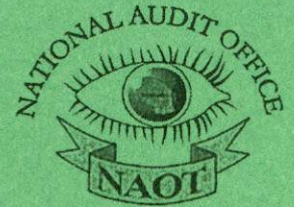




THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



ISO 9001:2015 Certified

ARUSHA TECHNICAL COLLEGE

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

ISO 9001:2015 Certified

Controller and Auditor General,
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March 2024

AR/PAD/ATC/2022/23



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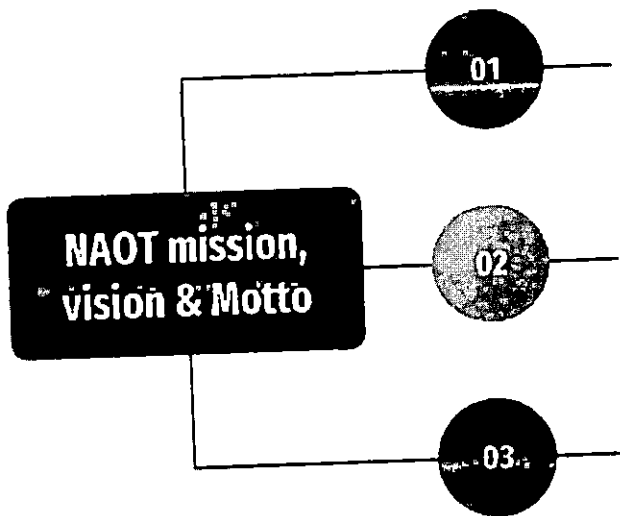
March 2024

AR/PAD/ATC/2022/23

About the National Audit Office

Mandate

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



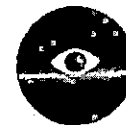
Mission

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



Vision

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



Motto

Modernising External Audit for Stronger Public Confidence



Independence and objectivity

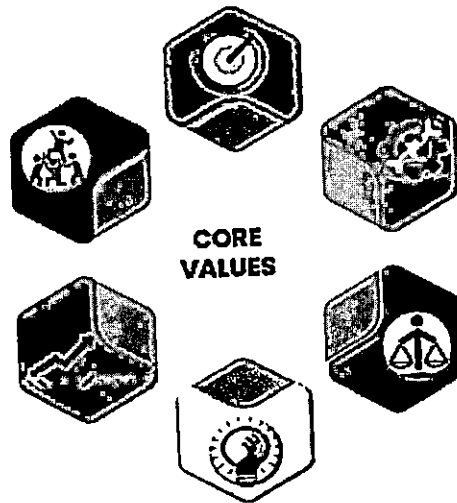
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

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



Professional competence

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

Integrity

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

Creativity and Innovation

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

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

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Abbreviations

AIDS	Acquired Immunity Deficiency Syndrome
ATC	Arusha Technical College
AUWSA	Arusha Urban Water Supply and Sanitation Authority
BoT	Bank of Tanzania
CAG	Controller and Auditor General
CPA	Certified Public Accountant
EASTRIP	East Africa for Transformation and Regional Integration Project
GN	Government Notice
HIV	Human Immunodeficiency Virus
ICT	Information and Communication Technology
IDA	International Development Association
IESBA	International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants
IPSAS	International Public-Sector Accounting Standards
ISSAI	International Standard of Supreme Audit Institutions
KRETC	Kikuletwa Renewable Energy Training Centre
NACTE	National Council for Technical Education
NAO	National Audit Office
NHIF	National Health Insurance Fund
PAC	Public Accounts Committee
PCB	Production Consultancy Bureau
PhD	Doctor of Philosophy
PPE	Property, Plant and Equipment
PPRA	Public Procurement Regulatory Authority
PSSSF	Public Service Social Security Fund
RAAWU	Researchers, Academicians and Allied Workers Union
TAREA	Tanzania Renewable Energy Association
THTU	Tanzania Higher Training Institutions Workers Union
VET	Vocational Education and Training

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson,
Governing Board,
Arusha Technical College,
Junction of Moshi-Arusha and Nairobi Roads,
P. O. Box 296,
Arusha,
Tanzania

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

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

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

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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 ATC 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 governing board 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 audit 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

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

Conclusion

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

Decision made through circular resolution for procurement worth TZS 2.09 billion not reported in the Tender Board meeting for adoption:

During the financial year ending on 30 June 2023, I revealed that the Tender Board approved various procurement of goods and services totalling TZS 2,090,655,341 through 173 circular resolutions. However, these procurements made through Circular Resolutions were not reported for adoption in Tender Board meetings, including both ordinary and extraordinary meetings of ATC for the same period. This lack of reporting contravenes the requirement of PPRA Guideline Para 11.2 of 2020, which mandates that decisions made through circular resolution should be reported in the subsequent ordinary meeting of the tender board, following the specified format/procedural form attached with the guideline.



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 ATC for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

Conclusion

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

Lack of review and endorsement of Budget estimates by Budget committee

My review of the 23rd, 24th, 25th and 26th budget committee minutes dated 02 August 2022, 09 November 2022, 15 January 2023 and 02 May 2023 respectively observed that the budget estimates were neither reviewed nor endorsed by Budget committee contrary to Reg. 17(3) of the Budget Regulations of 2015 and Reg. 52(1) and Reg. 53 of the ATC Financial Regulations 2023 which require the budget committee to receive and review the College's annual budget to see the accuracy of expenditure, revenue and endorse the estimates.


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

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2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE

2.1 INTRODUCTION

The Governing Board hereby submits its annual report together with the audited financial statements for the year ended 30 June 2023, which discloses the state of affairs of Arusha Technical College (the College) and ATC PCB Production and Consulting PLC (the "Subsidiary") (together referred to as the "Group").

2.2 VISION AND MISSION OF THE COLLEGE

Vision

The Vision of Arusha Technical College is to become a centre of excellence that provides a national and international high-level human resource through exemplary competence based Technical Education and Training.

Mission

The Mission of Arusha Technical College is to provide high quality career-focused, skills-based Technical Education and Training to enhance the role of individual as productive and responsible members of the society.

2.3 PRINCIPAL ACTIVITIES

The Arusha Technical College (ATC) is a statutory body, Public Technical Institution which was established by the Arusha Technical College (Establishment) Order, GN. No. 78 of 30 March 2007 and later in 2015 the Instrument which established it was revoked and replaced by the National Council for Technical Education (The Grant of Autonomous Status to the Arusha Technical College) Order No. 302 of 24 July 2015 which re-established the College as an autonomous institution. The College is governed by the National Council for Technical Education (Autonomous Technical Institutions) Regulations, 2015 GN. No. 463 published on 23 October 2015. The College offers various Technical Education Training (TET), Vocational Education Training (VET) and Engineering Programs.

The Main functions of ATC are as follows:

- Ensuring delivery of quality technical education and training;
- Provision of facilities for study and training in the principles, procedures and techniques and conduct training programs in Civil, Electrical, Mechanical, Electronic, Irrigation Engineering, Science and Laboratory Technology and such other related disciplines;
- Application of research and development in the disciplines specified above;
- Provision consultancy services to the Public; and
- Conducting examination and grant awards of the College as approved by the National Council for Technical Education (NACTE).

2.4 MANAGEMENT STRUCTURE

The routine management of Arusha Technical College is vested in the Rector who is assisted by the Deputy Rector for Academics, Research and Consultancy and the Deputy Rector for Administration, Finance and Planning. The Heads of Departments (academic and non-academic) who report to the deputy rectors are part of the Management Structure as well as heads of sections. Further, the Head of Procurement Management Unit, Public Relations Officer, Chief Internal Auditor and the Senior Legal Officer are also part of the Management Structure who report directly to the Rector.

2.5 CORPORATE GOVERNANCE

The Governing board believe in adopting the best practices in Corporate Governance. The Board, Management and the Group employees are committed to upholding the core values of transparency, integrity, honesty and accountability, which are fundamental to the attainment of good governance and excellent performance in any organization.

2.5.1 Members charged with Governance

i. Function

The Governing Board is responsible and accountable for providing effective corporate governance, direction and control of the College. The directors have a duty to exercise leadership, enterprise, integrity and judgment based on transparency, fairness, accountability and responsibility.

The Board is also responsible for confirming appointment of management, adopting a corporate strategy, policies, procedures and monitoring operational performance including identifying risks impacting the College. It is also responsible for managing good relationships with all the stakeholders.

ii. Composition of directors

The governing board is comprised of eight (8) non-executive director and one (1) executive directors with a mix of skills, experience and diversity. The Governing Board Members who held office from the date of appointment 10 September 2021 and served responsibility during the financial year are:

Table 1: Governing Board Members

SN	Name	Position	Age	Gender	Appointment Date	Nationality	Qualifications
1	Ms. Diana Malambugi	Acting Chairperson	54	Female	10 September 2021	Tanzanian	Master's Degree
2	Ms. Margaret S. Musal	Member	60	Female	10 September 2021	Tanzanian	PhD

Arusha Technical College (ATC)

SN	Name	Position	Age	Gender	Appointment Date	Nationality	Qualifications
3	Eng. Veronica F. Ninalwo	Member	51	Female	10 September 2021	Tanzanian	Master's Degree
4	Dr. Michael Kisangiri	Member	50	Male	10 September 2021	Tanzanian	PhD
5	Mr. Urbanus F. Merkiory	Member	52	Male	10 September 2021	Tanzanian	Master's Degree
6	Dr. Adolph B. Rutayuga	Member	59	Male	10 September 2021	Tanzanian	PhD
7	Mr. Shaban Felician	Member	35	Male	12 June 2022	Tanzanian	Bachelor Degree (Ongoing)
8	CPA Wibori P. Werema	Member	47	Male	24 August 2022	Tanzanian	Master's Degree
9	Dr. Musa N. Chacha	Secretary	46	Male	10 Feb 2020	Tanzanian	PhD

Source: Appointment letters

The secretary at the date of this report, who also served the position throughout the year, was Dr. Musa N. Chacha.

Outlined below is the attendance of the members at the quarterly board meetings, held during the year:

Table 2 : Attendance of the Governing Board Members

SN	Name	Meetings			Attendance
		54 th	55 th	56 th	
		9 September 2022	07 December 2022	15 April 2023	
1	Ms. Diana Malambugi	/	/	/	100%
2	Ms. Margaret S. Musai	/	/	/	100%
3	Eng. Veronica F. Ninalwo	/	/	/	100%
4	Dr. Michael Kisangiri	/	/	/	100%
5	Mr. Urbanus F. Merkiory	/	/	/	100%
6	Dr. Adolph B. Rutayuga	/	/	/	100%
7	Mr. Shaban Felician	/	/	/	100%
8	*CPA Wibori P. Werema*	NA	NA	NA	NA
9	Dr. Musa N. Chacha	/	/	/	100%

Source: Board meeting minutes 2022/23

The Governing Board held three ordinary meetings only of the first, second and third quarters during the year under review in which they deliberated on various issues regarding the approved College budget, ongoing construction projects, academic affairs, staff affairs, introduction of new courses and implementation of the College's strategic plan.

*The co-opted member for Board Audit Committee and had not been attending the Governing Board meeting

iii. Code of Corporate Practice and Conduct

The College is committed to the principles of effective corporate governance and the Governing Board is of the opinion that the College currently complies with principles of good Corporate Governance.

iv. Ethics and organizational integrity

The College's Code of Conduct commits it to the highest standards of integrity, conduct and ethics in its dealings with all parties concerned, including its directors, managers, employees, students, suppliers, competitors, investors and the public in general. The directors and staff are expected to fulfil their ethical obligations in such a way that the business is run strictly according to fair commercial competitive practices.

v. Committees of the Governing Board

The Governing Board has four Sub-committees that assist in the supervision of the College operations and advise the Board on smooth running of the College. The Sub-committees are: -

- Academic and Technical Committee;
- Staff and Students Affairs Committee;
- Finance and Planning Committee; and
- Audit Committee.

a) Academic and Technical Committee

Members of the Academic Committee are appointed from amongst the members of the Governing Board. During the year 2022/23, the following members served in the Committee.

