



THE UNITED REPUBLIC OF TANZANIA  
MINISTRY OF ENERGY

ENERGY AND WATER UTILITIES  
REGULATORY AUTHORITY  
(EWURA)



# ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023



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MINISTRY OF ENERGY**

**ENERGY AND WATER UTILITIES  
REGULATORY AUTHORITY  
(EWURA)**



# **ANNUAL REPORT FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023**

**December 2023**

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## LETTER OF TRANSMITTAL



Hon. Dr. Doto Mashaka Biteko (MP),  
Deputy Prime Minister and Minister for Energy,  
Government City Mtumba,  
Nishati Street,  
P.O. BOX 2494,  
**40474 DODOMA**

Honourable Minister,

Under Section 48(1) of the Energy and Water Utilities Regulatory Authority Act, Cap. 414, I am humbled and honoured to submit to you the Annual Report of the Energy and Water Utilities Regulatory Authority (EWURA) for the year ended 30<sup>th</sup> June 2023.

The annual report, which includes the audited financial statements, summarizes the authority's activities carried out during the year under review, achievements made, challenges facing the authority, and the recommended way forward.  
I submit.



Prof. Mark. J. Mwandosya

**Board Chairman**

## THE BOARD CHAIRPERSON'S STATEMENT



I am delighted to present the 17<sup>th</sup> Annual Report for the Energy and Water Utilities Regulatory Authority (EWURA). The report covers the authority's performance for the financial year 2022/23.

During financial year 2022/23, the Board of Directors performed its oversight role in the areas of people management, customer service, good governance, controls, and financial performance. The board ensured that the authority continued to maintain an adequate number of competent staff who are motivated to provide excellent customer service. The board further ensured that good governance principles are upheld in the authority, controls are adhered to and that operational and financial performance are enhanced.

During the year under review, the authority encountered challenges in the energy and water sectors, including a shortage in the supply of petroleum products, low reliability of power supply, low awareness of sanitation matters, and inadequate investment in compressed natural gas operations. Knowing that these challenges affect the attainment of the authority's strategic objective of improving the quality, availability, and affordability of regulated services, the Board of Directors, through its oversight role, guided the authority's management in ensuring that sufficient petroleum products get imported into the country, the use of CNG as an alternative fuel for transportation is promoted, development of regulatory tools for monitoring performance in the electricity sub-sector is initiated and capacity building to WSSAs on the provision and management of sanitation services is enhanced.

On behalf of the Board of Directors, I would like to extend my appreciation to the Ministry of Energy, Ministry of Water, regulated entities, consumers of regulated services, EWURA management, and staff for the cooperation and support that contributed to the achievement of the authority's regulatory objectives.

Special appreciation is extended to the President of the United Republic of Tanzania, Her Excellency Dr. Samia Suluhu Hassan, for her leadership and guidance in the regulated sectors. Much gratitude to the then Minister for Energy, Hon. January Y. Makamba (MP), and the Minister for Water, Hon. Jumaa H. Aweso (MP), for their tireless support and strategic guidance in developing the energy and water sectors.



Prof. Mark J. Mwandosya

**Board Chairman**

## DIRECTOR GENERAL'S STATEMENT



It is with great honour that I present EWURA's 17<sup>th</sup> Annual Report, which provides an overview of the authority's activities for the year ending 30<sup>th</sup> June 2023. The report provides a summary of EWURA's regulatory, financial, and administrative operations for the period under review and it encompasses the audited financial statements for the same year.

During the period under review, a total of 304 licences were issued to petroleum operators, out of which 56 were for petroleum retail outlets in rural areas. In the electricity sub-sector, one provisional license was issued for the generation of electricity from a hydropower plant in Rungwe District, and two other licenses were issued for the generation of power for own use. Further, in the natural gas sub-sector, ten approvals were issued for the construction of facilities to supply natural gas to industries and household consumers and four for the construction of compressed natural gas refilling stations for CNG-converted motor vehicles. In the water sector, 51 licences were issued to WSSAs during the year.

During financial year 2022/23, the compliance level on petroleum products quality and fuel marker tests increased to above 95%. Further, following increased awareness of the benefits of using clean energy for cooking, the consumption and hence the importation of liquefied petroleum gas (LPG) increased by 16% to 293,167MT in financial year 2022/23.

In an effort to ensure water supply and sanitation authorities (WSSAs) provide reliable services, the authority conducted training for 79 WSSAs on the preparation of business plans, guidelines for water meter management, development of non-revenue water reduction strategies, and development of incident management and water safety plans. The authority also reviewed and approved customer service charters of 26 WSSAs. A review of the charters is conducted to ensure that quality-of-service targets meet the minimum requirements for quality of service. During the year, the authority also reviewed rates and charges and resolved complaints and disputes related to regulated services.

I wish to extend my sincere gratitude to the Board of Directors for their continued guidance and to the management and staff for their dedication and tireless efforts in ensuring that the authority achieves its regulatory objectives.

Dr. James A. Mwainyekule

**Director General**

## 1. INTRODUCTION

### 1.1. EWURA Mandate

The Energy and Water Utilities Regulatory Authority (EWURA) is a multi-sectoral regulatory authority established under the EWURA Act, Cap. 414 with the mandate to carry out technical, safety, and economic regulation of the energy sector (electricity sub-sector, petroleum and natural gas mid and downstream sub-sectors) and water sector under the Electricity Act, Cap. 131; Petroleum Act, Cap. 392; as well as Water and Sanitation Act, Cap. 272.

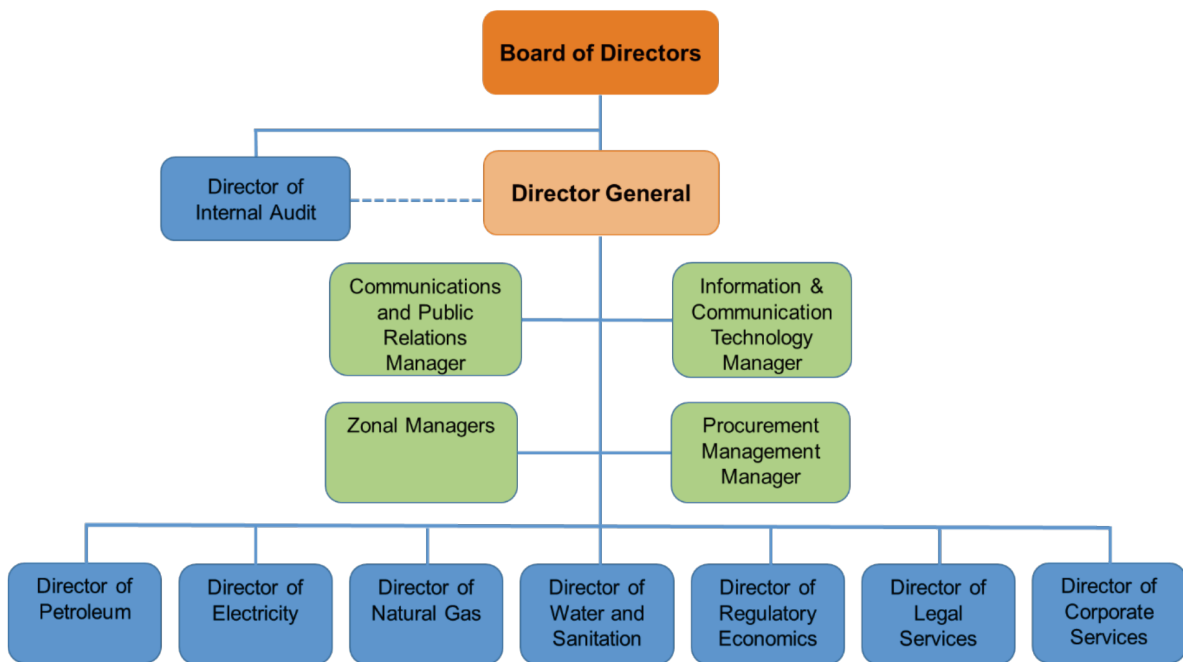
The specific functions of EWURA, as provided in Section 7(1) of the Act, are to:

- a) perform the functions conferred by legislation;
- b) Subject to sector legislation to:
  - i) issue, renew, and cancel licenses;
  - ii) establish standards for the terms and conditions for supply of goods and services;
  - iii) regulate rates and charges;
  - iv) make rules for carrying out the purposes and provisions of the EWURA Act and the sector legislation;
- c) monitor the performance of the regulated sectors in relation to:
  - i) levels of investment;
  - ii) availability, quantity, and standard of services;
  - iii) the cost of services;
  - iv) the efficiency of production and distribution services; and other matters relevant to the authority;
- d) in the case of petroleum and natural gas, to regulate transmission and natural gas distribution;
- e) facilitate the resolution of complaints and disputes;
- f) disseminate information about matters relevant to its functions;
- g) consult with other regulatory authorities;
- h) perform such other functions as are conferred on the authority;
- i) administer the EWURA Act.

In carrying out its functions, EWURA has a duty to enhance the welfare of the Tanzanian society by promoting effective competition and economic efficiency, protecting the interests of consumers and the financial viability of efficient suppliers, and promoting the availability of regulated services to all consumers, including low income, rural and disadvantaged consumers.

### 1.2. Governance Structure

EWURA is governed by the Board of Directors consisting of a Chairperson, who is a non-executive member, five non-executive members, and the Director General. The board is the highest decision-making organ within the organisation and is responsible for providing strategic direction and general oversight of EWURA's operations. The Director General is responsible for day-to-day operations and is assisted by eight divisional directors, three heads of units, and five zonal managers. The EWURA governance/organisation structure is shown in **Figure 1** below.



**Figure 1: EWURA's Organisation Structure**

### 1.2.1. Board of Directors

The composition of the Board of Directors during financial year 2022/23 and the tenure of the members are shown in **Figure 2** and **Table 1** respectively.

## BOARD OF DIRECTORS



**Prof. Mark J. Mwandosya**

Board Chairman



**Mr. Ahmad S.K. Kilima**

Board Member\*



**Mr. Richard M. Kayombo**

Board Member\*\*



**Ms. Victoria M. Elangwa**

Board Member



**Mr. Fadhili J. Manongi**

Board Member



**Eng. Ngosi X. Mwiwava**

Board Member



**Mr. Haruna S. Masebu**

Board Member



**Prof. Sifuni E. Mchome**

Board Member



**Eng. Modestus M. Lumato**

Board Member and  
Director General\*\*\*



**Dr. James A. Mwainyekule**

Board Member and Director  
General

**Figure 2: Composition of Board of Directors**

**Table 1: Tenure of the Board Members**

S/N	Name	Position	Date of Appointment	Date of End of Tenure
1.	Mark J. Mwandosya	Chairman	20 <sup>th</sup> August 2022	19 <sup>th</sup> August 2026
2.	Victoria M. Elangwa	Deputy Chairperson	20 <sup>th</sup> October 2022	19 <sup>th</sup> October 2026
3.	James A. Mwainyekule	Member	20 <sup>th</sup> October 2022	3 <sup>rd</sup> February 2023
4.	Ngosi C. Mwihava	Member	20 <sup>th</sup> October 2022	19 <sup>th</sup> October 2026
5.	Haruna S. Masebu	Member	20 <sup>th</sup> October 2022	19 <sup>th</sup> October 2026
6.	Fadhili J. Manongi	Member	20 <sup>th</sup> October 2022	19 <sup>th</sup> October 2026
7.	Sifuni E. Mchome	Member	27 <sup>th</sup> March 2023	26 <sup>th</sup> March 2027
8.	James A. Mwainyekule	Member and Director General	3 <sup>rd</sup> February 2023	2 <sup>nd</sup> February 2026
9.	Ahmad S.K. Kilima*	Member	20 <sup>th</sup> October 2014	19 <sup>th</sup> October 2022
10.	Richard M. Kayombo**	Member	20 <sup>th</sup> October 2014	19 <sup>th</sup> October 2022
11.	Modestus M. Lumato***	Member and Director General	11 <sup>th</sup> May 2022	2 <sup>nd</sup> February 2023

The Board of Directors has four committees, namely:

- Audit and Risk
- Energy
- Legal and Corporate Services
- Water

During financial year 2022/23, the board conducted a total of 27 meetings of which, 12 were ordinary and 15 were extra-ordinary. During the same period, the total number of meetings conducted by each committee was eight (8) for Audit and Risk, seven for Energy, eight (8) for Legal and Corporate Services, and five (5) for Water.

### 1.2.2. Management

The composition of the management during financial year 2022/23 is shown in **Figure 3**.



## MANAGEMENT



**Eng. Modestus M. Lumato**  
Director General  
(up to 31<sup>st</sup> January 2023)



**Dr. James A. Mwainyekule**  
Director General  
(from 1<sup>st</sup> February 2023)



**Ms. Kapwete L. John**  
Director of Legal Services



**CPA Stanley P. Mahembe**  
Director of Corporate Services



**Mr. Gerald M. Maganga**  
Director of Petroleum



**Mr. George M. Kabelwa**  
Ag. Director of Regulatory  
Economics



**Eng. Godfrey H. Chibulunje**  
Director of Electricity  
(up to 30<sup>th</sup> October 2022)



**Eng. Erick K. Rugabera**  
Ag. Director of Electricity  
(From 31<sup>st</sup> October 2022)



**Eng. Poline H. Msuya**  
Director of Natural Gas



**Eng. Exaudi F. Maro**  
Director of Water and Sanitation



**CPA Baptister G. Mgaya**  
Director of Internal Audit



**Mr. Titus M. Kaguo**  
Communications and Public  
Relations Manager



**Mr. Bahati B. Mwasibila**  
Ag. Procurement Management Manager  
(up to 22<sup>nd</sup> June 2023)



**Ms. Hirtrudice J. Jisenge**  
Procurement Management  
Manager (from 23<sup>rd</sup> June  
2023)



**Mr. Mtumwa M. Simba**  
Information and  
Communication Technology  
Manager

**Figure 3: Composition of Management Team**



### 1.3. Vision, Mission, and Core Values

EWURA operations throughout the financial year continued to be guided by its Vision, Mission, and Core Values as outlined below:

<b>Vision:</b>	To be a World-class Regulator for Sustainable Energy and Water Services
<b>Mission:</b>	To regulate energy and water utilities in a transparent, effective, and efficient manner that ensures their quality, availability, and affordability
<b>Core Values:</b>	Impartiality, Morality, Professionalism, Accountability, Consistency, and Transparency

### 1.4. Strategic Plan and Objectives

EWURA is operating under a five-year strategic plan covering the period from financial years 2021/22 to 2025/26. The plan outlines five strategic objectives that were developed by taking into consideration the EWURA mandate as provided under the EWURA Act and sectoral legislation, Tanzania Development Vision 2025, Ruling Party Manifesto, and National Five-Year Development (Plan 2021/22 – 2025/26). EWURA's Strategic Objectives are:

- Health services improved and HIV/AIDS infections reduced
- Effective implementation of the National Anti-Corruption Strategy enhanced and sustained
- Quality, availability, and affordability of regulated goods and services improved
- Public knowledge, awareness, and understanding of regulatory matters in the energy and water sectors enhanced
- Institutional capacity to regulate energy and water sectors strengthened

Financial year 2022/23 was the second year of implementing EWURA's Five-Year Strategic Plan 2021/22 – 2025/26.

## 2. REGULATORY OPERATIONS

### 2.1. Licensing

EWURA, by law, is mandated to grant, renew, and cancel licenses for the provision of regulated services in the energy (electricity, petroleum, and natural gas) and water sectors. EWURA also issues construction approvals for installations related to mid and downstream petroleum and natural gas facilities. Furthermore, EWURA registers electricity generation and distribution operators with a capacity of less than 1 Megawatt (MW).

During financial year 2022/23, EWURA issued 270 construction approvals in petroleum and 10 construction approvals in natural gas sub-sectors, 561 operational licenses and 1,605 electrical installation licenses. By the end of June 2023, there were a total of 2,653 active operational licenses, 8,362 electrical installation licences, and 58 registered electricity service providers with a capacity below 1 MW. Out of 2,653 active operational licenses, 2,529 were for the petroleum sub-sector, 5 for the natural gas sub-sector, 37 for the electricity sub-sector, and 85 for the water sector. Details of construction approvals and licenses issued during financial year 2022/23 by sectors are as detailed below:

#### a) Petroleum Sub-sector

During financial year 2022/23, EWURA issued 520 petroleum operational licenses and 270 petroleum facilities construction approvals compared to 475 and 290 issued in financial year 2021/22 respectively. **Table 2** shows the types of petroleum operating licenses issued in financial year 2022/23.

**Table 2: Petroleum Licenses Issued in Financial Year 2022/23**

License Type	New	New Conditional	Renewed	Grand Total
Village Retail	53	3	10	66
Retail	176	3	193	372
Petroleum Wholesale	21	-	6	27
Petroleum Storage	-	-	2	2
Lubricant Wholesale	6	-	2	8
LPG Wholesale	1	-	1	2
LPG Distribution	21	-	2	23
Consumer installation	10	3	-	13
Condensate Dealership	5	-	-	5
Bunkering	2			2
<b>Grand Total</b>	<b>295</b>	<b>9</b>	<b>216</b>	<b>520</b>

**b) Electricity Sub-sector**

During financial year 2022/23, EWURA issued three electricity generation licenses and 1,605 electrical installation licenses. There was no registration of a new service provider for the generation, distribution, or supply of electricity with a capacity below 1 MW.

**Table 3** shows service providers granted electricity generation licenses and **Table 4** shows details of electrical installation licenses issued in financial year 2022/23.

**Table 3: Electricity Generation Licenses Issued in 2022/23**

No.	Service Provider	Capacity (MW)	Source	Type of License
1	Suma Hydro Ltd	4	Hydro	Provisional, selling electricity to TANESCO
2	Bagamoyo Sugar Ltd	5	Biomass	Operational, for own use
3	Maweni Limestone Ltd	7.5	Coal	Operational, for own use

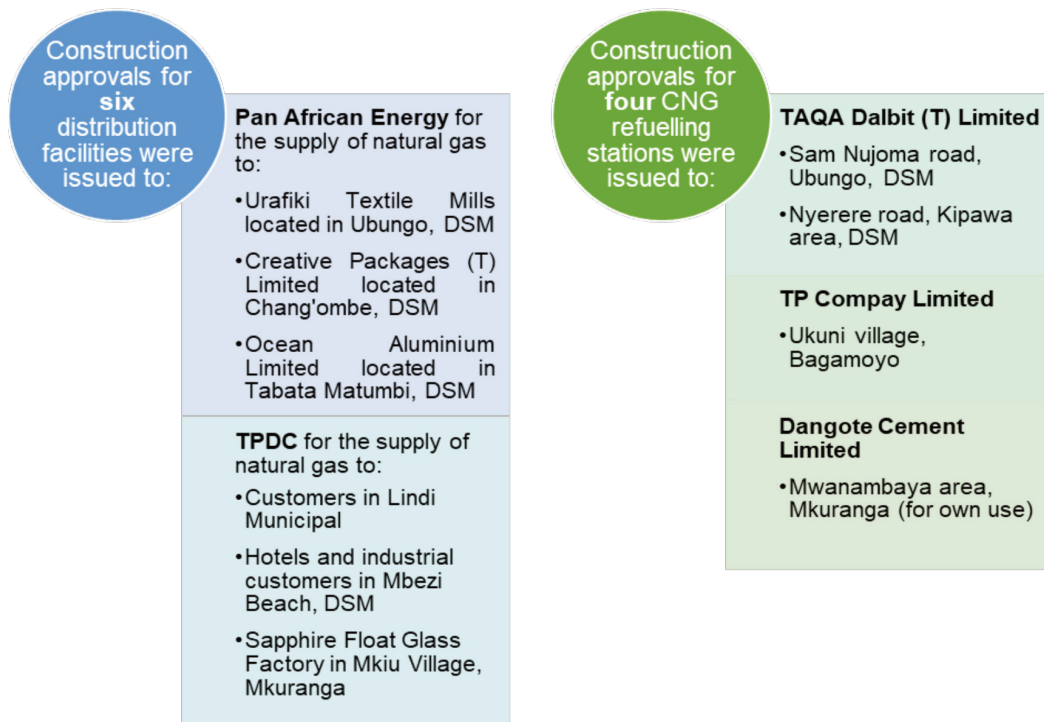
**Table 4: Electrical Installation Licenses Issued in FY 2022/23 and FY 2021/22**

No.	Electrical Installation License Class	Licenses Issued in FY 2022/23	Licenses Issued in FY 2021/22
1	Class A	40	34
2	Class B	97	93
3	Class C	976	505
4	Class D/W	490	468
5	Class S1	-	1
6	Class S2	-	1
7	Class S3	2	5
<b>Total Licenses Issued</b>		<b>1,605</b>	<b>1,107</b>

The increase in Class C licenses was mainly attributed to the deployment of TANESCO's system for the application of new electricity service line connections (Nikonekt), which is integrated with EWURA's Licensing and Order Information System (LOIS). The integration of the two systems resulted in the improved efficiency and control in regulating works of electrical installation personnel. Following the integration of the two systems, unlicensed electrical installation personnel are now automatically denied to undertake electricity installation activities and prompted to apply for licenses.

### c) Natural Gas Sub-sector

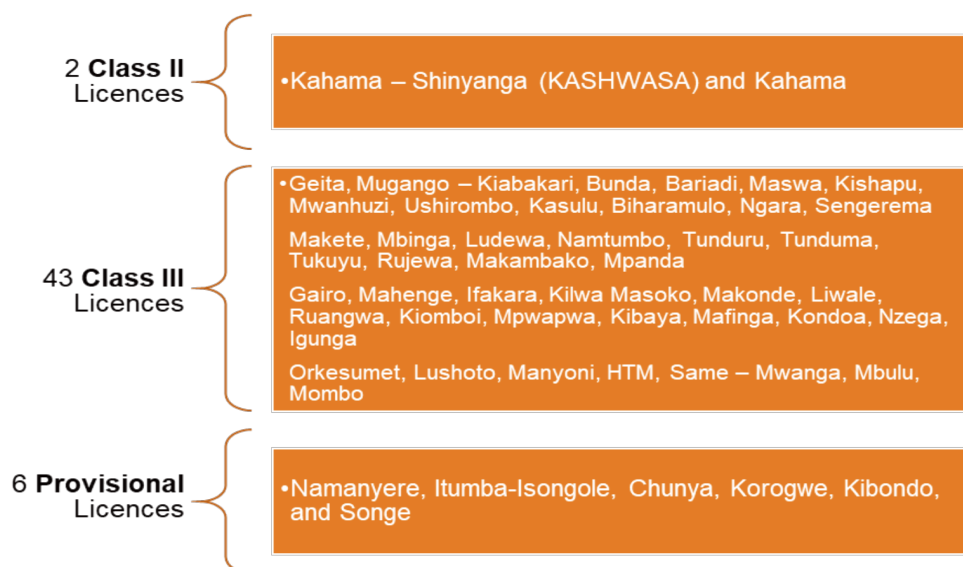
During financial year 2022/23, EWURA issued 10 approvals for the construction of natural gas facilities as shown in **Figure 4**.



**Figure 4: Natural Gas Facilities Construction Approvals issued in FY 2022/23**

### d) Water Sector

During financial year 2022/23, EWURA issued 51 licenses in the water sector as shown in **Figure 5** below.



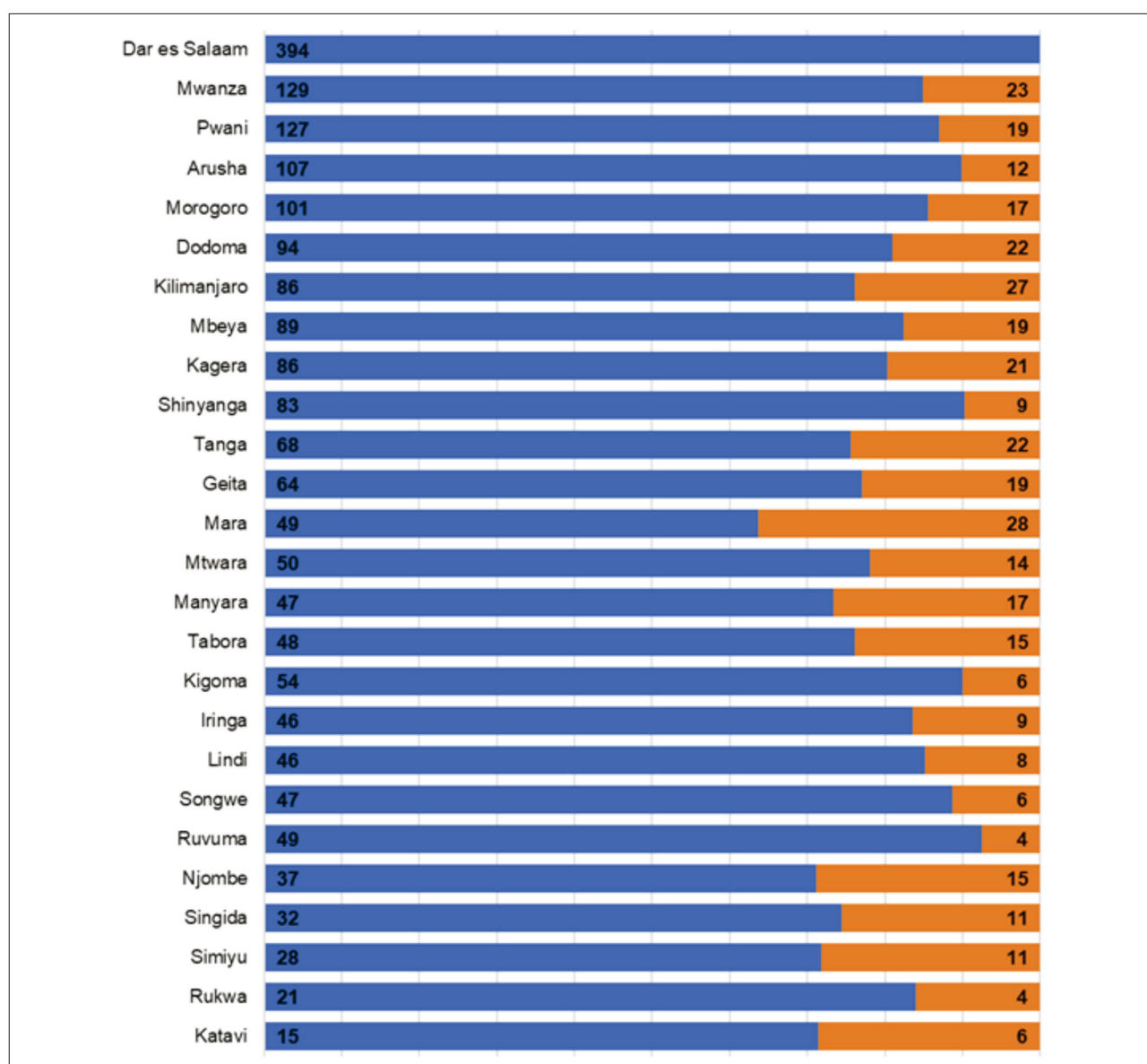
**Figure 5: Licenses Issued to WSSAs in Financial Year 2022/23**

## 2.2. Compliance Monitoring and Inspection

### 2.2.1. Petroleum Sub-sector

During financial year 2022/23, EWURA continued to perform compliance monitoring and inspection activities in petroleum facilities across the country. Activities performed included monitoring of compliance with petroleum products quality and infrastructure standards, monitoring operations of the fuel marking programme, monitoring compliance with petroleum products cap prices, monitoring petroleum products supply and consumption, and monitoring performance of the bulk procurement programme. Other activities were the evaluation of applications for licenses and construction approval and pre-licensing inspection in facilities that applied for new or renewal of licenses.

As of 30<sup>th</sup> June 2023, there were 21 operational petroleum receiving terminals with a total operational storage capacity of 1,343,115 m<sup>3</sup> out of an installed capacity of 1,409,244 m<sup>3</sup>, six (6) LPG storage facilities with a total storage capacity of 15,750 metric tons and 2,361 operating petrol stations in Tanzania, including 364 located in rural areas. **Figure 6** shows the number of petroleum retail outlets in mainland Tanzania by region as of 30<sup>th</sup> June 2023.



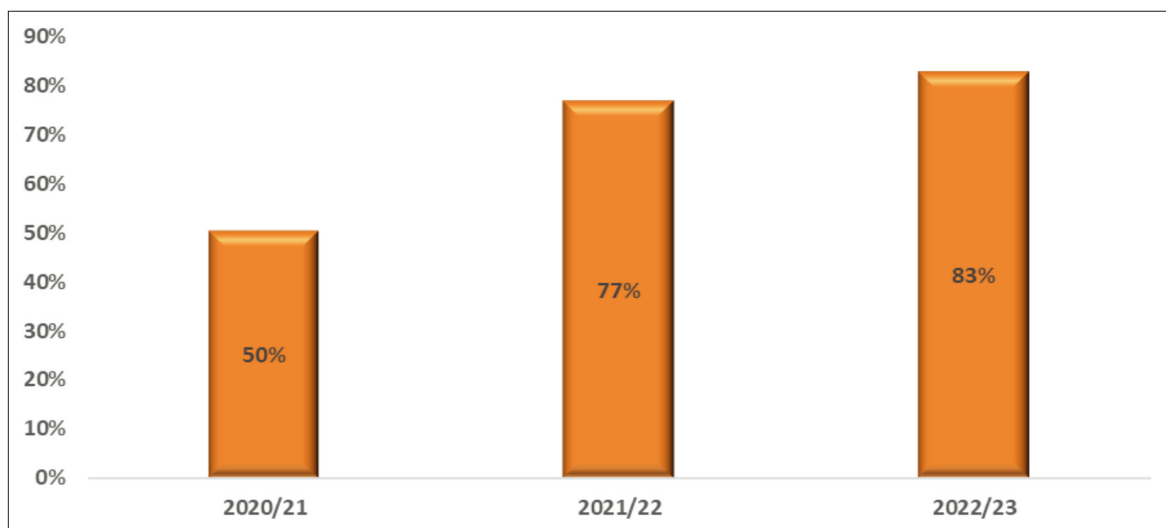
**Figure 6: Number of Petroleum Retail Outlets in Mainland Tanzania**

The details of compliance monitoring and inspection activities performed during financial year 2022/23 in the petroleum mid and downstream sub-sector are as outlined below.

**a) Inspection of Petroleum Facilities**

During financial year 2022/23, EWURA conducted compliance monitoring inspections to 903 petroleum facilities around the country. The objective was to assess the extent to which the facilities complied with the petroleum infrastructure standards, licensing conditions, and health, safety, and environmental requirements. Out of the inspected facilities, 747, equivalent to 83% met the requirements. A total of 156 facilities that did not meet the requirements were subjected to various measures, including closure until the identified irregularities were rectified.

In general, the level of compliance with petroleum infrastructure standards, licensing conditions, and health, safety, and environmental requirements, showed improvement with a notable increase to 83% in 2022/23 compared to 77% in 2021/22 and 50% in 2020/21 as indicated in **Figure 7**.

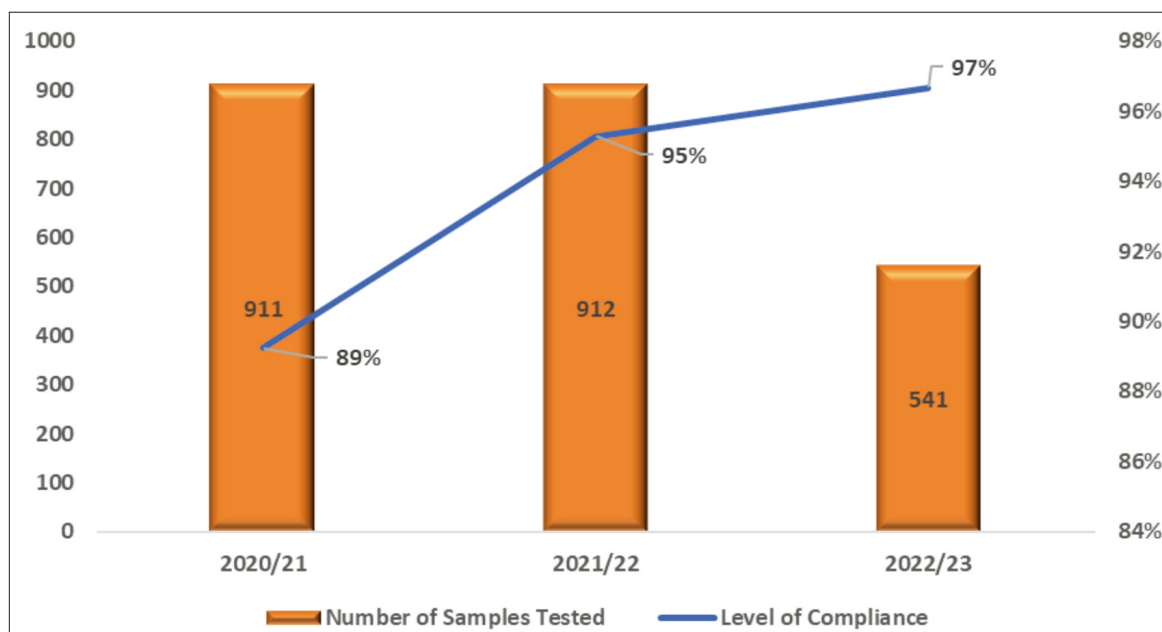


**Figure 7: The Level of Compliance with Petroleum Facilities Infrastructure Standards**

**b) Monitoring Petroleum Products Quality**

During financial year 2022/23, EWURA inspected petroleum storage depots and retail outlets to establish the level of compliance with petroleum products quality standards. A total of 541 samples of petroleum products were collected and tested out of which, 523, equivalent to 97% were found to conform with quality specifications. Appropriate legal actions were taken against service providers found with non-conforming petroleum products.

