supply services	Shule ya mingi bombambili	91,500	285,000
77	Water supply services	Mazozi secondary school	1,272,500	-
78	Water supply services	Bombambili sekondari	563,000	-
79	Water supply services	Shule ya sekondari nchimbi	2,181,500	-

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B1 Receivables				
S/N	Service Provided	Name of Entity Received Services	Amount received	Receivable Balance
80	Water supply services	Regions medical officer	37,397,722	1,500,000
81	Water supply services	R. p. c msamala	1,044,000	-
82	Water supply services	Mestujaa primary school	1,246,000	1,317,167
83	Water supply services	Kilimo (w)	50,000	2,761
84	Water supply services	Ukalama wa Taifa (office)	833,297	-93
85	Water supply services	Sido ruruma	228,900	38,243
86	Water supply services	Mahakama (W)	204,700	(88,770)
87	Water supply services	Shule Ya Mwingi Chemchem	0	145,367
88	Water supply services	Mfaranyaki Dispensary	109,040	19,401
89	Water supply services	Chama Cha Walimu Songea (M)	264,200	11,006
90	Water supply services	Makumbusho Ya Taifa - Songea	1,886,131	-
91	Water supply services	Nhc Ruruma	202,000	32,106
92	Water supply services	Government Store	1,390,006	71,151
93	Water supply services	Mahakama Ya Mwanzo Ya Mfaranyaki	45,000	(12,542)
94	Water supply services	Shule Ya Mwingi Msamala	247,500	142,138
95	Water supply services	Ofisi Ya Mtendaji Kata Majengo	42,923	-
96	Water supply services	Copen University Of Tanzania	350,000	32,947
97	Water supply services	Sokoine Primary School	26,196	-
98	Water supply services	Soko Jipsya Bombambili	1,319,650	(38,126)
99	Water supply services	Ihulu	0	2,873,934
100	Water supply services	Kalemba Secondary School	14,000	7,608
101	Water supply services	Tanroad	2,070,551	-
102	Water supply services	Mkua Wa Idara (Idara Ya Zimamoto)	937,900	(142,430)
103	Water supply services	The Principal SONGEA V.T.C	6,868,057	-
104	Water supply services	Town Director Stand Msamala	681,491	125,806
105	Water supply services	T.R.A	1,801,466	115,322
106	Water supply services	Mahakama	192,434	13,805
107	Water supply services	Zahanati Ya Matogoro Kati	235,874	16,902
108	Water supply services	Zahanati Ya Mateta	460,100	114,843
109	Water supply services	Raa Maabara Songea	131,465	53,091
110	Water supply services	Shule Ya Mwingi Msiende Albali	213,592	(269)
111	Water supply services	Majimaji Primary School	482,000	398,900
112	Water supply services	Shule Ya Mwingi Aji Mvema	1,055,306	(76)
113	Water supply services	Ofisi Ya Kata Mjini	48,000	-
114	Water supply services	Mahakama Ya Mkoa Ruruma	647,000	182,186
115	Water supply services	Kambanaga Primary School	333,735	27,956
116	Water supply services	Shule Ya Mwingi Mlete (06)	524,056	93,324
117	Water supply services	Chandamali Primary School	40,000	244,243
118	Water supply services	Shule Ya Mwingi Juaani	1,070,583	(465,750)
119	Water supply services	Zahanati Ya Seedfarm	60,000	(148,432)
120	Water supply services	Mganga Mkuu (Bombambili)	400,000	-
121	Water supply services	Msamala Secondary	497,940	260,000
122	Water supply services	T.T.C.L	757,500	-
123	Water supply services	Muufini Primary School	430,600	-
124	Water supply services	Jertz Chandamali Block	81,000	-
125	Water supply services	Mkuruganzu (M) Dhp Ya Ruruma	2,410,000	6,265,478
126	Water supply services	Kituo Cha Afiya (Mhangano)	240,000	-
127	Water supply services	Shule Ya Mwingi Mkuzo	399,500	24,366
128	Water supply services	London Primary School	196,532	0