Table 3 : Academic and Technical Committee

SN	Name	Position
1	Dr. Michael Kisangiri	Chairperson
2	Eng. Veronica F. Ninalwo	Member
3	Mr. Shaban Felician	Member
4	Dr. Baraka Kichonge	Secretary

Source: Academic committee meetings minutes 2022/23

The Academic and Technical Committee held three (3) 47th, 48th and 49th ordinary board meetings of the first, second and third quarters on 8 September 2022, 6 December 2022 and 14 April 2023 respectively; and made recommendations to the Governing Board in respect of matters relating to examination results, appointment of external examiners, project implementation, consultancy, appraisal on quality assurance and control.

b) Staff and Students Affairs Committee

Members of the Staff and Students Affairs Committee who served during the year were;

Table 4 : Staff and Students Affairs Committee

SN	Name	Position
1	Ms. Margaret S. Musai	Chairperson
2	Mr. Urbanus F. Merkiory	Member
3	Mr. Shaban Felician	Member
4	Mr. Emmanuel Ishika	Secretary

Source: Staff and students committee meeting minutes 2022/23

The Staff and Student Affairs Committee held three (3) 45th, 46th and 47th ordinary board meetings of the first, second and third quarters on 8 September 2022, 6 December 2022 and 14 April 2023 respectively; and made recommendations to the Governing Board for the approval of employee recruitment, promotion and confirmation; College proceeding cases, academic staff performance assessment, student matters and employees' disciplinary matters.

c) Finance and Planning Committee

Members of the Finance and Planning Committee who served during the financial year were:

Table 5 : Finance and Planning Committee

SN	Name	Position
1	Dr. Adolf Rutayuga	Chairperson
2	Dr. Michael Kisangiri	Member
3	Ms. Margaret S. Musai	Member
4	Mr. William E. Mpepo	Secretary

Source: Finance and Planning Committee meetings minutes 2022/23

The Finance and Planning Committee held three (3) 42th, 43th and 44th ordinary board meetings of the first, second and third quarters on 8 September 2022, 6 December 2022 and 14 April 2023 respectively, among the major recommendations made to Governing Board included budget matters, revenue and expenditure reports, bank financial position, progress on the development projects; quarterly performance reports; review of the development projects; and reallocation of funds.

d) Audit Committee

Members of the Audit Committee who served during this financial year were;

Table 6: Audit Committee

SN	Name	Position
1	Eng. Veronica F. Ninalwo	Chairperson
2	CPA Wibori P. Werema	Member
3	Ms. Diana Malambugi	Member

Arusha Technical College (ATC)

SN	Name	Position
4	CPA Kelvin O. Sanga	Secretary

Source: Audit committee meetings minutes 2022/23

During the year under review, the Audit Committee held three (3) 35th, 36th and 37th ordinary board meetings of the first, second and third quarters on 8 September 2022, 6 December 2022 and 14 April 2023 respectively, in which they deliberated on various issues regarding internal audit reports, CAG's statutory audited reports, PAC's directives, risk management reports, quality assurance reports, review and comment on the College financial statements.

2.6 PERFORMANCE FOR THE YEAR

Financial Performance

The College 2022/23 had a consolidated surplus of TZS 8.53 billion (2021/22: Surplus of TZS 6.17 billion). The surplus is mainly contributed by recognition of a non-cash grant of TZS 6.51 billion of the ADBF building (Ufundi tower), Girls Hostel Main and Kikuletwa, that was transferred from the Ministry of Education, Science and Technology to ATC special for classroom, teachers' offices and laboratories. Also, capitalised of work in progress of Kikuletwa Hostel.

A summary of the key ratios of the College's financial performance and position is outlined below:

Table 7 : The key ratios of the College's financial performance and position

Description	2022/23	2021/22
Growth/(decline) in income	17%	18%
Increase / (Decrease) in operating expenditure	9%	2%
Increase in surplus for year	38%	91%
Gross profit margin	0%	0%
Trade receivables turnover days	185 days	90.5 days
Current ratio	3.2	4.7
Acid test ratio	2.6	3.6

Source: Financial statements 2021/22 and 2022/23

Government Contribution

The college contributed TZS 60,000,000 to the Consolidated Funds from the public and statutory corporations as directed by Treasury Registrar vide letter with ref. No.CEA.170/344/01/245, dated 25th November, 2019 in accordance with the Public Finance Act, [CAP.348 R.E.2020]

Student Enrolment Trends

The number of students enrolled in various training programs at the College had been increasing each year.

Table 8 Student enrolment/Registered for diploma and undergraduate

Year	Number of students											
	Diploma						Undergraduate					
	Projection			Enrolled			Projection			Enrolled		
	Female	Male	Total	F	M	Total	Female	Male	Total	F	M	Total
2022/23	799	1,906	2,705	419	1,510	1,929	250	1018	1268	216	742	958
2021/22	640	1,775	2,415	421	1,696	2,117	193	846	1039	159	577	736
2020/21	574	1,643	2,217	460	1,691	2,151	125	625	750	95	460	555

Source: Registration department

Table 9 Student enrolment/Registered for VET

Year	Projection			Enrolled		
	Female	Male	Total	Female	Male	Total
2023	346	1,324	1,670	250	1,139	1,389
2022	268	1,276	1,544	247	1,075	1,322
2021	180	1,118	1,298	276	983	1,259

Source: Registration department

2.7 FUTURE DEVELOPMENT PLANS

The College needs to have enough academic training facilities as well as social services facilities for both students and staff members and community at large. During financial year 2022/23 the College continued to construct some of academic infrastructure and rehabilitated the existing academic infrastructure i.e. Hostels, Class rooms, Offices, Laboratories, Theatre, Medical Clinic e.tc to cope with increasing number of students and staff. The College continued to implement its strategic plan including expansion of the KRETC by construction of buildings under EASTRIP.

2.8 EMPLOYEES' WELFARE

A founding value of the college has been to provide equal opportunities and a workplace that is representative of the wider communities in which we operate. Our goal is to make sure we continue to empower the careers, aspirations and ambitions of our people. We have been committed to treating all people equally and nurturing great talent, regardless of gender. This culture is something that we are incredibly proud of, and we believe that it is this supportive environment that has helped us to recruit and retain our exceptional team. We promote diversity within our business, our markets and beyond.

The College had 230 employees who served during the year, with a gender parity and comparable years described below:

Table 10 : Gender Parity

Gender	2023	2022	2021
Male	187	171	165
Female	43	44	44
Total	230	215	209

Source: Staff establishment 2022/23

2.8.1 Management employees' relationship

There was continued good relation between employees and management for the year ended 30 June 2023. There were no unresolved complaints received by Management from the employees during the year. Communication of staff affairs have been made systematic on a regular basis through general meetings and Researchers, Academician and Allied Workers Union (RAAWU)/THTU/Management joint meetings, departmental meetings, management and staff meetings as well as through notices and College's circulars.

2.8.2 Training facilities

The College provides on-the-job training to all its employees to improve their technical skills and effectiveness. Where necessary, employees are also considered for external training courses that upgrade skills and enhance development. During the year, 31 members of staff were pursuing various training programmes as follows: -

- Eleven (11) - Doctorate programmes (PhD);
- Thirteen (13) - Masters programmes;
- Six (6)- Undergraduate and Advanced Diploma Courses; and
- One (1)- Ordinary Diploma

2.8.3 People with Disabilities

The College gives equal opportunities to the disabled persons for vacancies they are able to fill including student who undergo studies they are treated equally. There was no disabled person employed during the

2.8.4 Medical Assistance

All members of staff with a maximum number of four beneficiaries (dependents) for each employee were provided medical insurance provided by National Health Insurance Fund (NHIF).

2.9 SOLVENCY

The College's consolidated and Separate Statement of Financial Position at 30 June 2023 is set out on page 21 of the enclosed financial statements. The Governing Board Members consider the College solvent and will continue to operate indefinitely, and will not go out of business and liquidate its assets.

2.10 CAPITAL FUND

The Capital Fund stated in the financial statements stands at TZS 460,526,280. It represents the value of two buildings i.e., Hostel number III- phase 1 valued at TZS 158,227,080 and the Laboratory block valued at TZS 302,299,200. The Construction of these buildings happened before the College became autonomous in 2015.

2.11 OWNERSHIP

Arusha Technical College is wholly owned by the Government of the United Republic of Tanzania.

2.12 RELATED PARTY TRANSACTIONS

Related party transactions were dealt with at an arm's length in the normal course of business and on terms and conditions similar to those applicable to other customers. The remuneration of directors and other key members during the year are disclosed in Note 34 to the financial statements.

2.13 CORPORATE SOCIAL RESPONSIBILITY

The College considers necessity services and giving back for survival of all human beings. The community around the College environment enjoyed some benefits in kind and physical i.e., granted a plot for garden activities, facilitated training on irrigation through demonstration plot at Demo plot and civil skill at ACCT Building. Furthermore, students of secondary and primary schools from various schools in Arusha visited the College for science training purpose. During the year, the College has leased a ritual plot to Masai group at the Eastern Quarters of the ATC Main Campus. Also has donated office furniture to the Kambi ya Chokaa Village located near to Kikuletwa Cascade III.

2.14 ENVIRONMENTAL PROTECTION

The College, being one of the higher learning institutions has taken considerable measures on preservation and proper maintenance of the environment. The College continued to maintain its green area.

2.15 HIV/AIDS POLICY

The College continued to engage itself in sensitization of its staff, staff families, students and other stakeholders in HIV/AIDS awareness programmes pursuant to the Presidential Directive made in December 1999 when HIV/AIDS was declared as a national disaster and therefore directed every sector to take measures in fighting the pandemic.

The College has adopted the following core principles as a basis for its HIV/AIDS policy.

- Continuously assess the risk posed by HIV/AIDS on the College activities;
- Limit the number of new infections among employees;
- Ensure employees living with HIV/AIDS are aware of their rights and that their rights are respected and protected; and
- Provide care and support to employees living with HIV/AIDS.

2.16 ANTI-CORRUPTION

The College maintains transparency in conducting its business and observes good governance principles, fair public services and maximum customer care to both internal and external customers. The College has a Tender Board and Procurement Management Unit in place to ensure transparency in all procurement transactions.

2.17 RESPONSIBILITY OF GOVERNING BOARD

The members confirm compliance with the provisions of the requirements of International Public-Sector Accounting Standards (IPSAS), TFRS1, the National Council for Technical Education (The Grant of Autonomous Status to the Arusha Technical College Order No. 302 of 24 July 2015) and all other statutory legislations relevant to the College.

The members charged with governance accept responsibility for preparing these financial statements which show a true and fair view of the College to the date of approval of the audited financial statements, in accordance with International Public-Sector Accounting Standards (IPSAS), rules, regulations and legal provisions.

2.18 EVENT AFTER REPORTING DATE

Events after the reporting period are favourable and unfavourable events that occur between the end of the reporting period and the date when the financial statements are authorised for issue. There are no events after reporting date noted.

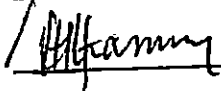
2.19 STATUTORY AUDITORS

The Controller and Auditor General (CAG) is the statutory auditor of the Arusha Technical College by virtue of Article 143 of the Constitution of the United Republic of Tanzania and amplified in section 32 (4) of the Public Audit Act, Cap.418.

2.20 AUTHORIZATION DATE

The financial statements of ATC for the year ended 30 June, 2023 have been approved by the Board Audit Committee on 26 August 2023 and submitted to the Controller and Auditor General for Audit. The Financial Statements were authorized for audit on 30 August 2023 by the Accounting Officer. Financial statements will be ready for issue on/before 15 January 2023 upon signed by the Controller and Auditor General.