Generally, the compliance level to petroleum products quality standards has increased over the past three years from 89% in 2020/21 to 97% in 2022/23. **Figure 8** shows the trend of the level of compliance with petroleum products quality standards and the number of samples tested over



the past three years.

**Figure 8: Level of Compliance with Petroleum Products Quality Standards and Number of Samples Tested**

#### c) Monitoring Fuel Marking Programmes

The objective of the fuel marking programme is to safeguard tax revenues from petroleum products and enhance fair competition in the industry by ensuring that all consignments of petroleum products imported for sale within the country are marked and that no untaxed petroleum products get sold or offered for sale in the domestic market.

During financial year 2022/23, EWURA marked a total of 4,005,609,656 litres of petroleum products. This is an increase of 5% compared to 3,813,295,546 litres marked in financial year 2021/22. During the same period, EWURA also monitored fuel marker concentration levels for diesel, petrol, and kerosene through planned and ad-hoc inspections of a total of 1,145 petroleum facilities. Out of the inspected facilities, 1,085 facilities equivalent to 95% passed the test. The compliance level on fuel marker tests increased from 87% in 2021/22 to 95% in 2022/23 due to intensified fuel marker test inspections.

The volume of petroleum products marked over the past three years and the level of compliance with the fuel marker concentration test are shown in **Table 5**.

**Table 5: Volume of Marked Petroleum Products (in litres) and Fuel Marker Test Compliance Level**

FY	Petrol	Diesel	Kerosene	Total	Marker Test Compliance Level
2020/21	1,495,148,045	2,018,916,308	30,166,939	3,544,231,292	96%
2021/22	1,555,396,605	2,238,813,741	19,652,700	3,813,863,046	87%
2022/23	1,639,465,034	2,356,472,822	9,671,800	4,005,609,656	95%

#### d) Monitoring Compliance with Petroleum Products Cap Prices

During financial year 2022/23, a total of 1,330 petroleum retail outlets were inspected to verify compliance with petroleum products' monthly cap prices. Results indicated that 16 outlets, equivalent to 1.21% of inspected outlets, were found selling or offering for sale petroleum



products above the cap prices. Inspection results for the preceding two years, 2020/21 and 2021/22, were below 1% making the overall compliance level for the past three years steadily above 98%.

## e) Monitoring Petroleum Products Supply and Consumption

### i) Petroleum Products Supply

Petroleum products supplied in the country are imported through Dar es Salaam, Tanga, and Mtwara ports for domestic consumption and transit to neighboring countries.

During financial year 2022/23, a total of 3.890 billion litres of liquid petroleum products were imported for domestic consumption, indicating a decrease of 5% compared to 4.090 billion litres imported in 2021/22. The decrease in imports of liquid petroleum products is attributed to a shortage of foreign currency for payment of imported products. Imports for transit increased by 24% to 4.341 billion litres in 2022/23 from 3.501 billion litres imported in 2021/22.

During the same period, a total of 293,167 MT of LPG was imported in FY 2022/23, increasing by 16% from 252,023 MT imported in FY 2021/22. The increase in LPG importation is associated with efforts made to raise awareness to the public on the benefits of using LPG for cooking over traditional cooking energy sources (i.e. charcoal, firewood, and kerosene). The market was supplied with 59.686 million litres of lubricants, whereas 81% of the supply was from locally blended products, while the remaining quantity was imported.

### ii) Petroleum Products Consumption

During financial year 2022/23, the volume of liquid petroleum products consumed in the country was 4.446 billion litres, indicating an increase of 10.9% compared to 4.010 billion litres consumed in 2021/22. The annual consumption for diesel, petrol, kerosene, Jet A-1, HFO, and IDO is indicated in **Table 6** and the consumption of liquid petroleum products by regions is provided in **Table 7**.

**Table 6: Liquid Petroleum Products Consumption (in billion litres)**

FY	Diesel	Petrol	Kerosene	Jet A-1	HFO	IDO	Total
2022/23	2.521	1.639	0.010	0.243	0.033	0.000	4.446
2021/22	2.148	1.665	0.022	0.151	0.021	0.002	4.009
% Change	17.4%	-1.6%	-54.5%	60.9%	57.1%	-100.0%	10.9%

**Table 7: Liquid Petroleum Products Consumption by Regions**

Region	AGO	PMS	IK	Total
Arusha	148,522,022	110,138,172	1,072,277	259,732,471
Dar es Salaam	801,292,934	494,284,601	4,191,624	1,299,769,159
Dodoma	123,470,004	69,576,776	160,114	193,206,894
Geita	23,339,441	26,488,524	19,543	49,847,508
Iringa	83,922,618	43,471,474	108,495	127,502,587
Kagera	50,394,443	57,941,458	224,806	108,560,707
Katavi	15,516,839	5,819,913	9,165	21,345,917
Kigoma	17,101,917	25,395,939	9,839	42,507,695
Kilimanjaro	72,086,214	72,396,699	949,092	145,432,005

Region	AGO	PMS	IK	Total
Lindi	11,624,378	18,576,330	78,709	30,279,417
Manyara	21,647,195	20,986,288	-	42,633,482
Mara	15,040,726	21,312,676	18,060	36,371,462
Mbeya	128,212,491	80,963,923	210,385	209,386,799
Morogoro	110,873,686	73,002,066	312,410	184,188,163
Mtwara	51,454,191	48,289,266	50,406	99,793,864
Mwanza	198,600,327	166,732,290	831,567	366,164,185
Njombe	50,830,769	30,217,374	5,930	81,054,074
Pwani	152,638,465	49,766,593	181,462	202,586,520
Rukwa	17,195,164	16,679,406	72,644	33,947,214
Ruvuma	40,565,643	35,038,265	49,732	75,653,640
Shinyanga	59,186,872	38,824,803	21,295	98,032,969
Simiyu	5,985,897	5,413,604	-	11,399,500
Singida	24,851,722	24,017,345	37,333	48,906,400
Songwe	19,265,608	11,447,697	-	30,713,306
Tabora	28,490,646	23,626,265	36,929	52,153,840
Tanga	84,362,610	69,057,285	1,019,984	154,439,878
<b>TOTAL</b>	<b>2,356,472,822</b>	<b>1,639,465,034</b>	<b>9,671,800</b>	<b>4,005,609,656</b>

**f) Monitoring Performance of the Petroleum Bulk Procurement System**

Liquid petroleum products for local consumption are imported into Tanzania under the Bulk Procurement System (BPS). EWURA monitors the performance of BPS to ensure that sufficient quantities of petroleum products are imported to meet the country's requirements.

During financial year 2022/23, the Petroleum Bulk Procurement Agency (PBPA) awarded 105 tenders to suppliers who won BPS tenders to supply petroleum products into the country. A total of 110 tenders were awarded in financial year 2021/22. Tenders are awarded based on the lowest weighted average premiums for petroleum products received through each port. **Table 8** summarizes weighted average premiums in financial year 2022/23 for each product at Dar es Salaam, Tanga, and Mtwara ports.

**Table 8: Weighted Average Premiums in Financial Year 2022/23 by Product and Port (in USD/MT)**

Product	Dar es Salaam	Tanga	Mtwara	Average 2022/23	Average 2021/22	% Change
<b>Diesel</b>	112.0	153.7	188.9	115.7	41.6	178%
<b>Petrol</b>	169.4	181.9	199.5	171.0	57.7	196%
<b>Jet A-1 / Kerosene</b>	191.9	-	-	191.9	63.7	201%

**g) Evaluation of License and Construction Approval Applications**

EWURA issues approvals for the construction of petroleum facilities and licenses for petroleum operations. During financial year 2022/23, 357 applications for petroleum facilities construction approvals, 896 applications of licenses for new petroleum facilities, and 153 applications of license renewal for petroleum facilities were received and evaluated as indicated in **Table 9**.



**Table 9: Received and Evaluated Applications for Petroleum Licenses and Construction Approvals – 2022/23**

Applications	Construction Approval	New/ Renewal Licenses
From Previous Year	15	116
Received in 2022/23	357	1,049
<b>Total FY 2022/23</b>	<b>372</b>	<b>1,165</b>
Evaluated	372	1,165
Recommended for Approval	274	520
In progress	98	645

**h) Pre-licensing Inspection**

During financial year 2022/23, EWURA conducted pre-licensing inspections to a total of 663 petroleum facilities that applied for new and renewal of operational licenses. A total of 520 petroleum facilities were recommended to be granted licenses, out of which 304 were new and 216 were renewals.

**i) Incidents Investigation**

Section 30(2)(o) of the Petroleum Act, Cap 392 requires EWURA to investigate incidents related to petroleum operations that may result in damage to infrastructure, injury, or loss of life or property.

During financial year 2022/23, EWURA carried out investigations on ten incidents related to petroleum operations out of which, eight were road accidents involving tanker trucks, one on a storage tank, and one on a pipeline. Out of eight road accidents, three involved trucks carrying LPG and five trucks carrying petroleum white products.

**j) Environmental Impact Assessment and Audit Review**

During financial year 2022/23, EWURA participated in the review of Environmental Impact Assessment (EIA) and Environmental Audit (EA) studies related to petroleum facilities submitted to the National Environmental Management Council (NEMC) for consideration for issuance of EIA Certificates. A total of 176 EIA and 31 EA were reviewed and recommendations were submitted to the NEMC Technical Advisory Committee.

**2.2.2. Water and Sanitation**

During financial year 2022/23, EWURA continued with the implementation of regulatory activities in the water sector covering regional, district, township, and national project water supply and sanitation authorities in Tanzania's mainland. The main activities implemented included carrying out general inspections, monitoring water and wastewater quality, reviewing business plans, and approving customer service charters. Water supply and sanitation authorities (WSSAs) provide services in the designated areas under the terms and conditions of licenses issued by EWURA. During the reporting period, there were a total of 85 WSSAs, comprising 26 regional WSSAs (RWSSAs), 52 district and township WSSAs (DTWSSAs), and seven national projects WSSAs (NPWSSAs).

**a) General Inspections**

During financial year 2022/23, EWURA conducted general compliance monitoring inspections to 61 WSSAs. The objectives of the inspections were assessing the implementation of the recommendations made in the Water Utility Performance Review Reports of FY 2021/22 and compliance with directives issued in the previous inspections, implementation of the customer service charters, and targets set in the business plans.

Key findings from the inspections included inadequate human resource capacity, high NRW, dilapidated water infrastructures, lack of title deeds, absence of bulk water meters for measuring water production and abstraction, and inadequate financial and technical capabilities among WSSAs.

The overall compliance level on general inspection was 88%. EWURA issued directives to WSSAs found with non-compliance challenges to address identified shortfalls and to comply with applicable requirements.

**b) Pre-licensing Inspections**

The pre-licensing inspections were conducted on 51 WSSAs that applied for renewal of licenses following the expiry of their licenses. Out of 51 WSSAs, 45 were recommended to be issued with class licenses and 6 were recommended to be issued with provisional licences. The overall compliance level on pre-licensing inspections conducted to WSSAs was 82%.

**c) Water Quality Test**

During financial year 2022/23, EWURA conducted water quality monitoring inspections of 71 WSSAs. The major findings observed included non-compliance with residual chlorine, lack of operating procedures in the water treatment process, absence of water treatment facilities among WSSAs, and inadequate implementation of a water quality monitoring programme.

The overall compliance level with water quality standards was 71%. WSSAs found with non-compliance in water quality were directed to take corrective measures.

**d) Wastewater Quality Test**

During financial year 2022/23, EWURA conducted wastewater quality monitoring inspections of 15 WSSAs to establish whether the effluents from their wastewater treatment systems complied with wastewater standards issued by the National Bureau of Standards (TBS). Major findings observed were non-compliance with effluent Biochemical Oxygen Demand and Chemical Oxygen Demand concentration with TBS (TZS 860:2006) discharge limits.

The overall compliance level to wastewater quality standards was 71%. EWURA directed WSSAs found not complying with wastewater quality standards to identify causes of deviation from the standards on effluent quality and take necessary interventions.

**e) Special and Ad-hoc Inspections**

During financial year 2022/23, EWURA conducted special inspections of four WSSAs and ad-hoc inspections of three WSSAs. The objective of a special inspection was to establish the root cause of poor performance and provide recommendations for improvement while the objective of an ad-hoc inspection was to assess the situation on the matter complained about and advise on the way forward.

Special inspections were conducted to Mugango-Kiabakari, Songe, Makonde, and Wanging'ombe WSSAs and ad-hoc inspections were conducted to Mwanza and Dodoma WSSAs as well as DAWASA.

**f) Review of Business Plans and Customer Service Charters**

During financial year 2022/23, EWURA reviewed business plans for 44 WSSAs and approved customer service charters for 24 WSSAs. Business plans are among the documents used by the

authority to set water and sanitation tariffs and measure the performance of the water utilities. The review and approval of customer service charters were conducted to ensure that the quality-of-service targets included in the charters meet the minimum requirements specified in the Water Supply and Sanitation Services (Licensing and Quality of Service) Rules, 2020.

**g) Water Utilities Performance Reports**

During financial year 2022/23, the authority prepared two water utilities performance reports for financial year 2021/22 for regional and national water supply and sanitation authorities; and district and township water supply and sanitation authorities. The reports covering the technical, commercial, and financial performance of WSSAs were launched by His Excellency, Dr. Philip Isdor Mpango, the Vice President of the United Republic of Tanzania in March 2023.

**h) Capacity Building**

During financial year 2022/23, EWURA conducted capacity-building training for a total of 79 WSSAs on the preparation of a business plan, guidelines for water meter management, development of NRW reduction strategy, developing an incident management plan, performance benchmarking guidelines, and water safety plan.

**2.2.3. Electricity Sub-sector**

Regulated service providers in the electricity sub-sector in mainland Tanzania comprise TANESCO, Independent Power Producers (IPPs), Small Power Producers (SPPs), Very Small Power Producers (VSPPs), and electrical installation personnel. As of the end of June 2023, TANESCO remained the largest player, generating 83% of electricity in the country. The key power producers in Tanzania and their respective installed capacities are shown in **Table 10**.

**Table 10: Key Power Producers in Mainland Tanzania**

No.	Power Producer	Installed Capacity (MW)	Capacity for Sale into the Grid (MW)
1.	TANESCO Limited	1,661.95	-
2.	Songas Tanzania Limited	189.00	189.00
3.	Mwenga Limited	4.00	4.00
4.	Tanzania Wattle Company	2.75	1.50
5.	Tanganyika Planting Company Limited (TPC)	20.00	9.00
6.	Andoya Hydro-Electric Power Company Limited	1.00	1.00
7.	Tulila Hydro-Electric Power Company Limited	7.50	5.00
8.	Nextgen Solawaz	5.00	5.00
9.	Madope Hydro Company Limited	1.84	1.70

**a) Routine Inspections**

During financial year 2022/23, EWURA conducted routine compliance and performance monitoring inspections at 29 of TANESCO's regional offices. The inspections covered safety standards, quality and reliability of power supply, distribution losses, energy meter installation, construction standards on substations, and compliance with the customer service charter. Others were on the use of qualified electrical installation licensees, adherence to electrical installation standards, monitoring of supply facilities, and compliance with tariff order conditions.

The overall compliance level on inspections conducted in TANESCO's regional offices was 66%. The corresponding compliance levels for FY 2020/21 and 2021/22 were 50% and 58% respectively.

During the period under review, EWURA also conducted compliance and performance monitoring inspections of 11 entities licensed to generate electricity for sale, namely; Songas Tanzania Limited, Mwenga Hydro Limited, Andoya Hydro Electric Power Limited, Tulila Hydro Electric, Matembwe Village Company Limited, Darakuta Hydropower Development Company Limited, Yovi Hydro Power Plant, TPC Limited, TANWAT, and Nextgen Solawazi.

**b) Pre-licensing Inspections**

During financial year 2022/23, EWURA conducted pre-licensing inspections of two power project developers of biomass power plants of Bagamoyo Sugar Limited (5MW) and Maweni Limestone Limited (7.5MW) coal cogeneration power plants.

**c) Special and Ad-hoc Inspections**

During the period under review, EWURA conducted five special and ad-hoc inspections on work performed by electrical installation personnel in Dodoma and Bahi Districts, ad-hoc inspections at Julius Nyerere and Rusumo Falls Hydropower Projects to assess implementation progress and inspections at the Grid Control Centre and plants that supply power to the main grid to assess the situation of power security.

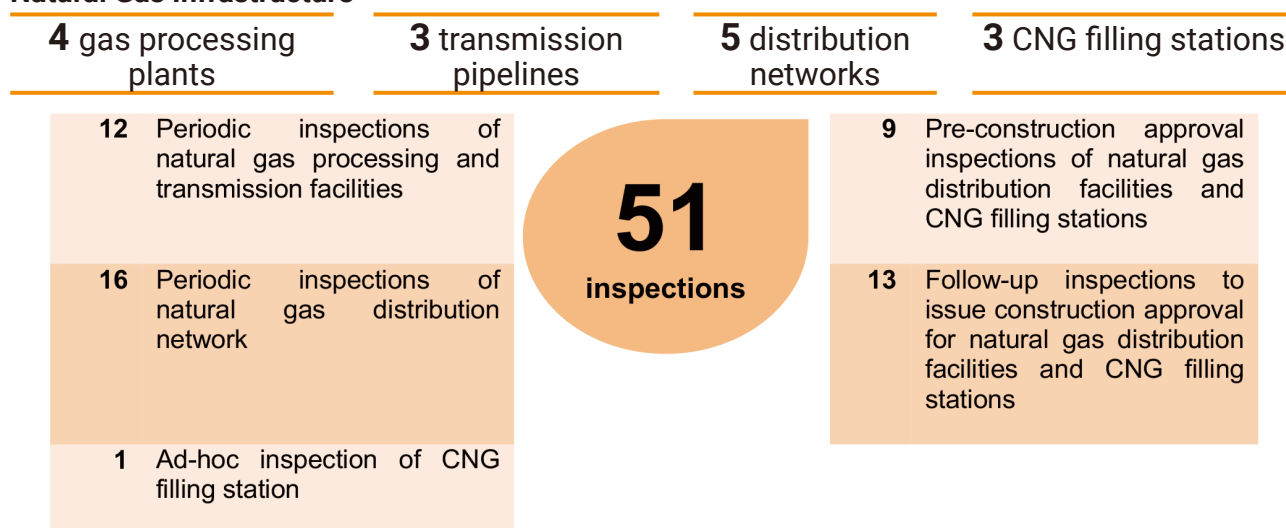
**d) Approval of Standardised Power Purchase Agreements**

During the period under review, EWURA approved 16 SPPAs between TANESCO and small power projects developers with a total capacity of 44.17MW. Out of 16 SPPAs, 11 were for hydropower plants with a capacity of 22.67MW, four were for solar power plants with a capacity of 20.00MW and one was for a biomass power plant with a capacity of 1.50MW.

**2.2.4. Natural Gas Sub-sector**

During financial year 2022/23, EWURA continued to implement regulatory duties in the mid and downstream natural gas sub-sector by performing compliance monitoring and inspection of natural gas facilities located in Mtwara, Lindi, Pwani, and Dar es Salaam.

**Natural Gas Infrastructure**



**a) Inspection Activities**

During financial year 2022/23, EWURA conducted a total of 51 compliance monitoring and inspections in natural gas processing plants, transmission pipelines, distribution networks, and

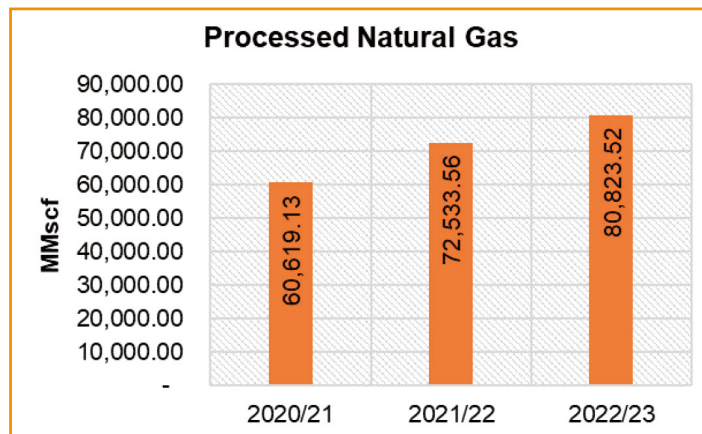
CNG facilities located in Dar es Salaam, Pwani, Mtwara, and Lindi.

As part of compliance monitoring, EWURA inspects and analyses the volume and quality of natural gas processed and consumed, verifies service providers' adherence to commercial terms and conditions, and assesses the level at which natural gas facilities comply with infrastructure standards and health, safety, and environment requirements.

### Processed Natural Gas

**11% increase in the processing of natural gas**

During financial year 2022/23, a total of 80,823.52 MMscf of natural gas were processed, which is an increase of 11% compared to 72,533.56 MMscf processed in the previous year.

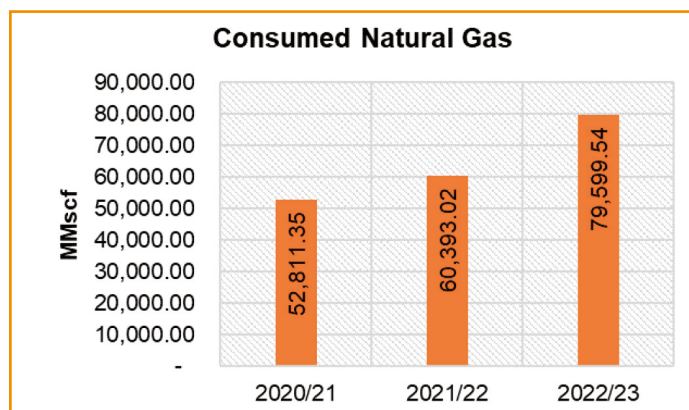


### Consumption of Natural Gas

**32% increase in consumption of natural gas**

During the period under review, natural gas consumption reached 79,599.54 MMscf, which is an increase of 32% from 60,393.02 MMscf consumed in 2021/22.

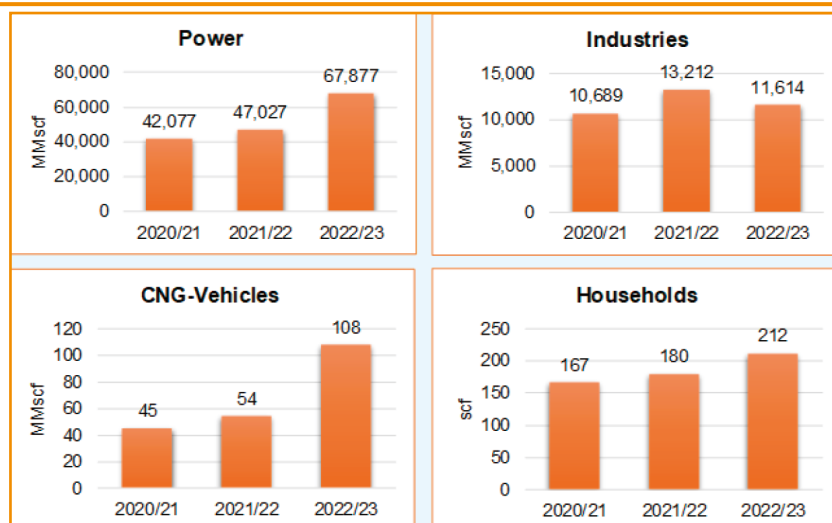
85% of the consumed natural gas in 2022/23 was used for power generation.



### Consumption level by usage

Financial year 2022/23 witnessed an increase in natural gas consumption in CNG vehicles (99%), power generation (44%) and households (18%).

Consumption by industries decreased by 12%.

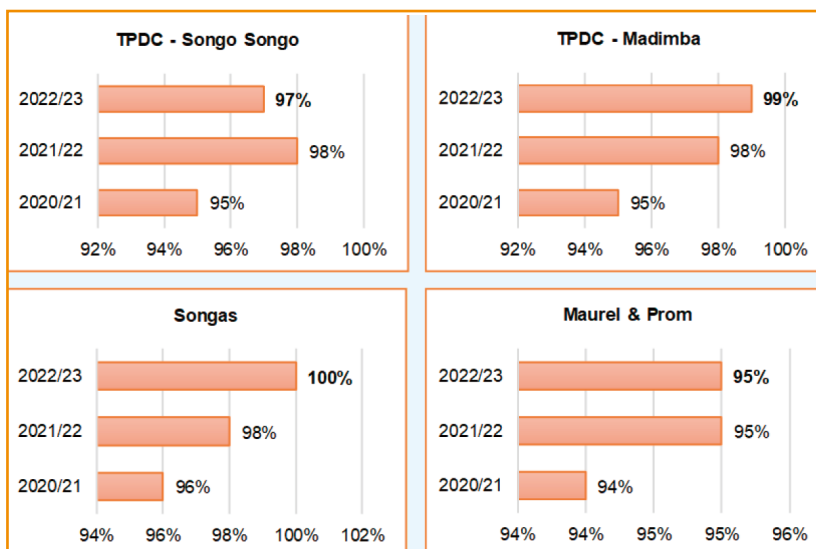




## Compliance level to infrastructure standards

In financial year 2022/23, inspections conducted in natural gas processing plants, transmission pipelines, and distribution networks in Dar es Salaam, Mtwara, Lindi, and Pwani regions indicated that the level of compliance with natural gas infrastructure standards was 95% and above.

## Compliance level at 95% and above



## b) Compressed Natural Gas Operations



### 3 CNG Filling Stations

#### 2 stations are for public use

- ❖ Pan African Energy Station located at Ubungu, DSM
- ❖ ANRIC Gas Technology station located at TAZARA, DSM

#### 1 station is for own company use

- ❖ Dangote Cement Limited station in Mtwara



### 8 CNG vehicle conversion workshops in DSM

#### 100% annual increase in workshops

- ❖ 4 workshops in 2021/22
- ❖ 2 workshops in 2020/21

#### Owners of the workshops are:

- ❖ Dangote Cement Limited
- ❖ ANRIC Gas Technology
- ❖ NK CNG Auto Limited
- ❖ MOL CNG Limited
- ❖ Kleenair CNG
- ❖ Dar es Salaam Institute of Technology (DIT)
- ❖ BICO-University of Dar es Salaam
- ❖ Triangle Limited and BQ Contractors



### 2,832 motor vehicles using CNG

#### 148% annual increase in motor vehicles that were converted to use CNG

- ❖ 1,139 vehicles in 2021/22
- ❖ 864 vehicles in 2020/21

## 2.3. Price Regulation

During financial year 2022/23, EWURA approved 13 tariff orders for water and sanitation services, and five for electricity services, and determined and published 12 monthly petroleum products cap prices.

#### a) Water and Sanitation Tariff Orders

During financial year 2022/23, EWURA approved tariff orders for 13 WSSAs with domestic rates ranging from 800 TZ/M<sup>3</sup> in the first year to 3,479 TZ/M<sup>3</sup> in the third year. **Table 11** shows the approved three-year domestic water tariffs for the 13 WSSAs.

**Table 11: Domestic Water Tariffs Approved in FY 2022/23**

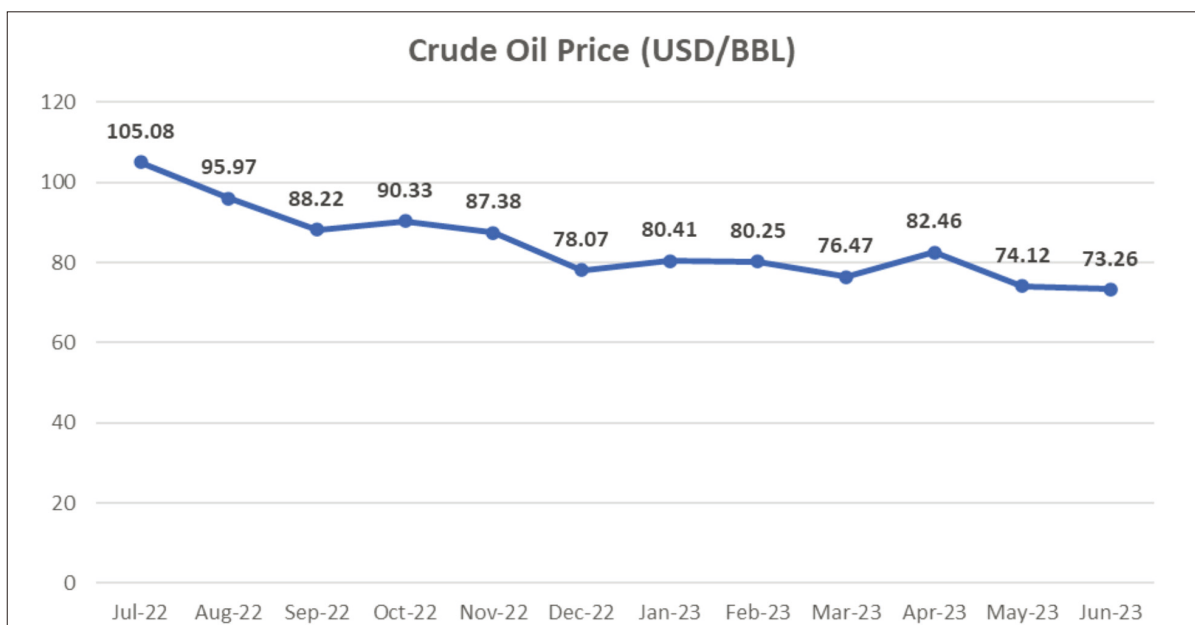
S/No	Name of WSSA	TZS/M <sup>3</sup>		
		Year 1	Year 2	Year 3
1	Karatu	1,563	1,594	1,615
2	Mtwara	1,785	1,896	-
3	Songea	1,640	1,680	1,730
4	Mpwapwa	1,430	1,450	1,510
5	Moshi	1,029	1,036	1,078
6	Mbulu	1,210	1,420	1,440
7	Mbeya	1,250	1,400	1,560
8	Babati	1,800	1,820	1,850
9	Arusha	1,840	1,840	1,850
10	Lushoto	800	900	1,000
11	Okesumet	3,236	3,427	3,479
12	Loliondo	2,100	2,200	2,200
13	Sumbawanga	1,563	1,594	1,615

#### b) Electricity Tariff Orders

During the period under review, EWURA received, reviewed, and approved five tariff applications for VSPPs from Powercorner Tanzania Limited, PowerGen Renewable Energy Limited, Jumeme Rural Power Supply, Watu na Umeme Tanzania Limited, and Husk Power System Limited.

#### c) Petroleum Products Pricing

During financial year 2022/23, EWURA monitored the trend of the price of crude oil and refined petroleum products in the world market. The price of crude oil in the world market decreased from 105.08 USD/BBL recorded in July 2022 to 73.26 USD/BBL in June 2023 as shown in **Figure 9**.



**Figure 9: Trend of Monthly Brent Crude Oil Price - 2022/23**

Similarly, world market prices for refined petroleum products between July 2022 and June 2023 decreased from 109.79 to 83.68 USD/BBL for petrol, from 139.43 to 87.61 USD/BBL for diesel, and from 129.80 to 86.74 USD/BBL for Jet-A1 as shown in **Table 10**.

**Table 10: Refined Petroleum Products World Market Prices - 2022/23**

Platts Market Price			
Month	Petrol (USD/BBL)	Diesel (USD/BBL)	Jet A1 (USD/BBL)
Jul-22	109.79	139.43	129.80
Aug-22	101.67	133.97	127.28
Sep-22	87.6	122.88	115.41
Oct-22	86.66	132.84	119.84
Nov-22	88.42	122.28	116.76
Dec-22	79.34	106.40	104.08
Jan-23	91.09	110.64	110.36
Feb-23	91.03	103.29	102.78
Mar-23	89.80	97.82	94.51
Apr-23	91.82	93.47	92.29
May-23	81.36	84.05	84.61
Jun-23	83.68	87.61	86.74

Monthly wholesale and retail cap prices for local petroleum products at Dar es Salaam, Tanga, and Mtwara regions published during financial year 2022/23 are shown in **Table 13** and **Table 14**.