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SONGEA WATER SUPPLY AND SANITATION AUTHORITY

a) Receivables

S/N	Service Provided	Name of Entity Received Services	Amount received	Receivable Balance
129	Water supply services	Ofisi Ya Bonde	98,738	162,499
130	Water supply services	Labour Office	879,013	(402,571)
131	Water supply services	Chemchem Dispensary	199,192	124,058
132	Water supply services	Matoka Secondary School	426,634	30,654
133	Water supply services	Ofisi Ya Ukaguzi Mkozi	2,105,000	(1,618)
134	Water supply services	Ukaguzi ASP	469,796	(74,913)
135	Water supply services	Elima Wilaya	546,761	52,384
136	Water supply services	Area Coordinator Songea	146,362	10,445
137	Water supply services	Ruvuma Regional Library	753,542	393,974
138	Water supply services	Wizara Ya Nihati Na Madini	629,745	-
139	Water supply services	Idara Ya Maji Wilaya	630,371	(230,108)
140	Water supply services	Gpsa Songea	122,329	-
141	Water supply services	Madini Primary School	452,400	100,387
142	Water supply services	Wizara Ya Fadhwa Na Uchumi Hazina Mkozi	1,000,000	(1,872,289)
143	Water supply services	Malaka Primary School	1,535,500	189,323
144	Water supply services	Ukombozi Primary School	149,300	16,283
145	Water supply services	Prison Officer	30,191,013	164,621,159
146	Water supply services	Songea Power Station	1,317,555	447,309
147	Water supply services	Songea Domestic Centre	345,000	-
148	Water supply services	Shule Ya Msingi Mbulani	318,000	298,367
149	Water supply services	Ruvuma Sec School	375,707	75,135
150	Water supply services	Luzawazi Primary School	18,571	162,059
151	Water supply services	Shule Ya Msingi Mjimwema	1,056,306	-76
152	Water supply services	Majimaji Stadium No 2	1,384,511	173,430
153	Water supply services	Afisa Kilimo Wilaya	1,065,626	105,000
154	Water supply services	TanESCO Rest House	363,438	649,047
155	Water supply services	TanESCO Ltd Old Power	110,000	210,454
156	Water supply services	TanESCO Regional Office -Ruvuma	12,789,796	1,993,248
157	Water supply services	Tocaa Airport Songea	408,601	202,487
158	Water supply services	Mkazi Wa Jit	583,558	-
159	Water supply services	Misufini Secondary School	227,442	186,942
160	Water supply services	Dispensary Likuyu A	120,000	(129,164)
161	Water supply services	Mkazi Wa Nageresa (Nyumbani)	64,250	-
162	Water supply services	Ofisi Ya Mkoa Wa Oysterbay (Mwamala)	8,484	(7,994)
163	Water supply services	Mkazi Wa Kambi 401KV (Chandamall Barracks)	4,635,817	23,502,039
164	Water supply services	Zahanati Ya Bahilo	177,000	(71,886)
Total			298,748,390	253,685,776

b) Account Payables:

S/N	Goods/Services Received	Name of Entity Provided Goods/Services	Amount Paid/Bill	Payable Balance
1	Internet Service	Tanzania Telecom Communication Limited	39,852,137	-
2	Electricity Service	Tanzania Electronic Supply Company	101,866,528	-
3	Measures Quality Of Meter	Weight Measurement Agency	16,000,000	-

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SONGEA WATER SUPPLY AND SANITATION AUTHORITY

b) Account Payables:				
S/N	Goods/Services Received	Name of Entity Provided Goods/Services	Amount Paid/Bill	Payable Balance
4	Retirement Services	National Security Social Fund	9,000,000	35,085,607
5	Retirement Services	Public Social Security service Fund	415,078,936	588,282,919
6	Health Insurance Service	National Health Insurance	62,746,894	21,061,093
7	Regulator of Water Price	Energy and Water Utilities Regulatory Authority	13,805,671	122,221,120
8	Message For Billing	Electronic Government Agency	16,999,899	
9	Water Right User	LAKE NYASA BASIN	1,782,416	14,282,416
10	Water Right User	RUVUMA SOUTHERN RIVER	8,000,000	4,651,344
11	Insurance Service	National Insurance Company	6,510,886	12,465,974
12	Post And Telegram	Tanzania Post cooperate	488,500	
13	Credit Facility Services	Tanzania Investment Bank	131,176,825	1,233,361
14	College Loans	Higher Education Students Loan Board	8,911,778	67,077,409
15	Professional Consultancy	NSAA	1,200,000	-
16	Professional Consultancy	ERS	1,236,250	-
17	Professional Consultancy	PSPTB	1,500,000	-
18	Service Levy	Songea Municipal	4,000,000	33,065,391
19	Supervision fee	CAG	-	3,740,000
20	Tax services	TRA	136,949,921	46,456,620
21	Compensation Services	WCF	6,145,223	30,482,977
22	Valuation Services	ARDHI UNIVERSITY	-	6,867,200
23	Publication services	TANZANIA NEWSPAPERS	-	767,000
Total			1,215,251,866	1,038,227,674

35. Capital Commitments

The Management certifies that there were no capital commitments as at 30 June 2024.

36. Contingent Liabilities

The Management certifies that there were no contingent liabilities as at 30 June 2024.

37. Events after Reporting Date

On the date of signing of these accounts, there have been no material events, favourable or unfavourable, incurred between the date of the Statement of Financial Position and the date when the financial statements have been authorized for issue that would have impacted these statements.

38. Comparative Figures

The previous year's figures have been regrouped wherever considered necessary to facilitate comparability with the current year's figure.


Controller and Auditor General

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SONGEA WATER SUPPLY AND SANITATION AUTHORITY

39. Authorization date for issue of Financial statements

The financial statements were approved for issue by the Songea WSSA's Board of Directors on 25/03/2025 and were signed on its behalf by


Chairman

25/03/2025
Date


Director