BY ORDER OF THE GOVERNING BOARD



Ms. Diana Malambu

Vice Chairperson



Dr. Musa N. Chacha

Rector

Date: 28/02/2024

3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The Arusha Technical College (ATC) Establishment Order No. 78 under the National Council for Technical Education (NACTE) Act No. 9 of 1997; requires the Governing Board to ensure that the College keeps proper books of accounts which disclose with reasonable accuracy at any time the financial position of the College.

The Governing Board accepts responsibility of the annual financial statements, which have been prepared in accordance with International Public-Sector Accounting Standards using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with Generally Accepted Accounting Principles.

The Governing Board is of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the College and of its operating results. The Governing Board further accepts responsibility for maintaining accounting records, which may be relied upon in the preparation of the financial statements, as well as adequate systems of internal financial controls. The Governing Board is also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud, errors and other irregularities.

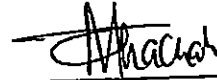
The Governing Board has made an assessment of ATC's ability to continue as a going concern and have no reason to believe the College will not be a going concern in the year ahead.

BY ORDER OF THE GOVERNING BOARD



Ms. Diana Malambugi

Vice Chairperson



Dr. Musa N. Chacha

Rector

Date: 28/02/2024

4.0 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 Accounting/finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Governing Board to discharge the responsibility of preparing financial statements showing true and fair view position and performance in accordance with International Public-Sector Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Governing Board as stated in the Governing Board's Responsibility statement on an earlier page.

I, CPA Adisai S Msongole being the Head of Accounting and finance of Arusha Technical College (ATC) hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2023 have been prepared in compliance International Public-Sector Accounting Standards and the applicable statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Arusha Technical College (ATC) as at 30 June 2023 and that they have been prepared based on properly maintained financial records.



Signed by:

CPA Adisai S Msongole

NBAA Membership No. ACPA 4079

Arusha, Tanzania

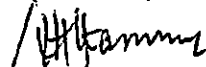
Date:

28/02/2024

5.0 FINANCIAL STATEMENTS

5.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Notes	Consolidated		College	
		2022/23 TZS '000	2021/22 Restated TZS '000	2022/23 TZS '000	2021/22 Restated TZS '000
ASSETS					
Current Asset					
Cash and cash equivalents	5	9,065,063	10,276,046	9,065,063	10,276,046
Receivables	6	4,214,082	1,716,150	4,217,622	1,716,150
Inventories	7	3,278,773	3,524,777	3,278,773	3,524,777
		<u>16,557,918</u>	<u>15,516,973</u>	<u>16,561,458</u>	<u>15,516,973</u>
Non-Current Asset					
Works in progress	8	7,574,063	8,163,400	7,574,063	8,163,400
Intangible Assets	9	38,892	3,959	38,892	3,959
Property, Plant and Equipment	10	73,239,203	66,437,423	73,239,203	66,437,423
		<u>80,852,158</u>	<u>74,604,782</u>	<u>80,852,158</u>	<u>74,604,782</u>
		<u>97,410,076</u>	<u>90,121,755</u>	<u>97,413,616</u>	<u>90,121,755</u>
Total Assets					
LIABILITIES					
Current Liabilities					
Payables and Accruals	11	2,941,950	1,949,161	2,926,260	1,933,471
Deferred Revenue	12	2,207,990	1,340,889	2,207,990	1,340,889
		<u>5,149,940</u>	<u>3,290,050</u>	<u>5,134,250</u>	<u>3,274,360</u>
Non-Current Liabilities					
Deferred Revenue (Capital)	13	4,953,488	8,052,250	4,953,488	8,052,250
Total Liabilities		<u>10,103,428</u>	<u>11,342,300</u>	<u>10,087,738</u>	<u>11,326,610</u>
Net Assets		<u>87,306,648</u>	<u>78,779,455</u>	<u>87,325,878</u>	<u>78,795,145</u>
NET ASSETS					
Taxpayers' fund		460,526	460,526	460,526	460,526
Accumulated Surpluses		86,846,122	78,318,929	86,865,352	78,334,619
		<u>87,306,648</u>	<u>78,779,455</u>	<u>87,325,878</u>	<u>78,795,145</u>


 Ms. Diana Malambu
 Vice Chairperson

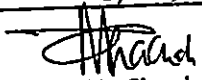

 Dr. Musa N. Chacha
 Rector

28/02/2024
 Date

5.2 CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Consolidated		College	
		2022/23 TZS'000	2021/22 TZS'000	2022/23 TZS'000	2021/22 TZS'000
Revenue					
Revenue From Non-Exchange Transactions	14	23,158,617	19,564,516	23,158,617	19,564,516
Revenue From Exchange Transactions	15	3,675,983	2,692,668	3,675,983	2,692,668
Fair value gains on gains on Assets and liabilities	16	156,301	-	156,301	-
		<u>26,990,901</u>	<u>22,257,184</u>	<u>26,990,901</u>	<u>22,257,184</u>
Expenses and Transfers					
Expenses					
Wages, Salaries and Employee Benefits	17	(6,170,731)	(5,908,840)	(6,170,731)	(5,908,840)
Supplies and Consumables	18	(8,948,154)	(7,576,146)	(8,944,614)	(7,572,606)
Maintenance Expenses	19	(755,978)	(292,834)	(755,978)	(292,834)
Impairment of Receivables	20	(47,913)	-	(47,913)	-
Depreciation & Amortization	21	(2,480,932)	(2,240,517)	(2,480,932)	(2,240,517)
		<u>(18,403,708)</u>	<u>(16,018,337)</u>	<u>(18,400,168)</u>	<u>(16,014,797)</u>
Transfer					
Grants, Subsidies and other Transfer Payments	22	(60,000)	(72,853)	(60,000)	(72,853)
Total Expenses and Transfers		<u>(18,463,708)</u>	<u>(16,091,190)</u>	<u>(18,460,168)</u>	<u>(16,087,650)</u>
Surplus		<u>8,527,193</u>	<u>6,165,994</u>	<u>8,530,733</u>	<u>6,169,534</u>


Ms. Diana Malambugi
Vice Chairperson



Dr. Musa N. Chacha
Rector

28/02/2024

Date

5.3 CONSOLIDATED AND SEPARATE STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

College	Capital Contributed TZS '000'	Accumulated Surplus TZS '000'	Total TZS '000'
Year ended 30 June 2023			
Balance as at 01 July 2022	460,526	78,334,619	78,795,145
Surplus for the Year	-	8,530,733	8,530,733
Balance as at 30 Jun 2023	460,526	86,865,352	87,325,878
Balance as at 01 July 2021	460,526	71,921,215	72,381,741
Prior year adjustment	-	243,870	243,871
	460,526	72,165,085	72,625,612
Surplus for the Year	-	6,169,534	6,169,534
Balance as at 30 June 2022	460,526	78,334,619	78,795,146
Consolidated			
	Capital Contributed TZS'000'	Accumulated Surplus TZS'000'	Total TZS'000'
Year Ended 30 June 2023			
Balance as at 01 Jul 2022	460,526	78,318,929	78,779,455
Surplus for the Year	-	8,527,193	8,527,193
Balance as at 30 Jun 2023	460,526	86,846,122	87,306,648
Year Ended 30 June 2022	460,526	71,899,624	72,360,150
As at 01 Jul 2021	-	253,311	253,311
Prior year adjustment	460,526	72,152,935	72,613,461
Surplus for the Year	-	6,165,994	6,165,994
As at 30 Jun 2022	460,526	78,318,929	78,779,455


 Ms. Diana Malambu
 Vice Chairperson

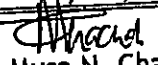

 Dr. Musa N. Chacha
 Rector

28/02/2024
 Date

5.4 CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Consolidated 2022/23 TZS'000	2021/22 TZS'000	College 2022/23 TZS'000	2021/022 TZS'000
Cash flows from operating activities					
Receipts					
Government Subvention	14	5,696,522	5,614,994	5,696,522	5,614,994
Students' income received	14a	4,597,883	4,125,244	4,597,883	4,125,244
Deferred Income - revenue received	12	3,382,213	5,729,071	3,382,213	5,729,071
Grant, Gifts and Donations	22	60,000	72,853	60,000	72,853
Cash received from Customers	23	2,886,103	2,443,663	2,882,563	2,443,663
Total		16,622,721	17,985,825	16,619,181	17,985,825
Payments					
Employee costs paid	24	(5,941,816)	(5,994,927)	(5,941,816)	(5,994,927)
Payments to suppliers	25	(7,699,690)	(7,589,679)	(7,696,150)	(7,589,679)
Maintenance expenses paid	29	(755,978)	(294,100)	(755,978)	(294,100)
Grants, Subsidies and other Transfer Payments	22	(60,000)	(72,853)	(60,000)	(72,853)
Total		(14,457,484)	(13,951,559)	(14,453,944)	(13,951,559)
Net cash from operating activities		2,165,237	4,034,266	2,165,237	4,034,266
Cash flows from investing activities					
Deferred Income - Capital received	13	6,975,030	754,147	6,975,030	754,147
Purchase of property, plant and equipment	10	(3,729,381)	(650,003)	(3,729,381)	(650,003)
Purchase of intangible asset	9	(40,820)	-	(40,820)	-
Payment for WIP	8	(6,581,049)	(7,829,614)	(6,581,049)	(7,829,614)
Net cash flows used in investing activities		(3,376,220)	(7,725,470)	(3,376,220)	(7,725,470)
Cash flows from financing activities					
Cash flow from financing activities		-	-	-	-
Net increase in cash and cash equivalents		(1,210,983)	(3,691,204)	(1,210,983)	(3,691,204)
Cash and cash equivalents at beginning of the year		10,276,046	13,967,250	10,276,046	13,967,250
Cash and cash equivalents at end of the year		9,065,063	10,276,046	9,065,063	10,276,046


Ms. Diana Malambugi
Vice Chairperson


Dr. Musa N. Chacha
Rector

28/02/2024
Date

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

	Original Budget	Budget reallocations	Final Budget	Actual Amounts on Comparable Basis	Difference final Budget & Actual	Performance Percentage	Notes
	TZS '000' A	TZS '000' B	TZS '000' C=A+B	TZS '000' D	TZS '000' D-C		
RECEIPTS							
Government Subvention	10,042,169	-	10,042,169	16,113,766	6,071,597	60%	32.1
Revenue from Exchange Transaction	6,434,018	-	6,434,018	7,480,446	1,046,428	16%	32.2
Total Receipts	16,476,187	-	16,476,187	23,594,212	7,118,025		
PAYMENTS							
Grants, Subsidies and other Transfer Payments	22 (60,000)	-	(60,000)	(60,000)	-	0%	32.3
Wages, salaries, and employee benefit	24 (5,899,102)	(1,613)	(5,900,715)	(5,941,817)	(41,102)	1%	32.4
Supplies and consumables used	25 (5,662,838)	(4,525)	(5,667,363)	(7,696,150)	(2,028,787)	36%	32.5
Maintenance expenses	27 (365,592)	4,628	(360,964)	(755,978)	(395,014)	109%	
Purchase of intangible assets	9 -	-	-	(40,820)	(40,820)	0	32.6
Acquisition of property, plant and equipment	10 (4,488,655)	1,510	(4,487,145)	(3,729,381)	757,764	17%	
Payment for WIP	8 -	-	-	(6,581,049)	(6,581,049)	0	
Total	(16,476,187)	-	(16,476,187)	(24,805,195)	(8,329,008)		
Net Receipts/Payments				(1,210,983)	(1,210,983)		

* Explanations for significant differences between final budget and actual amount on comparable basis are provided in note 32, the Arusha Technical College prepared budget under cash basis.