**Table 13: Wholesale Local Petroleum Product Cap Prices – FY 2022/23**

Month	Dar es Salaam			Tanga			Mtwara		
	Petrol	Diesel	Kerosene	Petrol	Diesel	Kerosene	Petrol	Diesel	Kerosene
Jul-22	3,087.84	3,011.12	3,309.28	3,082.06	3,017.84	-	3,072.93	3,072.93	-
Aug-22	3,277.06	3,189.63	3,631.86	3,302.42	3,216.34	-	3,260.97	3,218.10	-
Sep-22	2,837.46	2,993.34	3,203.11	2,901.63	2,998.88	-	2,950.46	3,080.40	-
Oct-22	2,754.99	2,950.72	3,143.50	2,793.31	2,975.64	-	2,777.26	2,966.98	-
Nov-22	2,755.49	2,920.60	2,979.46	2,675.15	2,942.60	-	2,786.09	2,963.57	-
Dec-22	2,696.03	3,114.60	3,120.44	2,684.62	3,116.55	-	2,694.58	3,136.79	-
Jan-23	2,688.38	3,162.49	3,071.20	2,848.16	3,207.70	-	2,861.43	3,271.21	-
Feb-23	2,688.38	2,972.53	2,929.97	2,848.16	3,207.70	-	2,744.10	3,111.10	-
Mar-23	2,836.38	2,997.75	2,966.62	2,783.47	2,998.81	-	2,882.10	3,043.46	-
Apr-23	2,650.48	2,715.44	2,798.01	2,625.48	2,768.66	-	2,662.38	2,867.94	-
May-23	2,740.44	2,740.06	2,699.10	2,625.48	2,768.66	-	2,662.38	2,867.94	-
Jun-23	2,742.31	2,531.65	2,698.35	2,781.28	2,571.26	-	2,662.38	2,867.94	-

**Table 14: Retail Local Petroleum Product Cap Prices – FY 2022/23**

Month	Dar es Salaam			Tanga			Mtwara		
	Petrol	Diesel	Kerosene	Petrol	Diesel	Kerosene	Petrol	Diesel	Kerosene
Jul-22	3,220	3,143	3,442	3,214	3,150	3,488	3,205	3,172	3,514
Aug-22	3,410	3,322	3,765	3,435	3,349	3,811	3,393	3,351	3,838
Sep-22	2,969	3,125	3,335	3,033	3,131	3,381	3,082	3,213	3,408
Oct-22	2,886	3,083	3,275	2,924	3,108	3,322	2,908	3,099	3,348
Nov-22	2,886	3,052	3,111	2,806	3,074	3,157	2,917	3,096	3,183
Dec-22	3,249	3,247	3,252	2,815	3,249	3,298	2,825	3,269	3,325
Jan-23	2,819	3,295	3,203	2,979	3,340	3,249	2,993	3,404	3,275
Feb-23	2,819	3,105	3,061	2,979	3,340	3,107	2,875	3,244	3,134



Month	Dar es Salaam			Tanga			Mtwara		
	Petrol	Diesel	Kerosene	Petrol	Diesel	Kerosene	Petrol	Diesel	Kerosene
Mar-23	2,968	3,130	3,098	2,915	3,131	3,144	3,013	3,176	3,170
Apr-23	2,781	2,847	2,929	2,756	2,900	2,975	2,793	3,000	3,001
May-23	2,871	2,871	2,830	2,756	2,900	2,876	2,793	3,000	2,902
Jun-23	2,873	2,662	2,829	2,919	2,708	2,875	2,946	3,000	2,901

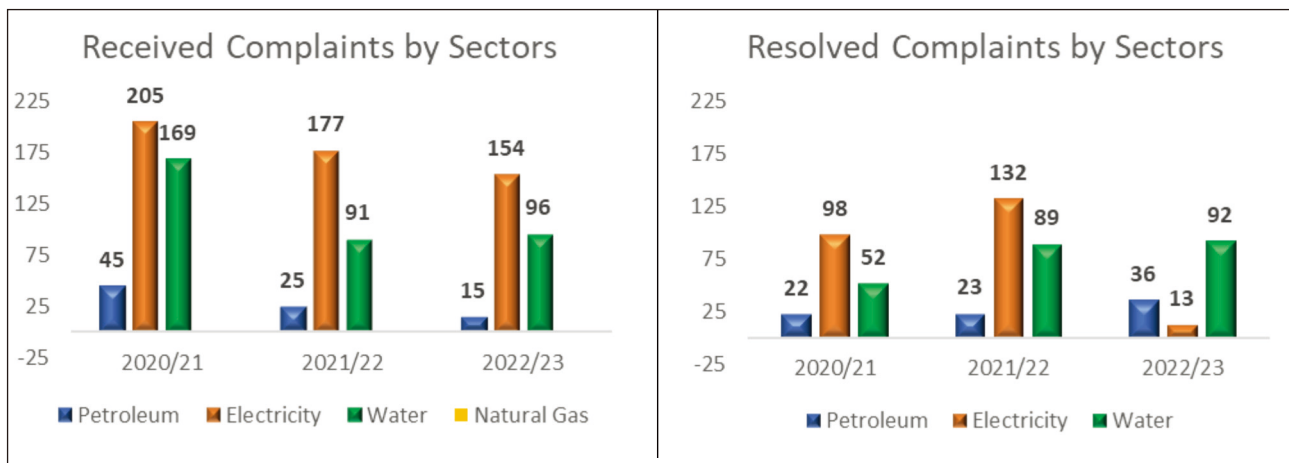
## 2.4. Consumer Complaint and Disputes Resolution

During financial year 2022/23, EWURA received a total of 265 complaints out of which 15 were in the petroleum sub-sector, 154 in the electricity sub-sector, and 96 in the water sector. No complaint was received in the natural gas sub-sector. A total of 69 complaints were carried forward from the previous year, making a total of 334 complaints that were in the register in financial year 2022/23. Furthermore, 141 complaints were resolved within financial year 2022/23 and by the end of the year, 193 complaints were in various stages of mediation and hearing.

**Table 14** shows details of the complaints that were handled in financial year 2022/23 and **Figure 10** shows the number of complaints received and resolved by sectors over the past three years.

**Table 14: Number of Consumer Complaints Handled in Financial Year 2022/23**

Regulated sector	From Previous Year	Received 2022/23	Total	Resolved in 2022/23	In Progress
Petroleum	2	15	17	13	4
Electricity	40	154	194	92	102
Water Supply & Sanitation	27	96	123	36	87
Natural Gas	-	-	-	-	-
Total	69	265	334	141	193



**Figure 10: Number of Complaints Received and Resolved by Sectors**

## 2.5. Compliance Enforcement and Litigation

EWURA enforces compliance with regulatory requirements to the regulated entities that are found with non-compliance issues during monitoring and inspection activities by issuing Compliance Orders or Notification of Offences. During financial year 2022/23, a total of 244 Compliance Orders and 71 Notification of Offences were issued against non-compliant service providers. Out of the entities found with non-compliance, 158 were fined the amount provided by law depending on the nature of the offence, and the rest were either issued with warnings or were exonerated after they had submitted sufficient explanation.

EWURA has been a party in cases instituted in various courts and the Fair Competition Tribunal (FCT). At FCT, EWURA is made a party to any appeal filed against its decision by the aggrieved party. In financial year 2022/23, seven appeals at the FCT, four from service providers and three from consumers, were decided whereby the tribunal upheld EWURA's decisions. Furthermore, three cases filed by EWURA in normal courts were decided in its favour. By the end of the year, 15 cases in which EWURA is a party were pending at the FCT and normal courts.

## **2.6. Local Content**

EWURA monitors the implementation of the requirements of the Petroleum (Local Content) Regulations, 2017, and the East African Crude Oil Pipe (EACOP) Project Host Government Agreement on the utilisation of Tanzanian human and material resources and services in petroleum operations. The objective of the local content is to stimulate the development of the capabilities of Tanzanians and to encourage local investment and participation in economic activities in the natural gas and petroleum industry in the country.

During financial year 2022/23, EWURA registered 436 business entities and 63 professionals in the Local Suppliers and Services Providers (LSSP) database. As of 30<sup>th</sup> June 2023, the number of registered local business entities and professionals in the LSSP was 1,878 and 298 respectively compared to 1,442 entities and 235 professionals that were in the register in 2021/22.

During the period under review, EWURA conducted compliance monitoring activities on the implementation of local content requirements to the EACOP Project, TPDC, PAET, Songas Tanzania Limited, and M&P. Monitoring of the activities was aimed at assessing the progress in the implementation of approved local content plans that were submitted to EWURA.

Participation of Tanzanians in natural gas projects, especially in the fields of employment, transfer of knowledge and technology, and purchase of goods and services has been increasing. Until 30<sup>th</sup> June 2023, the natural gas sub-sector through TPDC, Pan African Energy, Songas Tanzania Limited, and M&P had created about 791 direct jobs, whereby Tanzanians were 784, which is 98% of the total jobs created. This means that the operation and management of natural gas processing plants, transportation pipelines, and distribution networks are carried out substantially by Tanzanian citizens.

As of 30<sup>th</sup> June 2023, the East African Crude Oil Pipeline Project (EACOP Project) had created a total of 3,989 direct employment opportunities. Tanzanian citizens were 3,619, equivalent to 92%, while expatriate personnel were 370, which accounts for 8%.

## **2.7. Public Awareness of Regulatory Matters**

During financial year 2022/23, EWURA implemented the following public awareness activities:

### **a) TV and Radio Programmes**

EWURA designed and recorded 26 television programmes on regulatory functions, which were aired on television, radio, and social media platforms.

EWURA aired special interviews on local television stations such as TBC1, Azam, Channel Ten, and ITV on various regulatory matters. EWURA was featured in live and recorded radio broadcasts on local radio stations such as Planet FM, Radio Imaan, Manyara FM, Radio 5, E-FM, Zoe FM, Clouds FM, Radio One, Uhuru FM, and TBC Taifa. The authority was also featured in news bulletins on various TV and radio stations to discuss regulatory issues, especially on fuel cap prices and other regulatory functions.

**b) Advertisements**

During the period under review, EWURA published 126 batches of advertisements in newspapers covering public Inquiries, monthly petroleum products cap prices, and public notices.

**c) Feature Articles and Social Media**

During financial year 2022/23, EWURA published 44 feature articles in various media outlets and continued to use its website and official social media accounts on *YouTube, Twitter, Facebook, and Instagram* as well as *WhatsApp* groups to reach out to a wide spectrum of stakeholders.

**d) Seminars and Consultations**

During the period in review, EWURA conducted 20 meetings, seminars, and consultations with key stakeholders with a view of discussing and imparting regulatory knowledge. Stakeholders reached included prospective electricity contractors, members of parliament, oil marketing companies, compressed natural gas service providers, people with albinism, the Tanzania Editors' Forum, the Tanzania Truck Owners Association, water and sanitation utilities, and the Tanzania Petrol Stations Owners Association.

**e) Participation in Exhibitions**

During financial year 2022/23, EWURA participated at the 47<sup>th</sup> Dar es Salaam International Trade Fair (DITF) as well as in Nane Nane Exhibitions in all five (5) EWURA zonal offices. Further, EWURA participated in Geita Mineral Exhibitions, Iringa Tourism Exhibitions, Liquefied Petroleum Gas (LPG) Exhibition, Maji Week, and Nishati Week. During the exhibitions, public awareness sessions were conducted, and publications such as EWURA newsletters, brochures, regulated sectors performance reports, EWURA client service charter, and EWURA branded bags were distributed to the public.

**f) Customer Service Week**

Customer Service Week is designed to showcase special dedication to customers. In the period under review, EWURA commemorated Customer Service Week by the entire leadership serving and attending customers at the EWURA Reception Desk at the Head Office and the five zones in Dodoma, Mwanza, Arusha, Dar es Salaam and Mbeya regions.

**g) Donations and Contributions under CSR**

During the year under review, EWURA extended donations and contributions to support areas of education, health, and other social development activities of national interest.

**2.8. Development and Review of Regulatory Tools**

During financial year 2022/23, EWURA reviewed, amended, and published the following regulatory tools:

- a) The Energy and Water Utilities Regulatory Authority (Petroleum Products Price Setting) (Amendment) Rules, 2023
- b) The Petroleum (Wholesale, Storage, Retail and Consumer Installation) (Amendment) Rules 2023
- c) The Water Supply and Sanitation (Water Tanker Services) Rules, 2023. Dated 30/06/2023. GN. 427/2023.
- d) The Electricity (Electrical Installation Services) (Amendment) Rules, 2023

**2.9. Regional and International Cooperation**

EWURA is a member and participates in regional and international regulatory associations and corporations. Participation in these associations enables members to share experiences and have access to information necessary for regulation and performance benchmarking.

During financial year 2022/23, EWURA participated in the Energy Regulators Association (RERA) for Electricity Technical Regulation Sub-committee meetings held in Maseru, Lesotho, in April 2023.

### 3. GENERAL SUPPORT OPERATIONS

#### 3.1. Financial Management

##### 3.1.1. Revenue

EWURA's sources of revenue are provided under Section 43(1) of the establishing Act Cap 414 and consist of levies collected from regulated suppliers, fees payable for the grant and renewal of licenses, other payments or property due to EWURA in respect of any matter incidental to its functions, and any grants, donations, bequests, or other contributions made to EWURA.

The levies collected from regulated service providers in the energy and water sectors form 95% of the total revenue collected by EWURA. The remaining 5% is collected from license fees (2%), application fees (1%), and other income including penalties (2%). The regulatory levy rates that were charged during financial year 2022/23 were as indicated in **Table 16**.

**Table 16: Regulatory Levy Rates Charged in Financial Year 2022/23**

Description	Rate (TZS)
Petrol	5.20 per litre
Diesel	5.50 per litre
Kerosene	3.20 per litre
Water	1% of the Water Bill
Electricity	1% of Gross Sales of Electricity
Natural Gas	1% of Gross Sales of Natural Gas

During the period under review, EWURA earned a total of TZS 56.68 billion from its sources of revenue, which enabled it to finance the implementation of regulatory functions and remit to the consolidated fund and other Government institutions as required by the law. During the previous year, 2021/22, a total of TZS 55.76 billion was earned, recording an increase of about 2%.

The revenue earned from the regulatory levy has increased by 3% to TZS 53.63 billion from TZS 52.18 billion earned in FY 2021/22. The regulatory levy earned during the period under review and respective percentage contribution were, from the electricity sub-sector, TZS18.96 billion (35%), petroleum sub-sector, TZS 22.20 billion (41%), natural gas sub-sector, TZS 8.89 billion (17%), and water and sanitation sector, TZS 3.58 billion (7%).

##### 3.1.2. Expenditure

During the period, the authority incurred total expenses of TZS. 56.40 billion (2021/22: TZS. 53.57 billion), whereby TZS 44.52 billion (2021/22: TZS. 41.70 billion) was on recurrent expenditure inclusive of depreciation and TZS. 8.51 billion (2021/22: TZS. 8.38 billion) was for contributions made to the Treasury Registrar and TZS 3.37 billion (2021/22: TZS 3.49 billion) was remitted to other Government Institutions (EWURA CCC - TZS 2.29 billion, FCC-TZS 693.95 million, FCT- TZS 435.79 million and TZS 71.15 million to cover GCC expenses). During the same period, the authority incurred TZS 2.03 billion (2021/22: TZS 1.23 billion) on capital expenditure.

### 3.1.3. Financial Position

#### a) Assets

The authority's financial position as of 30<sup>th</sup> June 2023 shows a decrease of 1.1% in total assets i.e., TZS 34.99 billion (2021/22: TZS 35.40 billion). The decrease is attributed to a decrease in cash and bank balances to TZS 5.80 billion (2021/22: TZS 6.77 billion) a decrease by 14.3%; Inventories to TZS 180.57 million (2021/22: TZS 191.48 million) a decrease by 5.7%; Pre-payments to TZS 907.80 million (2021/22: TZS 1.15 billion) a decrease by 21.1%; Property and Equipment to TZS 14.57 billion (2021/22: TZS 14.49 billion) an increase by 0.5% and Intangible Assets to TZS 343.65 million (2021/22: TZS 632.63 million) a decrease by 45.7%.

During the same period, Trade and other Receivables increased by 8.5% to TZS 13.20 billion from TZS 12.17 billion in 2021/22

#### b) Liabilities

As of 30<sup>th</sup> June 2023, the authority recorded liabilities with the total amount of TZS 3.24 billion (2021/22: TZS 4.12 billion) indicating a decrease by 21.5% due to the payment of the 5<sup>th</sup> and last instalment of the NHC loan and settlement of other liabilities. The recorded liabilities during the year include; Trade and Other Payables TZS 2.46 billion (2021/22: TZS 1.71 billion) which comprised liabilities resulting from the supply of goods and services and recorded accrued expenses. Others are Gratuity Payable TZS 270.40 million (2021/22: TZS 210.40 million) indicating an increase of 28.52% and NHC Loan Payable balance of TZS 504.60 million (2021/22: TZS 2.21 billion).

### 3.1.4. Cash Flow Statement

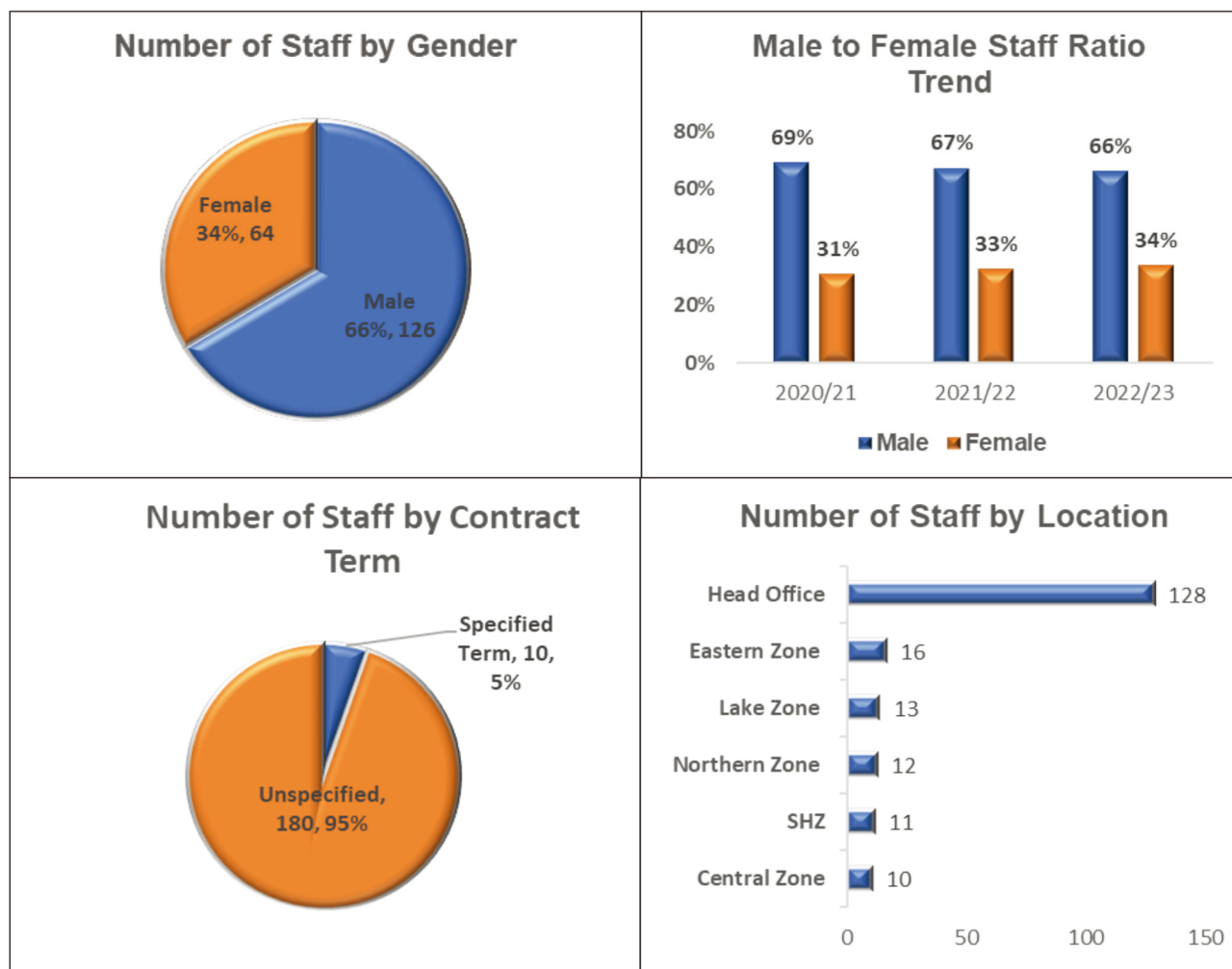
During the period, the authority was able to collect cash from its regulated suppliers in the form of regulatory levies (TZS 52.20 billion), penalties (TZS 1.38 billion), license fees (TZS 929.93 million), and license application fees (TZS 701.62 million). Generally, the authority was able to meet its obligations that matured during the year. The authority's cash flow position as of 30<sup>th</sup> June 2023 shows net cash of TZS 5.80 billion (2021/22: TZS 6.77 billion) indicating that the authority had enough money available to finance its operations and complete its transactions. Cash flow from operating activities during the year shows a net cash balance of TZS 2.11 billion (2021/22: TZS 7.48 billion) indicating that the authority had enough cash to meet its operating and excess to finance cash outflow for investing activities of TZS 1.37 billion (2021/22: TZS 1.76 billion) and cash outflow for financing activities of TZS 1.70 billion (2021/22: TZS 2.45 billion).

## 3.2. Human Resources Management and Administration

### 3.2.1. Establishment Profile

During financial year 2022/23, EWURA's staff establishment had a total of 216 positions, out of which 190, equivalent to 88% of the approved establishment were filled. Out of the filled positions, 128 staff members were stationed at the Head Office and 62 were working in the five zonal offices located in Mbeya (11), Mwanza (13), Arusha (12), Dar es Salaam (16), and Dodoma (10). During the same period, 10 staff (5%) were under specified term contracts while 180 staff (95%) were under unspecified contract terms. The ratio of male to female staff was 3:2. **Figure 11** shows the EWURA staffing profile in financial year 2022/23





**Figure 11: EWURA Staffing Profile - 2022/23**

### 3.2.2. Capacity Building

During financial year 2022/23, a total of 173 EWURA staff members attended short courses, seminars, professional workshops, and conferences in and outside the country on regulation, human resources management, financial management, information technology, administration, and technical matters.

### 3.2.3. Code of Conduct

Section 11(1) of the EWURA Act, Cap. 414 requires EWURA to adopt a code of conduct prescribing standards of behaviour to be observed by its members and employees in the performance of their duties. During the period under review, EWURA employees continued to observe the code of conduct. Neither violation of the code of conduct nor declaration of conflict of interest was reported.

### 3.3. Information and Communication Technology

Information and Communication Technology (ICT) plays a pivotal role in modernising and streamlining regulatory operations and in ensuring transparency, efficiency, and effectiveness in governance processes. During financial year 2022/23, to improve ICT services, EWURA implemented among other things, the installation of video conference facilities in Northern and Southern Highlands Zone Offices to enhance communications with the Head Office. The authority also conducted ICT security awareness training for its staff members to minimise the possibility of cyber-attacks and enhanced LOIS to allow the printing of electronic electrical installation from the system.

### **3.4. Procurement of Goods and Services**

During financial year 2022/23, EWURA continued with the implementation of its Annual Procurement Plan 2022/23 as part of facilitating the implementation of regulatory operations. A total of 36 tenders worth TZS 4.52 billion were planned to be implemented in financial year 2022/23. By the end of the year, 32 tenders worth TZS 3.28 billion, equivalent to 89% total number of tenders that were in the Annual Procurement Plan of 2022/23 were implemented to completion. The remaining four tenders were carried forward for completion in the financial year 2023/24.

### **3.5. Internal Audit and Assurance**

During financial year 2022/23, the Internal Audit Division continued to carry out audit activities that were aimed at providing objective and independent assurance to the Board of Directors and management on the effectiveness of risk management, governance, and internal controls. Audits conducted were mainly on regulatory operations, financial, and compliance matters, and the focus was on ensuring compliance with legislation, standards, and internal policies and procedures.

A total of 14 audit assignments out of 16 that were planned to be implemented in financial year 2022/23 were completed, indicating 88% achievement against a target of 70%.

### **3.6. Risk Management**

During financial year 2022/23, EWURA continued to implement risk management activities in line with the Guidelines for Developing and Implementing Institutional Risk Management Framework in Public Sector issued by the Ministry of Finance. Key activities undertaken during the period included updating divisional, units, and zonal risk registers, updating the EWURA main risk register, reporting status in implementation of risk mitigation actions every quarter, and training risk champions on conducting business impact analysis and preparing business continuity plans.

## **4. INSTITUTIONAL PERFORMANCE**

During financial year 2022/23, EWURA continued to report its performance to the Office of the Treasury Registrar in line with the Performance Agreement signed between the Board of Directors and the Treasury Registrar. The overall performance in financial year 2022/23 was 95%. Performance for the previous two years, 2020/21 and 2021/22 stood at 91%. During the same period, EWURA continued to maintain its certification of ISO 9001:2015 Standard – Quality Management System following a successful external surveillance audit conducted in September 2022.

## **5. ACHIEVEMENTS**

Implementation of regulatory activities in the energy and water sectors has contributed to improvement in the provision of regulated services in the country. During financial year 2022/23, EWURA achieved the following:

- a) The increase in the number of electrical installation Class C licenses from 505 licensed in FY 2022/23 to 976 licensed in FY 2022/23. This was attributed to the integration between EWURA's Licensing and Order Information System (LOIS) and TANESCO's system for the application of electricity connections (Nikonekt) which compelled unlicensed electrical installation personnel to apply for EWURA licenses.
- b) EWURA decisions were upheld in all 7 appeals filed at the Fair Competition Tribunal (FCT) and 3 cases in the courts of law were decided in favour of EWURA. The achievement is attributed to EWURA decisions being made based on applicable legislation.

- c) Improved delivery of electrical installation licenses following the configuration of the Licensing and Order Information System (LOIS) to allow applicants to access licenses electronically.
- d) Increase in the number of WSSAs having water treatment facilities from 91% as of 30<sup>th</sup> June 2022 to 94% as of 30<sup>th</sup> June 2023.
- e) Increase in the number of water connections. The number of water connections in the WSSAs service areas has increased by 14% from 1,186,766 as of 30<sup>th</sup> June 2022 to 1,351,603 as of 30<sup>th</sup> June 2023.
- f) Increase in the number of entities and professionals registered in the LSSP database from 1,442 and 235 as of 30<sup>th</sup> June 2022 to 1,878 and 298 as of June 2023 respectively
- g) Gross increase in installed capacity of 171.03 MW equivalent to 9.8% from 1,740.43MW in 2021/22 to 1,911.46MW in 2022/23. This has been achieved through the establishment of appropriate regulatory frameworks by EWURA.
- h) Decrease in consumer complaints on electricity services reported to EWURA from 177 in FY 2021/22 to 154 in FY 2022/23. This has been achieved through awareness creation that was provided by EWURA to both service providers and the general public in seminars, exhibitions as well as radio and television programmes.

EWURA continued to maintain certification on ISO 9001:2015 Standard – Quality Management System after a successful surveillance audit conducted in September 2022.

## 6. CHALLENGES AND THE WAY FORWARD

During financial year 2022/23, EWURA faced several challenges in the implementation of its regulatory activities. The following were the major challenges and ways forward.

- a) Low power reliability caused by inadequately maintained infrastructure as compared to the Quality of Service and Reliability Standard TZS 1374:2011. EWURA will continue to ensure that utilities comply with best practices and standards in constructing, operating, and maintaining infrastructure.
- b) Private sector investments in the electricity sub-sector continued to be low. EWURA in collaboration with other stakeholders will continue promoting private investments in the electricity sub-sector.
- c) Inadequate distribution network to meet the natural gas current and future market demand. The authority will continue to enhance regulatory tools to attract more private sector participation in the industry.
- d) Risks posed by third-party activities and encroachment along the natural gas transmission way leaves. EWURA will implement the agreed terms and conditions of the Memorandum of Understanding (MoU) for the Protection of Underground within shared way leave between way leaves owners and users, including ensuring its guidelines are adhered to.



- e) Inadequate investment in compressed natural gas (CNG) facilities to meet increased demand. The authority will continue to prepare and review existing regulatory tools governing the CNG business.
- f) Importation of second-hand CNG cylinders in the country compromises public safety. EWURA has signed the CNG activities MoU with TBS and CRB to jointly regulate the safety of CNG operations, including ensuring second-hand CNG cylinders are not imported into the country.
- g) The petroleum industry continued to face the risk of supply, most of the imported petroleum products continued to be received under financial hold due to the scarcity of U.S. dollars in the market and OMCs reduced importation orders. EWURA continued to collaborate with the Ministry of Energy, Ministry of Finance, PBPA, and the Bank of Tanzania to explore available alternatives to ensure the security of the supply of petroleum products.
- h) Low investment and awareness of sanitation services to WSSAs and the public. The authority will continue to enforce the developed regulatory sanitation tools to promote investments in sanitation services and provide capacity building to WSSAs on the provision and management of sanitation services.
- i) Unpreparedness for climate change and incidents affecting the provision of water supply and sanitation services. The authority will continue to conduct periodic awareness and enforcement of the developed Incident Management Planning Guidelines for WSSAs. The authority will also continue to insist that WSSAs prepare water safety plans that will ensure climate resilience to mitigate the impact of climate change on the quality of water.





THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



# ENERGY AND WATER UTILITIES REGULATORY AUTHORITY (EWURA)

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

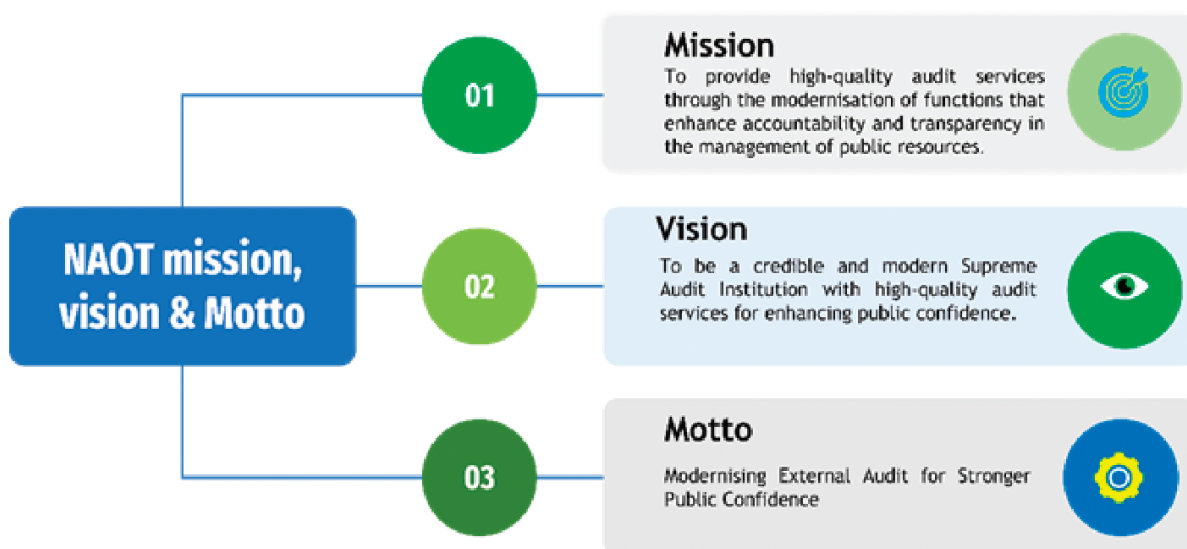
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## About the National Audit Office

### Mandate

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



### Independence and objectivity

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

### Teamwork Spirit

We value and work together with internal and external stakeholders.

### Results-Oriented

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



### Professional competence

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

### Integrity

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

### Creativity and Innovation

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

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## ABBREVIATIONS

<b>AFUR</b>	African Forum for Utility Regulators
<b>ARA</b>	African Refiners Association
<b>CAG</b>	Controller and Auditor General
<b>DTWSSA</b>	District and Township Water Supply and Sanitation Authority
<b>EREA</b>	Energy Regulators Association of East Africa
<b>ESAWAS</b>	Eastern and Southern Africa Water and Sanitation Regulators Association
<b>EWURA</b>	Energy and Water Utilities Regulatory Authority
<b>FCC</b>	Fair Competition Commission
<b>FCT</b>	Fair Competition Tribunal
<b>IPSAS</b>	International Public Sector Accounting Standards
<b>ISSAIs</b>	International Standard of Supreme Audit Institutions
<b>LAAC</b>	Local Authorities Accounts Committee
<b>LPG</b>	Liquefied Petroleum Gas
<b>NAO</b>	National Audit Office
<b>NARUC</b>	National Association of Regulatory Utility Commissioners
<b>PAA</b>	Public Audit Act
<b>PAC</b>	Public Accounts Committee
<b>PAR</b>	Public Audit Regulation
<b>PFA</b>	Public Finance Regulations
<b>PPA</b>	Public Procurement Act
<b>PPR</b>	Public Procurement Regulations
<b>PSSSF</b>	Public Service Social Security Fund
<b>RERA</b>	Regional Energy Regulators Association
<b>TBS</b>	Tanzania Bureau of Standards
<b>WSSAs</b>	Water Supply and Sanitation Authorities



## 1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Board of Directors,  
Energy and Water Utilities Regulatory Authority (EWURA),  
P.O. Box 2857,  
**DODOMA**

### 1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

#### Unqualified opinion

I have audited the financial statements of EWURA, 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 EWURA as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348.

#### Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of EWURA 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.

#### Emphasis of Matter

I draw attention to the matter below. My opinion is not modified with respect to this matter. Note 29.2 of the financial statements indicates that EWURA has a pending legal case filed by its former employee. Currently, the Authority has filed a submission, hearing on notice. The outcome of the case cannot presently be determined, and no provision for any liability that may result has been made in the financial statements. However, initial estimates indicate that the EWURA may be obliged to pay a sum of TZS 1,124,377,000 if the case is ruled in favour of the plaintiff.