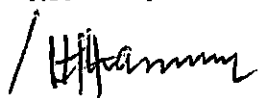
Diana Malambugi
Ms. Diana Malambugi
Vice Chairperson

28/02/2024
Date

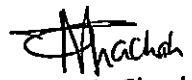
Musa N. Chacha
Dr. Musa N. Chacha
Rector

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

		Original Budget	Budget reallocations	Final Budget	Actual Amounts on Comparable Basis	Difference final Budget & Actual	Performance Percentage	Notes
		TZS '000' A	TZS '000' B	TZS '000' C=A+B	TZS '000' D	TZS '000' D-C		
RECEIPTS								
Government Subvention	14	10,042,169	-	10,042,169	16,113,766	6,071,597	60%	32.1
Revenue from Exchange Transaction	14a	6,434,018	-	6,434,018	7,483,986	1,049,968	16%	32.2
Total Receipts		<u>16,476,187</u>	<u>-</u>	<u>16,476,187</u>	<u>23,597,752</u>	<u>7,121,565</u>		
PAYMENTS								
Grants, Subsidies and other Transfer Payments	22	(60,000)	-	(60,000)	(60,000)	-	0%	32.3
Wages, salaries, and employee benefit	24	(5,899,102)	(1,613)	(5,900,715)	(5,941,817)	(41,102)	1%	32.4
Supplies and consumables used	25	(5,662,838)	(4,525)	(5,667,363)	(7,699,690)	(2,032,327)	36%	32.5
Maintenance expenses	27	(365,592)	4,628	(360,964)	(755,978)	(395,014)	109%	32.5
Purchase of intangible assets	9	-	-	-	(40,820)	(40,820)	0	32.6
Acquisition of property, plant and equipment	10	(4,488,655)	1,510	(4,487,145)	(3,729,381)	(757,764)	17%	
Payment for WIP	8	-	-	-	(6,581,049)	(6,581,049)	0	
Total		<u>(16,476,187)</u>	<u>-</u>	<u>(16,476,187)</u>	<u>(24,808,735)</u>	<u>(8,332,548)</u>		
Net Receipts/Payments					<u>(1,210,983)</u>	<u>(1,210,983)</u>		


 Ms. Diana Malambu
 Vice Chairperson

28/02/2024
 Date


 Dr. Musa N. Chacha
 Rector

5.7 SIGNIFICANT ACCOUNTING POLICIES AND DISCLOSURES

1. GENERAL INFORMATION

(a) Statute and Principal Activities

Arusha Technical College (ATC) was established in March 2007, as an autonomous Institution, through the Arusha Technical College Establishment Order No. 78 under the National Council of Technical Education (NACTE) Act No. 9 of 1997. The ATC replaced the then Technical College Arusha (TCA) that existed since 1978.

ATC is charged with the following main functions.

- (i) Ensuring delivery of quality technical education and training;
- (ii) Provision of facilities for study and training in the principles, procedures and techniques and conduct training programs in Civil, Electrical, Mechanical, Electronic, Irrigation Engineering, Science and Laboratory Technology and such other related disciplines;
- (iii) Application of research and development in the disciplines specified above;
- (iv) Provision consultancy services to the Public; and
- (v) Conducting examination and grant awards of the College as approved by the National Council for Technical Education (NACTE).

(b) Basis of Preparation

The financial statements have been prepared under historical cost convention. The financial statements comply with International Public-Sector Accounting Standards (IPSAS) on accrual basis.

(c) Functional and Presentation currency

The functional currency of ATC is Tanzania Shillings (TZS) which is also a presentation currency. The figures have been rounded to the nearest thousand (TZS '000') unless indicated otherwise.

(d) Critical accounting estimates and judgments

In the application of the ATC's accounting policies, which are described in note 2, the directors of the College are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are summarized below.

i. Impairment losses on financial assets

At the end of each reporting year, the College reviews the carrying amounts of its financial assets to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated and an impairment loss is recognized in comprehensive income whenever the carrying amount of the asset exceeds its recoverable amount.

ii. Property and equipment

Management reviews the useful lives and residual values of the items of property, plant and equipment on a regular basis. During the financial ATC reviewed useful lives of its fixed assets to align them with the "Public Assets Management Guideline 2019. The review resulted into change of depreciation rates of the underlying assets. The change has been applied prospectively in accordance with IPSAS 3. The updated useful lives of assets and their respective depreciation rates have been disclosed in note 2 (b).

iii) Going concern assumption

Nothing has come to the attention of the directors to indicate that the Organization will not remain a going concern for at least twelve months from the date of this statement.

2. PRINCIPAL ACCOUNTING POLICIES

(a) Translation of foreign currencies

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. Foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortized cost in foreign-currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognized in surplus or deficit in the period in which they arise

(b) Property, Plant and Equipment

All items of Property, Plant and Equipment are initially recorded at cost. Cost comprises of expenditure that is directly attributable to the acquisition of the items. Subsequent costs are

included in the asset's carrying amount or recognized as a separate asset, as appropriate only when it is probable that service potential associated with the item will flow to the College and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Financial Performance during the financial period in which they are incurred. Subsequently, items of property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. The cost of major renovations that increases the service potential of the underlying assets is capitalized and subsequently depreciated over the remaining useful life of the related asset or to the date of the next major renovation, whichever is sooner.

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date. No depreciation is charged if the residual value of an item is equal to or greater than its carrying value.

Depreciation

Depreciation is calculated on a straight-line basis, at annual rates estimated to write off the cost of each asset over its estimated useful life. The asset useful lives and the depreciation rates below are the result of the change of useful lives done by the College during the current financial year. Further details are in note 10.

Description	Economic Life (Years)	Rate
Land	-	-
Buildings	50	2%
Civil Structures	50	2%
Laboratory workshop equipment	15	7%
Motor Cycles	5	20%
Motor vehicles	7	14.3%
Library books	7	14.3%
Office, Hostel and household furniture	5	20%
Office, Hostel and household equipment	5	20%
Computer and accessories	4	25%
Access Roads	4	25%
Bridges	20	5%
Graduation Gown	10	10%

Depreciation is charged on assets from the date when they are ready for use and stops at the earlier of net book value reaching the salvage value and date when the asset is derecognized by the College.

Gains or losses on disposal of fixed assets are determined by comparing the disposal proceeds with the carrying amount and are credited/ charged to the Statement of Financial Performance

Impairment of plant, property & equipment

An impairment loss is recognized for immediately when there is strong evidence that carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the value of service potential. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

Likewise, the assets' residual values and useful lives are reviewed only when the conditions to warrant the review exists at the date of the Statement of Financial Position. Items of PPE that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Capital Work in Progress

Capital work in progress represents the costs incurred for capital projects that are under construction and are stated at cost. The cost comprises of the cost of materials, labour and overheads. The capital projects that are in progress are not depreciated.

Amortization of Intangible Assets

Intangible assets, including computer software have useful lives of five years. The related cost is amortized at the rate of 20% per annum.

(c)Inventories

Inventories comprising material and repair stocks for machines, engines and vehicle parts, and other equipment, are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method.

Provision is made for the full value of obsolete inventories and stocks which are surplus to requirements. Net realizable value is the estimated selling price in the ordinary course of business less applicable selling expenses. Obsolete items are materials or spares which have no further use due to obsolescence, technological changes or other factors.

(d) Revenue Recognition

Revenue comprises of Revenue from non-exchange transaction (Government Subvention and Revenue Grants), Amortization grants Students Tuition Fees, registration fees and other income (Revenue from consultations, conferences, hiring etc.) as analysed below: -

Government Subvention

Funds disbursed by the Government to the College are recognized when received by the College and credited in the Statement of Financial Performance.

Revenue Grants

Revenue grants received for operating expenditure are recognized when received by the College and credited in the Statement of Financial Performance.

Tuition and other Student Fees

Tuition and other student fees are recognized on accrual basis in the accounting period in which the related academic year falls due.

Other revenue

Other revenue is recognized in the accounting period in which it accrues and/or realized.

(e) Deferred Grant Income

Grants with restriction or conditions received in monetary form for capital expenditure or in form of non-monetary assets are recognized in the statement of financial position as deferred grants income. Value of capital grants for properties whose values appreciate over time such as land are not amortized while grants for other assets are financial instruments.

(f) Non-derivative financial instruments

Non-derivative financial assets comprise investment in securities, loans receivable, trade and other receivable and cash and cash equivalents.

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and liabilities are recognised when the College becomes a party to the contractual provisions of the instrument.

The measurement basis for financial assets and financial liabilities depends on whether to which group of financial asset or financial liability the underlying asset and liability has been classified.

Financial assets

The College classifies its financial assets as loans and receivables considered as non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They arise when the College provides money or services directly to a debtor or student with no intention of trading the receivable. All loans and receivables held by the College fall under this category. Financial assets are initially recognized at fair value or at cost plus transaction costs for all financial assets not carried at fair value.

At subsequent reporting date loans and receivables are measured at amortized cost using the effective interest rate method. Receivables which do not carry interest rate are stated at their nominal value.

Appropriate allowances for estimated irrecoverable amounts are recognized in the statement of financial performance when there is objective evidence that the College will not be able to collect all amounts due according to the original terms of the receivables.

De-recognition

The College derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the College neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the College recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the College retains substantially all the risks and rewards of ownership of a transferred financial asset, the College continues to recognize the financial asset. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in surplus or deficit.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss (FVTPL)' or 'other financial liabilities. The College's other liability include borrowings and trade and other payables.

Subsequent measurement

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate,

transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

The College derecognizes financial liabilities when, and only when, the College's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in surplus or deficit.

Impairment

Non-cash generating assets

The policy applies to all non-cash-generating assets, except assets arising from construction contracts, inventories, financial assets that are included in the scope of financial instruments, investment property measured at fair value, non-cash-generating property, plant and equipment that is measured at revalued amounts, and other assets in respect of which accounting requirements for impairment are included in another IPSAS.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount. An impairment loss shall be recognised immediately in surplus or deficit. After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. Recoverable service amount is the higher of a non-cash-generating asset's fair value, less costs to sell and its value in use. Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

Cash generating assets

This policy applies to the accounting for the impairment of all cash-generating assets except inventories, assets arising from construction contracts, financial assets that are within the scope of financial instruments, investment property measured at fair value, cash-generating property, plant, and equipment that is measured at revalued amounts, deferred tax assets, assets arising from employee benefits, intangible assets that are regularly revalued to fair value, goodwill, biological assets related to agricultural activity measured at fair value less estimated point-of-sale costs, deferred acquisition costs and intangible assets arising from an insurer's contractual rights under insurance contracts, noncurrent assets classified as held for sale and discontinued operations, and other cash-generating assets in respect of which accounting requirements for impairment are included in another IPSAS.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount. ATC assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, ATC estimates the recoverable amount of the asset. The College tests an intangible asset with an indefinite useful life or an intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test may be performed at any time during the reporting period, provided it is performed at the same time every year. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount.

That reduction is an impairment loss. An impairment loss is recognized immediately in surplus or deficit. When the amount estimated for an impairment loss exceeds the carrying amount of the asset to which it relates, the College recognizes a liability if, and only if, that is required by another IPSAS.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. Value in use of a cash-generating asset is the present value of estimated future cash flows expected to be derived from the continuing use of an asset, and from its disposal at the end of its useful life. Discount rate is the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss recognized in prior periods for an asset is reversed if, and 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 this is the case, the carrying amount of the asset is increased to its recoverable amount. That increase is a reversal of an impairment loss.

Re-designation of an asset from a cash-generating asset to a non-cash-generating asset or from a non-cash-generating asset to a cash-generating asset only occurs when there is clear evidence that such a re-designation is appropriate. A re-designation, by itself, does not necessarily trigger an impairment test or a reversal of an impairment loss. Instead, the indication for an impairment test or a reversal of an impairment loss arises from, as a minimum, the listed indications applicable to the asset after re-designation.

(a) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. They comprise of cash in hand, cash at bank, deposits held on call and fixed deposits.

(b) Provisions

Provisions are recognized when the College has present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the College expects a provision to be reimbursed, for example under insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

(c) Employees Benefits

Retirement benefits

The College has statutory obligations to contribute to various pension schemes in favour of all the employees employed under permanent and pensionable terms. The pension schemes to which the College contributes are Public Service Social Security Fund (PSSSF). Contributions to these funds are recognized as expenses in the period the employees render the related services.

Short Term Benefits

The cost of all short-term benefits such as salaries, employees' entitlements to leave pay, medical aid, long service awards, other contributions are recognized during the period in which the employees render the related services.

Gratuity

The College pays gratuity of 25% of annual basic salary when falls due to employees working with the College on contract basis.

Terminal Benefits

Terminal benefits are payable whenever an employee's services are terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange of these benefits.

(d) New and amended standards adopted by the College

There are no IPSASs or its interpretations that are effective for year beginning on or after 1 July 2021 that would be expected to have a material impact on college that have not been adopted.

New and amended standards that have been issued during the year but not effective

The standards and amendments that are issued, but not yet effective are disclosed below. Convoy of Hope intends to adapt these standards, if applicable when they become effective.

IPSAS 41: Financial Instruments

This standard establishes new requirements for classifying, recognizing and measurement of financial instruments, and replaces IPSAS 29: Financial Instruments: recognition and measurement.

IPSAS 41 greatly enhance the relevance of information for financial assets and liabilities. It provides users of financial information with more useful information than those provided in IPSAS 29 by:

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

This standard is effective for annual reporting periods beginning on or after 1 January 2022.

IPSAS 42: Social benefits

The objective of this standard is to define social benefits and determining when expense and liabilities of social benefits are recognized and how they are measured. It provided for guidance on accounting for social benefit expenditure. IPSAS 42 seeks to improve the relevance, faithful representativeness and comparability of the information that the reporting entity provided in the financial statements regarding social benefits. The information provides help to users of financial statement to assess:

- The nature of such social benefits provided by the entity;
- The key features of operation of those social schemes; and
- The impact of such social benefits provided on the entity's financial performance, financial position and cash flows.

This standard is effective for annual reporting periods beginning on or after 1 January 2022. The directors have assessed the relevance of the standards, amendments and interpretations with respect to Gaming Board's operations and concluded that they do not have a material impact on the Gaming Board's financial statements.

3. FINANCIAL RISK MANAGEMENT

Financial Instruments

IPSAS 30 requires disclosure of information about the nature and extent of risks arising from financial instruments: - Qualitative disclosures about exposures to each class of risk and how those risks are managed. Quantitative disclosures about exposures to each class of risk, separately for credit risk, liquidity risk, and market risk. Disclosures about liquidity risk include maturity analyses for both non-derivative and derivative liabilities such as issued financial guarantee contracts. Disclosures about market risk include sensitivity analyses.

(a) Credit risk

The College's principal financial assets are bank balances, cash and other receivables. The College's credit risk is primarily attributable to its receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables estimated by the management based on the long outstanding balances and the assessment of the current economic environment. Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The College minimizes credit risk from its trade receivables by implementing 100% collection before a student starts an academic year. Overdue balances are pursued vigorously. Credit risk arising from cash at bank is managed by having deposits with more than one bank of good standing. The carrying amounts of financial assets represent the maximum credit exposure (gross). The maximum exposure to credit risk at the reporting date was as follows:

Past due-But-Not- Impaired

As at 30 June 2023, trade and student debtors were past due but not impaired. Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour.

Other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

The College establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivable.

Cash and cash equivalents

The College held cash and cash equivalents of TZS 9,065,063,000 at 30 June 2023 compared to 30 June 2022 TZS 10,276,046,000 which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institutions counterparties of good standing.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

(c) Market risk

Market risk comprises mainly three types of risks: currency risk, interest rate risk, and price risk. Market risk is the risk that the changes in market prices, such as foreign exchange rates, interest rates will affect the College's surplus or deficit or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing returns.

(d) Foreign exchange risk

Foreign exchange risk arises from commercial transaction if the College incurs a significant portion of its in-US dollar and the Euro while its earnings are based in Tanzania shillings. The college is not exposed to foreign exchange risk arising from various foreign currency exposures. Its transactions of foreign currencies are insignificant.

Sensitivity analysis

As stated above the College does have insignificant financial instruments that are in foreign currency (ies). The College considers it acceptable not to conduct sensitivity analysis.

(e) Cash flow and fair value interest rate risk

As the College does not have significant interest-bearing assets. The College's income and operating cash flows are substantially independent of changes in market interest rates. The College does not have borrowings.

4. SEGMENT REPORTING

In accordance with IPSAS 18, the College has the Production Consultancy Bureau segment that was established in May 2010 and is registered by the Engineers Registration Board as a Local Engineering Consulting Firm and Material Testing Laboratory by the Engineers Registration Act, 1997 as amended by Act No. 24 of 2007. The bureau was established as per ATC Establishment Order in compliance with the National Policy on Technical Education of 1996 to provide the following service.

- (a) Specialized activities like failure investigations, third party inspection services, damage assessment, materials selection;

- (b) Consultancy services through provision of professional consultations in various engineering disciplines, feasibility studies, ICT services, professional training programs, architectural consultations; and
- (c) Production services in engineering like civil, mechanical, automotive, structural, electrical, woodworks.

The segment is reported in a manner consistent with the internal reporting. All transactions between business segments and the College is conducted on an arm's length basis, with intra-segment revenue and costs eliminated in the College's financial statements. Income and expenses directly associated with the segment is included in determining the segment's performance.

The segment information has been prepared in accordance with the "management approach" considering the engineering registration requirements that requires submission of a full set of financial statements on annual basis. Further presentation of the segment on the basis of the internal reports about components of the bureau which are regularly reviewed by the Governing Board who are the chief operating decision makers in order to allocate resources to segment and to assess its performance.

Primary segment information - Business Segments

The following tables present profit and loss and assets and liability information regarding the college's segment.

ATC PCB - STATEMENT OF FINANCIAL PERFORMANCE

DESCRIPTION	NOTES	2023 TZS`000`	2022 TZS`000`
REVENUE			
Revenue from exchange transactions	4PCB	3,578,207	2,599,904
Revenue from non- exchange transactions		-	-
Total Revenue		<u>3,578,207</u>	<u>2,599,904</u>
EXPENSES			
Administrative and Finance Expenses	5PCB	(65,060)	(68,170)
Production and Consultancy costs	6PCB	(3,288,234)	(2,333,931)
Depreciations	7PCB	(1,858)	(4,775)
Total Expenses		<u>(3,355,152)</u>	<u>(2,406,876)</u>
Surplus/(deficit) for the period		<u>223,055</u>	<u>193,028</u>

ATC PCB - STATEMENT OF FINANCIAL POSITION

	NOTES	2023 TZS`000`	2022 TZS`000`
ASSETS			
NON -CURRENT ASSETS			
Property, plant and equipment	7PCB	12,707	7,565
TOTAL NON-CURRENT ASSETS		<u>12,707</u>	<u>7,565</u>
CURRENT ASSETS			
Receivables and prepayments	8PCB	1,374,065	1,089,267

Arusha Technical College (ATC)

Cash and cash equivalents	9PCB	285,153	187,005
TOTAL CURRENT ASSETS		1,659,218	1,276,272
TOTAL ASSETS		1,671,925	1,283,837
LIABILITIES			
TRADE AND OTHER PAYABLES			
Trade creditors	10PCB	886,108	721,075
TOTAL LIABILITIES		886,108	721,075
NET ASSETS		785,817	562,762
NET ASSETS			
Capital contributed by:			
Capital Fund	11PCB	107,694	107,694
Retained surplus/ (deficit)		678,123	455,068
NET ASSETS		785,817	562,762

In computing the above segment information

- **Segment Revenue**

Arusha Technical College Production & Consultancy Bureau (ATC-PCB) obtained most of its production income from measurements and testing laboratories and workshops mostly being masonry, soil & bitumen lab and water quality lab. Consultancy receipts increased by 9% due new contracts with various government institutions such as UVICO which awarded by the Ministry of Education, Science & Technology on provide consultation works of supervision for RVTSC

- **Segment Expenses**

The bureau expenses are directly matched to its activities/projects. The expenses increased from TZS 2,406,876,000 to TZS 3,355,152,000 due to increased consultancy activities performed in various regions within Tanzania mainland.

- **Assets and liabilities**

The bureau assets were made of bank and cash balances, Trade and other receivables, Inventory and Property, plant & equipment. During the year the bureau's total assets increased from TZS 1,283,837,000 to TZS 1,671,925,000 that was largely contributed by increase of bureau generating income activities by the end of the reporting period.

Concurrently the bureau's liabilities were made of accruals and trade payables. Trade and other payables increased to TZS 886,108,000 in 2022/23 from TZS 721,075,000

- **Intersegment transaction**

Inter-segment transactions have been generally made on arm's length per the bureau's policy

5.8 NOTES TO THE FINANCIAL STATEMENT

5 CASH AND CASH EQUIVALENTS	2023	2022
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Arusha Technical College (ATC)

	TZS'000	TZS'000
Own Source Collection (BOT)	700,099	265,382
Deposit General	27,367	(63,517)
Development Expenditure	7,762,812	8,929,877
Own source Collection (CRDB)	314,125	208,324
Own source Collection (NMB)	5,971	5,971
Own Source Collection (TCB)	103,621	153,025
Own Source Development Expenditure	18,403	46,416
Own Source Recurrent Expenditure	21,855	(7,042)
Petty Cash	-	143
Cash in hand	13,180	-
Recurrent Expenditure	30,370	704,562
Unapplied Cash	67,260	32,905
	9,065,063	10,276,046
6 RECEIVABLES	2023	2022
	TZS'000	TZS'000
Receivables from exchange transactions	2,252,087	1,410,754
Prepayment	2,155,793	452,987
Staff advances and Imprest	1,162	24,411
Imprest Receivable	28,495	-
Allowances for impairment of receivables	(219,915)	(172,002)
	4,217,622	1,716,150
7 INVENTORIES	2023	2022
	TZS'000	TZS'000
Fuel	19,657	-
Consumables	203,120	211,895
Learning Materials	3,055,996	3,312,882
	3,278,773	3,524,777
8 WORKING IN PROGRESS	2023	2022
	TZS'000	TZS'000
Ufundi tower Building	-	4,876,780
Workshop Machinery & Equipment	99,530	99,530
Ufundi Radio	7,349	7,349
Boys & Girls Hostel Kikuletwa	-	193,212
Software-FDRI	-	23,726
Toilet Highway	44,727	23,711
Medical Building	1,442,664	1,104,938
Girls Hostel	-	1,418,084
Hydropower plant kikuletwa	23,170	23,170
EASTRIP	5,739,433	392,900
ICT Equipment (Uninstalled)	78,590	-
PWOGGE training workshop	37,126	-
Hospitals, clinic Paving	52,457	-
Paving Irrigation to Mechanical	40,377	-
Underground water tank - Girl's hostel	8,640	-

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	<u>7,574,062</u>	<u>8,163,400</u>
Non cash capitalised	993,014	333,786
Work in progress Paid to Cash Flow	<u>6,581,049</u>	<u>7,829,614</u>

9 INTANGIBLE ASSETS

	2023 TZS'000	2022 TZS'000
Cost		
At start of financial year	46,876	46,876
Additions	40,820	-
At end year	<u>87,696</u>	<u>46,876</u>
Amortization		
At start of year	(42,918)	(41,218)
Amortisation charge during the year	(5,886)	(1,699)
At end of the year	<u>(48,804)</u>	<u>(42,917)</u>
Net book value	<u>38,892</u>	<u>3,959</u>