#### 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 of Those Charged with Governance, statement of management responsibility, and Declaration by the Head of Finance but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report. My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information that I obtained prior to the date of this audit report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error..In preparing the financial statements, management is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the entity's financial reporting process.

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

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

As part of an audit in accordance with ISSAIs, I exercise professional judgment and maintain professional scepticism 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 EWURA for the financial year 2022/23 as per the Public Procurement laws. **Conclusion**

Based on the audit work performed, I state that procurement of goods, works and services of EWURA is generally in compliance with the requirements of the Public Procurement laws.

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

#### **Conclusion**

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



Charles E. Kichere  
**Controller and Auditor General,**  
**Dodoma, United Republic of Tanzania.**  
**December 2023**

## 2.0 REPORT OF THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2023

### 2.1 INTRODUCTION

The Board of Directors hereby presents the report together with the audited Financial Statements for the year ended 30 June 2023 which disclose the operating results and state of affairs of the Energy and Water Utilities Regulatory Authority.

### 2.2 ESTABLISHMENT

The Energy and Water Utilities Regulatory Authority (EWURA) is a multi-sectorial regulatory Authority responsible for technical and economic regulation of the energy (electricity, petroleum, and natural gas) and water sectors in Mainland Tanzania. EWURA undertakes its regulatory functions pursuant to the EWURA Act, Cap. 414, and sector legislation. EWURA's functions and responsibilities are also governed by the legislation of the relevant sector, including the Petroleum Act, Cap. 392; Electricity Act, Cap. 131; Water Supply and Sanitation Act, Cap. 272; Fair Competition Act, Cap. 285 and the Public Finance Act, Cap. 348.

EWURA's functions include; licensing of regulated suppliers, setting rates and charges for regulated goods and services, monitoring the performance in regulated sectors, facilitating the resolution of consumer complaints and disputes in the regulated sectors and dissemination of information about matters relevant to its functions.

During the period, EWURA operated in five zones namely: -

- a) **Lake Zone** covering seven regions which are Geita, Kagera, Kigoma, Mara, Mwanza, Shinyanga and Simiyu. The Lake Zone Office is in Mwanza City;
- b) **Southern Highlands Zone** covering six regions which are Katavi, Mbeya, Njombe, Rukwa, Ruvuma, and Songwe. The Southern Highlands Zone Office is located in Mbeya City;
- c) **Northern Zone** covering four regions which are Arusha, Kilimanjaro, Manyara, and Tanga. The Northern Zone Office is in Arusha City;
- d) **Central Zone** covering four regions which are Dodoma, Iringa, Singida, and Tabora. Central Zone Office is in Dodoma City; and
- e) **Eastern Zone** covering five regions which are Morogoro, Pwani, Dar es Salaam, Lindi, and Mtwara. Eastern Zone Office is in Dar es Salaam City.
- f) **EWURA** operations are overseen by the Board of Directors established pursuant to Section 8 of the EWURA Act, Cap 414.

### 2.3 VISION

The Authority's vision is: *"To be a World Class Regulator for Sustainable Energy and Water Services"*.

The set vision is attained through the following Key Performance Indicators (KPIs);

- (i) ISO 9001:2015 standards certification maintained
- (ii) Competent and motivated professional staff, applying best regulatory practices
- (iii) Leveraging modern technology for enhanced operations and services
- (iv) Substantial regulatory contribution to improved quality, availability, and affordability of energy and water services

## 2.4 MISSION

In line with the vision, the mission of the Authority is: -

*“To regulate energy and water utilities in a transparent, effective, and efficient manner that ensures their quality, availability, and affordability”.*

## 2.5 CORE VALUES

In pursuit of the Mission, EWURA has continued to be guided by six core values, which define its desired corporate culture as indicated in **Table 1**.

**Table 1: EWURA Core Values**

Core Values	Description
<b>I Impartiality</b>	Treat stakeholders with fairness. The duty of EWURA as a regulator is to set a level playing field and balanced the interests of all stakeholders
<b>M Morality</b>	EWURA Staff shall ensure they uphold standards of right and good conduct
<b>P Professionalism</b>	Performing our duties with the highest degree of competence and skills
<b>A Accountability</b>	Performing our duties in a manner that shows readiness to take full liability and responsibility for actions
<b>C Consistency</b>	Ensure uniformity, predictability, and coherence in accordance with regulatory practices
<b>T Transparency</b>	Operating fairly and openly and, without prejudice to equally accommodate the interests of all stakeholders

## 2.6 MOTTO

In line with its core values, EWURA uses the following motto to rally employees, consumers, suppliers, and stakeholders in general, behind its vision and mission.

**Motto: Fair Regulation for Positive IMPACT**

## 2.7 PRINCIPAL ACTIVITIES

The Authority is responsible for the technical and economic regulation of the energy (electricity, downstream petroleum, natural gas) and water and sanitation sectors in Tanzania. The functions of the Authority include licensing, tariff review, monitoring performance and standards regarding to quality, safety, health, and environmental issues of the regulated suppliers.

## 2.8 DUTIES OF THE AUTHORITY

Section 6 (a) –(f) of the EWURA Act, Cap. 414 provides the duties of the Authority and that in carrying out its functions the Authority strives to enhance the welfare of Tanzania society by:

- promoting effective competition and economic efficiency;
- protecting the interests of consumers;
- protecting the financial viability of efficient suppliers;
- promoting the availability of regulated services to all consumers, low income, rural and disadvantaged consumers;
- enhancing public knowledge, awareness, and understanding of the regulated sectors including:
  - The rights and obligations of consumers and regulated suppliers;



- ii). The ways in which complaints and disputes may be initiated and resolved; and
- iii). The duties, functions, and activities of the authority; considering the need to protect and preserve the environment.

## 2.9 FUNCTIONS OF THE AUTHORITY

The functions of the Authority are provided under Section 7 of the EWURA Act, Cap. 414 and are as follows:

- a) To perform the functions conferred on the Authority by sector legislation;
- b) Subject to sector legislation,
  - i). To issue, renew and cancel licenses;
  - ii). To establish standards for goods and services;
  - iii). To establish standards for the terms and conditions of supply of goods and services;
  - iv). To regulate rates and charges;
  - v). To make rules;
- c) To monitor the performance of the regulated sectors in relation to:
  - i). Levels of investment;
  - ii). Availability, quantity, and standard of services;
  - iii). The cost of services;
  - iv). The efficiency of production and distribution of services; and
  - v). Other matters relevant to the authority;
- d) In the case of petroleum and natural gas, to regulate transmission and natural gas distribution;
- e) To facilitate the resolution of complaints and disputes;
- f) To disseminate information about matters relevant to its functions;
- g) To consult with other regulatory authorities;
- h) To perform such other functions as are conferred on the authority; and
- i) To administer the EWURA Act.

## 2.10 AUTHORITY'S STRATEGY

The Authority's strategies used during the Financial Year ended 30 June 2023 were driven from its five years Strategic Plan (2021/22 to 2025/26). The plan is aimed at guiding the Authority to discharge its functions effectively and efficiently under the EWURA Act, Cap. 414; the Petroleum Act, Cap. 392; Electricity Act, Cap. 131; Water Supply and Sanitation Act, Cap. 272; Fair Competition Act, Cap. 285; and the Public Finance Act, Cap. 348.

Overall, the Strategic Plan embraces comprehensive programming and organizational development towards supporting the Government's efforts to enhance inclusive and competitive economic development through world-class economic and technical regulation of the energy (electricity, down and mid-stream petroleum and natural gas) and water sectors.

The strategic plan has five Strategic Objectives. Each strategic objective has been translated into strategies, service outputs, key performance indicators and targets. The Authority's Strategic objectives and strategies used to achieve the objectives during the period are in **Table 2**:

**Table 2: EWURA Strategic Objectives**

<b>Strategic Objectives</b>		<b>Strategies Used</b>
<b>A</b>	Health Services Improved and HIV/AIDS Infections Reduced	Implemented EWURA's HIV/AIDS Policy; and  Promoted prevention of non-communicable diseases
<b>B</b>	Effective Implementation of National Anti-Corruption Strategy Enhanced and Sustained	Institutionalized the National Anti-corruption Strategy
<b>C</b>	Quality, Availability, and Affordability of Regulated Goods and Services Improved	Developed and updated regulatory tools;  Strengthened enforcement of existing laws, regulations, rules, quality of service standards and codes in regulated sectors;  Promoted commercial viability of the regulated suppliers; and  Developed and implemented measures to protect consumers' interests
<b>D</b>	Public Knowledge, Awareness, and Understanding of Regulatory Matters in the Energy and Water Sectors Enhanced	Implemented the Information, Education, and Communication (IEC) Policy and Strategy
<b>E</b>	Institutional Capacity to Regulate Energy and Water Sectors Strengthened	Strengthened organizational and human resource management;  Enhanced conducive working environment;  Deployed modern ICT on regulatory and management functions;  Strengthened cooperation with national, regional, international regulatory institutions and associations;  Strengthened financial self-sufficiency;  Strengthened good governance, risk management and internal controls;  Complied with financial management and reporting standards;  Strengthened monitoring and evaluation of the Authority's performance;  Complied with Quality Management Standards (QMS); and  Complied with procurement legislation

## 2.11 CORPORATE GOVERNANCE

### 2.11.1 Composition of the Board of Directors

The Board of Directors consists of seven members; six of them are non-executive Directors and one Executive Director who is the Director General. All of them are Tanzanian citizens. At the end of the

reporting period, all positions were filled. The Board members, who served the Authority during the year ended 30 June 2023, are as follows:

**Table 3: EWURA Board Members**

S/N	Name	Position	Qualification	Date of Appointment	Date of End of Tenure	Age
1.	Mark J. Mwandosya	Chairman	Ph.D (Electronic and Electrical Engineering)	20 August 2022	19 August 2026	73
2.	Victoria M. Elangwa	Deputy Chairperson	MBA (Finance)	20 October 2022	16 October 2026	46
3.	James A. Mwainyekule*	Member and Director General	Ph.D (Finance)	20 October 2022	3 February 2023	47
4.	Ngosi C. Mwihava	Member	MSc. (Renewable Energy and the Environment)	20 October 2022	19 October 2026	64
5.	Haruna S. Masebu	Member	MSc. (Appraisal)	20 October 2022	19 October 2026	68
6.	Fadhili J. Manongi	Member	MA (Economics)	20 October 2022	19 October 2026	69
7.	Sifuni E. Mchome	Member	Ph.D (Law)	27 March 2023	26 March 2027	59
8.	Modestus M. Lumato	Member and Director General	MSc (Petroleum Engineering)	11 May 2022	2nd February 2023	53
9.	James A. Mwainyekule**	Member and Director General	Ph.D (Finance)	3 February 2023	2nd February 2026	47

*\*Dr. James A. Mwainyekule was appointed as a Board member on 22<sup>nd</sup> October 2022 up to 03<sup>rd</sup> February 2023.*

*\*\* Dr. James A. Mwainyekule was appointed to the position of Director General of EWURA on 3<sup>rd</sup> February 2023. The Director General is a member of the EWURA Board of Directors pursuant to Section 8 of the EWURA Act, Cap.414.*

### 2.11.2 Responsibilities of the Board of Directors

The overall responsibilities of the Board of Directors, among other things, are providing overall oversight of the Authority's operations, identifying key risk areas, monitoring investment decisions, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative and in compliance with sound corporate governance principles.

The Board is required to meet at least once a month for ordinary meetings and may call for extraordinary meetings when there is business to transact. The Board delegates the day-to-day management of the Authority to the Director General assisted by Management members.

The Authority is committed to the principles of effective corporate governance namely integrity, transparency, and accountability. During the year ended 30 June 2023, 12 Ordinary Meetings and 18 Extra Ordinary Board Meetings were held.

Key issues discussed and deliberated by the Board of Directors during the year were;

- a) Reviewed and set forth policies for guiding the Management in the conduct of its day-to-day activities;
- b) Reviewed and approved statutory performance reports and financial statements;
- c) Facilitated review and establishment/development of various regulatory tools;
- d) Issued, renewed and cancelled licences subject to sector legislation;
- e) Entered into a performance contract with the Director General and Treasury Registrar and monitored its implementation to ensure that the agreed performance targets were effectively and efficiently achieved;
- f) Decided on the necessary steps to protect the Authority's financial position and the ability to meet its debts and other obligations fall due during the period;
- g) Approved, monitored and oversee the implementation of EWURA's strategic plan (2021/22 - 2025/26, annual budget for the Financial Year 2022/23, audit plan and annual procurement plan for the Financial Year 2022/23; and
- h) Approved, monitored and oversaw acquisitions and management of EWURA's assets;

## 2.12 BOARD COMMITTEES

In streamlining its business operations, the Board has constituted sector-specific and cross-cutting issues Board Committees. During the Financial Year ended 30 June 2023, the Audit and Risk Committee, Legal and Corporate Affairs Committee, Energy Committee, and Water Committee, met regularly pursuant to section 21 of the EWURA Act, Cap.414. During the period under review, a total of 28 meetings were conducted by these committees as shown below;

### 2.12.1 Board Committee Meetings

The Board committee held 28 meetings during the financial year that ended 30 June 2023. The number of meetings held by each Board committee is shown in **Table 4**.

**Table 4: Board Committee Meetings**

S/N	Board Committee	Number of Meetings
1.	Audit and Risk	8
2.	Legal and Corporate Affairs	8
3.	Energy	7
5.	Water and Sanitation	5
	<b>Total</b>	<b>28</b>

Composition of each Board Committee and summary of activities performed during the period are as follows: -

### 2.12.2 Board's Audit and Risk Committee

The Board Audit and Risk Committee (BARC) was composed of four Members two being Co-opted members as shown in **Table 5**.

**Table 5: Members of BARC**

S/N	Name	Position	Qualification	Nationality
1.	Fadhili J. Manongi	Chairman	MA(Economics)	Tanzanian
2.	Victoria M. Elangwa	Member	MBA. (Finance)	Tanzanian
3.	Godfrey Ngonyani	Co-opted member	MBA (Finance), CPA(T), CISA	Tanzanian
4.	Nada Margwe	Co-opted member	BSc Mathematics & Physics, FCPA(T)	Tanzanian

During the period, the Board Audit and Risk Committee was able to discuss and deliberate on the following key issues.

- Reviewed EWURA Annual Budgets for FY 2022/23 and Management's proposals for budget re-allocation for FY 2022/23 and approved submission of the same to the Board for approval;
- Reviewed Financial Statements for the year ended 30 June 2022 and approved submission of the same to the Board for approval to be submitted to the Controller and Auditor General;
- Reviewed quarterly financial performance reports for the FY 2022/23;
- Reviewed quarterly the implementation status of the Internal Audit directorate, Procurement Management Unit as delineated in the Annual Action Plan and approved submission of the same to the Board for adoption;
- Reviewed the Authority's audit reports and approved submission of the same to the Board for adoption;
- Reviewed and recommended to the Board various measures to manage risk; and
- Advised the Board on matters related to the orderly functioning of the financial, procurement, audit and risk activities.

### 2.12.3 Board's Legal and Corporate Affairs Committee

The Board Legal and Corporate Affairs Committee (BLCAC) was composed of four Members as shown in **Table 6**.

**Table 6: Members of BLCAC**

S/N	Name	Position	Qualification	Nationality
1.	Sifuni E. Mchome	Chairman	Ph.D (Law)	Tanzanian
2.	Haruna S. Masebu	Member	MSc (Appraisal)	Tanzanian
3.	Victoria M. Elangwa	Member	MBA. (Finance)	Tanzanian
4.	James A. Mwainyekule	Director General and Member	Ph.D (Finance)	Tanzanian

During the period, the Board Legal and Corporate Affairs Committee discussed and deliberated on the following key issues;

- Reviewed recommendations made by Management in respect of hearing complaints in the regulated sectors and approved submission to the Board for adoption;
- Adopted awards emanating from mediation settlements;
- Reviewed Human Resources related documents and policies and approved the same for submission to the Board for final approval;
- Reviewed legal services, regulatory economics and corporate services directorates, ICT Unit, Communications and Public Relations Unit, Zonal, governance and related documents and approved the same for submission to the Board for adoption;
- Reviewed the Authority's Annual Report and approved the same for submission to the Board for adoption;

- f) Reviewed on a quarterly basis the implementation status of the legal services, regulatory economics and corporate services directorates, ICT Unit, Communications and Public Relations Unit and zonal activities as delineated in the Annual Action Plan and approved the same for submission to the Board for adoption;
- g) Reviewed any cross-cutting matters of a legal, administration and/or corporate nature; and
- h) Advised the Board on matters related to the orderly functioning of the legal and corporate services activities.

#### 2.12.4 Board's Energy Committee

During the period, the Board Energy Committee (BEC) was composed of four Members as shown in **Table 7:**

**Table 7: Members of BEC**

S/N	Name	Position	Qualification	Nationality
1.	Haruna S. Masebu	Chairman	MSc. (Appraisal)	Tanzanian
2.	Fadhili J. Manongi	Member	MA. (Economics)	Tanzanian
3.	Ngosi C. Mwhava	Member	MSc. (Renewable Energy and the Environment)	Tanzanian
4.	James A. Mwainyekule	Director General and Member	Ph.D (Finance)	Tanzanian

The Board Energy Committee discussed and deliberated on the following key issues;

- a) Considered and approved Management's recommendations to issue, renew or cancel of regulated suppliers' class licences in the Petroleum, Electricity and Natural Gas sub-sectors;
- b) Approved the Management's recommendations related to licence applications for wiremen and electrical contractors' licences;
- c) Considered and approved the Management's recommendations to submit various regulatory tools in respect of the Petroleum, Electricity and Natural Gas sub-sectors to stakeholders for comments;
- d) Reviewed and approved submission of the annual sector reports in the Petroleum, Electricity and Natural Gas sub-sectors to the Board for adoption;
- e) Received, reviewed and approved for the Board adoption of the progress reports related to compliance monitoring by regulated suppliers in the Petroleum, Electricity and Natural Gas sub-sectors;
- f) Reviewed quarterly basis the implementation status of the Petroleum, Electricity and Natural Gas directorates' activities as delineated in the Annual Action Plan and approved the same for submission to the Board for adoption; and
- g) Advised the Board on matters related to the orderly functioning of the Petroleum, Electricity and Natural Gas sub-sectors

#### 2.12.5 Board's Water Committee

The Board Water Committee (BWC) was composed of four Members as shown in **Table 8:** -



**Table 8: Members of BWC**

S/N	Name	Position	Qualification	Nationality
1.	Ngosi C. Mwhava	Chairman	MSc. (Renewable Energy and the Environment)	Tanzanian
2	Fadhili J. Manongi	Member	MA(Economics)	Tanzanian
2.	Haruna S. Masebu	Member	MSc. (Appraisal)	Tanzanian
3.	James A. Mwainyekule	Director General and Member	Ph.D (Finance)	Tanzanian

During the period, the Board Water Committee discussed and deliberated on the following key issues;

- considered the Management's recommendations on the applications to issue, renew or cancel regulated suppliers' class licences in the Water sector;
- considered and approved the Management's recommendations to submit various regulatory tools in respect of the Water sector to stakeholders for comments;
- reviewed and approved the submission of the annual water sector performance reports to the Board for adoption;
- reviewed on a quarterly basis the implementation status of the water and sanitation directorate activities as delineated in the Annual Action Plan and approved the same for submission to the Board for adoption; and
- advised the Board on matters related to the orderly functioning of the Water Supply Sector

## 2.13 MANAGEMENT OF THE AUTHORITY

EWURA is governed by the Board of Directors which is the highest decision-making organ of the Authority, while the Director General manages the day-to-day activities of the Authority. The Authority's Management is composed of eight Directorates and three Units as follows: -

### a) Directorates

- Directorate of Corporate Services;
- Directorate of Legal Services;
- Directorate of Internal Audit;
- Directorate of Natural Gas;
- Directorate of Water and Sanitation;
- Directorate of Petroleum;
- Directorate of Electricity;
- Directorate of Regulatory Economics

### b) Units

- Information, Communication and Technology Unit;
- Communications and Public Relations Unit; and
- Procurement Management Unit.

During the period, Management undertook its functions and ensured all matters related to the administration and operation of the Authority were effectively handled and the Authority achieved its strategic objectives.

## 2.14 AUTHORITY'S KEY STRENGTHS AND RESOURCES

The Authority continued to give priority to key resources which are people, tangible and intangible resources such as appropriate technology which contribute to strengthening service delivery, productivity, and financial sustainability. These strengths and resources are briefly explained as follows.

### a) Human Resources

Customer satisfaction is mostly anchored on people and hence employees continue to be the most important assets. Their zeal, hardworking and commitment have ensured the Authority that performs well during the year. The Authority has skilled, motivated, and experienced employees who are considered key resources in the implementation of strategic objectives. The Authority encourages and supports capacity building programmes to impart the required knowledge to employees to give them an edge in performing their activities.

During the financial year that ended 30 June 2023, the Authority sponsored its staff to attend different trainings on their professions, regulatory matters and management. The Authority also encourages employee participation in decision making processes through appropriate modalities and encourages openness and honest communications.

### b) Cooperation and Support from various Stakeholders

The Authority has internal and external stakeholders and has been encouraging harmonious relationships with them. Their support and involvement in EWURA activities make a significant impact and contribution to service delivery to the public. The Authority has continued receiving enormous support from key stakeholders. Among others include Suppliers and Consumers of regulated goods and services, the Ministry of Energy, Ministry of Water, EWURA Consumer Consultative Council (EWURA CCC), Government Consultative Council, Tanzania Oil Marketing Companies (TAOMAC), Tanzania Petrol Station Operators Association (TAPSOA), Association of Tanzania Water Suppliers (ATAWAS), Tanzania Revenue Authority (TRA), Zanzibar Utility Regulatory Authority (ZURA), Ministry of Finance and Planning, Treasury Registrar, The Parliament of United Republic of Tanzania, Police, Tanzania Bureau of Standards (TBS), Tanzania Ports Authority (TPA), Weights and Measures Agency (WMA), Attorney General (AG), and other Regulatory Authorities in the country.

The Authority has strong ties and working relationships with relevant international organizations such as African Forum for Utility Regulators (AFUR), Eastern and Southern Africa Water and Sanitation (ESAWAS) Regulators Association, Energy Regulators Association of East Africa (EREA), Regional Energy Regulators Association (RERA), National Association of Regulatory Utility Commissioners (NARUC), and *Gesellschaft fur Internationale Zusammenarbeit* (GiZ).

### c) Legal Framework

In discharging its duties and functions, the Authority is guided by its establishing Act, Sector Legislation, and Subsidiary legislations in the Water and Sanitation, Electricity, Natural Gas, and Petroleum. The EWURA Act, Cap. 414, as amended from time to time together with sector legislations, govern the conduct of the activities of the Authority. The sector legislations include the Electricity Act, Cap. 131, Water and Sanitation Act, Cap. 272 and the Petroleum Act, Cap.392. These tools (EWURA Act, Petroleum-18 rules, Electricity-14 rules, Natural Gas-10 rules, Water and Sanitation- 4 rules, and 15 Regulations) were key and useful during the financial year under review.

#### d) Information and Communication Technology

The Authority operates in electronic information systems that include the use of ICT networks, servers, Laptops, and Personal Computers (PCs) peripherals across the Authority's offices. The Authority's information system is interconnected with a network that ties various systems all together; and provides communication to other computers outside networks. Most of the authority regulatory processes are automated and integrated to smooth regulatory activities. These include the licensing process, Integrated Financial Management System, Document Management System (DMS), Performance appraisal system, regulatory performance monitoring for Water and Sanitation Services, Electricity, Petroleum and Natural gas, and eBoard. During the period, the Authority continued to use government-developed systems which include Government Electronic Payment Getaway (GePG), Planning and Reporting System (PLANREP), Tanzania National e-Procurement System (TANePS), GPSA Integrated Management Information System (GIMIS) and Office of Treasury Registrar Management Information System (OTRMIS). In addition, the Authority has improved the office communication network within EWURA offices that is the head office and zonal office, and the petroleum Cap Price Information System (CPIS).

#### e) Financial Sustainability

The Authority's sources of revenue are provided under Section 43(1) of the establishing Act Cap 414. The funds and resources of the Authority consist of: -

- i). Fees collected by the Authority including, fees payable for the grant and renewal of licenses;
- ii). Levies collected from regulated suppliers;
- iii). All other payments or property due to the Authority in respect of any matter incidental to its functions; and
- iv). Any grants, donations, bequests, or other contributions made to the Authority.

During the period under review, the Authority was able to earn TZS 56.68 billion (2021/22 TZS 55.76 billion) from its revenue sources which enabled it to finance the implementation of regulatory functions and remit to the consolidated fund and other Government institutions as required by the Law.

## 2.15 RELATIONSHIP WITH STAKEHOLDERS

The relationship between the Authority and key stakeholders is analysed through the expectations of the stakeholders. The key stakeholders are categorized into 13 groups. During this period, the Authority performed its regulatory functions while ensuring that the expectations of its key stakeholders were met. **Table 9** provides such analysis: -

**Table 9: Relationship with Stakeholders**

S/N	Stakeholder	Stakeholders' Expectations during the period
1.	The Government and its Institutions	<ul style="list-style-type: none"> <li>❖ Alignment of the regulation programmes with the national agenda on promoting an industrial economy.</li> <li>❖ Transparency and professionalism in conducting regulatory functions and promptly rendering professional advice on matters falling under EWURA.</li> <li>❖ Advise on policy and legislation of the regulated sectors.</li> <li>❖ Implementation of the regulated sector policies and Acts including aspirations enumerated in national and international planning frameworks.</li> <li>❖ Fit for purpose, value for money, and legal compliance in EWURA operations.</li> <li>❖ Good governance practices, including combating corruption and promotion of gender equality.</li> <li>❖ Effectiveness and efficiency in the provision of regulatory services.</li> <li>❖ Creating an enabling environment for investors in the regulated sector.</li> </ul>
2.	Politicians	<ul style="list-style-type: none"> <li>❖ Increased coverage of service.</li> <li>❖ Availability of quality, affordable, and reliable services from Service Providers.</li> <li>❖ Sustainability and access to service.</li> <li>❖ Timely and impartial regulatory decisions</li> <li>❖ Accurate information and knowledge.</li> </ul>
3.	Consumers of Regulated Services and the General Public	<ul style="list-style-type: none"> <li>❖ Assurance of availability of quality, affordable and reliable services from Service Providers</li> <li>❖ Impartiality, fairness, and timely decision by the regulator.</li> <li>❖ Safe, quality, and environmentally friendly infrastructure.</li> <li>❖ Protection and consideration of disadvantageous groups.</li> <li>❖ Present opinions through an open process like public hearings.</li> <li>❖ Friendly regulatory tools.</li> </ul>
4.	Regulated Service Providers	<ul style="list-style-type: none"> <li>❖ Transparent, impartial, and timely regulatory decisions.</li> <li>❖ Timely issuance of licenses.</li> <li>❖ Creation of a level playing field among service providers.</li> <li>❖ Professionalism and integrity.</li> <li>❖ Timely and accurate information about the industry.</li> <li>❖ Privacy and confidentiality on their information.</li> <li>❖ Integration of systems to easily regulated services monitoring.</li> <li>❖ Protection of economic viability of the service providers/ utilities.</li> <li>❖ Awareness of issues related to energy and water regulation and User-friendly regulatory tools.</li> </ul>
5.	Investors	<ul style="list-style-type: none"> <li>❖ Transparency, credibility, consistency, predictability, and independence of the regulator in decision making.</li> <li>❖ Timely decision making.</li> <li>❖ Fair returns on investments.</li> <li>❖ Level the playing field in the regulated sectors.</li> <li>❖ Investor-friendly regulatory framework.</li> </ul>
6.	EWURA's Service Suppliers	<ul style="list-style-type: none"> <li>❖ Transparency and impartiality in the procurement of goods, services, and consultancies.</li> <li>❖ Professionalism and integrity of EWURA staff.</li> <li>❖ Courtesy and timely response to queries and inquiries including payments.</li> <li>❖ Clarity of contracts and agreements.</li> <li>❖ Proper contract management.</li> </ul>
7.	Regulators and Regulatory Associations	<ul style="list-style-type: none"> <li>❖ Collaboration in enforcement to ensure compliance with various standards, regulations, and requirements.</li> <li>❖ Knowledge and experience sharing, and benchmarking.</li> <li>❖ Harmonization of rules, guidelines, procedures, and standards.</li> <li>❖ Timely provision of accurate information.</li> </ul>

S/N	Stakeholder	Stakeholders' Expectations during the period
8.	Civil Societies	<ul style="list-style-type: none"> <li>❖ Transparency and impartiality in conducting EWURA's functions.</li> <li>❖ Timely provision of accurate information and knowledge.</li> <li>❖ Initiatives targeting the poor and disadvantaged communities in regulated sectors.</li> <li>❖ Collaborative agreements with EWURA in some specific areas such as advocacy and pro-poor interventions.</li> <li>❖ Consultation and involvement in some of the regulatory processes.</li> </ul>
9.	Media	<ul style="list-style-type: none"> <li>❖ Timely disclosure of accurate information.</li> <li>❖ Active participation in the regulatory processes to enhance knowledge.</li> <li>❖ Increased public awareness campaign.</li> </ul>
10.	Academic and research institutions	<ul style="list-style-type: none"> <li>❖ Correct data and information from the regulator.</li> <li>❖ Partnership in research and use of their research knowledge/findings.</li> </ul>
11.	Standards Organisations	<ul style="list-style-type: none"> <li>❖ Transparency, credibility, consistency, and objectivity in conducting regulatory functions.</li> <li>❖ Meeting all stakeholders' expectations.</li> <li>❖ Compliance with policy and quality procedures.</li> </ul>
12.	Development Partners	<ul style="list-style-type: none"> <li>❖ Transparency, credibility, consistency, and objectivity in conducting regulatory functions.</li> <li>❖ Efficient, effective, and independent – world-class – regulator.</li> <li>❖ Accurate and timely information sharing.</li> <li>❖ Fit for purpose, value for money and legal compliance in EWURA operations.</li> </ul>
13.	Internal Stakeholders	<ul style="list-style-type: none"> <li>❖ Transparent, effective efficient, and fair performance management systems.</li> <li>❖ Attractive remuneration packages and timely payment.</li> <li>❖ Conducive working environment.</li> <li>❖ Attractive career development schemes.</li> <li>❖ Job security and reliable job contracts.</li> <li>❖ Good governance practices.</li> <li>❖ Reputable organisation.</li> <li>❖ Respect and trust by the Government, regulated service providers and the public.</li> <li>❖ Provide services as mandated by the law.</li> <li>❖ Timely implementation of the Board's directives.</li> <li>❖ Exposure to regulatory best practices.</li> </ul>

## 2.16 FINANCIAL PERFORMANCE

### a) Revenue

The Authority's operations are financed mainly through levies collected from regulated service providers in the Energy sector (Electricity, Petroleum, Natural gas) and Water and Sanitation sector which form 95% of the total revenue collected. Other sources of financing include license fees by 2%, application fees by 1% and other income (Penalties) by 2%. During the period the regulatory levy rates that were being charged are indicated in **Table 10**:

**Table 10: Regulatory Levy Rates**

Description	Rate (TZS)
<b>Petrol</b>	5.20 per litre
<b>Diesel</b>	5.50 per litre
<b>Kerosene</b>	3.20 per litre
<b>Water</b>	1% of Water Bill
<b>Electricity</b>	1% of Gross sales of electricity
<b>Natural Gas</b>	1% of Gross sales of Natural gas

The revenue earned has increased by 2% compared to revenue earned during the financial year 2021/22 as shown in **Table 11**.

**Table 11: Revenue Performance**

Description	30.06.2023 TZS'000	30.06.2022 TZS'000	Increase/ Decrease %
Regulatory Levy	53,633,466	52,179,672.60	3
Licence Fees	929,505	1,067,061.60	(13)
Licence Application	698,170	520,890	34
Penalties	1,424,639	1,980,517	(28)
Other Income	4,005	15,315	(74)
<b>Total Revenue</b>	<b>56,689,785</b>	<b>55,763,456.20</b>	<b>2</b>

The revenue earned from the regulatory levy increased by 3% to TZS 53.63 billion from TZS 52.18 billion earned in FY 2021/22. The regulatory levy earned during the period came from electricity sub-sector (TZS 18.96 billion), Petroleum sub-sector (TZS 22.20 billion), Natural Gas sub-sector (TZS 8.89 billion) and Water and Sanitation sector (TZS 3.58 billion). Revenue earned from Licence fees was TZS 929.51 million (2021/22: TZS 1.07 billion) indicating a decrease of 13%, while revenue earned from Licence application was TZS 698.17 million (2021/22: TZS 520.89 million) indicating an increase of 34%. Revenue earned from Penalties was TZS 1.42 billion (2021/22: TZS 1.98 billion) showing a decrease of 28%. During the year TZS 4.01 million (2021/22: TZS 15.32 million) was earned from other income showing a decrease of 74%.

## b) Expenses

During the period, the Authority incurred total expenses of TZS 56.39 billion (2021/22: TZS 53.57 billion), whereby TZS 44.52 billion (2021/22: TZS 41.70 billion) was on recurrent expenditure inclusive of depreciation and TZS 8.51 billion (2021/22: TZS 8.38 billion) was for contributions made to the Treasury Registrar and TZS 3.37 billion (2021/22: TZS 3.49 billion) was remitted to other Government Institutions (EWURA CCC - TZS 2.29 billion, FCC-TZS 693.95 million, FCT- TZS 435.79 million and TZS 71.15 million to cover GCC expenses). During the same period, the Authority incurred TZS 2.03 billion (2021/22: TZS 1.23 billion) on capital expenditure.