10 PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Civil Structure	Laboratory/ Workshop Equipment & plant and Machinery	Office, Hostel & Household equipment	Office, Hostel and Household furniture	Motor vehicles & Cycles	Library Books	Computer, Server and Accessories	Access Roads	Bridges	Graduation Gown	Total
	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
At 1 July 2022													
COSTS	35,901,469	28,792,610	802,785	12,920,478	233,617	1,551,041	1,062,466	368,845	1,296,003	710,481	15,288	-	83,655,083
Adjustment OB Cost													
Additions	-	7,152,381	0	549,898	4,410	513,089	430,595	0	197,305	431,106	(0)	10,266	9,289,050
At 30 June 2023	35,901,469	35,944,991	802,785	13,470,376	238,027	2,064,130	1,493,061	368,845	1,493,308	1,141,587	15,288	10,266	92,944,133
DEPRECIATION													
At 1 July 2022	-	(9,420,638)	(106,925)	(3,873,961)	(136,191)	(1,212,430)	(506,000)	(295,053)	(1,001,396)	(674,987)	(2,304)	-	(17,229,885)
Depreciation charges	-	(671,940)	(53,519)	(887,171)	(11,584)	(270,541)	(164,951)	(29,597)	(179,155)	(205,444)	(764)	(379)	(2,475,045)
Accumulated Depreciation	-	(10,092,578)	(160,444)	(4,761,132)	(147,775)	(1,482,971)	(670,951)	(324,650)	(1,180,551)	(880,431)	(3,068)	(379)	(19,704,930)
Carrying Amount													
At 30 June 2023	35,901,469	25,852,413	642,341	8,709,244	90,252	581,159	822,110	44,195	312,757	261,156	12,220	9,887	73,239,203
At 30 June 2022	35,901,469	19,371,972	708,082	9,046,517	97,426	338,611	556,466	73,792	294,607	35,494	12,984	-	66,437,423

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Additional	9,289,050
Non cash capitalised during the year	5,559,669
Cash movement	3,729,381

Arusha Technical College (ATC)

11. PAYABLES AND ACCRUALS	2023	2022
	TZS'000	TZS'000
Trade payables	820,342	708,316
Other Payables	1,501,527	1,221,185
imprest payable	14,430	-
Retention	585,386	-
Staff Claim	-	-
Withholding tax	4,575	3,970
	<u>2,926,260</u>	<u>1,933,471</u>
ATC Production and Consultancy Bureau PLC	15,690	15,690
	<u>2,941,950</u>	<u>1,949,161</u>

This amount represents audit fees payable of TZS 3,540,000 and unpaid tax fines and penalties of TZS 12,150,000

12. DEFERRED REVENUE	2023	2022
	TZS'000	TZS'000
Balance at the beginning of year	1,340,889	547,154
Revenue grants received during the year	3,382,213	5,729,071
Amount released to statement of financial performance	(2,515,112)	(5,356,025)
	<u>2,207,990</u>	<u>920,200</u>
Separation of recurrent income of EASTRIP	-	420,689
Balance at end of year	<u>2,207,990</u>	<u>1,340,889</u>

The separation of recurrent income amounting TZS 420,689 was due to previous year combination of capital and recurrent deferred revenue.

13. DEFERRED REVENUE (CAPITAL)	2023	2022
	TZS'000'	TZS'000'
Balance at the beginning of year	8,052,250	12,187,045
Capital grants received during the year	6,975,030	754,147
Amount released to the Statement of financial performance	(10,073,792)	(4,468,253)
	<u>4,953,488</u>	<u>8,472,939</u>
Transferred to recurrent income of EASTRIP	-	(420,689)
Balance at end of year	<u>4,953,488</u>	<u>8,052,250</u>

The balance relates grants with restriction or conditions received in monetary form for capital expenditure or development projects including Kikuletwa Hydro EASTRIP Project, Oljoro Project, DIDF and Evening Program.

14. REVENUE FROM NON-EXCHANGE TRANSACTIONS	2023	2022
	TZS'000'	TZS'000'
Personal Emolument (PE)	4,936,801	4,976,789
Other Charges (OC)	759,722	638,205

Arusha Technical College (ATC)

		5,696,523	5,614,994
Amortization of Capital Grant		2,590,859	2,949,199
Development Grant (Local)		7,482,933	1,519,054
Development Grant (Foreign)		-	-
Government Grant Other Charges		-	-
		<u>10,073,792</u>	<u>4,468,253</u>
Sub total			
Amortization of Recurrent Grant		-	372
Recurrent Grants		-	3,306,733
African Development Bank (AfDB)		2,515,112	2,048,920
World Bank (IDA)		<u>2,515,112</u>	<u>5,356,025</u>
Sub total		4,597,883	4,125,244
Student Income		275,307	-
Revenue Grants - non-Monetary		<u>23,158,617</u>	<u>19,564,516</u>
		2023	2022
14(a) Student Income			
		TZS'000'	TZS'000'
		3,743,562	3,584,837
Tuition Fee		51,737	45,806
Application fee		28,350	27,150
Project and Dissertation Supervision		43,702	33,234
Registration Fees		47,020	56,100
Certificate of Competence		90,470	43,650
Identification fees		168,013	127,982
Examination Fees		38,370	146,766
Miscellaneous Income		8,955	8,605
Graduation Gown hire		211,700	51,050
Accommodation Fees		9	64
Fines		-	-
Tender Documents		30,980	-
Internet Income		41,980	-
Other Collections		77,450	-
Laboratory Charges		15,585	-
Academic transcript fees		<u>4,597,883</u>	<u>4,125,244</u>
		2023	2022
15. REVENUE FROM EXCHANGE TRANSACTIONS			
		TZS'000'	TZS'000'
		2,919,010	1,954,881
Consultancy Fees		659,197	644,447
Workshop manufacturers		36,326	27,380
Conference Facility		61,450	65,960
Rent		<u>3,675,983</u>	<u>2,692,668</u>
			2,022
		2023	
16. FAIR VALUE GAINS ON ASSETS AND LIABILITIES			
		TZS'000'	TZS'000'

Arusha Technical College (ATC)

	<u>156,301</u>	<u>-</u>
	<u>156,301</u>	<u>-</u>
17. WAGES, SALARIES AND EMPLOYEE BENEFITS	2023	2022
	TZS'000'	TZS'000'
Civil Servants	4,983,149	4,711,931
Civil Servants Contracts	-	98,327
Electricity Allowance	26,970	60,496
Extra-Duty	301,345	225,590
Furniture	14,000	34,000
Gratuities	14,076	9,223
Honoraria	60,107	79,335
Housing Allowance	41,200	25,300
Invigilators Allowances	28,350	15,000
Leave Travel	8,783	12,758
Moving Expenses	15,354	16,431
Non-Civil Servant Contracts	113,890	24,508
Professional Allowances	86,000	66,523
Responsibility Allowance	79,402	93,220
Outfit Allowance	300	-
Sitting Allowance	81,363	50,610
Special Allowance	234,766	282,974
Subsistence Allowance	11,919	18,828
Court Attire Allowance	500	500
Food and Refreshment	62,855	58,513
National Health Insurance Schemes	3,600	3,900
Statutory Contributions	2,802	-
Public Sector Social Security Fund (PSSSF)	-	20,873
	<u>6,170,731</u>	<u>5,908,840</u>
18. SUPPLIES AND CONSUMABLES USED	2023	2022
	TZS'000'	TZS'000'
Accommodation	-	1,200
Advertising and publication	6,559	38,735
Air Travel Tickets	76,196	49,085
Audit fees	107,600	103,763
Audit supervision expenses	27,045	39,609
Bank Charges and Commissions	4,536	3,570
Bed and Mattresses	-	5,550
Burial Expenses	3,900	7,441
Contingencies Item	38,158	-
Catering Services	916	3,519
Computer Software	-	5,824
Computer Supplies & Accessories	5,400	56,747
Conference Facilities	17,590	23,361
Diesel	177,848	66,550

Arusha Technical College (ATC)

Drugs and Medicines	3,250	6,410
Electricity	138,766	118,000
Entertainment	14,524	16,037
Examination Expenses	63,130	63,745
Exhibition, Festivals and Celebrations	28,354	39,580
Food and Refreshments	127,461	88,917
Fumigation	5,000	9,600
Gifts and Prizes	33,661	10,147
Ground travel (bus, railway taxi, etc)	106,692	113,833
Internet and Email connections	78,965	119,903
Insurance Expense	-	12,400
Interest Expense	-	9,655
Lodging/Accommodation	19,596	3,859
Mobile Charges	67,816	62,262
Newspapers and Magazines	3,072	2,929
Office Consumables (papers, pencils, pens and stationaries)	1,919,856	1,221,313
Outsourcing Costs (includes cleaning and security services)	329,522	353,384
Operation and Training Fuels	20,225	46,041
Per Diem - Domestic	1,772,663	1,188,748
Per Diem - Foreign	145,034	151,359
Printing and Photocopying Costs	70,808	88,999
Publicity	24,413	2,000
Books, Reference and Periodicals	2,750	-
Registration, Accreditation, Admission and Articulation	29,350	12,000
Remuneration of Instructors	514,591	494,159
Rent of Vehicles and Crafts	3,620	460
Research and consultancies	-	26,350
Research and Dissertation	42,102	35,400
Sewage Charges	5,355	4,909
Software License Fees	-	14,940
Special Uniforms and Clothing	-	13,490
Sporting Supplies	17,694	4,402
Student Meals	607,888	808,040
Subscription Fees	52,954	44,060
Sundry Expenses	117,530	42,020
Technical Service Fees	1,499	7,865
Training Allowances	422,807	293,570
Training Materials	510,478	1,402,928
Tuition Fees	189,602	129,997
Water Charges	69,818	59,362
Upkeep Allowances	24,836	-
Visa Application Fees	3,357	1,902
Other expenses	-	42,677
	<u>8,054,785</u>	<u>7,572,606</u>
Non-Monetary Expenditure-Engineering Education (Note 41)	889,829	-
	<u>8,944,614</u>	<u>7,572,606</u>
ATC Production and Consultancy PLC Bureau	3,540	3,540

Arusha Technical College (ATC)

	8,948,154	7,576,146
	2023	2022
19. MAINTENANCE EXPENSES	TZS'000'	TZS'000'
Cement, Bricks and Building Materials	59,916	35,141
Mechanical, electrical, and electronic spare parts	-	12,116
Direct labour (contracted or casual hire)	361,814	23,702
Electrical and Other Cabling Materials	19,452	7,418
Oil and Grease	23,339	11,631
Paint and Weather Protection Coatings	57,341	6,927
Panel and body shop repair materials and services	48,656	7,661
Pipes and Fittings	33,022	49,912
Plumbing Supplies and Fixtures	32,144	408
Roofing Materials	28,602	32,224
Spare Parts	44,764	67,875
Tyres and Batteries	22,715	11,488
Wood and Timber Supplies	24,214	26,331
	755,978	292,834
20. IMPAIRMENT OF RECEIVABLES	2023	2022
	TZS'000'	TZS'000'
Bad Debt	47,913	-
	47,913	-
21. DEPRECIATION & AMORTIZATION	2023	2022
	TZS'000'	TZS'000'
Depreciation	2,475,045	2,238,818
Amortization	5,887	1,699
	2,480,932	2,240,517
22. GRANTS, SUBSIDIES AND OTHER TRANSFER PAYMENTS	2023	2022
	TZS'000'	TZS'000'
Contribution to Consolidated Fund	60,000	60,000
National Council for Technical Education (NACTE)	-	6,000
Revenue Transfer	-	6,853
	60,000	72,853
Impairment of Receivables		
23. CASH RECEIVED FROM CUSTOMERS	2023	2022
	TZS'000'	TZS'000'
Receivables from exchange transactions at the beginning of the year	1,238,752	989,727
Add: Exchange transactions earned during the year	3,675,983	2,692,688
Add: Tuitions fees received in advance (deferred recognized during the year)	-	-

Arusha Technical College (ATC)

Less: Deferred income released	-	-
Less: Receivables from exchange transactions at the end of the year	<u>(2,032,172)</u>	<u>(1,238,752)</u>
	<u>2,882,563</u>	<u>2,443,663</u>

Consolidated		
Receivables from exchange transactions at the beginning of the year	1,238,752	989,727
Add: Exchange transactions earned during the year	3,675,983	2,692,688
Add: Tuitions fees received in advance (deferred recognized during the year)	-	-
Less: Deferred income released	-	-
Less: Receivables from exchange transactions at the end of the year	<u>(2,028,632)</u>	<u>(1,238,752)</u>
	<u>2,886,103</u>	<u>2,443,663</u>

24. EMPLOYEE COSTS PAID

	2023	2022
	TZS'000'	TZS'000'
Accrued salaries and other employee costs at the beginning of the year	1,221,185	1,358,702
Add: Staff claims at the beginning of the year	-	-
Add: Employee costs incurred during the year	6,170,731	5,908,840
Less: Accrued salaries and other employee costs	<u>(1,501,530)</u>	<u>(1,221,185)</u>
Add: Non cash of previous balance	51,428	(51,428)
Total employee costs paid during the year	<u>5,941,816</u>	<u>5,994,927</u>

25. PAYMENTS TO SUPPLIERS

	2023	2022
	TZS'000'	TZS'000'
College		
Amount due to suppliers at the beginning of the year	712,286	1,592,269
Add: Purchases during the year (see below)	7,808,781	6,256,709
Less: Amount due to suppliers at the end of the year	<u>(824,917)</u>	<u>(712,286)</u>
Payment to suppliers during the year	<u>7,696,150</u>	<u>7,136,692</u>
Consolidated		
Amount due to suppliers at the beginning of the year	727,976	1,604,419
Add: Purchases during the year (see below)	7,812,321	6,260,249
Less: Amount due to suppliers at the end of the year	<u>(844,147)</u>	<u>(727,976)</u>
Payment to suppliers during the year	<u>7,696,150</u>	<u>7,136,692</u>
Additional Supplies and consumables	-	452,987
	<u>7,696,153</u>	<u>7,589,679</u>
	19,230	19,230

*Trade and Other payable included in consolidated

26. PURCHASES DURING THE YEAR

	2023	2022
	TZS'000'	TZS'000'
College		
Closing stock at the end of the year	3,278,773	3,524,777
Add: Supplies and consumables used during the year	8,054,785	7,572,606
Less: Opening stock at the beginning of the year	<u>(3,524,777)</u>	<u>(4,840,674)</u>
Less: Non-cash inventory received	-	-
Purchases during the year (included under payments to suppliers above)	<u>7,808,781</u>	<u>6,256,709</u>
Consolidated		

Arusha Technical College (ATC)

Closing stock at the end of the year	3,278,773	3,524,777
Add: Supplies and consumables used during the year	8,058,325	7,576,146
Less: Opening stock at the beginning of the year	<u>(3,524,777)</u>	<u>(4,840,674)</u>
Purchases during the year (included under payments to suppliers above)	<u>7,812,321</u>	<u>6,260,249</u>
**ATC Production and Consultancy PLC Bureau -Audit Fees	3,540	-

27. MAINTENANCE EXPENSES PAID

	2023	2022
	TZS'000'	TZS'000'
Accrued maintenance costs at the beginning of the year	-	-
Add: Maintenance expenses incurred during the year (per SOFP)	755,978	292,834
Less: Accrued maintenance costs at the end of the year	<u>755,978</u>	<u>292,834</u>
Maintenance expenses paid during the year	0	1,266
Additional costs	<u>755,978</u>	<u>294,100</u>

28. RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES AND SURPLUS FOR THE YEAR

	Notes	Consolidated		College	
		2023 TZS '000	2022 TZS '000	2023 TZS '000	2022 TZS '000
Surplus		8,527,191	6,165,994	8,530,731	6,169,534
Adjustment for non-cash items:					
Depreciation and Amortization	21	2,480,932	2,240,517	2,480,932	2,240,517
Non momentary asset		5,702,883		5,702,883	
Fair value gain		(156,301)		(156,301)	
Net adjustment in property plant and equipment			71,607	-	71,607
Provision of bad debts	10	47,913	-	47,913	-
Release of Deferred Income - revenue	12	(2,515,112)	(5,479,229)	(2,515,112)	(5,479,229)
Release of Deferred Income - capital	13	(10,073,792)	(4,345,049)	(10,073,792)	(4,345,049)
Operating loss before working capital change		<u>4,013,714</u>	<u>(1,346,160)</u>	<u>4,017,254</u>	<u>(1,342,620)</u>
Changes in working capital					
Inventory		246,004	1,315,897	246,004	1,315,897
Receivables		(2,497,932)	(650,582)	(2,501,472)	(650,582)
Increase in work in progress		(589,337)	5,729,069	(589,337)	5,729,069
Increase in Payables and accrued expenses		992,789	(1,013,960)	992,789	(1,017,500)
		<u>(1,848,477)</u>	<u>5,380,424</u>	<u>(1,852,017)</u>	<u>5,376,884</u>
Net cash from operating activities		<u>2,165,238</u>	<u>4,034,264</u>	<u>2,165,238</u>	<u>4,034,264</u>

29. CONSOLIDATED AND SEPARATE RECONCILIATION OF ACTUAL AMOUNT ON COMPARABLE BASIS AND SURPLUS FOR THE YEAR

	Consolidated TZS'000	Separate TZS'000
Actual amount on comparable basis	(1,210,980)	(1,210,983)
Movement in accounts receivable	(2,501,472)	(2,501,472)
Movement in accounts payable	(992,789)	(992,789)
Acquisition of the property, plant and equipment	10,351,250	10,351,250
Other cost	5,362,113	5,365,250
Depreciation on property, plant and equipment	(2,480,932)	(2,480,932)
Surplus for the year	<u>8,527,191</u>	<u>8,530,731</u>

30. RECONCILIATION OF ACTUAL AMOUNTS ON A COMPARABLE BASIS AND ACTUAL AMOUNTS IN THE CASHFLOW STATEMENT - COLLEGE

	Operating TZS'000	Financing TZS'000	Investing TZS'000	Total TZS'000
Actual amount on comparable basis as presented in the Budget and Actual Comparative Statement	9,140,268	-	(10,351,250)	(1,210,983)
Basis Differences	-	-	-	-
Timing Differences	-	-	-	-
Entity Differences	-	-	-	-
Net increase in the Statement of Cash flows	<u>9,140,268</u>	<u>-</u>	<u>(10,351,250)</u>	<u>(1,210,983)</u>

31. RECONCILIATION OF ACTUAL AMOUNTS ON A COMPARABLE BASIS AND ACTUAL AMOUNTS IN THE CASHFLOW STATEMENT - COLLEGE

	Operating TZS'000	Financing TZS'000	Investing TZS'000	Total TZS'000
Actual amount on comparable basis as presented in the Budget and Actual Comparative Statement	9,140,270	-	(10,351,250)	(1,210,980)
Basis Differences	-	-	-	-
Timing Differences	-	-	-	-
Entity Differences	-	-	-	-
Net increase in the Statement of Cash flows	<u>9,140,270</u>	<u>-</u>	<u>(10,351,250)</u>	<u>(1,210,980)</u>

32. EXPLANATIONS FOR THE DIFFERENCES BETWEEN FINAL BUDGET AND ACTUAL AMOUNTS ON COMPARABLE BASIS

32.1 Government grants, TZS 6 billion

The Actual Amounts on Comparable Basis for Government subvention include personal emolument, other charges, deferred income revenue and capital, grants, gifts and donation. The favourable variance of Government grants by 60% was due to increase in disbursement and consolidation of development fund for UVICO, EASTRIP and other income from ATC PCB.

32.2 Revenue from exchange transactions, TZS 1 million

The Actual Amounts on Comparable Basis for revenue from exchange transactions include receipts from customers and student income. The favourable variance of Revenue from exchange transaction by 16% was due to increase in disbursement and consolidation of development fund for UVICO, EASTRIP and other income from ATC PCB.

32.3 Grants, Subsidies and Other Transfer Payments

No variance found on Grants, Subsidies and Other Transfer

32.4 Wages, salaries and employee benefits, TZS 41 million

The unfavourable variance of Wages, salaries and employees benefits by 1% was due to increase on various payments including gratuities, invigilators allowances, non-civil servant contracts, sitting allowances and subsistence allowances to the tune of TZS 41 million during the year.

32.5 Supplies and consumables used, TZS 2 billion

The unfavourable variance of Supplies and consumables used by 36 % is due mainly attributed by the increase in activities such as advertising and publication, audit supervision expenses, computer supplies and accessories, ground transport, internet and email connection, office consumables, diesel, training materials and per diem domestic.

32.6 Maintenance expenses, TZS 395 million

The unfavourable variance of Maintenance expenses by 109% is due to increase the cost of repair and maintenance raised by TZS 395 million of prevailed market rates and inflation.

32.7 Acquisition of property, plant and equipment, TZS 5.9 billion

The favourable variance of property, plant and equipment by 17% was due to less acquisition of fixed assets and completion of building construction projects i.e girls hostel, ufundi tower, medical clinic and EASTRIP by the year end.

33. BUDGET REALLOCATION

The budget reallocation resulting to the net increase in budgeted revenue by TZS 6,318 million and budgeted expenditure by TZS 6,318 was approved on 9 September 2023 in the 56th Governing Board Meeting. The budget covers the period of twelve (12) months from 1 July 2021 to 30 June 2023. These reallocations were due to carryover and UVICO fund from MoEST for the completion works of Ufundi Tower.

34. BUDGETARY BASIS AND CLASSIFICATION BASIS ADOPTED IN THE BUDGET

The Centre uses cash basis of budget preparation and classification. Consequently, the actual amounts used in the statement of comparison of budget have been adjusted to ensure comparability as the financial statements are prepared using accrual basis of accounting.

35. CAPITAL FUND

The Capital Fund stated in the financial statements at (30 June 2022: TZS 460,526,280) represents value of the buildings and all assets built/granted by the Government before College became an autonomous body.

36. TAXATION

The Governing Board considers that the Arusha Technical College being a government institution is deemed to have been exempted from paying taxes. Materials exclusively for education purposes or research are exempted from import duty by virtue of para 17 of part B of the Fifth Schedule of East African Community Customs Management Act, 2004. They are also exempted from VAT under item 14 of part II of the exemption Schedule of the Act No. 5 of 2014.

37. RELATED PARTY TRANSACTIONS

The College is full owned by the government of the United Republic of Tanzania. There are other entities that are related to the College through common ownership. A number of transactions are entered into with related parties in the normal course of business. These include claims to the ministry, the governing board expenses and payments to key personnel.

During its operations, the College enters into transactions with related parties, which include the Government of the United Republic of Tanzania, the ultimate shareholder of the College, the related party transactions during the year are as follows:

(i) Expenses incurred with related party

	2022/23 TZS'000	2021/22 TZS'000
Board Expenses	55,004	74,500
Directors Fees	64,000	64,000
Key management personnel	161,616	183,117
	<u>280,620</u>	<u>321,617</u>

(ii) Balances with Related party

Contribution to Government	60,000	54,000
National Council for Technical Education (NACTE)	6,000	38,841
	<u>66,000</u>	<u>92,841</u>

38. CONTINGENT LIABILITIES AND COMMITMENTS

Legal Claims

Arusha Technical College (ATC)

At the year end the College had a total of 2 decided cases pending for execution that has been recognised in the college consolidated financial statements through Note 11 of Payables and Accruals. The College was a respondent in one case claiming a relief of TZS 42,449,000 and an applicant in one case involving TZS 65,220,000 as detailed in table 9 below.