Out of TZS 44.52 billion recurrent expenditure incurred during the period, TZS 19.58 billion (2021/22: TZS 18.72 billion) was staff costs showing an increase by 5%, TZS 17.33 billion (2021/22: TZS 15.51 billion) was operating expenses showing an increase by 12%, TZS 5.39 billion (2021/22: TZS 5.36 billion) was administrative expenses showing an increase by 1%, TZS 33.63 million (2021/22: TZS 29.58 million) finance costs which increased by 14% and TZS 2.18 billion (2021/22: TZS 2.09 billion) was Depreciation & Amortization which increased by 4%. **Table 12** provide details of expenditure during the financial year ended 30 June 2023.

**Table 12: Expenditure Performance**

Description	30.06.2023 TZS'000	30.06.2022 TZS'000	Increase/ Decrease %
Staff Costs	19,577,835	18,716,399	4
Operating Expenditure	17,330,904	15,506,059	11
Contribution to TR	11,873,868	11,868,604	0
Contribution to Other Government Entities	5,391,297	5,360,904	1
Finance Cost	33,625	29,579	12



Description	30.06.2023	30.06.2022	Increase/ Decrease
	TZS'000	TZS'000	%
Administration Costs	1,850,545	1,817,212	2
Amortization of Intangible Asset	331,702	274,300	17
Depreciation on Property and Equipment	19,577,835	18,716,399	4
<b>Total Expenditure</b>	<b>56,389,776</b>	<b>53,573,057</b>	<b>5</b>

## 2.17 FINANCIAL POSITION

### a) Assets

The Authority's financial position as at 30 June 2023 shows a decrease in total assets by 1.1% in total assets i.e., TZS 35.00 billion (2021/22: TZS 35.40 billion). The decrease is attributed to a decrease in Cash and Bank Balances to TZS 5.80 billion (2021/22: TZS 6.77 billion) a decrease by 14.3%; Inventories to TZS 180.57 million (2021/22: TZS 191.48 million) a decrease by 5.7%; Prepayments to TZS 917.42 million (2021/22: TZS 1.15 billion) a decrease by 20.3%; Property and Equipment to TZS 14.57 billion (2021/22: TZS 14.49 billion) an increase by 0.5% and Intangible Assets to TZS 343.65 million (2021/22: TZS 632.63 million) a decrease by 45.7%.

During the same period, Trade and other Receivables increased by 8.5% to TZS 13.20 billion from TZS 12.17 billion in 2021/22. Details of each category of assets are shown below: -

#### i). Cash and Bank Balances

Cash and bank balances as at 30 June 2023 was TZS 5.80 billion as compared to TZS 6.77 billion as at 30 June 2022. Details of bank account balances are shown in **Note 7** of these financial statements.

#### ii). Trade and Other Receivables

The trade and other receivables balance as at 30 June 2023 has increased by 8.5% to TZS 13.20 billion from TZS 12.17 billion reported as at 30 June 2022. The trade and other receivables balance during the period is made up of TZS 12.57 billion (2021/22: TZS 11.08 billion) regulatory levy debtors out of which TZS 2.23 billion (2021/22: TZS 2.09 billion) has been provided for as bad debt; TZS 2.85 billion (2021/22: TZS 3.17 billion) are Staff Loans and advances. Details of trade and other receivables are shown in **Note 8** of these Financial Statements.

#### iii). Inventories

The inventories balance as at 30 June 2023 was TZS 193.05 million (2021/22: TZS 221.96 million). Out of that, a provision of TZS 12.48 million (2021/22: TZS 30.49 million) was recorded for slow moving inventory identified during the annual stock taking. The inventories maintained by the Authority during the period consisted of Stationeries, Cleaning materials and Food items. **Note 9** of these Financial Statements provides more details.

#### iv). Prepayments

As at 30 June 2023, the Authority had a prepayment balance of TZS 917.42 million (2021/22: TZS 1.15 billion) indicating a decrease by 27.1%. The prepaid amounts during the year include TZS 393.19 million security key deposit for leased offices, TZS 177.32 million software improvement

and maintenance; TZS 12.72 million membership subscription fee; TZS 50 million fuel deposit at GPSA; TZS 94.62 million prepaid office rent, TZS 108.1 million top-up to NHIF and TZS 71.87 million for acquisition of plot for Northern Zone Office. **Note 10** of these financial statements provide more details.

#### **v). Property and Equipment**

The authority's Property and Equipment net book value as of 30 June 2023 was TZS 14.57 billion (2021/22: TZS 14.49 billion). The property and equipment balance during the year comprised of Buildings TZS 7.13 billion (2021/22: TZS 7.27 billion); Land TZS 261.38 million (2021/22: TZS 261.38 million); Leasehold Improvement TZS 168.89 million (2021/22: TZS 0); Machinery TZS 572.92 million (2021/22: TZS 613.85 million); Equipment and Systems TZS 1.17 billion (2021/22: TZS 1.52 billion); Technical equipment TZS 0.92 million (2021/22: TZS 1.1 million); Motor vehicles TZS 2.12 billion (2021/22: TZS 1.58 billion); Fixtures and Fittings TZS 874.10 million (2021/22: TZS 1.09 billion); Furniture and Fittings TZS 421.19 million (2021/22: TZS 426.16 million); Office equipment TZS 912.34 million (2021/22: TZS 1.05 billion) and Computers TZS 934.55 million (2021/22: TZS 676.01 million).

The additions during the year were TZS 1.97 billion (2021/22: TZS 1.23 billion) while depreciation charge was TZS 1.85 billion (2021/22: TZS 1.82 billion). The additions during the year comprised of Buildings TZS 7.31 million (2021/22: TZS 88.72 million); Leasehold Improvement TZS 210.39 million (2021/22: 0); Motor vehicles TZS 1.07 billion (2021/22: TZS 482.49 million); Furniture and Fittings TZS 92.01 million (2021/22: TZS 144.89 million); Office equipment TZS 118.24 million (2021/22: TZS 140.81 million) and Computers TZS 468.17 million (2021/22: TZS 375 million).

The disposal during the year were TZS 290.14 million; this disposal is related to two (2) motor vehicles which were sold through Government procedures of disposing asset issued by the Ministry of Finance. Also, four motor vehicles with net book value of TZS 102.82 million were not working and were grounded due to accidents, age & major technical faults, these vehicles are waiting completion of disposal procedures through Ministry of Finance. More details are shown in **Note 11** of these Financial Statements.

#### **vi). Intangible Assets**

The intangible assets consist of cost of procured operating software used by the Authority. As at 30 June 2023, intangible assets balance at cost was TZS 1.22 billion (2021/22: TZS 1.88 billion). The addition during the year was TZS 42.72 million (2021/22: TZS 637.98 million) while the amortization charge was TZS 331.70 million (2021/22: TZS 274.30 million).

The recorded additions were related to cost for enhancement of LOIS, acquisition of Cap Price Computation System from e-Government Authority. The number of operating software during the period was 12. Details are provided in the **Table 19** and **Note 12** of these financial statements.

The disposal during the year were TZS 701.89 million; this disposal is related to sixteen (16) software which were no longer used and unavailable due to expiration and replacement with other more current software. More details are shown in **Table 19B** and **Note 12** of these Financial Statements.

## b) Payables and Accrued expenses

As at 30 June 2023, the Authority recorded liabilities with the total amount of TZS 3.24 billion (2021/22: TZS 4.12 billion) indicating a decrease by 21.5% due to the payment of 5<sup>th</sup> and last instalment of the NHC loan and settlement of other liabilities. The recorded liabilities during the year include; Trade and Other Payables TZS 2.46 billion (2021/22: TZS 1.71 billion) which comprise of liabilities resulting from supply of goods and services and recorded accrued expenses. Others are Gratuity Payable TZS 270.40 million (2021/22: TZS 210.40 million) indicating increase of 28.52% and NHC Loan Payable balance of TZS 504.60 million (2021/22: TZS 2.21 billion).

## 2.18 CASH FLOW STATEMENT

During the period, the Authority was able to collect cash from its regulated suppliers in the form of regulatory levies (TZS 52.20 billion), penalties (TZS 1.38 billion), licence fees (TZS 929.93 million) and licence application fees (TZS 701.62 million). Generally, the authority was able to meet timely its obligations that matured during the year. The Authority's cash flow position as at 30 June 2023 shows net cash of TZS 5.80 billion (2021/22: TZS 6.77 billion) indicating that the Authority had enough money available to finance its operations and complete its transactions. Cash flow from operating activities during the year shows a net cash balance of TZS 2.11 billion (2021/22: TZS 7.48 billion) indicating that the authority had enough cash to meet its operating and excess to finance cash outflow for Investing activities of TZS 1.37 billion (2021/22: TZS 1.76 billion) and cash outflow for financing activities of TZS 1.70 billion (2021/22: TZS 2.45 billion).

## 2.19 Liquidity

The liquidity ratio indicates that as at 30 June 2023, EWURA was financially healthy as it could meet its current obligations six times (2021/22 five times) when they became due. The ratio has increased compared to 30 June 2022 due to a decrease in liabilities as a result of the settlement of outstanding liabilities including payment of 5<sup>th</sup> instalment of TZS 1.70 billion to the National Housing Corporation.

## 2.20 OPERATIONAL PERFORMANCE

### 2.20.1 Objectives and Strategies

During the year, EWURA focused on the implementation of its strategic objectives which guided the Authority in achieving its vision and mission, championing good governance, and facilitating the attainment of vibrant and thriving energy and water sectors in Tanzania.

The Authority continued implementing its five years Strategic Plan (2021/22-2025/26) which guides its operations in five years' period. **Table 13** shows the Strategic Objectives, Targets, Planned activities and achievements during the period:

**Table 13: Strategic Plan Key Achievements**

TARGET DESCRIPTION	Planned Activity	Achievement
Objective A: Health Services Improved, and HIV/AIDS Infections Reduced		
A01: At least 3 interventions against HIV/AIDS are implemented annually.	A01C01: To develop an annual plan for the implementation of EWURA HIV/AIDS programme	Annual awareness plan on HIV/AIDS intervention was prepared and implemented
	A01C02: To conduct awareness seminar to staff on HIV/AIDS	Conducted a seminar to EZO on NCDs and participated in sports event with objective of building efficient team
	A01C04: To facilitate Purchase of HIV/AIDS prevention and awareness tools	Fixed HIV/AIDS protective gear dispensers in all toilets for EWURA Staff
A02: At least 3 Interventions against non-communicable diseases implemented annually	A02C01: To conduct One (1) combined Zone staff and family sports event and seminar	Conducted during the family event on 5th February 2023. Staff were trained on psychological issues and physical fitness as well as dental health for children
	A02C02: To conduct at least one (1) facilitated training on the physical fitness programs	
Objective B: Effective implementation of National Anti-Corruption Strategy enhanced and sustained		
B01: At least 4 Interventions on National Anti- corruption strategy implemented annually	B01C03: To conduct four (4) Integrity Committee Meetings	Conducted four (4) Integrity Committee Meetings
Objective C: Quality, availability, and affordability of regulated goods and services improved		
C01: At least one (1) Electricity Regulatory tools (Rules, guidelines, codes and manuals) developed and /or reviewed annually	C01S01: To identify and conduct technical reviewing meeting to develop and /or review the existing tools	The following regulatory tools were reviewed and/or developed: (i) Electricity infrastructure and Audit inspection manual reviewed (ii) The Electricity (Development of Small Power Projects) Rules 2023 (iii) Electricity sub-sector regulatory information booklet for Mainland Tanzania (iv) The Electricity (Development of Small Power Projects) Rules 2023 (v) Electricity (Generation, Transmission and Distribution Activities) Rules, 2023 (vi) Draft of the Electricity (Net Metering) Rules 2023 (vii) Draft Inspection Manual for Electricity Regulated Activities, 2023 (viii) Draft Performance Agreement between the Authority and Licensees
C02: One (1) electricity performance review report prepared annually	C02S01: To conduct pre-licensing inspections to the applicants of petroleum licences	Granted construction approvals to 274 applicants in FY 2022/23. Conducted pre-licensing inspections to a total of 663 facilities and issued a total of 520 licenses in FY2022/2023
	C02S01: To conduct a technical Review Meeting for Data Clarification with Licensees (8)	Conducted two data clarification with TANESCO from 22nd to 26 July 2022, and verification to other three Utilities (Andoya, Mwenga & Tulila) from 7th to 15th Sept 2022. Published respective report on 20 June 2023
	C02S04: To conduct 12 Electricity Licensing Committee (ELC) meetings	Conducted 12 ELC Meetings

TARGET DESCRIPTION	Planned Activity	Achievement
<b>C03: At least 2 petroleum regulatory tools (Rules, guidelines and manuals) developed/reviewed annually</b>	C03S02: To conduct Technical Review Meeting to review the Petroleum (Wholesale, Storage, Retail and Consumer Installation Operations) Rules	Reviewed Petroleum (Wholesale Storage Retail and Consumer Installation Operation) Rules, and the EWURA (Petroleum Products Price Setting) Rules
	C03S04: To conduct Technical Review Meeting with our counterpart (PAU) to review the Detailed Design of the EACOP project	A Technical Meeting between EWURA and PAU that reviewed the detailed design of the EACOP was not done because EACOP has not submitted on the detailed design
	C03S05: To participate in National meetings related to EACOP Project	Attended Meetings to monitor EACOP design process and capacity building process
	C04S01: To conduct a Technical meeting to review the performance of National Petroleum and Gas Information System (NPGIS)	Conducted four (4) meetings with retail outlets operators, LPG Wholesalers, Electronic Fiscal Pump Printer Service providers, and Manjis Logistical Limited and Manjis Gas Supply Company Ltd
<b>C04: One (1) petroleum performance review report prepared annually</b>	C04S02: To conduct a technical meeting to review the performance of LOIS	Conducted two meetings to review the LOIS's Petroleum Licensing Module and identified shortfall
	C04S03: To conduct technical meetings to prepare the Petroleum Mid- and Downstream petroleum sub-sector performance report	Prepared the Petroleum Mid- and Downstream petroleum sub-sector performance report for FY2021/22
<b>C05: At least four natural gas regulatory tools (rules, guidelines and manuals) reviewed /developed annually</b>	C05S01: To conduct stakeholder's consultative meetings to review the performance of Guidelines for Protection of Underground Facilities	Revised guidelines for protection of underground infrastructure in shared wayleaves. The guidelines were endorsed by stakeholders in June 2023
	C05S02: To conduct two (2) Technical meetings to review existing and develop at least (2) two regulatory tools for the natural gas subsector	Two (2) new work items for standards were developed and sent to TBS for consideration: (i) CNG standard for conversion workshop; and (ii) Standard for disposing of expired/unfit CNG cylinders.
	C05S04: To conduct Two (2) Technical meetings to review and propose at least (2) two new standards for the natural gas sub-sector	(i) CNG Activities Guidelines and Memorandum of Understanding (MoU) between EWURA, TBS and CRB were prepared and signed in June 2023 by the three parties; (ii) Proposal for review of the Petroleum (Natural Gas Pricing), Regulations 2020 was submitted to MoE in December 2022
	C05S05: To conduct Technical and stakeholder's meetings to review PPP Guidelines to align it with existing Act and PPP regulations	Prepared Petroleum (natural gas) Midstream and Downstream Investment Guidelines, which are aligned with the Petroleum Act 2015, existing PPP Act, and PPP
<b>C06: Natural Gas performance review report prepared annually</b>	C06S02: To conduct Technical Meeting to review KPIs & Data collection	Natural Gas sub-sector performance report was prepared, reviewed by Stakeholders, published, and disseminated to stakeholders in June 2023.
	C07S01: To conduct Technical Meetings for Review of Guidelines for Operation and Management of Water Kiosks for Regulated Water Utilities	Developed the Guidelines for Operation and Management of Water Kiosks for Regulated Water Utilities
	C07S02: To conduct Stakeholders Consultation for Review of Guidelines for Operation and Management of Water Tankers and Community Boreholes for Regulated Water Utilities	Developed Rules for Operation and Management of Water Tankers Rules, 2023, and Commercial and Community Boreholes Rules, 2023

TARGET DESCRIPTION	Planned Activity	Achievement
<b>C08: Two (2) Water and Sanitation Utilities performance review reports prepared annually</b>	C08S01: To conduct data verification Inspection to seven (7) WSSAs at Northern Zone	Verified annual datasheets for 16 NZ WSSAs for FY 2021/22
	C08S02: To conduct data verification for at least 6 WSSAs	(a) Verified annual datasheets for 16 NZ WSSAs for FY 2021/22 were prepared following a technical meeting conducted in November 2022 at EWURA Head Office during the 2nd Quarter (b) Technical meetings to discuss two Water Utilities Performance Review report for FY 2021/22 were conducted at EWURA Head Office during the 2nd Quarter
	C08S02: To conduct technical review meetings for Data verification, clarification and confirmation at EWURA HQ	Technical meetings to discuss two Water Utilities Performance Review report for FY 2021/22 were conducted at EWURA Head Office during the 2nd Quarter
	C08S02: To Prepare Annual Performance Review Report for Regulated Regional and National Project WSSAs	Prepared Annual Performance Review Report for Regulated Regional and National Project WSSAs for FY2021/22
	C08S03: To Prepare Annual Performance Review Report for Regulated District and Township WSSAs	Prepared Annual Performance Review Report for Regulated District and Township WSSAs for FY2021/22
	C08S04: To participate in meetings for launching of Annual Performance Review Reports for RNP and DT WSSAs at EWURA HQ/Dodoma	Annual Water Utilities Performance Review Reports for RNP and DT WSSAs were launched in March 2023 in Q3
<b>C09: At least one (1) tariff/ pricing methodology/model in the regulated sectors reviewed / developed annually</b>	C09S01: To develop/review tariff methodologies in electricity sub-sector	(a) Reviewed the applicability of the methodology used in the Cost-of-Service Study (2018) for TANESCO. (b) Reviewed the applicability of the current tariff structure to accommodate the SGR electricity tariff. (c) Prepared the Petroleum (Wholesale, Storage, Retail and Consumer Installation Operations) (Amendment) Rules, 2023
	C09S02: To develop/review tariff methodologies in Natural Gas sub-sector	Prepared recommendations for changes in the Petroleum (Natural Gas Pricing) Regulations 2020. The recommended changes were submitted to the Ministry of Energy on 20 January 2023 through a letter with Ref. No. DA.262/277/01/Vol. III/43 for information and further guidance
<b>C10: At least twelve (12) rules in regulated sectors developed/ reviewed annually</b>	C10S01: To Identify areas of review and conduct technical meetings of Sector Legislations and Rules in 4 sectors	Reviewed Ten (10) Regulatory tools
	C10S02: To conduct translation of EWURA Act into Swahili	Participated in developing Swahili version of the EWURA Act. Eight (8) Regulatory tools were submitted to consultant for developing respective Swahili drafts
<b>C11: 100% of complete licence and registration applications processed and approved annually</b>	C11S01: To assess at least 80 Electrical Installation Licensees	157 applications were evaluated by 100%
<b>C14: At least 500 petroleum facilities to be marker concentration tested annually</b>	C14S01: To conduct testing of at least 150 petroleum facilities for marker concentration	160 petroleum facilities, equivalent to 106% of the set target.
<b>C15: 100% of petroleum products (IK, AGO, PMS) in the country marked annually</b>	C015S01: To conduct inspections to monitor operations of the marking program and prepare a report at least twice annually	A total of 4,004,372,155 litres of diesel, petrol and kerosene have been marked for FY 2022/23. This is an increase of 5.00% compared to 3,813,863,046 litres marked in the previous financial year FY2021/22).



TARGET DESCRIPTION	Planned Activity	Achievement
<b>C16: At least 400 petroleum samples collected for quality check annually</b>	C016S01: To conduct sampling and Laboratory testing of 400 samples for both fuel and lubricants to monitor compliance to quality standards	From Q1 to Q4 of FY2022/23, the Division collected a total of 608 samples of petroleum products for quality checks. Out of the total collected samples, 541 samples were collected from licensed facilities (i.e. petroleum retail outlets and storage depots). Out of 541 samples collected from licensed facilities, 523 samples equivalent to 96.67% conform to duality specifications.
	C017S01: To conduct a Technical Review meeting to assess the performance of the BPS	105 BPS tenders were floated by PBPA and 9 suppliers won the tenders to supply petroleum products from 1 July 2022 to 30 June 2023.
	C017S02: To facilitate procuring and Contract Management for Marine Surveyor for assaying petroleum products imports	All required data including imported quantity of petroleum products and vessel performance reports for the period of 1 April to 30 June 2023 were submitted by WMA.
<b>C17: 100% of petroleum products for local consumption imported annually as per requirement</b>	C017S03: To conduct inspections to audit OMCs sales in each quarter	Audited 31 OMCs that are actively doing business.
	C18S01: To review KPI's performance and prepare annual inspection plan by June of the preceding year	KPIs revised and Annual Inspection Plan for the FY 2023/24 prepared
	C18S02: To conduct four (4) periodic inspections of natural gas Distribution Facilities located in Mtwara, Lindi, Coastal and Dar es Salaam Regions annually	16 periodic inspections were conducted to natural gas distribution facilities and inspection findings were communicated to the service providers for rectification
	C18S03: To conduct four (4) periodic inspection to natural gas Processing & Transmission facilities located in Mtwara, Lindi, Coastal and Dar es Salaam Regions annually	12 periodic inspections were conducted and inspection findings were communicated for rectification
	C18S04: To conduct seven (7) pre-construction approval inspection to natural gas facilities annually	Nine pre-construction inspections were conducted whereby (8) applications were approved and issued construction approval
	C18S06: To conduct one (1) Ad-hoc inspection to Natural Transmission Gas Facilities annually	One Ad-hoc inspection was conducted at Pan African Energy CNG mother station and reported
	C18S07: To conduct five (5) follow-up inspections to issued construction approval of Natural Gas Facilities Annually	13 follow-up inspections to issue construction approval were conducted and inspection findings communicated
	C18S08: To conduct Board Working Visit to Natural Gas Facilities by June 2022	EWURA Board visited the Dar es Salaam Institute of Technology (DIT) CNG Vehicle Conversion Workshop and PAET CNG Stations (Mother Station and Online Filling Station) in October 2022
<b>C20: 100% of enforcement measures taken against defaulters annually</b>	C20S01: To conduct Inspections to monitor compliance to applicable laws and licence terms and conditions	244 Compliance Orders were issued to noncompliant regulated suppliers and 71 Notification of Offences for payment of fines were issued
	C20S01: To Serving Compliance Order to regulated petrol station operator who have contravene the applicable laws	Served compliance and notification of offense to 125 defaulters



TARGET DESCRIPTION	Planned Activity	Achievement
<b>C21: 100% Pre-licensing inspections and evaluation in the electricity sub-sector conducted annually.</b>	C21S01: To conduct 100% Pre-licensing inspections and evaluation in electricity subsector	One pre-licensing inspection was conducted at Suma hydro-power plant project in Tukuyu District
	C21S01: To conduct 100% pre-licensing inspections out of all the applications in the electricity sub-sector at the Lake Zone	Conducted one pre-registration inspection in Magu
	C21S01: To evaluate 100% of electricity generation license applications timely and conduct pre-licensing inspections	(i) Conducted evaluation of electricity generation license applications received from Bagamoyo Sugar Ltd (ii) Conducted electricity Pre-Licensing Inspection to Bagamoyo Sugar Ltd (iii) Conducted timely evaluation of 358 electrical installation licenses applications received
<b>C22: 100% of all applications for PPAs, and SPPAs and initialization of procurement of new power projects evaluated annually</b>	C22S01: To acknowledge submitted PPA/ SPPA/Initiation of procurement of new power purchased projects	Approved Sixteen (16) SPPAs between TANESCO and Developers approved
<b>C23: 100% pre-licensing inspections and evaluation for construction approval in petroleum subsector conducted annually</b>	C23S01: To conduct 100% pre-licensing inspections and evaluation for construction approval in petroleum subsector	Pre-licensing inspections to 82 facilities. 40 facilities (48.78%) met license requirements
	C23S01: To conduct at least 60 pre-licensing inspections to petroleum facilities at the Lake Zone	Prelicensing inspections were conducted to 171 petroleum facilities
	C23S01: To conduct pre-licensing inspection to 50 petroleum licence applicants	Inspected 125 petroleum installation facilities and evaluated 43 applications for construction approval
	C23S01: To evaluate 100% licence applications and construction approvals	Conducted inspections to 254 facilities for pre-licensing and construction approvals. Out of which, 191 facilities (75.2%) complied with the licensing requirement
<b>C24: At least 4 quarterly local content compliance monitoring conducted annually</b>	C24S01: To conduct two (2) Local content field monitoring (Planned for 2 inspections)	Four local content compliance monitoring inspections were conducted. Management visited EACOP Project from 14th to 19th of August, 2022. Another visit was conducted from 29th January – 4th February 2023 covering a stretch from Chongoleani (Tanga) to Bukoba (Kagera).
<b>C25: At least 30 WSSAs Business Plan reviewed annually</b>	C25S01: To conduct Technical Meeting for Review of Business Plans submitted by water utilities	Reviewed Business Plans for 42 WSSAs
	C25S01: To facilitate review of at least 5 WSSAs Business Plans	(i) Conducted preliminary review of Business Plans from eleven (11) WSSAs (ii) Conducted detailed review of Business Plans from five (5) WSSAs
	C25S01: To review at least 4 WSSAs Business Plans at the Northern zone	Reviewed ten (10) Business Plans received from Kibaya, Rombo, Mombo, Orkesumet, Songe, HTM, Korogwe, Karatu, Tanga, and HTM WSSAs
<b>C26: At least one client service charter for natural gas service providers reviewed annually</b>	C26S01: To review at least one client service charter for natural gas service providers	Songas Client Service Charter (CSC) Ltd was reviewed on 28 - 29 December 2022

TARGET DESCRIPTION	Planned Activity	Achievement
<b>C29: At least 42 compliance monitoring inspections of regulated sectors tariff orders conducted annually</b>	C29S01: To conduct compliance monitoring inspections to at least 30 petroleum cap prices	(a) Conducted a study on the viability to introduce price regulation on Liquefied Petroleum Gas (LPG) in Tanzania Mainland. The report was presented to the Board's Energy Committee on 2nd June 2023 (b) Verified sales invoices from OMCs and a report on the status of submission of invoices, verification and the amount that has been collected by OMCs.
	C29S02: To conduct monitoring of approved tariff and implementation of financial and economic order conditions to 8 water utilities	Conducted and prepared a report on tariff order monitoring inspections to 20 WSSAs to check compliance with tariff order conditions, especially the implementation of investment activities.
	C29S03: To prepare a comprehensive report of tariff order monitoring conducted in water utilities for each quarter	Prepared a comprehensive report on tariff order monitoring inspections to 20 WSSAs to check compliance with tariff order conditions, especially the implementation of investment activities
	C29S04: To participate in 2 monitoring inspections of natural gas tariff order	Participated in monitoring of natural gas tariff order
<b>C30: At least 23 Tariff Applications in the regulated Sectors reviewed and issued with tariff orders annually</b>	C30S01: To conduct at least three (3) public inquiries on water supply and sanitation tariff applications in the Lake Zone	two public Inquiry meetings about tariff applications by Bariadi and Shinyanga
	C30S01: To conduct review of at least 3 Tariff Applications in the water and sanitation sector	Conducted public inquiry for tariff reviews from ed for Songea, Mbeya and Sumbawanga WSSAs
	C30S01: To conduct tariff Review on electricity Sub-sector	Conducted a study on the impact of SGR on electricity tariff and conducted preliminary data collection, reviewed the Cost-of-Service Study
	C30S01: To facilitate at least 1 public inquiry meeting at the Eastern Zone	Conducted public inquiries and tariff reviews to (9) WSSAs, namely Mbulu, Moshi, Lushoto, Babati, Arusha, Orkesumet, Mombo, Loliondo, and Rombo.
	C30S01: To facilitate at least 2 public inquiries on water supply and sanitation tariff applications in the Northern Zone	Conducted nine (9) public inquiries on water supply and sanitation multi-year tariff applications accepted from Moshi, Mbulu, Lushoto, Babati, Arusha, Orkesumet, Loliondo Mombo and Rombo WSSAs
<b>C31: At least 12 monitoring reports of petroleum pricing frameworks published annually</b>	C31S01: To compute and publish 12 monthly petroleum products cap prices	computed and published Petroleum products cap prices timely from 1 July 2022 to 30 June 2023
	C31S03: To review Petroleum pricing formula	Reviewed Petroleum Pricing formula to accommodate government financial policy requirement
	C31S04: To conduct technical meeting to review inputs to Cap Price information system	Conducted a review meeting for amendment of the EWURA (Petroleum Products Price Setting) Rules, GN. No. 57 of 2022 was approved by the Board of Directors

TARGET DESCRIPTION	Planned Activity	Achievement
<b>Objective D: Public knowledge, awareness, and understanding of regulatory matters in the energy and water sectors enhanced</b>		
<b>D01: At least 100 TV and radio programmes conducted annually</b>	D01S01: To air at least 4 radio programs and interviews at Lake Zone	15 live radio programmes conducted
	D01S01: To conduct at least 12 live programs at the local radios/tv located at Central zone	Produced 26 TV Programmes
	D01S01: To conduct at least 8 Local Radio Interview with local Radio Station at the Northern zone	Conducted interviews with twenty-two (22) local radio
	D01S01: To conduct at least six (6) Radio programs	Seven Radios programs in Uplands FM in Njombe, Highlands FM in Mbeya, Ndingala FM Sumbawanga, and VOS FM Sumbawanga
	D01S01: To Produce at least 25 TV Programmes	Produced 26 TV Programmes
	D01S02: To Facilitate airing of at least 25 airtimes for TV programmes	Aired 16 TV Programmes
	D01S03: To Participate in at least twenty (20) radio programmes	Aired 20 Radio Programmes
<b>D02: At least six measures to raise awareness through publication, advertisement and promotion material implemented annually</b>	D02S01: To facilitate promotional materials to Stakeholders' Meetings/events where the Zone office is invited to provide awareness on specific issues	Distributed promotional materials during awareness visits to various offices
	D02S01: To Publish at least 40 feature articles	Published 44 Paid for feature Articles
	D02S02: To conduct at least one capacity building and workshops for journalists and editors on utility regulation issues	Participated in 20 Awareness Seminars
	D02S03: To Facilitate promotion of EWURA in social media	Facilitated promotion in social media whereby followers of facebook, twitter, Instagram and EWURA online TV have increased
	D02S05: To facilitate advertisements/ public notices	Published twenty-eight (28) assortments of advertisement in various newspapers
<b>D04: At least 30 corporate social responsibility (CSR) activities implemented annually</b>	D04S01: To facilitate at least 2 Donations in the Northern zone	Provided 4 donations as part of CSR activities
	D04S01: To implement at least 5 corporate social responsibility activities	Seven donations provided: i. TZS 3 million Nanenane Exhibitions ii. TZS 10 million provided to CBE Mbeya campus iii. TZS 0.2 million to Rukwa RC Office for Women International Day iv. TZS 1.12 million to Mbinga DC for roofing of Zahanati- Mkwaya v. TZS 1 million Mineral exhibition in Chunya vi. TZS 1 million to the regional event to mark two year's anniversaries of the President Dr. Samia Suluhu Hassan vii. TZS 0.45 million to Mbeya Regional Commissioner's Office for widows' day
<b>D07: 30 capacity-building interventions to water utilities conducted annually</b>	D07S01: To conduct capacity building interventions to at least 6 WSSAs on newly introduced and reviewed Guidelines	i. Capacity-building on newly introduced and reviewed regulatory tools was conducted for 17 WSSAs (17th to 20 October 2022) ii. Facilitated Capacity Building to four (4) WSSAs Board of Directors as organized by MuM (17th to 19th January 2023)
	D07S01: To conduct Training on NRW, Meter Selection, Incident Management Plan, Water Safety Plan to 33 RNP and 60 DT WSSAs	Conducted training on NRW, Meter Selection, Incidence Management Plan and Water Safety Plan

TARGET DESCRIPTION	Planned Activity	Achievement
<b>Objective E: Institutional capacity to regulate energy and water sectors strengthened</b>		
<b>E01: At least 2 measures to retain staff implemented annually</b>	E01C03: To facilitate payment of staff entitled allowances, leave passage and staff welfare packages	Staff continued to be paid their entitled allowances, leave passage, and staff welfare packages for the 1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> , and 4 <sup>th</sup> quarters
	E01C04: To facilitate staff remuneration and other benefits	Remuneration paid timely. Promoted staff were issued with their promotion letters timely
<b>E03: 100% of the approved EWURA manning level is achieved annually</b>	E03S05: To facilitate Payment of Relocation Costs to Transferred Staff and subsistence Allowance to new staff	Five staff who were transferred to EWURA from TPDC, Illemela District Council, Ministry of Finance, and from within EWURA were paid their relocation costs; and one staff who was transferred from EWURA to Dar es Salaam Marine Institute (DMI) was paid her relocation costs
<b>E05: Outsourced activities in all EWURA offices facilitated annually</b>	E05S01: To facilitate payment of rent and service charges for Southern Highlands Zone office	Rent and service charges due were paid as per the contract and submitted bills.
	E05S06: To facilitate payment of utilities and other services at the HQ	Bills from TANESCO, DUWASA, security services, and garbage collection were timely settled.
	E05S07: To facilitate Service for Generator, Air conditions and Elevator	Four services for generator and Air conditioning were done in each quarter as scheduled
<b>E06: At least one (1) Strategy to improve office management environment implemented annually</b>	E06S01: To conduct office space repair and maintenance	Installed suspended lights, maintained office doors, and repaired biometric doors and sewage systems at the office
	E06S01: To conduct technical review meeting to review Staff Satisfaction Survey report	Coordinated completion of the Staff Satisfaction Survey for EWURA staff and a draft report on 14th April 2023 by Consultant, the College of Business Education.
	E06S01: To procure office facilities	Procured office facilities
	E06S01: To secure timely stamps and postage services	Stamps and postage services at the Northern Zone are secured timely
	E06S02: To facilitate minor office and furniture repairs and maintenance	Office furniture and minor office repairs are maintained timely
	E06S02: To implement Occupational Health and Safety (OHS) Action Plan	Appointed Chairman and First Aider from Zonal officers and each Division in September 2022 Semi-annual meeting was conducted from 28th November to 3rd December 2023. Two Committee meeting was conducted on 1 -3 November 2022 and from 1 to 3 March 2023. The committee conducted HSE Inspection at HQ, CZ, and Northern Zone
	E06S03: To undertake 48 check-ups for office space maintenance and cleanliness at the Northern zone office	Maintained Office cleanness
<b>E09: At least 5 strategies to improve registry operations implemented annually</b>	E09S01: To carry out the Annual Records Stocktaking exercise	Conducted Annual Record Stocktaking
	E09S01: To conduct Document Management System (DMS) Performance Monitoring	Digital Repositories for the DMS attended mails have been conducted in order to improve the performance of the system
	E09S04: To Carryout Records Retention and Disposal Schedule at HQ and Zonal Offices	Documents and ephemeral materials elapse retention periods were appraised and transferred to the National Records Centre
	E10S01: To facilitate Maintenance of Office Vehicles at Head Office	Vehicles continued to be monitored and maintained

TARGET DESCRIPTION	Planned Activity	Achievement
<b>E12: At least three (3) strategies on staff involvement in decision making implemented annually</b>	E12S01: To conduct at least 2 All Staff Meeting Annually	Two staff meetings were conducted on 12th August 2022 and on 7th March 2023
	E12S01: To conduct four Divisional/Unit quarterly reports prepared by June 2023	Conducted divisional meeting quarterly
	E12S04: To facilitate Implementation of Gender Mainstreaming Action Plan	Gender mainstreaming coordinators meeting was held from 12th -13th December 2022 and an awareness seminar was conducted to women staff on delegation and mental health on 3rd March 2023 in Dodoma
	E12S04: To participate in Customer Service Week	Conducted one Customer Service Week from 3rd to 7 October 2022
	E12S07: To facilitate Participation in Women's Day	60 EWURA Women facilitated and participated in the women's day that was conducted in Kondo on 8th March 2023
<b>E13: At least 10 staff and board members receive capacity building programs annually</b>	E13C01: To facilitate participation in Basic Regulatory Training at PURC/WB	Two Board Members and three Senior Staff attended the 51st PURC/World Bank International Training Program on Utility Regulation and Strategy conducted from 5 <sup>th</sup> -14 <sup>th</sup> June 2023
<b>E14: 100% utilisation of Information Systems for Natural Gas monitored annually</b>	E14S03: To conduct at least three (3) training and technical meetings to review performance/utilization of NPGIS annually	(i) The NPGIS reporting modules and the CNG registration process was conducted, (ii) One (1) training and technical meeting to review the performance/utilization of NPGIS was also conducted
<b>E15: At least two ICT connectivity improved annually</b>	E15S01: To facilitate Installation of New Cisco Switch 24 Ports to Zone Offices (12 pcs)	PN performance was monitored and the link was upgraded from Dodoma 100Mbps, Dar es Salaam 20Mbps, Mwanza 8Mbps, Arusha 8Mbps, and Mbeya 8Mbps
<b>E16: At least two ICT infrastructure and systems in improved annually</b>	E16S01: To facilitate hosting of LOIS at National Internet Data Centre (NIDC)	The LOIS hosted and maintained at the NIDC
	E16S02: To facilitate disaster recovery site at Iringa	Conducted Security awareness for all staff during staff meetings. Shared ICT security awareness Email with all staff
	E16S03: To facilitate NPGIS hosted Services	NPGIS, Website, and CQS systems are hosted and maintained at the data center. Availability and reliability for All systems hosted at Data Center are maintained
	E16S04: To facilitate Majlis Hosting	Majlis system is hosted and maintained at the data centre.
	E16S05: To facilitate Website hosting	The authority Website is hosted and maintained at the data center.
	E16S06: To facilitate CQS hosting	CQS system is hosted and maintained at the data centre. Availability and reliability for All systems hosted at Data Center are maintained
<b>E17: At least seven ICT security measures implemented annually</b>	E17C01: To conduct ICT Security Awareness Training for All staff and Board Members	Conducted Backups for all systems. Mock Test, and Backup restoration testing. Replication Server was installed and tested
	E17C02: To implement BCP (including training and mock test for application system and network)	Trained BCP team
	E17C03: To coordinate ICT Steering Committee meeting	Four ICT Steering Committee Meetings were conducted in July 2022 and April 2023.
	E17C04: To conduct technical meeting to review implementation ICT policy and ICT Strategy as required by electronic Government Act	Twelve (12) Security vulnerability Assessments for network and application systems were performed, a report was prepared and vulnerability areas were rectified.
<b>E18: All existing ICT hardware maintained annually</b>	E18S01: To facilitate Maintenance of computer hardware	Undertook maintenance of the computer equipment
	E18S01: To facilitate Maintenance of ICT hardware	A total of 1118 incidents were reported. 17 of these were security incidents. All incidents were resolved throughout the year

TARGET DESCRIPTION	Planned Activity	Achievement
<b>E20: At least one management/regulatory system automated annually</b>	E20S01: To facilitate Installation of IP phones - At least two ICT connectivity improved annually	<ul style="list-style-type: none"> <li>• CPIS enhanced</li> <li>• CPIS went live</li> <li>• Vulnerabilities scanned and rectified</li> <li>• June Cap Price published in the CPIS in parallel with the current system.</li> <li>• Cap price computation can be done through CPIS</li> </ul>
	E20S02: To facilitate Enhancement/Improvement of LOIS system	<ul style="list-style-type: none"> <li>• Improve electrical installation renewal</li> <li>• Develop License printing</li> <li>• License cancelation and application cancelation functions Developed,</li> <li>• Compliance module for Natural Gas, Petroleum, and Water developed.</li> <li>• Revocation of licenses implemented.</li> <li>• Complaint rejection developed.</li> </ul>
<b>E22: At least 10 national, regional and international regulatory association and institutions are involved annually.</b>	E22S02: To facilitate participation in RERA, Six Sub Committee Meetings	Staff from EWURA was facilitated and attended RERA meetings in Eswatini (8th – 16th September 2022). The following committee meetings were attended: <ol style="list-style-type: none"> <li>Economic Regulation Subcommittee (ERS)</li> <li>Technical Regulation Subcommittee (TRS)</li> <li>Gas, Petroleum and Biofuels Regulation Subcommittee (GPBRS)</li> <li>Legal Subcommittee (LS)</li> <li>Human Resource Management Subcommittee (HRMS)</li> <li>Consumer Services and Communication Subcommittee</li> </ol>
<b>E23: Participate in 30 national and international invited meetings and workshops annually</b>	E23C06: To facilitate participation in the Oil and Gas Conferences in Tanzania	Three staff from Petroleum Division and one staff from Regulatory Economics attended the course on petroleum markets at Arusha from 14th -18th November 2021
<b>E24: At least three (3) research studies conducted annually</b>	E24S01: To coordinate the implementation of EWURA Research Policy and Framework	Prepared combined ToRs for a study of the Regulatory Impact in the Petroleum sub-sector and a study on challenges facing the Bulk Procurement System
	E24S02: To conduct at least 2 research studies in the water sector	(a) Conducted an impact assessment study of Standard Gauge Railway on electricity tariff (b) Conducted an Assessment of the Benefits and Costs of establishing Electronic Tariff Computation Systems in Water and Electricity which was approved by the Board in March 2023.
	E24S03: To facilitate the preparation of the Regulatory Impact study in the Petroleum Sub-Sector	(a) Conducted a Study on the best way to reduce New Connection Costs for WSSAs. (b) Coordinated and facilitated a study on the impact assessment of vertical integration between wholesale and retail market segments in the petroleum sector. The report was adopted by the Board on 30 June 2023
	E24S04: To conduct Policy review proposals in the energy sector	(a) Conducted and proposed regulation for Electric Vehicles with recommendations from lessons learned from other countries (3 in Europe, 3 in Asia, and 7 in Africa Countries) (b) Provided comments towards the Development of the National Investment Data System organized by the Ministry of Investment, Industry and Trade.
<b>E26: At-least thirty (30) Board of Directors Activities conducted annually.</b>	E26S01: To conduct at least 12 Ordinary Meetings	Coordinated Twelve (12) ordinary and fifteen extraordinary meetings of the Board
	E26S02: To conduct at least 16 Committee Meetings	Coordinated Twenty-eight (28) Board Committee meetings
	E26S03: To conduct at least 4 Board Activities	Thirty-Six Board activities were conducted
<b>E11: The Process of construction of EWURA buildings in HQ and all 5 zones is implemented annually</b>	E26S01: To facilitate repayment of the 5th instalment of the NHC Loan	During the year verified and paid a total of TZ 1,702,590,941.55 to NHC
<b>E27: At-least 4 GCC Activities conducted annually</b>	E27S01: To Prepare Council meetings and delivery of Council packs of agenda to Members timely.	Four GCC meetings were held



TARGET DESCRIPTION	Planned Activity	Achievement
<b>E28: 100% of litigations handled annually</b>	E28S01: 100% of all Court cases (High Court, Resident and District Courts, Fair Competition Tribunal) timely handled	Eight Judgments and Two Rulings were issued, and Two Settlements were reached
	E28S04: To keep all contracts and MoU to which EWURA is a party	List of contracts and MoUs Maintained
	E28S05: To vet all contracts below One Billion shillings to which EWURA is a party	Seventeen (17) contracts were vetted and register maintained
<b>E32: 100% Timely payment for regulatory and support activities effected annually</b>	E31S02: To facilitate Preparation of Annual budget (MTEF)	Prepared MTEF Budget for the FY 2023/24 and it was approved after scrutiny by Treasury Registrar on 14th March 2023.
	E31S03: To conduct Technical Review Meeting for Submission of Quarterly Performance Reports - Preparation of Quarterly Financial Performance Reports	Prepared quarter financial performance reports for timely review by Board
	E31S04: To conduct End of Year Stock Count and Asset Verification	Conducted end of year stock count
	E31S05: To conduct Preparation of Annual performance report and activities accompanying preparation of Draft Financial Statements	Prepared Annual performance Report for FY2022/23
	E31S06: To conduct Technical Meeting for Finalisation and review of Draft Financial statement before submission to CAG	Prepared draft financial statement for the FY 2021/22
	E31S07: To facilitate Statutory Audit conducted by CAG	Facilitated Statutory Audit by CAG for FY2021/22
	E32S02: To conduct at Least 2 Zonal Oversight of Financial Operations for each Zone	Conducted two (2) oversight reviews on financial operations in all zones
	E32S04: To facilitate External and Internal Auditors at the Northern zone	Facilitated internal and external audit
	E32S04: To facilitate payment of bank charges	Facilitated payment of Bank charges
<b>E33: At least 16 statutory contributions made annually</b>	E33S01: To make contribution to EWURA CCC, FCT, FCC and TR	Remitted 100% of budget that is TZS 2,341,841,902/= to EWURA-CCC for the FY 2022/23
		Remitted 100% of budget that is TZS445,240,606/= to FCT for the FY 2022/23
		Remitted 100% of budget that is TZS528,968,313/= to FCC for the FY 2022/23
		Remitted 102% of the budget that is TZS 8,513,094,959 /= to the Treasury Registrar for the FY 2022/23
<b>E34: At least 7 periodic performance reports of EWURA plans prepared annually</b>	E34S01: To prepare periodic reports of Performance Agreements with Treasury Registrar	Prepared Four (4) quarterly reports of Performance Agreements between the Treasury Registrar and the Board of Directors
	E34S02: To prepare and Monitor EWURA Annual work plan from the divisional/unit inputs by April of each calendar year	(a) Prepared a Report on the Performance of EWURA's Annual Work Plan for FY2022/23 (b) Prepared EWURA's Annual action plan for the financial year 2023/24. The Action Plan was approved by the Board in February 2023. (c) Prepared and submitted four (4) quarterly progress reports to the Ministry of Energy
	E34S04: To prepare annual report of DG to the Board performance contract	Prepared one (1) annual report of the Performance contract of the DG and the Board of Directors
	E34S05: To participate in identifying risks and its mitigations	Prepared four quarterly Risk Management Progress Reports for FY 2022/23.
<b>E35: At least 36 reviews of Quality Management System conducted annually</b>	E35C01: To facilitate external Surveillance Audit	Facilitated external surveillance audit
	E35C02: To conduct 34 QMS Internal Audits	Conducted 34 QMS internal audits



TARGET DESCRIPTION	Planned Activity	Achievement
<b>E37: At least 87% of Annual Procurement Plan implemented annually</b>	E37S01: To prepare Annual Procurement Plan for FY 2022/2023	Prepared Annual Procurement Plan for FY 2022/2023
	E37S02: To Coordinate 4 Ordinary and 12 Extra Ordinary Tender Board Meetings	Conducted three Ordinary Tender Board Meetings and seven Extra Ordinary Tender Board meetings
	E37S03: To facilitate 25 tenders opening, evaluation sessions, negotiation and post qualifications	Sixteen tenders with the value of TZS 1,505,493,666.90 were implemented
	E37S04: To facilitate 20 procurement contracts/LPOs inspections	Fourteen inspection reports for the supply of Laptops, iPads, toners, reception counter, DG Secretary Counter, Office consumables, video conference, newsletters, supply of Promotional Materials for EWURA CCC, Promotional Materials for EWURA, ICT working tools (mobile phones), Printing and supply of Authority's reports
	E37S05: To conduct Technical meetings for preparation of bidding documents, tender advertisements, expression of interest and contract documents	Five meetings were conducted for preparation of Bidding Documents and contract documents
	E37S06: To conduct Review of quarterly Procurement at Zone Offices	Quarterly Procurement reports from Zone Offices were reviewed and compiled.
	E37S07: To facilitate Control, Maintenance and Disposal of Procurement Records	Forty procurement files were disposed off by transferring them to National Archives
<b>E38: At least two Procurement reports prepared and submitted to PPRA periodically</b>	E38S01: To facilitate Publication of Annual Procurement Plan and its General Procurement Noticer for FY 2022/23 through TANEPS	Annual Procurement Plan and General Procurement Notice for FY 2022/23 were published through TANEPS on 8th July 2022
	E38S02: To conduct technical meeting for the preparation of annual volume procurement report	One meeting for the preparation of the annual volume procurement report for the financial year 2021/22 was conducted and the report was submitted to PPRA on 27th July 2022
	E38S03: To facilitate PPRA or CAG procurement audits	Procurement documents were availed to CAG Auditors for the audit conducted from July to September 2022
	E38S04: To facilitate Publication of 35 contracts award notice through TANEPS	Twenty (20) contracts award notice were published through TANEPS

## 2.20.2 Key Performance Indicators

The Authority's Key Performance Indicators dashboard for implementation of the Strategic plan (2021/22-2025/26) that shows Strategic objective, Indicator description, target set and achievements during the period is shown in **Table 14**: -

**Table 14: Key Performance Indicators Dashboard and Achievements**

Strategic Objective	Indicator Description	Set Targets	Actual Achievement
		2022/23	2022/23
<b>Implementation of the National Anti-Corruption Strategy enhanced</b>	Trends in the number of stakeholders' complaints on corruption at EWURA	0	0
	Trends in the number of corruption incidents reported	0	0
<b>Quality, availability and affordability of regulated goods and services improved</b>	Percentage compliance to quality of power supply and reliability standards	50%	57.70%
	Percentage of achievement to Loss reduction target (the lower the better)	14.73%	14.00%
	Number of licensed electrical installation personnel	429	429
	Percentage compliance to petroleum products quality standards	100%	96.67%
	Percentage compliance to petroleum products marker test to curb dumping and adulteration	100%	93.0%
	Percentage compliance of petroleum facilities to infrastructure standards	100%	82.72%
	Percentage compliance of petroleum operators to the cap prices	100%	98.79%
	Number of rural petroleum retail outlets that comply with petroleum (retail operation in township and village) Rules	186	312
	Percentage compliance of natural gas infrastructure to quality standards	97%	96.52%
	Percentage compliance of natural gas infrastructure to availability	96%	95.83%
	Percentage compliance of natural gas infrastructure to safety standards	98%	96.10%
	Percentage Compliance to standards for Water quality	100%	100%
	Percentage Compliance to standards for Wastewater quality	100%	64.0%
	Percentage compliance With EWURA's tariff order conditions	100%	100%
	Percentage performance towards cost recovery tariffs in the regulated sectors	100%	100%
	Affordability in regulated sectors	8.5	8.5
<b>Institutional capacity to regulate energy and water sectors strengthened</b>	Staff turnover levels	2.30%	5.0%
	Revenue collection efficiency	100%	103%
	Type of CAG Audit Opinion obtained (FY 2021/22)	Unqualified	Unqualified Audit Opinion

## 2.20.3 Licensing

During the year, the Authority prepared and issued construction approvals and licences to various regulated suppliers operating in the regulated sectors. During the year, 270 construction approvals (2021/22: 300) and 520 licences (2021/22: 473) were issued in the petroleum sub-sector, four

licences (2021/22: 2) were issued and one amended in the electricity sub-sector, and 10 construction approvals (2021/22: 4) were issued in the natural gas sector and 38 (2021/22: 13) water supply and sanitation services licences were issued in the water and sanitation sector.

#### 2.20.4 Development of Regulatory Tools

The Authority finalized the preparation and issuing of the regulatory tools initiated during the previous year and developed new ones. The process of developing regulatory tools is governed by principles of good governance which require the collection of comments from interested stakeholders and the holding of hearings and workshops. The process of developing regulatory tools and procedures is an ongoing one. During the year five (2021/22: 20) Regulatory tools were developed as shown below: -

- Water Supply and Sanitation (Commercial and Community Boreholes Operations) Rules 2023 with GN. 426/2023 and Kanuni za Maji na Usafi wa Mazingira za Visima vya Kibiashara na Kijamii GN. 429/2023 -Kiswahili version;
- Water Supply and Sanitation (Water Tankers Services) Rules, GN. No. 427/2023 and Kanunu za Maji na Usafi wa Mazingira za Huduma za Gari la Maji GN. 430/2023 - Kiswahili version;
- Electricity (Electrical Installation), Amendment Rules, GN No. 196/2023; and
- EWURA (Petroleum Products Price Setting (Amendment) Rules, GN No. 421/2023.

#### 2.20.5 Tariff and Pricing Formula Reviews

The Authority carried out review of 34 tariff applications that were submitted during the year. All 34 applications were approved. Summary of the tariff and petroleum pricing formula reviews conducted during the period is shown in **Table 15**:

**Table 15: Tariff and Pricing Formula Reviews**

Regulated Sectors	Matters brought Forward	Received during the year	Total Matters Reviewed	Approved	Referred Back	With-drawn	Under Review as at 30 June 2023
Electricity	0	2	2	2	0	0	0
Petroleum	N/A	12	12	12	N/A	N/A	N/A
Water Supply & Sanitation	0	19	19	19	0	0	0
Natural Gas	0	1	1	1	0	0	0
<b>Total</b>	<b>0</b>	<b>34</b>	<b>34</b>	<b>34</b>	<b>0</b>	<b>0</b>	<b>0</b>

In all cases, the legal requirement (EWURA Act, Cap 414, Sect. 19(2) (b)) of taking the views of stakeholders into account was observed when determining the new rates and formulas. The Authority conducted public inquiries on tariff and pricing matters as summarized in **Table 16**.

**Table 16: Public Inquiry for Tariff and Pricing Formula Reviews**

Regulated Sectors	Number of Public Inquiry Meetings	Number of Matters Determined
Electricity	2	2
Natural Gas	1	1
Petroleum	0	12
Water Supply and Sanitation	19	19
<b>Total</b>	<b>22</b>	<b>34</b>

On the other hand, apart from tariff application from utilities, EWURA on its own motion reviewed and recommended indicative margins and cap prices for Compressed Natural Gas (CNG) whose public hearing meeting is scheduled pending response from the Ministry of Energy.

## **2.20.6 SECTOR MONITORING AND INSPECTION**

During the year, the Authority conducted performance monitoring of the activities of regulated service providers among the regulated sectors. Key objectives for sector monitoring were to promote effective competition and economic efficiency, protect the interest of the consumers and financial viability of efficient service providers, promote the availability of regulated services to all consumers including low income, rural and disadvantaged consumers and protect and preserve the environment.

### **i. Petroleum Sub Sector**

During the financial year ended 30 June 2023, the Authority continued to conduct compliance monitoring and inspection activities to ensure that the mid and downstream petroleum operations in Tanzania Mainland are conducted in a manner that is compliant with the applicable laws, licence terms and conditions, standards and best international petroleum industry practices. Below is a detailed annual performance of Petroleum Sub-Sector.

During the period under review, the Authority conducted compliance monitoring and inspection activities to 903 petroleum facilities. This is equivalent to 112.88% performance level compared to the annual target of conducting compliance monitoring and inspection activities to 800 facilities. Out of 903 inspected facilities, 747 facilities (82.72%) were found to be compliant with the applicable laws, licence terms and conditions, standards, and the petroleum industry best practices. Operators of non-compliant facilities were ordered to rectify the observed anomalies.

Conducted pre-licensing inspections of 663 petroleum facilities which include retail outlets, LPG operators, consumer installation facilities, Lubricant operators, Petroleum Storage depots, Petroleum Wholesale entities, Bitumen operators and facilities for handling condensate. Similarly, in a period from 1 July 2022 to 30 June 2023 a total of 520 licenses were issued, whereby 304 were new licenses and 216 renewals.

The Authority also continued to conduct evaluations of all received applications for construction approvals through the Licensing and Order Information System (LOIS). For the period under review, a total of 168 applicants for construction approval were approved.

Conducted periodic and ad hoc sampling of the petroleum products and sent the samples to the laboratory for testing to monitor compliance to quality standards. During the period, a total of 541 samples of petroleum products were taken from petroleum facilities to monitor compliance with the quality specifications. The performance in the period under review is 135.25% higher compared to the annual target take-off collecting only 400 samples. The high performance on sample collection was attributed by the decision of the Authority to focus more on quality checks aimed at enforcing compliance. These samples were taken from petroleum storage depots, petrol stations and a few after being requested by Police Force during investigations. Out of 541 samples collected, 18 samples equivalent to 3.33% did not conform to standard specifications. This is equivalent to 96.67% compliance level. Appropriate legal actions were taken against the facilities found with non-conforming petroleum products. The facilities were closed, and the respective operators paid the requisite fines.

Conducted periodic and ad-hoc Marker Detection Exercises to monitor compliance with marker concentration requirement. The Authority continued to conduct periodic and ad hoc Marker Detection in order to curb adulteration and dumping of transit, tax exempted and smuggled petroleum products into local market. During the period under review, fuel marker detection tests were conducted to 1,142 petroleum facilities above set target of 500 petroleum facilities equivalent to 216.4%. Out of the 1,142 facilities tested, 60 facilities equivalent to 5.25% failed the marker tests. This is equivalent to 87.10% compliance level. Legal actions were taken against the facilities that failed marker tests. Also, the Authority reported the facilities that failed marker tests to Tanzania Revenue Authority (TRA) to take appropriate actions against the defaulters. The facilities that failed marker tests were closed until the respective operators paid the requisite EWURA fines and TRA duties and penalties.

## **ii. Electricity Subsector**

During the Financial year ended 30 June 2023, the Authority conducted compliance inspections on Distribution infrastructure in 29 TANESCO's regions which was higher than the previous year 2021/22 where 28 regions were covered. The regions inspected in the financial year 2022/23 are Tabora, Kilimanjaro, Arusha, Manyara, Tanga, Simiyu, Dodoma, Singida, Iringa, Songwe, Ruvuma, Njombe, Mbeya, Kinondoni North, Kinondoni South, Mara, Mwanza, Geita, Temeke, Ilala, Pwani, Morogoro, Katavi, Rukwa, Kagera, Kigoma, Mtwara, Shinyanga and Lindi.

Inspections were also conducted in generation power plants at, Tulila Hydro Electric Plant Company Limited (5.00MW, from hydro); Darakuta Hydro Power Development Company Limited (0.32MW, from Hydro); Yovi Hydropower plant (0.95MW, from Hydro); Mwenga Hydro Limited (4.00MW from hydro); Kidatu hydropower plant (204MW, from hydro); Kihansi Hydro Power plant (180MW, from hydro) and Luponde Hydro Limited (1.06MW, from hydro).

Follow-up inspections indicated that TANESCO had attended to the previous inspections' findings by an average of 65.6%. Furthermore, noted that there was compliance with using licensed electrical installation personnel by 81.58%; compliance with distribution losses and energy meters installation (89.25%), and compliance with monitoring in supply facilities (75.6%). Generally, it was observed that TANESCO's network still had anomalies in construction standards, missing boundary energy meters at district levels, rotten poles, missing data for calculating reliability indices, a higher ratio of employee-customer to employees ratio, aged debts and not updating distribution drawings.

In addition to power distribution infrastructure inspection, the Authority also conducted five pre-licensing inspections of generation infrastructure at Bagamoyo Sugar Limited, 5MW; Bugando Natural Energy Ltd, 5MW; Kagera Sugar Ltd, 20MW; Maweni Limestone Limited, 7.5MW and Suma Hydro Limited, 4.0MW.

## **iii. Natural Gas Subsector**

During the period under review, the Authority carried out quarterly field compliance monitoring inspections of the natural gas infrastructure operated by the Tanzania Petroleum Development Corporation (TPDC), Gas Company (T) Limited, Songas (T) Limited, Pan African Energy (T) Limited, Maurel et Prom (M&P) Exploration Production (T) LTD, Dangote Cement Limited and Anric Gas Technology Tanzania Co. Ltd to determine the infrastructure technical integrity and safety aspects. These infrastructures are located in Mtwara, Lindi, Pwani and Dar es Salaam.

During the Financial year that ended on 30 June 2023, nine pre-construction approval inspections were conducted whereby applications were approved and issued construction approvals after meeting

regulatory requirements. The approvals were issued to TPDC for the construction of distribution pipelines in Dar es Salaam for the supply of gas to two industries and six hotels, Mkuranga for the connection of gas supply to one industry and Lindi for gas supply to households; then to TAQA ARABIA Tanzania Limited for the construction of two CNG Stations in Dar es Salaam; to Dangote Cement Plant for construction of own use CNG filling station in Mkuranga; to Turkey Petroleum Limited for the construction of the CNG Filling Station in Bagamoyo (Pwani) and to PAET for the construction of natural gas pipeline to one industry in Dar es Salaam. However, no operation license was issued during this period as there were no applications received. The Authority continued to promote local participation in the oil and gas sector by registering Register Local Suppliers and Service Providers through Common Qualification System (CQS), as of 30 June 2023, a total of 1,779 local suppliers and service providers have been registered.

Apart from that, during this period natural gas service providers in the mid and downstream sub-sector started filling regulatory information in the National Petroleum and Gas Information System (NPGIS) which is hosted and maintained by EWURA as per the Petroleum Act 2015 requirements. During the financial year 2022/23 the Authority coordinated the following regulatory activities: Preparation and signing of Memorandum of Understanding (MoU) on Compressed Natural Gas (CNG) Activities between EWURA, Tanzania Bureau of Standards (TBS) and Contractors Registration Board (CRB); Preparation and endorsement of Compressed Natural Gas (CNG) Activities guidelines to be used by stakeholders who are working in the CNG operation value chain; and Finalise and endorsement of Protection of Underground Infrastructure in Shared Wayleave Guidelines with wayleave owners and lenders.

#### **iv. Water Supply and Sanitation**

During the financial year ended 30 June 2023, the Authority undertook various activities including inspections for monitoring and verification of data and information reported by WSSAs. The main objective of the inspections was to check compliance of the WSSAs' infrastructures and services to licensing conditions, approved standards, business plans, water quality plans, customer service charter, tariff conditions and other legal and regulatory requirements.

During the period 61 compliance monitoring inspections were conducted to the following WSSAs; Tabora, Dodoma, Mafinga, Kibaigwa, Orkesumet, Lushoto, DAWASA, Singida, HTM, Same-Mwanga, Mbulu, Ifakara, Gairo, Kibaya, Songe, Korogwe, Mombo, Kilwa Masoko, Makonde, Liwale, Ruangwa, Morogoro, Mahenge, Kilindoni, Turiani, Kasulu, Kibondo, Ngara, Igunga, Kondoa, Nzega, Tabora, Rujewa, Makambako, Makete, Mbinga, Ludewa, Namtumbo Tunduru, Mwanhuzi, Ushirombo, Musoma, Bukoba, Bariadi, Itumba-Isongole, Iringa (two times), Mpwapwa, Kiomboi, Lindi, MANAWASA, Mtwara and Utete. However, Dodoma WSSA was inspected in four quarters, DAWASA in three quarters while Tabora, Iringa, Mafinga and Mpwapwa WSSAs were inspected in two quarters.

The Authority conducted ad-hoc inspections to DAWASA and special inspections to four WSSAs; Mugango-Kiabakari, Songe, Makonde and Wanging'ombe. Further, pre-licensing inspection was conducted in 51 WSSAs namely Orkesumet, Lushoto, Geita, Nzega, Igunga, Kiomboi, Mafinga, Kondoa, Manyoni, Mpwapwa, Gairo, Ifakara, HTM, Same – Mwanga, Mbulu, Mpanda, Namanyere, Chunya, Itumba-Isongole, Kibaya, Songe, Korogwe, Mombo, Kilwa Masoko, Makonde, Liwale, Ruangwa, Mahenge, Mugango – Kiabakari, Bunda, Bariadi, Maswa, Kahama – Shinyanga (KASHWASA), Kishapu, Mwanhuzi, Ushirombo, Kasulu, Kibondo, Biharamulo, Kahama, Ngara, Sengerema, Rujewa, Makambako, Makete, Mbinga, Ludewa, Namtumbo, Tunduru, Tunduma and Tukuyu.



Water quality monitoring was conducted on 71 WSSAs namely; Dodoma, Mpwapwa, Singida, Manyoni, Kiomboi, Tabora, Igunga, Nzega, Iringa, Kigoma, Kasulu, Kibondo, Mbeya, Chunya, Itumba-Isongole, Sumbawanga, Namanyere, Mpanda, Vwawa-Mlowo, Mtwara, Lindi, MANAWASA, DAWASA (two times), Makonde, Ruangwa, Liwale, Mafinga, Wanging'ombe, Makambako, Njombe, Mbinga, Songea, Tunduru, Morogoro, Turiani, Arusha, Babati, Moshi, Mbulu, Karatu, Orkesumet, Kibaya, Tanga, Same-mwanga, HTM, Korogwe, Songe, Mombo, Lushoto, Sengerema, Geita, Muleba, Chato, Bukoba, Ngara, Biharamulo, Musoma, Mugango-Kiabakari, Bunda, Kahama, Shinyanga, KASHWASA, Maswa, Mwanhuzi, Bariadi, Ushirombo and Mwanza. However, Dodoma WSSA was inspected in four quarters while DAWASA was in two quarters. Moreover, wastewater quality monitoring was conducted on 15 WSSAs namely; Dodoma, Iringa, Mbeya, Songea Morogoro, Arusha, Moshi, Mwanza, Musoma, Kahama, Shinyanga, Geita, Bukoba, DAWASA and Sengerema WSSAs.

The Authority prepared two Water Utilities Performance reports for the financial year ended 30 June 2022 for Regional and National Projects and District and Township WSSAs. In the course of preparation of the reports, the Authority conducted data verification inspection to 23 WSSAs namely; Namanyere, Mpanda, Same-Mwanga, Kibaya, Mombo, DAWASA, Itumba-Isongole, Vwawa-Mlowo, Tunduma, Mafinga, Kibaigwa, Nzega, Manyoni, Dakawa, Kilwa- Masoko, Mahenge, Bunda, Mugumu, Tarime, Rombo, Tanga, Babati and Moshi. The reports covered, among other things, the technical, commercial, and financial performance of WSSAs by considering key performance data and indicators. The reports were published, and the best performing utilities were recognized by awarding them with cash to improve water services in their operation areas, certificates and trophies.