Table 11: Litigations claims against the Arusha Technical College

Case No:	Parties	Claim	Amount (TZS)	Status
Civil Appeal No. 515 of 2020-Court of Appeal of the United Republic of Tanzania.	Arusha Technical College Vs Victor Meena & Another	The Appellants in this case were dissatisfied by the decision of the High Court Labour Division hence filed an appeal against the said decision	65,220,000	The appellant was dissatisfied with the decision of the high court hence filed the appeal to the Court of Appeal of Tanzania. The old employer (ATC) is waiting for the summons from the court of appeal.
Application for Execution of consolidated Labour Revision No. 75&84 of 2016.	Dafay Nicholas Laway Vs Arusha Technical College	The applicants in this case filed an application to execute the order of the High Court Labour Division in Revision No. 75 & 84 of 2016	42,449,000	The applicant agreed with ATC to compensate the claim in four (4) instalments (1 st TZS 10,215,000, 2 nd TZS 10,215,000, 3 rd TZS 10,215,000 and 4 th TZS 11,804,000). Already paid TZS 10,215,000 out of TZS 42,449,000 remained TZS 32,234,000. The matter is pending (Long adjournment) until the payment of the last instalment whereby after the payment parties will file the Deed of Settlement to the court to close the matter.
Total			107,669,000	

Source: College Legal department

39. CAPITAL COMMITMENTS

There were no capital commitments contracted for or approved at reporting.

40. COMPARATIVE FIGURES

Reclassifications are made to prior year figures to conform to presentation in the current year when deemed necessary.

41. NON-MONETARY EXPENDITURES - ENGINEERING EDUCATION

Acquisition and Maintenance of Engineering-Related Resources:

During the financial year ended 30th June 2023, the College incurred a total non-monetary expenditure of TZS. 889,829,000 for the acquisition and maintenance of engineering-related books, journals, and databases in the university library. These resources play a crucial role in supporting the academic and research activities of our engineering faculty and students.

Community Service Projects and Industry Collaboration:

A portion of the non-monetary expenditure amounts to TZS. 326,000,000, was dedicated to initiatives involving engineering students and faculty in community service projects, technology outreach, and collaboration with local industries. These initiatives aim to foster community engagement, provide practical experience to students, and enhance the university's relationship with the local engineering community.

Career Counselling, Internship Placements and Workshops:

The university allocated TZS. 220,829,000 for resources dedicated to career counselling, internship placements, and workshops aimed at enhancing the employability of engineering students. These efforts are aligned with our commitment to providing holistic education, ensuring that our graduates are well-prepared for successful careers in the dynamic field of engineering.

Provision of Technical Textbooks, Reference Materials, and Software Licenses:

A significant portion of the non-monetary expenditure, totalling TZS. 343,000,000, was directed toward the provision of technical textbooks, reference materials and software licenses for engineering students. This valuation is based on the estimated replacement cost of these materials, taking into account market prices, technological advancements and IPSAS 17 provisions regarding the valuation of non-financial assets.

Management Valuation Technique and Estimation:

The measurement of this expenditure is based on the following considerations:

1. **Replacement Cost:** The valuation of engineering-related resources takes into account the replacement cost, reflecting the current market prices for technical books, journals, and databases. This ensures that the university maintains a state-of-the-art collection that supports the evolving needs of our engineering faculty and students.

Community Service Projects and Industry Collaboration:

A portion of the non-monetary expenditure amounts to TZS. 326,000,000, was dedicated to initiatives involving engineering students and faculty in community service projects, technology outreach, and collaboration with local industries. The measurement of this expenditure involves:

1. **Project-Based Costing:** The University employs project-based costing methodologies, considering direct costs associated with community service projects, technology outreach, and collaborative initiatives with local industries. This approach provides a transparent breakdown of costs associated with each initiative.

Career Counselling, Internship Placements, and Workshops:

The university allocated TZS. 220,829,000 for resources dedicated to career counselling, internship placements, and workshops aimed at enhancing the employability of engineering students. The measurement of this expenditure is guided by:

1. **Cost Allocation:** Costs associated with career counselling, internship placements, and workshops are allocated based on the resources utilized for each activity. This includes personnel costs, materials, and other relevant expenses.

Provision of Technical Textbooks, Reference Materials, and Software Licenses:

A significant portion of the non-monetary expenditure, totalling TZS. 343,000,000, was directed toward the provision of technical textbooks, reference materials, and software licenses for engineering students. The measurement of this expenditure involves:

- Market Prices and Licensing Agreements:** The university considers market prices for technical textbooks and reference materials. For software licenses, measurement is based on licensing agreements, taking into account the duration, number of users, and specific terms outlined in the agreements.

These measurement approaches are consistent with the principles of transparency and reliability, ensuring that the reported non-monetary expenditures accurately reflect the value and impact of investments made in support of our engineering education programs.

42. PRIOR YEAR ADJUSTMENTS OF SURPLUS

S/N	Item	Original Amount 30 June 2022	Restated Amount	Differences	Reasons for Restatement
	College				
1	Accumulated surplus	71,921,215	72,165,085	243,870	Correction of errors arising from system challenges
	Consolidated				
1	Accumulated surplus	71,899,624	72,152,935	253,311	Correction of errors arising from system challenges

Prior year adjustments of TZS 243,871,000 represent correction of errors arising from system challenges

43. LIST OF REVENUE TRANSACTIONS/RECEIVABLE BALANCES WITH OTHER GOVERNMENT ENTITIES FOR THE YEAR ENDED 30 JUNE 2023

S/N	Goods/Services provided	Name of entity received goods/services	Amount received	Receivable balance
1	Material Test	ARUSHA CITY COUNCIL	7,040,000.00	-
2	Material Test	ARUSHA DC	2,020,000.00	-
3	Material Test	AUWSA	42,674,200.00	-
4	Material Test	Halmashauri ya wilaya manyoni	1,650,000.00	-
5	Material Test	Halmashauri ya wilaya ya Babati	1,200,000.00	-
6	Material Test	HALMASHAURI YA WILAYA YA MWANGA	850,000.00	-
7	Material Test	HALMASHAURI YA WILAYA YA SINGIDA	1,050,000.00	-
8	Material Test	INSTITUTE OF ACCOUNTANCY ARUSHA (IAA)	600,000.00	-
9	Material Test	KCMC HOSPITAL	500,000.00	-
10	Material Test	RAS-MANYARA	450,000.00	-
11	Material Test	RUWASA-Simiyu, Tabora & Simanjiro	4,470,000.00	-
12	Material Test	SINGIDA MUNICIPAL COUNCIL	450,000.00	-
13	Vehicle Maintenance	TANESCO	15,138,500.00	-
14	Material Test	TANZANIA PUBLIC SERVICE COLLEGE (TPSC)	150,000.00	-
15	Material Test	AICC	50,000.00	-
16		AIR TANZANIA CO LTD	6,525,000.00	-
17	Material TEST	Arusha Day Secondary School	234,494.40	-
18	Material TEST	HALMASHAURI YA JIJI ARUSHA	2,340,000.00	-

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S/N	Goods/Services provided	Name of entity received goods/services	Amount received	Receivable balance
19	Material Test	HALMASHAURI YA WILAYA YA MOSHI	600,000.00	-
20	Material Test	HALMASHAURI YA WILAYA YA NGORONGORO	630,000.00	-
21	Material Test	ITIGI DISTRICT COUNCIL	300,000.00	-
22	Material Test	Karatu District Council	2,960,000.00	-
23	Geotechnical soil investigation	Kibondo District Council	15,000,000.00	-
24	Geotechnical Soil Investigation	Manyoni District Council	7,720,000.00	-
25	Material Test	MONDULI DISTRICT COUNCIL	150,000.00	-
26	Material Test	MOSHI MUNICIPAL COUNCIL	1,800,000.00	-
27	Short course	NIT	4,800,000.00	-
28	Material Test	SAME DISTRICT COUNCIL	570,000.00	-
29	Reinforcement Test	SINGIDA MUNICIPAL COUNCIL	900,000.00	-
30	Material Test	TANZANIA BUILDING AGENCY (TBA)	550,000.00	-
31	Fertilizer analysis	Tanzania Fertilizer Regulatory Authority	24,384,360.00	-
32	Soil testing	TANZANIA PLANT & PESTICIDE AUTHORITY	4,660,000.00	-
33	Driving course	TCAA	900,000.00	-
34	Analysis of Fertilizers	TFRA	8,700,000.00	-
35	Reinforcement Test	TARIME DISTRICT COUNCIL	1,050,000.00	-
36	Consultancy	TARURA	148,363,000.00	12,365,000.00
37	Consultancy	TAREA	137,781,994.90	-
38	Consultancy	TANZANIA LIBRARY SERVICE	21,900,000.00	-
39	Consultancy	TANZANIA PUBLIC SERVICE COLLEGE	32,028,000.00	5,652,000.00
40	Consultancy	NATIONAL COLLEGE OF TOURISM	119,111,850.00	39,703,950.00
41	Consultancy	PUBLIC SERVICE COMMISSION	17,090,000.00	-
42	Consultancy	INSTITUTE OF RURAL DEVELOPMENT	270,318,700.00	144,080,700.00
43	Consultancy	DED-SIMANJIRO	-	78,000,000.00
44	Consultancy	TENGERU - TICD	104,657,099.75	15,142,900.25
45	Consultancy	KAHUMO BUS STAND - CHATO	-	43,720,000.00
46	Consultancy	TFRA	25,364,000.00	-
47	Consultancy	MINISTRY OF EDUCATION, SCIENCE & TECHNOLOGY	1,209,503,352.00	320,092,896.00
48	Consultancy	TAWIRI	26,828,919.18	3,574,670.16
50	Consultancy	TANZANIA NATIONAL PARKS	76,140,000.00	-
	Total		2,352,153,470.23	662,332,116.41

44. LIST OF EXPENSES TRANSACTIONS/PAYABLE BALANCES WITH OTHER GOVERNMENT ENTITIES FOR THE YEAR ENDED 30 JUNE 2023

S/N	Goods/services received	Name of entity provided goods/services	Amount Paid	Payable balance
1	Fuel	GOVERNMENT PROCUREMENT SERVICES AGENCY	161,430,936.98	-
2	Stationaries (log books)	GOVERNMENT PROCUREMENT SERVICES AGENCY	166,600.00	-
3	Water and sewage services	ARUSHA URBAN WATER SUPPLY AUTHORITY(AUWSA)	75,172,558.45	7,080,023.40
4	Certificate printing	NATIONAL PRINTING COMPANY LIMITED	32,650,600.00	-

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5	Electricity services	TANZANIA ELECTRIC SUP CO LTD (TANESCO)	134,872,848.30	13,687,926.35
6	Internet charges	TTCL	25,403,220.88	8,317,103.25
7	Statutory contribution	PSSSF	3,487,000.00	-
8	Audit Fee	CAG	82,042,280.00	-
10	Publicity	Tanzania Standard Newspaper	1,239,000	-
11	Machine Calibration	TBS	8,191,600	-
12	Vehicle Insurance	NATIONAL INSURANCE CORPORATION OF TANZANIA (NIC)	8,631,034.68	-
13	Recognition Fees	NATIONAL COUNCIL FOR TECHNICAL EDUCATION	3,000,000.00	-
14	Advertisement Fees	PPRA	750,000.00	-
15	Contribution to TR	Treasury Registrar	60,000,000.00	-
16	Loans for HESLB for Staff training	Higher education students loan board HESLB		135,967,348.68
	Total		597,037,679.29	165,052,401.68