During the year under review, the Authority revised business plans from 39 WSSAs namely; Mpanda, Sumbawanga, Mbinga, Chunya, Ludewa, Kyela-kasumulu, Rujewa, Tukuyu, Gairo, Kilindoni, Mahenge, Ruangwa, Turiani, Musoma, Maswa, Biharamulo, Rombo, Kibaya, Orkesumet, Dodoma, Mafinga, Mugango-Kiabakari, Mombo, Handeni Trunk Main (HTM), Korogwe, Tanga, Ifakara, Kilwa Masoko, Liwale, Morogoro, MANAWASA, Turiani, Utete, Mwanza, Nzega, Igunga, Vwawa-Mlowo, Karatu, and Kigoma. The Authority ensured that the Key Performance Indicators (KPIs) targets are included in the WSSAs' Business Plans and follow up is regularly made to ensure their implementation. The implementation of KPIs is monitored monthly through the Water Utilities Information System (MajIs) and Annual Performance Reports. To improve the performance of regulated water utilities, the Authority continued to implement capacity-building measures. The Authority conducted capacity building on the preparation of a business plan to 39 WSSAs namely; DAWASA, Morogoro, Ifakara, MANAWASA, Rombo, Igunga, Ruangwa, Manyoni, Tanga, Singida Moshi, Dodoma, Songe, Nzega, Karatu, Korogwe, Tabora, Mwanza, Babati, Kibaigwa, HTM, Kigoma, Arusha, Maswa, Kahama, Mugango-Kiabakari, Bariadi, Bukoba, Geita, Kibondo, Ushirombo, Tunduru, Makete, Makambako, Njombe, Mbeya, Tunduma, Mbinga and Mpanda.

Also, the Authority conducted capacity-building training on newly developed and revised tools including Guidelines for Water Meter Management, Guidelines for the Development of NRW Reduction Strategy, Guidelines for Developing Incident Management Plan, Performance Benchmarking Guidelines, and Water Safety Plan to 33 RNP and 46 DT WSSAs. The RNP WSSAs were: Dodoma, Iringa, Singida, DAWASA, Tabora, Moshi, Tanga, Arusha, Babati, HTM, Mwanza, Musoma, Shinyanga, Geita, Bariadi, KASHWASA, Maswa, Kigoma, Kahama, Mugango-Kiabakari, Bukoba, Morogoro, Lindi, Mtwara, Makonde, MANAWASA, Mbeya, Mpanda, Njombe, Songea, Sumbawanga, Wanging'ombe, Vwawa-Mlowo. The DT WSSAs were: Igunga, Kibaigwa, Kiomboi, Kondoa, Manyoni, Mpwapwa, Nzega, Kibaya, Orkesumet, Rombo, Gairo, Korogwe, Mombo, Lushoto, Songe, Same-Mwanga, Loliondo, Mbulu, Karatu, Turiani, Ngara, Biharamulo, Muleba, Bunda, Sengerema, Kasulu, Kishapu, Kibondo, Busega, Maganzo, Utete, Kilindoni, Kilwa Masoko, Mahenge, Ruangwa, Ifakara, , Itumba-Isongole, Kyela-Kasumulu, Makambako, Makete, Mbinga, Rujewa, Tukuyu, Tunduma, Tunduru and Namanyere.



During the year under review, the Authority conducted a review of Customer Service Charters from 25 WSSAs namely; Rujewa, Kilwa-Masoko, Mahenge, Ruangwa, Mugango – Kiabakari, Ushirombo, Maganzo, Songe, Kibondo, Mwanhuzi, Chato, Sengerema, Korogwe, Rombo, Kibaya, Makete, Chunya, Kilindoni, Ruangwa, Turiani, Utete, Tunduru, Vwawa-Mlowo, DAWASA, and Gairo. To enable the Authority's Board to be more informed on the operations of water utilities including, among other things, the challenges they are facing, the Authority conducted Board working visits to DAWASA and Dodoma WSSAs.

## **2.20.7 Public Awareness**

The Energy and Water Utilities Regulatory Act, Cap. 414 amended section 6 (e) stipulates that it is a duty of the Authority to enhance public knowledge, awareness and understanding of regulated sectors including the rights and obligations, ways in which complaints and disputes may be initiated and resolved; and the duties and functions of EWURA. The public awareness and relations programmes are implemented through a comprehensive Communications Policy and Strategy as an integral part of the Authority's functions to enhance public knowledge, awareness and understanding of the regulated sectors.

During the year under review, EWURA implemented successfully activities related to Communications and Public Relations functions as per Communication Strategy and Action plan for the year 2022/23. The implementation of the plan was made through various media outlets such as electronic and print media, meetings, public hearings and consultations. During the year under review, the Authority implemented the following publicity activities:- EWURA na Uchumi TV and Radio Programmes. During the period, EWURA designed and recorded 26 television programmes, surpassing the target of 25 programmes that were planned. In the same period, EWURA aired 16 against 25 programmes that were planned to be aired during the period.

EWURA aired special interviews on several local television stations such as TBC1, Azam, Channel Ten and ITV on various regulatory matters. EWURA featured in live and recorded Radio broadcasts on local Radio stations such as Planet FM, Radio Imaan, Manyara FM, Radio 5, E- FM, Zoe FM, Clouds FM, Radio One, Uhuru FM, TBC Taifa, and in several news bulletins on various TV and Radio stations to discuss regulatory issues, especially on fuel cap prices, and EWURA's participation at various regulatory functions.

### **a) Advertisements**

During the year, the Authority published 126 batches (2021/22: 67) of various advertisements based on the requirements of user departments. The advertisements were mainly traditional ones of Public Inquiry, Petroleum Cap Prices, Public Notices on Job Vacancies, Pre-inspection monitoring and licensing; and Tenders.

### **b) Feature Articles and social media**

The Authority published 44 feature articles in various media against the target of 40. The Authority also uses its social media accounts on YouTube, Twitter, Facebook, and Instagram as well as WhatsApp groups to reach out to stakeholders through that category.

### c) Seminars and Consultations

During the financial year that ended 30 June 2023, EWURA conducted 20 meetings, seminars and consultations with various key stakeholders with a view to discussing and imparting regulatory knowledge. The increased number of seminars is attributed to the need to impart regulatory knowledge to new Parliamentary Committees and other emerging stakeholders.

EWURA held meetings, seminars and consultations with key stakeholders such as the Prospective Electrical Instalation Personel, Members of Parliament, Oil Marketing Companies, Compressed Natural Gas service providers, people with albinism, the Editor's Forum, the Tanzania Truck Owners Association and the Tanzania Petrol Stations Owners Association.

### d) Exhibitions

The Authority participated at the 47 Dar es Salaam International Trade Fair (DITF). During the exhibition, EWURA conducted public awareness, by providing information and educational activities, whereby various publications such as Newsletter and EWURA reports were distributed to the public. Also, the Authority participated in the Liquefied Petroleum Gas (LPG) Exhibitions, Maji Week and Nishati Week at National Parliament Grounds in Dodoma.

### e) Publicity Materials

During the year, the Authority distributed EWURA's education and information materials to the Government and the general public through various events such as Liquefied Petroleum Gas (LPG) Stakeholders' Exhibitions, Water Week Exhibitions, the 47th DITF, Nishati Week, public inquiry meetings and in various consultative stakeholder's meetings. The publicity materials distributed included the EWURA Annual report for the year 2022, Water sector reports Volume I and II for the year 2022, Electricity Performance Report for the year 2022, Natural Gas Performance Report for the year 2022, Petroleum Downstream Sub Sector Performance Report, Clients Service Charter, EWURA Newsletters, brochures and EWURA branded bags.

## 2.20.8 Complaints and Disputes

The Authority attended to complaints against suppliers of regulated goods or services in relation to any matter connected with the supply, possible supply or proposed supply of goods or services. A summary of complaints received and settled in each sector is shown in Table 17.

**Table 17: Complaints and Disputes Attended**

Regulated Sector	Pending Complaints Brought forward	Complaints Received During the Year	Complaints Resolved	Complaints in Progress
Petroleum	2	15	13	4
Electricity	40	154	92	102
Water Supply and Sanitation	27	96	36	87
Natural Gas	0	0	0	0
<b>Total</b>	<b>69</b>	<b>265</b>	<b>141</b>	<b>193</b>

During the year there were 69 complaints at the beginning of the financial year and a total of 265 new complaints were received (2021/22: 293), out of those 141 complaints were resolved during the year while 193 complaints were at various stages of mediation and hearing at the end of the year.

## 2.20.9 Regional Cooperation Meetings

During the period the Authority participated in the activities and meetings of four Regional Associations namely, RERA (2 meetings), EREA (1 meeting), ARA (1 meeting) and ESAWAS (2 meetings). The main objective of regional cooperation is to provide regulatory inputs to Government delegation during Regional and International meetings. Furthermore, exchange regulatory experiences within the International and Regional settings, and allow EWURA to have access to information necessary for regulation and performance benchmarking.

## 2.20.10 RECRUITMENT

During the year, the Authority recruited 10 new staff thus bringing the total number of staff to 190 (2021/22:187). During the same period, 10 staff (5%) (2021/22: 18) were under fixed term contract while 180 staff (95%) (2021/22: 169) were under permanent and pensionable terms. The number of staff planned (approved establishment) was 216 (2021/22: 196). Staff gender structure was as indicated in **Table 18**: -

**Table 18: Staff Complement**

Item	Male	Female	Total
<b>2022/23</b>			
<b>Staff Complement</b>	126	64	190
<b>Percentage</b>	66	34	100
<b>2021/22</b>			
<b>Staff Complement</b>	126	61	187
<b>Percentage</b>	67	33	100

The Authority has a staff complement of highly qualified and motivated professionals who bring with them their diverse experience in areas of professionalism.

## 2.20.11 INFORMATION AND COMMUNICATION TECHNOLOGY

During this period, the Authority has continued to maintain its ICT system and application. The ICT systems maintained by the Authority are categorized into five groups, these are two (2) financial application systems, seven (7) regulatory application systems, two (2) management application systems, two (2) productivity application systems, and one (1) security system. These systems were designed to assist in automating the regulatory processes and cross-cutting services within the Authority.

The authority has continued with its efforts to ensure existence of effective security that protects any possible attack to the systems, this has reduced the risk of business interruption because of attacks. Management has continued to improve the systems to accommodate more regulatory processes and enable users to have easy access to regulatory services. The following systems were maintained and some improved during the period;

**Table 19: Systems Maintained during the financial year 2022/23**

S/N	Application Group	Application Name	System Concept
	Financial Application Systems	Financial Management System (EPICOR 10)	Financial Management System with objective of enhancement the capability of EWURA to process and maintain existing and future financial transactions to EWURA's financial operations at Head Office and Zone Offices.
		Asset Management	System that managed Authority Asset
	Regulatory Application Systems	Licensing and Oder Information system (LOIS)	This is a web-based system that manage applications for licence, tariff and register complaint from the consumer of the regulated services
		Water Utilities Information Systems (MajIS)	The system that facilitates Compilation of data for performance monitoring of Water Supply and Sanitation Authority. The system is web-based and about 100 water utilities are using system include Ministry of Water.
		Fuel Price Mobile SMS System	The system is for disseminating cap price for fuel using mobile phone
		Cap Price Information system (CPIS)	An interactive system of processing monthly petroleum cap prices to ensure that petroleum products cap prices are accurate and are issued every month
		e-Board System	System that manages Board Meetings activities, electronic sharing of the documents and Board papers
		National Petroleum and Gas Information System	The system aims at monitoring of Petroleum and Natural Gas products within the country
		Common Qualification System	The system is used for the development, classification and recognition of , capabilities, skills, knowledge and competencies of agreed levels within the country in petroleum industry
	Management Application Systems	Performance Management System (PMS)	Management of Staff Appraisal system (OPRAS)
		Incident management system (IMS)	Management of reported ICT incident for solution
	Productivity Application Systems.	Document Management System (DMS)	This is a system that provide secured interactive, graphical interface to managed documents, distribute and store them
		Audit Software	DACAS-This software is installed in the Server for capturing transaction for audit purposes
			TEAMMAT-This software is installed in the staff window for communicating with DACAS to facilitate audit
	Security System	Sophos antivirus	Software that helps to protect computers and servers against viruses, worms and Trojan horses

The Authority continues to ensure ICT systems and services are provided to meet Authority objectives. Systems integration and enhancement to incorporate new user requirement is conducted regularly. In addition, authority continue to conduct users training to ensure optimum utilization of all systems and users are aware of systems and communication security threats.

## 2.20.12 RISK MANAGEMENT AND CONTROL

### i. Authority Risk Management Function

The Authority's risk management function is currently under the Internal Audit Division and is vested with the duty to ensure that risks with the potential of affecting the achievement of the regulatory objectives are assessed and mitigated in order to minimize the likelihood of materializing and optimizing possible opportunities. During the financial year 2022/23, the focus of the risk management function continued to be safeguarding people and assets, complying with legislation, preserving the Authority's reputation and attaining the regulatory objectives in line with the Strategic Plan and Annual Action Plan.

### ii. Exposure to Principal Risks

During the financial year 2022/23, the Authority operations were exposed to number of risks including variations of petroleum products prices due to differences in landing cost in the three ports of delivery namely Tanga, Dar es Salaam and Mtwara, change of the scheme of services which threatened staff motivation, possible failure of compressed natural gas (CNG) cylinders due to the use second-hand cylinders in converted CNG motor vehicles and possibility of a loss of data due to cyber-attacks. Other risks that were identified during the reporting period include possible exposure to corrupt practices in compliance monitoring and procurement activities, negative publicity in social media, delays in issuing licenses to electrical installation personnel, possible delays in delivery of procured goods and services due to disruptions in supply chains, and increase in outstanding levies from some regulated entities. Controls and mitigation actions were developed and implemented with the aim of minimizing the possibility of risks materializing and impacts in the event the risks materialize. The table below summarizes key significant risks identified and managed during the period under review and the respective mitigation actions:

**Table 20: Significant Risks Identified and Managed**

No.	Risk Description	Risk Category	Mitigation Action
1	Possibility of variation in petroleum product prices between ports of delivery due to cargo-by-cargo tendering modality resulting in a disruption in the availability of petroleum products in regions served by the respective ports of delivery.	Operational	Expedite the implementation of the proposal submitted to the Ministry of Energy on changing petroleum product importation tenders from cargo by cargo to product-by-product modality which will minimize variations in landing cost.
2	The possibility that staff will be demoralized due to a change of scheme of service resulting in a decrease in the Authority's performance	Operational	Continue with providing awareness to staff on the new structure and addressing any issues raised by staff on the revised Scheme of Service
3	Possibility of explosion/rupture of CNG cylinders due to installation of used cylinders in converted CNG motor vehicles resulting in injuries, deaths, or damage to property	Operational	Engage key stakeholders (TBS & CRB) to ensure safety in CNG operations by developing: a) CNG Vehicles Inspection Guidelines, b) Procedures for Disposing of expired CNG Cylinders and, CNG Vehicles Conversion Workshop Guidelines

No.	Risk Description	Risk Category	Mitigation Action
4	Possibility of zero-day attack on ICT system due to malicious actors resulting in data loss	Operational	Conduct internal vulnerability assessment monthly and external penetration test quarterly and act on security weaknesses observed
5	The possibility of petroleum inspectors being bribed by operators due to the need to avoid penalties for non-compliances resulting in damage to the Authority's image	Operational	Monitor incidents of bribery attempts and take appropriate action in line with applicable policies and procedures
6	The possibility of staff engaged in the procurement process to be involved in corrupt practices due to personal interest resulting in damage to the Authority's reputation.	Operational	Conduct special staff awareness training on avoiding corrupt practices in the procurement process as part of in-house annual training
7	The possibility of negative publicity in social media due to personal interest resulting into damage to the Authority's reputation	Operational	Develop and implement Social Media Policy and Guidelines
8	The possibility of delay in issuing electrical installation licenses due to delay of response from the certificate issuing Authorities resulting in an increase in complaints	Operational	Integrate Licensing and Order Information System (LOIS) with Certificate Accreditation Authorities to automate the certificate verification process.
9	Possibility of delays in delivery of goods/ service/works due to disruptions in the supply chain resulting in delays in delivery of regulatory services	Operational	Enhance procurement contract management module in DMS by introducing automated alerts and tracking of goods, services, or works delivery timelines
10	Possibility of insufficient financial resources due to increase in outstanding levies from WSSAs resulting into failure to fund regulatory operations	Financial	Expedite and make follow up on the proposal already initiated on the development of an electronic application system that will enable the collection of levies directly from the WSSA's Accounts

### Capacity Building on Risk Management

During the reporting period, the Authority conducted training for Risk Champions on business continuity management. The objective of the training was to enable Risk Champions to be able to conduct business impact analysis, identify critical processes and develop business continuity plans. The training was facilitated by Ministry of Finance, Internal Auditor General Department.

### iii. Role of the Board on Risk Management Function

During the financial year 2022/23, the Board of Directors through its Audit and Risk Committee, continued to assume the responsibility and accountability for overseeing the risk management function in the Authority by reviewing, deliberating and providing directives on quarterly risk management reports.



## 2.20.13 EMPLOYEE WELFARE

### i. Staff Relations

The Authority maintained good working relationship among employees, Management and the Board of Directors during the year under review. Staff were involved in all matters that concern their welfare and implementation of EWURA functions.

### ii. Capacity Building

The Authority equipped its staff with relevant regulatory, managerial, soft skills, and operational competencies to enhance their service delivery to the public. During the year, 173 staff (2021/22:128 staff) attended short course training on the following areas: -

- ❖ Economic regulation of water utilities and onsite sanitation and faecal sludge management;
- ❖ Utility Regulation (51st PURC/World International training program on Utility regulation and strategy);
- ❖ Special training to First aiders on their legal obligation as provided under sec 58 of OHS Act no 5 of 2003 as organised by OSHA and Red Cross Tanzania;
- ❖ Electronic Records Security and ICT application;
- ❖ Risk, fraud and cyber-security;
- ❖ Ethics, customer care and complaints handling techniques skills;
- ❖ Design of the east African crude oil pipeline (EACOP) project;
- ❖ Petroleum markets which was organized by EREA;
- ❖ Conference on dialogue on Oil price shocks
- ❖ Executive driving course;
- ❖ Management Development for Executive Assistant;
- ❖ International Maji Scientific Conference;
- ❖ effective Time Management and Devolution, Mental health, Self-Care and Self Love
- ❖ Mediation techniques;
- ❖ Professional trainings in Auditing, Finance, Accounting, Legal, Engineering, Human Resources and Procurement;
- ❖ The World Congress of Accountants, 2022
- ❖ 9th AFIIA Conference 2023;
- ❖ 41<sup>st</sup> African Association for Public Admin and Management;
- ❖ Concepts and how to deal with mental health problems and procedures for dealing with disciplinary matters in the workplace; and
- ❖ Tracking and Development of effective Fraud and Corruption Indicators.

### iii. Working Environment

The Authority continued to monitor and ensure there is availability of conducive working environment, administrative services and tools that promoted safety, growth and goal attainment. During the period, the Authority continued to maintain property and equipment to ensure favourable working environment.

### iv. Medical Services

The Authority provides medical insurance cover through National Health Insurance Fund (NHIF) to all staff. During the year the Authority contributed TZS 1.11 billion (2021/22: TZS 783.69 million) to NHIF for medical insurance to Staff.



## **v. Health and Safety**

The Authority takes all reasonable and practicable steps to safeguard health, safety, and welfare of its employees. A safe and comfortable working environment is maintained for all employees by providing adequate and proper protective gears, training, and supervision. The Authority observes the Safety and Health Administration (OSHA) guidelines and ensures full compliance. During the year, there were no incidences related to health and safety reported.

During the period, the Authority developed an Emergency Response Plan (ERP) which consists of a set of procedures, instructions, and actions to be taken in the event of an emergency or incident potential for causing injuries or death to personnel, damage to property, and/or disrupting the delivery of regulatory services. The objective of the plan is to save lives, minimize injuries, secure property, and enable quick recovery of operations. The developed ERP is in line with the Government legislation that relates to disaster management, health and safety at the workplace and the Authority's Business Continuity Management Policy.

During the same period the Authority facilitated staff (first aiders) to attend special training to First aiders on their legal obligation as provided under sec 58 of OHS Act no. 5 of 2003, organised by OSHA and Red Cross Tanzania.

## **vi. HIV/AIDS Intervention**

During the year under review, the Authority conducted awareness seminar to staff on HIV/AIDS and Non-communicable diseases. During the seminar, staff were also reminded to undertake voluntary testing for HIV, Blood Pressure and Blood Sugar. Additionally, during the training staff were given awareness on the current global Covid 19- pandemic.

During the same period, the Authority continued to implement action plan for communicable and non-communicable diseases. This involved appointing peer educators, distribution of HIV/AIDS protective gears dispensing facilities at Head Office and Zones and Designed, Printed and Fitted posters at strategic points to encourage staff to adopt good eating habits and physical activity.

## **vii. Employee Benefit Plan**

The Authority pays contributions to Public Service Social Security Fund (PSSSF). During the year, the Authority paid TZS 1.68 billion (2021/22: TZS 1.42 billion).

## **viii. Financial Assistance to Employees**

During the period, the Authority continued to maintain and manage a revolving loan fund which is used to provide loans to staff on rotational basis in order to assist staff to meet various social related needs such as construction of houses, purchase of personal vehicles or payment of school fees. The Authority has also continued to timely remit deductions and contributions to EWURA SACCOS which provides various financial services to EWURA staff members.

## **2.20.14 GENDER PARITY**

During the year, the Authority had 190 employees (2021/22: 187), out of which 126 (66%) were male and 64 (34%) were female as shown in **Table 20**. The Authority is an equal opportunity employer.

**Table 21: Gender Parity**

Gender	2022/23		2021/22	
	No.	%	No.	%
Male	126	66	126	67
Female	64	34	61	33
Total	190		187	

### 2.20.15 PERSONS WITH DISABILITIES

The Authority provides equal opportunities to persons with disabilities. In case of recruitment of a disabled person or a member of staff become disabled the authority will ensure provision of conducive working environment and capacity building programs. As such the Authority shall treat them equally with other staff and meet their requirements depending on their needs.

### 2.20.16 POLITICAL AND CHARITABLE DONATIONS

#### i. Political Donation

The Authority does not make donations towards political activities. During the financial year ended 30 June 2023, the Authority did not make any donations towards political activities.

#### ii. Charitable Donations

These donations were made as part of Corporate Social Responsibility. It is the Policy of the Authority to contribute towards activities that improve people's livelihood in communities in the areas of health, environment and education. During the period under review, the Authority provided contributions worth a total of TZS 401.64 million (TZS 682 million 2021/22): towards health, education, and social sectors. This created a positive image and values to the public.

### 2.20.17 PREJUDICIAL ISSUES

During the period, there were no prejudicial issues which were outside the control that hindered achievement of Authority's' objectives.

### 2.20.18 RELATED PARTIES

EWURA regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Authority. During the period EWURA related parties comprised of PS MoE, PS MoW, Board of Directors, the Director General, Divisional Directors and Head of Units. During the period the Authority incurred a total of TZS 2.29 billion (2021/22: TZS 2.79 billion) in relation to the related party transactions.

### 2.20.19 ENVIRONMENTAL CONTROL PROGRAMME

The Authority, in collaboration with the National Environmental Management Council and other stakeholders, continued to participate in compliance monitoring on matters related to protection of environment including review of Environmental Impact Assessment (EIA) studies and oil spill incident investigations.

During the financial year 2022/23, a total of 176 (2021/22: 279) EIA studies and 31 Environmental Audit studies related to construction of petroleum infrastructure were reviewed. In considering any application for a license or construction approval, the authority considers the need to protect and preserve the environment as required by the Environmental Management Act, 2004. Furthermore, the Authority continues to sensitive using of Compressed Natural Gas for cooking instead of charcoal and monitoring of waste water and sludge management

## 2.20.20 KEY ACHIEVEMENTS

During the year, the Authority witnessed significant achievements as follows:

- i. The Authority continued to conduct monitoring and inspection of its regulated sectors. This has continued to improve the quality of regulated products, services, and standards of infrastructure;
- ii. The Authority managed to utilise fully the Licensing and Order Information System (LOIS) in receiving, processing and issuing licenses and construction approvals related to petroleum sub-sector;
- iii. There has been an annual improvement in terms of the number of WSSAs having water treatment facilities hence supplying treated water to their customers. The WSSAs increased from 91% in FY 2021/22 to 95% of 86 WSSAs in FY 2022/23. Water quality Monitoring inspections coupled with inspection directives facilitated improvement in the implementation of water treatment in WSSAs. The Authority will continue to monitor water quality and ensure all the WSSAs supply water that complies with the required standards;
- iv. The number of water connections in the service areas of WSSAs increased by 14% from 1,186,766 in FY 2021/22 to 1,351,603 as of 30 June 2023 which has contributed to improvement in service coverage. To ensure the number of connections in WSSAs increases annually, EWURA monitors the targets set in their business plans and the same is used as one of the items while setting WSSAs tariffs. The Authority will continue to monitor the level of quality of service to connected customers;
- v. The Authority softened conditions for the investment of petroleum retail outlets in rural areas which to an increment of facilities by 372% to 373 outlets in 2022/23 from 79 outlets in 2021/22;
- vi. EWURA's good regulatory environment has increased the upcountry's LPG storage facilities for re-filling plants to 2,122MT compared to 2,055 MT in the year 2021/22;
- vii. Regulatory interventions have increased assurance to consumers' confidence on quality as they purchase petroleum products at the petrol station as well as increased awareness of customer's rights to be supplied with products that meet quality standards;
- viii. The Authority continued to cooperate with other Government institutions such as TBS, National Environment Management Council (NEMC), TRA, Tanzania Ports Authority (TPA), Weight and Measures Agency (WMA), Government Printers, Attorney General, PBPA and Police Force on matters that required EWURA's cooperation or intervention, or vice versa, for the country's interest;
- ix. The Authority ensured that the Key Performance Indicators (KPIs) targets are included in the WSSAs' Business Plans and made regular follow up to ensure their implementation;
- x. The Authority continued to conduct public awareness campaigns and seminars on the roles and responsibilities of the Authority, rights and obligations of the service providers and consumers and complaints handling mechanism;
- xi. The Authority made total remittance of TZS 11.88 billion (2021/22: TZS 11.87 billion) whereby TZS 2.34 billion (2021/22: TZS 2.29 billion) was remitted to EWURA-CCC, FCT TZS 445.24 million (2021/22: TZS 435.79 million), FCC TZS 528.97 million (2021/22: TZS 693.95 million), expenses for GCC TZS 54.35 million (2021/22: TZS 71.15 million) and the Treasury Registrar TZS 8.51 billion (2020/21: TZS 8.38 billion) as required by the law;

- xii. The Authority recruited 10 staff (2021/22: 7) to fill vacant positions;
- xiii. The Authority maintained membership to International Association to Platts/McGraw Hill, African Refineries Association, Eastern and Southern Africa Water and Sanitation Regulators Association, Regional Electricity Regulators Association (RERA), Independent Regulatory Board - East African Power Pool (IRB-EAPP), African Forum of Utility Regulators, Energy Regulators of East Africa (EREA) Further the Authority facilitated staff membership to various professional bodies including IIA, TLS, NBAA, ERB, PSPTB, TAWCA; and
- xiv. The authority acquired land for construction of its Northern Zone Office.

## **2.20.21 KEY CHALLENGES AND THE WAY FORWARD**

The Authority encountered various challenges while discharging its functions during the year under review. Key challenges encountered included the following: -

- a) Despite the increased number of petrol stations in rural areas, there is still a need for further investments in rural areas so as to eliminate the sale of petroleum products in plastic bottles and the storage of such products in drums in residential houses which endangers the lives and properties of people involved in the business and their surroundings;
- b) Low investment and awareness on sanitation services to WSSAs and the public. The Authority will continue to enforce the developed regulatory sanitation tools to promote investments in sanitation services and provide capacity building to WSSAs on provision and management of sanitation services;
- c) Unpreparedness to climate change and incidents affecting provision of water supply and sanitation services. The Authority will continue to conduct periodic awareness and enforcement of the developed Incident Management Planning Guidelines for WSSAs. Also, the Authority will continue to insist WSSAs to prepare Water Safety plans that will ensure climate resilient in order to mitigate the impact of the climate change and incidents;
- d) High Non-Revenue Water (NRW) in the regulated water utilities. The Authority will continue to follow up on WSSAs to develop and implement strategies for reduction of NRW according to Guidelines for Development of NRW Strategies issued by EWURA. Also, the Authority will continue to follow up on WSSAs to develop and implement their water meter policies in according Guidelines for Selection, Testing, Installation and Maintenance issued by EWURA;
- e) The risks posed by third party activities and encroachment on existing underground infrastructure along the way leaves. The Authority in collaboration with way-leave owners and service providers finalised and launched the guidelines for protection of underground infrastructures and communication platform which will be used by operators in shared way-leaves;
- f) Importation of second-hand CNG cylinders in the country compromise the public safety and their properties. The Authority in collaboration with TBS will ensure no second-hand cylinder is imported to the country;
- g) Smuggling of petroleum products from neighbouring countries. EWURA will continue to work with other Government institutions to curb such illegal business especially in the bordering regions;
- h) Limited capacity of LPG offloading facility at KOJ2 whereby the jetty is only capable of handling vessel with a maximum cargo of 5,500 MT thus limiting the industry from achieving economies of scale in importation. Even though the total storage capacity is 15,750 MT, three vessels are required to deliver LPG that would utilise the full storage capacity;
- i) High starter pack cost which limits the increase of users of LPG especially low-income earners. The starter pack includes cylinders, burners and cookers. There is a need for LPG wholesalers to invest in the LPG cylinders manufacturing plants in Tanzania or source for affordable LPG cylinders that meet quality specifications in the international market.

#### **2.20.22 EVENTS AFTER THE REPORTING PERIOD**

There were no material events, adjusting or non-adjusting, which had occurred between the reporting date and the date when the Financial Statements are authorized for issue.

#### **2.20.23 FUTURE DEVELOPMENT PLANS**

The Authority plans to open a new Zonal Office (Western Zone) to be located in Tabora region, as an implementation of its strategy to ensure regulatory services are made available close to the Public. Further, the Authority will continue to acquire plots for construction of Zonal Offices buildings for Lake Zone, Central Zone and Western Zone in order to minimize office rent charges. For the financial year 2023/24, the Authority has planned to start construction of office buildings for Southern Highland Zone and Northern Zone.

Additionally, the Authority will continue to automate its regulatory processes to ensure easy accessibility and timely provision of regulatory services and ensure that its regulatory functions are implemented pursuant to the requirement of the Laws.

#### **2.20.24 SOLVENCY AND GOING CONCERN**

Since its establishment, the Authority has managed to finance its operations through sources of revenue as specified under the EWURA Act, Cap. 414. The Directors consider the Authority to be solvent on the strength of its financial position as at 30 June 2023 as shown in these financial statements and the Notes thereon. As such the authority will continue to operate as a going concern for the foreseeable future

#### **2.20.25 AUDIT MANDATE**

The Controller and Auditor General is the Statutory Auditor of the Energy and Water Utilities Regulatory Authority by virtue of Article 143 of the Constitution of the United Republic of Tanzania and as amplified in Section 10 of the Public Audit Act, Cap 418 (R.E 2021). In that regard, the CAG shall carry out audit of the Authority's Financial Statements for the year ended 30 June 2023.

#### **2.20.26 APPROVAL**

The Report was approved and authorised for issue by the Board of Directors on December 2023 and signed on its behalf by;



.....  
Prof. MARK J MWANDOSYA  
**CHAIRMAN**



.....  
Dr. JAMES A. MWAINYEKULE  
**DIRECTOR GENERAL**

### 3.0 STATEMENT OF RESPONSIBILITIES BY THOSE CHARGED WITH GOVERNANCE

These financial statements have been prepared by the Management of the Energy and Water Utilities Regulatory Authority in accordance with section 46 of the EWURA Act, Cap. 414 and section 25(4) of the Public Finance Act, Cap 348 (R.E 2020).

The Directors of EWURA are responsible for establishing and maintaining a system of effective internal control designed to give reasonable assurance that the transactions recorded in the financial statements are within the statutory requirement and that they contain the receipts and use of resources by the Authority.

The Directors of EWURA are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority, and which enable them to ensure that the financial statements comply with the EWURA Act. They are also responsible for safeguarding the assets of EWURA and hence for taking reasonable steps for the prevention and detection of fraud, error, and other irregularities.

The Directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgment and estimates have been made in the preparation of the financial statements for the year ended 30 June 2023. The Directors also confirm that International Public Sector Accounting Standards have been followed and that the financial statements have been prepared on the going concern basis to the best of the Directors knowledge, the internal control system has operated adequately throughout the reporting period and the accounting and underlying records provide a reasonable basis for the preparation of the financial statements for the year ended 30 June 2023.

Directors accept responsibility for the integrity of the Financial Statements, the information they contain and their compliance with International Public Sector Accounting Standards. Nothing has come to the attention of the Directors to indicate that EWURA will not remain a going concern for at least the next twelve months from the date of the Statement.

Approved by the Board of Directors on December 2023 and signed on its behalf by:



.....  
Prof. MARK J. MWANDOSYA  
**CHAIRMAN**



.....  
Dr. JAMES A. MWAINYEKULE  
**DIRECTOR GENERAL**



## 4.0 STATEMENT OF DECLARATION BY THE HEAD OF FINANCE

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

It is the duty of a professional accountant to assist the Board of Directors to discharge the responsibility of preparing Financial Statements of an entity showing the true and fair view of the entity in accordance with international accounting standards and statutory reporting requirements. Full legal responsibility for financial statements rests with the Board of Directors as under Directors Responsibility statement on an earlier page.

I, **Stanley P. Mahembe**, being the Director of Corporate Services of the Energy and Water Utilities Regulatory Authority hereby acknowledge my responsibility of ensuring that Financial Statements for the year ended 30 June 2023 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that, the financial statements give a true and fair view position of Energy and Water Utilities Regulatory Authority as on that date and they have been prepared based on properly maintained financial records.

  
**Signed by:** .....  
**Position:** Director of Corporate Services  
**NBAA Membership No.:** FCPA1515

## 5.0 FINANCIAL STATEMENTS

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	NOTES	30.06.2023	30.06.2022
		TZS'000	TZS'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Bank Balances	7	5,795,981	6,765,301
Trade and Other Receivables	8	13,198,528	12,166,112
Inventories	9	180,571	191,475
Prepayments	10	917,419	1,151,274
<b>Total Current Assets</b>		<b>20,092,499</b>	<b>20,274,162</b>
<b>Non-Current Assets</b>			
Property and Equipment	11	14,566,016	14,491,524
Intangible Assets	12	343,648	632,635
<b>Total Non-Current Assets</b>		<b>14,909,664</b>	<b>15,124,159</b>
<b>TOTAL ASSETS</b>		<b>35,002,163</b>	<b>35,398,321</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	13	2,460,231	1,705,997
Gratuity payable	13	95,309	3,900
<b>Total Current Liabilities</b>		<b>2,555,540</b>	<b>1,709,897</b>
<b>Non-Current Liabilities</b>			
Gratuity payable	14	175,091	206,502
NHC Loan Payable	14.1	504,597	2,207,188
<b>Total Non-current Liabilities</b>		<b>679,688</b>	<b>2,413,690</b>
<b>Total Liabilities</b>		<b>3,235,228</b>	<b>4,123,587</b>
<b>Net Assets</b>		<b>31,766,935</b>	<b>31,274,934</b>
<b>Net Assets/Equity</b>			
<b>Retained Surplus</b>		31,766,935	31,274,934
<b>Total Net Assets/Equity</b>		<b>31,766,935</b>	<b>31,274,934</b>

Notes form part of the financial statements which were approved and authorized for issue by the Board of Directors on December 2023 and signed on its behalf by:



Prof. MARK J. MWANDOSYA  
**CHAIRMAN**



Dr. JAMES A. MWAINYEKULE  
**DIRECTOR GENERAL**

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

	NOTES	30.06.2023	30.06.2022
<b>Revenue</b>		<b>TZS'000</b>	<b>TZS'000</b>
<b>Revenue from Non-Exchange Transactions</b>			
Regulatory Levy, Licence Fees and Penalties	15.1	56,685,780	55,748,141
<b>Revenue from Exchange Transactions</b>			
Other Income	15.2.1	4,005	15,315
<b>Total Revenue</b>		<b>56,689,785</b>	<b>55,763,456</b>
<b>Expenses</b>			
Staff Costs	16	19,577,835	18,716,399
Operating Costs	17	17,330,904	15,506,059
Contribution to TR and Other Government Entities	18	11,873,868	11,868,604
Administration Costs	19	5,391,297	5,360,904
Finance costs	20	33,625	29,579
Depreciation on Property and Equipment	11	1,850,545	1,817,212
Amortization of Intangible Assets	12	331,702	274,300
<b>Total Expenses</b>		<b>56,389,776</b>	<b>53,573,057</b>
<b>Surplus for the Period</b>		<b>300,009</b>	<b>2,190,399</b>

Notes form part of the financial statements which were approved and authorized for issue by the Board of Directors on December 2023 and signed on its behalf by:



Prof. MARK J. MWANDOSYA  
**CHAIRMAN**



Dr. JAMES A. MWAINYEKULE  
**DIRECTOR GENERAL**

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

	Retained Surplus	Total
<b>2022/23</b>	<b>TZS'000</b>	<b>TZS'000</b>
Opening Balance at 1 July 2022	31,274,934	31,274,934
Prior year adjustment on expenditure ( <b>Note 23B</b> )	191,992	191,992
Net Operating surplus for the Year	300,009	290,582
<b>Balance at 30 June 2023</b>	<b>31,766,935</b>	<b>31,757,308</b>
<b>2021/22</b>	<b>TZS'000</b>	<b>TZS'000</b>
Opening Balance at 1 July 2021	28,505,209	28,505,209
Prior year adjustment on expenditure (Note 23B)	579,326	579,326
Net Operating surplus for the Year	2,190,399	2,190,399
<b>Balance at 30 June 2022</b>	<b>31,274,934</b>	<b>31,274,934</b>

Notes form part of the financial statements which were approved and authorized for issue by the Board of Directors.

## CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

		30.06.2023	30.06.2022
	Notes	TZS'000	TZS'000
<b>Operating activities</b>			
<b>Receipts:</b>			
Regulator Levy	15.1.2	52,198,519	55,969,903
Licence Fees	15.1.4	929,930	1,040,007
Application Fees	15.1.6	701,620	522,900
Penalties	15.1.8	1,378,895	1,979,428
Other Income	15.2.1	4,005	15,315
<b>Total Receipts</b>		<b>55,212,969</b>	<b>59,527,553</b>
<b>Payments:</b>			
Staff Costs	16.2	(19,428,772)	(19,030,010)
Operating Costs	17.1	(16,360,767)	(15,500,408)
Contribution to TR and Other Government Entities	18.1	(11,006,231)	(10,891,537)
Administration Costs	19.1	(5,391,297)	(5,360,904)
Other Expenses	20.2	(846,909)	(1,265,607)
<b>Total Payments</b>		<b>(53,033,976)</b>	<b>(52,048,466)</b>
<b>Net cash generated from operating activities</b>		<b>2,178,993</b>	<b>7,479,087</b>
<b>Investing activities</b>			
Purchase of Property and equipment	11	(1,403,007)	(1,231,888)
Purchase of Intangible Assets	12	(42,716)	(529,563)
<b>Net cash used in investing activities</b>		<b>(1,445,723)</b>	<b>(1,761,451)</b>
<b>Financing activities</b>			
Payment for NHC Loan	14.1	(1,702,591)	(2,449,153)
<b>Net cash used in Financing activities</b>		<b>(1,702,591)</b>	<b>(2,449,153)</b>
<b>Decrease in cash and cash equivalents</b>		<b>(969,320)</b>	<b>3,268,483</b>
Cash and cash equivalents at the beginning of the year		6,765,301	3,496,818
<b>At the end of the year</b>	7	<b>5,795,981</b>	<b>6,765,301</b>

Notes form part of the financial statements which were approved and authorized for issue by the Board of Directors.

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

	Original Budget	Mid-Year Review (Adjustments)	Final Budget	Actual on Comparable Basis	Performance Difference	Performance	Notes
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	%	
<b>Revenue</b>							
<b>Non-exchange Transactions:</b>							
Regulatory Levy	52,153,144	-	52,153,144	52,198,519	45,375	0.1	
Licence Fees	1,027,345	-	1,027,345	929,930	(97,415)	-9.5	
Application Fees	312,829	-	312,829	701,620	388,791	124.3	6.4.1
Penalties	2,040,000	-	2,040,000	1,378,895	(661,105)	-32.4	6.4.2
<b>Exchange Transactions:</b>							
Other income	-	-	-	4,005	4,005	-100	6.4.3
<b>Total Revenue</b>	<b>55,533,318</b>	<b>-</b>	<b>55,533,318</b>	<b>55,212,969</b>	<b>(320,349)</b>		
<b>Expenses</b>							
Staff Costs	19,964,511	(320,350)	19,644,161	19,428,773	215,389	-1	
Operating Expenditure	15,052,987	1,105,401	16,158,388	16,432,841	(202,579)	1	
Contribution to other Government Entities	11,723,941	(522,300)	11,201,641	11,006,232	195,409	-2	
Administration Costs	4,720,234	117,665	4,837,899	5,391,096	(553,196)	11	
Financial and Other Charges	48,840	-	48,840	846,909	(798,069)	-	
Purchase of Intangibles & PPEs	1,450,000	-	1,450,000	1,373,849	4,277	-	
Payment for NHC Loan	2,472,430	(380,416)	2,092,014	1,702,591	389,423	-19	6.4.4
<b>Total Expenses</b>	<b>55,432,944</b>	<b>0</b>	<b>55,432,944</b>	<b>56,182,291</b>	<b>(749,346)</b>	<b>1</b>	
<b>Surplus/(Deficit) for the year</b>	<b>100,374</b>	<b>(0)</b>	<b>100,374</b>	<b>(969,320)</b>	<b>428,997</b>	<b>-</b>	
<b>Attributable to:</b>							
<b>Surplus/Deficit attributable to owners</b>	<b>100,374</b>	<b>(0)</b>	<b>100,374</b>	<b>(969,320)</b>	<b>428,997</b>		

Explanations of variances between the budget and actual amounts are provided under Note 6 of these financial statements.

Notes form part of the financial statements which were approved and authorized for issue by the Board of Directors.



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

### **NOTE 1.0: GENERAL INFORMATION**

The Energy and Water Utilities Regulatory Authority is a multi-sectorial regulatory Authority responsible for technical and economic regulation of the energy (electricity, petroleum and natural gas) and water sectors in Mainland Tanzania. EWURA undertakes its regulatory functions pursuant to the EWURA Act, Cap. 414 and sector legislation. EWURA's functions and responsibilities are also governed by the legislation of the relevant sector, including the Petroleum Act, Cap. 392; Electricity Act, Cap. 131; Water Supply and Sanitation Act, Cap. 272; Fair Competition Act, Cap. 285 and the Public Finance Act, Cap. 348.

The Authority Head Office address during the year was: -

**EWURA House, Plot No 3, Block AD**

Medeli West, EWURA Street

P O Box 2857,

**41104 TAMBUKARELI, DODOMA.**

### **NOTE 2.0: AUTHORISATION FOR ISSUE**

The financial statements for the year ended 30 June 2023 were authorized for issue by the Board of Directors during its extraordinary meeting that was held on November 2023.

### **NOTE 3.0: STATEMENT OF COMPLIANCE**

The financial statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) Accrual Basis of Accounting as issued by the International Public Sector Accounting Standards Board (IPSASB) and other applicable laws of the United Republic of Tanzania. The Report by those charged with governance has been prepared pursuant to Tanzania Financial Reporting Standards (TFRS) No. 1.

### **NOTE 4.0: SIGNIFICANT ACCOUNTING POLICIES**

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

#### **4.1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

These financial statements have been prepared on the basis of historic cost and accrual basis. The cash flow statements has been prepared using Direct Method.

#### **4.2. REPORTING PERIOD**

These financial statements were prepared to cover the reporting period which is the financial year that runs from 1 July 2022 to 30 June 2023.

### 4.3. STANDARDS ISSUED, NOT YET EFFECTIVE, AND THOSE WITH NO IMPACT

The Authority has continued to adopt the newly published International Public Sector Accounting Standards (IPSASs) issued by the Public Sector Accounting Standards Board (IPSASB) since 1 July 2016. The new standards that were issued but not yet effective during the reporting period are;

**IPSAS 41:** Financial Instruments, which is effective for reporting dates that starts on or after 1 January 2023. This Standard establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, *Financial Instruments: Recognition and Measurement*. The standard introduces a classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held. It also applies a forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment test. Further, the standard introduces a hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy

**IPSAS 42:** Social Benefits, which is effective for reporting dates that starts on or after 1 January 2022 provides guidance on accounting for social benefits expenditure. It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effect of social risk. Specific examples include state retirement benefits, disability benefits, income support and unemployment benefits. The standard requires an entity to recognize an expense and a liability for the next social benefit payment. It seeks to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. To accomplish this, IPSAS 42 establishes principles and requirements for; Recognizing expenses and liabilities for social benefits; Measuring expenses and liabilities for social benefits; Presenting information about social benefits in the financial statements; and determining what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the social benefits provided by the reporting entity. **The standard has no impact in the financial statements of the Authority.**

**IPSAS 43:** Leases: is effective for reporting dates that starts on or after January 1, 2025: **A right-of-use asset based** on control over the underlying asset IPSAS 13 requires the lessee to recognise the underlying asset only when the lease is categorised as a finance lease. A lease liability as there is a present obligation to make future lease payments in accordance with the lease contract. When the lessee classifies the lease as an operating lease, it does not have to recognise a lease liability under IPSAS 13. There are optional recognition exemptions available for short-term leases and leases of low-value assets provided they meet certain criteria. There is a single lessee accounting model for most leases with no distinction between finance and operating lease. Assets and liabilities related to the rights and obligations created by leases are required to be recognised. A key benefit of IPSAS 43 is that it increases comparability between financial statements of entities that buy assets from those entities that lease assets. Since there is a single lessee accounting model, IPSAS 43 eliminates information asymmetry that currently exists due to different lease classifications. The users no longer need to adjust the financial statements using different techniques.

**IPSAS 44:** Non-current Assets Held for Sale and Discontinued Operations, is effective for reporting dates that starts on or after January 1, 2025. Earlier application is permitted. The new IPSAS specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. IPSAS 44 includes additional public sector requirements, in particular, the disclosure of the fair value of assets held for sale that are measured at their carrying amounts, when the carrying

amount is materially lower than their fair value. The standard provides guidance on how to account for public sector assets that are held for sale on commercial terms.

**IPSAS 45:** This new released IPSAS on March 2023 which is effective for reporting dates that starts on or after 1 January 2025 replaces IPSAS 17, Property, Plant, and Equipment by adding current operational value as a measurement basis in the updated current value model for assets within its scope, identifying the characteristics of heritage and infrastructure assets, and adding new guidance on how these important types of public sector assets should be recognized and measured.

**IPSAS 46:** This new released IPSA on March 2023 which is effective for reporting dates that starts on or after 1 January 2025 provides new guidance in a single standard addressing how commonly used measurement bases should be applied in practice. It brings in generic guidance on fair value for the first time, and introduces current operational value, a public sector specific current value measurement basis addressing constituents' views that an alternative current value measurement basis to fair value is needed for certain public sector assets.

**IPSAS 47:** Revenue, which is a single standard to account for revenue transactions in the public sector. IPSAS 47 replaces the existing three revenue standards, and presents accounting models which will improve financial reporting and support effective public sector financial management. IPSAS 47 will be effective for periods beginning on or after January 1, 2026.

**IPSAS 48:** Transfer Expenses, which provides guidance on a major area of expenditure for governments and other public sector entities. IPSAS 48 fills a gap which had previously led to ambiguity and inconsistency of accounting policies in the public sector. IPSAS 48 will be effective for periods beginning on or after January 1, 2026.

#### **4.4. OTHER ACCOUNTING POLICIES APPLIED**

##### **4.4.1. Functional, presentation, currency translation and rounding off**

###### **4.4.1.1. Functional and presentation currency**

The financial statements are presented in Tanzanian Shillings, which is the Authority functional and presentation currency and all values are rounded to the nearest thousand (TZS'000) except where otherwise indicated.

###### **4.4.1.2. Foreign Currencies Translation**

Transactions in foreign currencies during the year are converted into Tanzania Shilling (functional currency), at rates ruling at the transaction dates. Monetary assets and liabilities at the Statement of Financial Position date which are expressed in foreign currencies are translated into Tanzania Shilling (TZS) at rates ruling at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. The resulting differences from conversion and translation are dealt with in the Statement of financial performance in the period in which they arise.

###### **4.4.1.3. Cash flow Statement**

The Authority has prepared its cash flow statement for the year ended 30 June 2023 using direct method.

## **4.5. REVENUE RECOGNITION**

Revenue comprises of inflows of economic benefits received and receivable by the reporting entity, which represents an increase in net assets/equity, other than increases relating to contributions from owners.

The amount of revenue is not considered to be reliably measured until all contingencies relating to the levy have been resolved. The Authority bases its estimates on historical results, taking into consideration the type of regulated supplier, type of transaction and specifics of each arrangement.

### **4.5.1. Revenue from Non-Exchange Transactions**

The Authority recognizes revenues from levy, licenses, and fines/penalties when the event occurs, the asset recognition criteria are met. Other non-exchange revenues are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the fair value of the asset can be measured reliably.

#### **a) Revenue from Regulatory Levy**

Regulatory levy revenue is obtained from Energy (Petroleum, Electricity and Natural Gas) and Water Sectors and is recognized upon verification of sales and importation records from regulated suppliers and issuance of demand note in line with EWURA (Fees and Levies Collection Procedures), Rules 2010 (Amended).

#### **b) Donor and Government Funds**

Funds from the Donors and Government are reported as Deferred Revenue and recognized as revenue when there is reasonable assurance that the Authority will comply with the conditions attached to them. During the period, there were no funds received from the Donors and the Government.

### **4.5.2. Revenue from Exchange Transactions**

Revenue from exchange transactions is recognized to the extent that it is probable that the economic benefits will flow to the Authority and the amount for which can be reliably measured.

#### **4.5.2.1. Interest income**

Is accounted for in the period in which it is earned. For all financial instruments measured at amortized cost and interest-bearing financial assets classified as available-for-sale, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included as other income in the Statement of Financial Performance.

#### **4.5.2.2. Other sources of revenue**

These are recognized and accounted for as income to the Authority in the period in which it is earned.

#### 4.6.PROPERTY AND EQUIPMENT

All property and equipment are initially measured and recorded at cost less accumulated depreciation and any impairment losses. Historical cost comprises expenditure initially incurred to bring the asset to its location and condition ready for its intended use.

Subsequent expenditures are capitalized only when they increase the current economic benefits or service potential and meet the recognition criteria. Expenditure incurred to replace a component of item of property, plant and equipment is accounted for separately and capitalized while the major replaced component is derecognized. All other expenditure items, which do not meet recognition criteria, are recognized in the Statement of Financial Performance as expenses as they are incurred.

As guided by the Public Assets Management Guideline, Depreciation on assets is calculated on the straight-line basis to write down the cost of each asset, to its residual value over their estimated useful lives. The authority is charging depreciation when the asset is available for use irrespective of the date of acquisition. The condition of assets is also considered during calculation of depreciation of individual assets. The depreciation ceases when the asset is derecognized.

**The following annual rates are applied: -**

S/N	Asset Category	Depreciation Rate (%)
1	Buildings	2- (50yrs)
2	Technical Equipment	20- (5yrs)
3	Motor Vehicles	20- (5yrs)
4	Furniture and Fittings	20- (5yrs)
5	Office Equipment (servers, photocopy machines, shredders, UPS)	20- (5yrs)
6	Computer Hardware (Desktops and Laptops)	25- (4yrs)
7	Plant and Machinery	6.7-(15yrs)
8	Equipment and Systems	10-(10yrs)
9	Fixture	10-(10yrs)

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### 4.7.INTANGIBLE ASSETS

Intangible assets consist of computer software licenses which are capitalized based on the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives which are estimated to be three years. Intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Intangible assets are amortized over the useful economic life and assessed at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable service amount of the asset. Generally, costs associated with maintaining computer software programmes are recognized as an expense when incurred. Intangible assets acquired are measured on initial recognition at cost. Internally generated intangible assets are not capitalized, and the expenditure is charged against profits in the year in which they are incurred.

## **4.8. FINANCIAL INSTRUMENTS**

### **4.8.1. Classification**

The Authority classifies financial assets and financial liabilities into the following categories: -

- (i) Held-to-maturity investment.
- (ii) Loans and receivables.
- (iii) Financial liabilities measured at amortized cost.

Classification depends on the purpose for which the financial instruments were obtained and takes place at initial recognition.

### **4.8.2. Initial Recognition and Measurement**

Financial instruments are recognized initially when the Authority becomes a party to the contractual provisions of the instruments. The Authority classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable assets. Financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument. Transaction costs on financial instruments at fair value through surplus or deficit are recognized in the Statement of Financial Performance.

### **4.8.3. Subsequent Measurement**

#### **Loans and receivables**

Loans and receivables are subsequently measured at amortized cost, using the effective interest method, less accumulated impairment losses. Held-to-maturity investments are subsequently measured at amortized cost, using the effective interest method, less accumulated impairment losses. Gains and losses arising from changes in fair value are recognized in Statement of Financial Performance and accumulated in equity until the asset is disposed of or determined to be impaired. Financial liabilities at amortized cost are subsequently measured at amortized cost, using the effective interest method.

### **4.8.4. De-recognition**

Financial assets are de-recognized when the rights to receive cash flows from the investments have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership.

### **4.8.5. Impairment of Financial Assets**

At each reporting date the financial assets, other than those at fair value are assessed through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired. For amounts due to the Authority, significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy and default of payments are all considered to be indicators of impairment. Impairment losses are recognized in the Statement of Financial Performance.



- (i) Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognized, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognized.
- (ii) Reversals of impairment losses are recognized in the Statement of Financial Performance except for equity investments classified as available-for-sale.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognized in surplus or deficit within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

#### **4.9. LOANS AND ADVANCES TO STAFF**

These includes Salary advance, Revolving loan and Imprests issued to staff. The repayment period for Salary advance is limited to 12 months while Revolving loan is not exceeding 36 months. Imprests are retired within 14 days after completion of respective activity.

#### **4.10. TRADE AND OTHER RECEIVABLES**

Trade receivables are measured on initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognized in surplus or deficit when there is objective evidence that the asset is impaired. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognized in statement of financial performance within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

#### **4.11. TRADE AND OTHER PAYABLES**

Trade payables are initially measured at fair value, and are subsequently measured at amortized cost, using the effective interest rate method.

#### **4.12. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash on hand and at the Bank. These are initially and subsequently recorded at their fair value.

#### **4.13. INVENTORIES**

There were no Inventories held for sale. Inventories for consumption (Stocks and Consumables), i.e., stationeries, are measured at cost upon initial recognition. After initial recognition inventories are measured at the lower of cost and current replacement cost. Cost is determined by the First-In-First-Out (FIFO) method. Current replacement cost is the cost the entity would incur to acquire the asset on the reporting date. Inventories are expensed upon completion of issuance for use.

#### **4.14. PROVISION**

Provisions are recognized when the Authority has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Authority expects some or all of provisions to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Financial Performance net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

#### **4.15. EMPLOYEE ENTITLEMENTS**

Employee entitlements to gratuity and long-term service awards are recognized when they accrue to employees. A provision is made for the estimated liability for such entitlements as a result of services rendered by employees up to the Statement of Financial Position date. The estimated monetary liability for employees accrued annual leave entitlement at the Statement of Financial Position date is recognized as an expensed accrual.

#### **4.16. RETIREMENT BENEFIT OBLIGATION**

##### **4.16.1. Approved Pension Scheme**

The Authority contributes to statutory defined benefits for its employees under the Permanent and Pensionable term of employment at the rate of 15% of basic salary to the Public Service Social Security Fund (PSSSF).

##### **4.16.2. Gratuity**

The Authority sets aside 25% of employee's last basic salary as gratuity payable at the end of the contract for all staff under Contract terms of Employment. The contract period is normally five years renewable upon successful performance. A provision is made on monthly basis for the estimated gratuity liability because of service rendered by the employees up to the Statement of Financial Position date.

#### **4.17. ACCOUNTING FOR LEASES**

Leases of assets under which a significant portion of the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease.

#### **4.18. RELATED PARTIES**

EWURA regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Authority. Related parties comprise of PS MoE, PS MoW, Board of Directors, the Director General, Divisional Directors and Head of Units.

#### 4.19. INFORMATION ON BUDGET

**IPSAS 24** requires a public sector entity that is required or elect to make publicly available its approved budget to present budgetary information covering classification and basis adopted in the approved budget, budget period covered, explanation of changes between approved original and final budget because of reallocations within budget and material difference (variances) between the final budget amounts and actual amounts during the year for both revenue and expenditure. **Note 6** to the financial statements provides details of budget performance.

#### 4.20. SEGMENT REPORTING

**IPSAS 18** define a segment as a distinguishable activity or group of activities of an entity for which it is appropriate to separately report financial information for the purpose of evaluating the entity's past performance in achieving its objectives and for making decisions about the future allocation of resources

EWURA regards zonal offices as a geographical segment. The Zonal Offices have been provided autonomy to collect Regulatory Levies from water sector in their geographical areas. As at the 30 June 2023 EWURA operated five zones (Northern Zone, Eastern Zone, Lake Zone, Central Zone and Southern Highland Zone).

In presentation of the segment reporting on Statement of Financial Performance. Regulatory Levies from water have been allocated to five zones based the Water and Sanitation Supply Authorities (WSSA) controlled by zones. Regulatory Levies from Electricity have been allocated to zones based on the regions where the levy collected related, Regulatory Levies from Natural Gas and Petroleum have been allocated to Head Office only. In presentation of segment reporting on statement of Financial Position, Liabilities have been allocated to Head Office as zonal offices have not given autonomy to take any liability on behalf of the Authority. In compliance with IPSAS 18 the statement showing movement of Non-Current Assets for each zone have also been presented. **Note 24** to the financial statements provides details of the segment reporting.

#### NOTE 5: COMPARATIVES

Comparative figures have been adjusted to conform to changes in presentation in the current year where necessary. Also, previous year's balances have been regrouped for comparison purposes

#### NOTE 6.0: INFORMATION ON BUDGET PERFORMANCE

##### 6.1. Budgetary basis

The budget for Financial Year 2022/23 was prepared on cash basis (**see note 21**) based on the requirements of the law, EWURA's Strategic Plan (2021/22-2025/26), operational policies and relevant Government Circulars. It was also prepared in line with the Medium-Term Expenditure Framework (MTEF) as one of the requirements of the Government Budget Guidelines for Preparation of 2022/23 budget.

##### 6.2. Budget period covered

The budget for the Financial Year 2022/23 covered a 12 months period starting from 1 July 2022 to 30 June 2023.

### 6.3. General Budget Performance

During the Financial Year 2022/23, the revenue collected was TZS 55.21 billion equivalent to 99% of the budgeted revenue of TZS 55.53 billion. The performance was attributed to revenue from the regulatory levy whereby TZS 52.20 billion was collected equivalent to 100.1% against the target of TZS 52.15 billion. The licence fee collected was TZS 929.93 million against the target TZS 1.03 billion equivalent to 91%. Also, Licence application fees collected was TZS 701.62 million against the target of TZS 312.82 million equivalent to by 224% due to the increased number of applications. The Authority paid TZS 56.1 billion during the year equivalent to 101% of the annual budget.

### 6.4. Explanation on Material Variance

During implementation of the approved budget for Financial Year 2022/23, the Authority noted some material variances (below or above by 10%) against its revenue budget. Explanation on such variances is given below;

#### 6.4.1 Licence Application Fees

During the year, the Authority collected TZS 701.62 million from licence fees as compared to TZS 312.83 million budgeted equivalent to 124.3% increase. The performance is attributed to high number of licence application i.e., 568 compared to 353 anticipated during the year.

#### 6.4.2 Penalties

During the year, the Authority collected TZS 1.38 billion from penalties as compared to TZS 2.04 billion budgeted equivalent to 32.4% decrease. The performance is attributed to increased awareness and compliance.

#### 6.4.3 Other Income

During the year, the Authority collected TZS 4.0 million as other income which is equivalent to -100% since was unbudgeted during the period. This amount was collected from the NPGIS-GePG testing transactions and payment of utility for office building.

#### 6.4.4 Payment for NHC Loan

During the year, the Authority paid TZS 1.70 billion equivalent to 81% of the budgeted amount. The performance is attributed to retained amount for liquidated damages TZS 504.6 million.

### NOTE 7: CASH AND CASH EQUIVALENTS

This statement is for the purpose of the cash flow statement, in this respect, the year-end cash and cash equivalents comprise of the following: -

	30.06.2023 TZS'000	30.06.2022 TZS'000
Cash and Bank Balances (Note 7.1)	5,795,981	6,765,301
<b>TOTAL Cash and Bank Balance</b>	<b>5,795,981</b>	<b>6,765,301</b>

The Authority is not exposed to credit risk on cash and bank balances because the available balances are held by sound financial institutions which are BOT, CRDB, NMB, NBC and TCB.

At the end of the year, the Authority had a total of TZS 5.80 billion (2021/22: TZS 6.77 billion) and USD 0.073 million (2021/22: USD 0.263 million) held in different bank accounts which are BOT, CRDB, NMB, NBC and TCB.

The carrying amounts of the Authority's cash and cash equivalents were denominated in the respective currencies as shown in **Note 7.1**:

#### NOTE 7.1: CASH AND CASH EQUIVALENTS

	30.06.2023	30.06.2022
Account Name	TZS'000	TZS'000
<b>Expenditure Bank Accounts</b>		
CRDB- Head Office	3,276,184	3,180,611
CRDB- Lake Zone	52,267	18,253
NMB - Northern Zone	34,661	32,814
NMB – Southern Highland Zone	45,105	13,138
NMB - Central Zone	7,486	30,142
CRDB - Eastern Zone	59,078	117,757
<b>Revenue Collection Bank Accounts</b>		
BOT-USD	170,144	6,450
BOT-TZS	2,059,452	3,355,584
CRDB-TZS	96,981	100
CRDB-USD	701	231
NMB-TZS	50	
NBC-TZS		50
TIB-TZS		1,861
TCB-TZS		
Bank Fund Transfer	(6,128)	8,309
<b>TOTAL CASH BALANCE</b>	<b>5,795,981</b>	<b>6,765,301</b>

#### NOTE 7.2: CASH FLOW RECONCILIATION – CASH FLOWS GENERATED FROM OPERATIONS

Reconciliation of Surplus for the year to cash generated from operations:

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Surplus for the year	300,009	2,190,398
Adjustments for:		
Non-cash items including Provision, Depreciation and Amortization (Note 7.2.1)	2,659,399	2,313,186
<b>Cash Generated from operations before Working Capital changes</b>	<b>2,959,408</b>	<b>4,503,384</b>
<b>Changes in Working Capital:</b>		

	30.06.2023	30.06.2022
	TZS'000	TZS'000
(Increase)/Decrease in inventories	(10,904)	(90,111)
(Increase/ Decrease in Trade and Other Receivables	(808,188)	2,818,881
Increase/ (Decrease) in Trade and Other Payables	38,476	246,733
Net changes in Working Capital	(770,988)	2,975,503
<b>Net cash generated from operations</b>	<b>2,178,993</b>	<b>7,479,087</b>

**NOTE 7.2.1:** Breakdown for Non-cash items including Provision, Depreciation and Amortization

	30.06.2023	30.06.2022
	TZS'000	TZS'000
<b>Non-Cash Items</b>		
Depreciation on Property and Equipment	1,850,545	1,817,212
Amortization of Intangible Assets	331,703	274,300
Bad Debt Expenses	439,350.46	221,674
Loss on disposal of fixed assets	37,800.30	
<b>Total non-cash items</b>	<b>2,659,399</b>	<b>2,313,186</b>

#### NOTE 8: TRADE AND OTHER RECEIVABLES

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Trade Receivables*	12,573,637	11,084,806
Provision for Impairment (Note 8A)	(2,229,871)	(2,093,572)
Other Receivables	-	3,693
Staff Loans and Advances (Note 8B)	2,854,763	3,171,185
<b>TOTAL Trade and other Receivables</b>	<b>13,198,528</b>	<b>12,166,112</b>

\*Trade receivables relates to outstanding regulatory levy debtors as at 30 June 2023. The balance for trade receivable during the year TZS 12.57 billion (2021/22: TZS 11.08 billion). The outstanding trade receivables during the year are made up of debtors from Natural Gas subsector, Electricity subsector, Petroleum subsector and Water and Sanitation Sector as shown below;

#### Breakdown of Outstanding Trade receivables

	30.06.2023	30.06.2022
Sector	TZS'000	TZS'000
Natural Gas	591,826	121,752
Electricity	5,104,920	4,826,906
Petroleum	2,994,686	3,398,003
Water and Sanitation	3,882,205	2,738,145
<b>Total</b>	<b>12,573,637</b>	<b>11,084,806</b>

A provision of TZS 2.23 billion (2021/22: TZS 2.09 billion) has been made during the year against debts considered to be doubtful. The recorded provision during the period has been attained after releasing the TZS 303.05 million (2021/22: TZS 1.12 billion) recovered from the TZS 2.09 billion



(2021/22: TZS 2.96 billion) recorded during the year. Such recoveries were a result of effective collection efforts deployed by the authority. Additionally, the Authority undertook assessment of the outstanding debtors during the year and identified new provision of TZS 439.35 million (2021/22: TZS 245.21 million) as analysed in **Note 8A**.

#### NOTE 8A: Movement in Provision for Bad Debts

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Balance at the beginning of the Year	2,093,572	2,963,519
Charge for the Year	439,350	245,214
Recoveries (Released provision during the Year)	(303,051)	(1,115,161)
<b>TOTAL</b>	<b>2,229,871</b>	<b>2,093,572</b>

#### Note 8B: Staff Loan and Advances

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Staff Revolving Loans	2,169,632	2,386,956
Salary Advances	662,160	770,499
Imprest	22,970	13,729
<b>TOTAL</b>	<b>2,854,763</b>	<b>3,171,184</b>

Total Staff Loan, advances and imprests has decreased by 10% i.e., from TZS 3.17 billion in 2021/22 to TZS 2.85 billion in 2022/23. The decrease is attributed to decrease in outstanding revolving loan balance and salary advances as compared to financial year 2021/22.

#### NOTE 9: INVENTORIES

The authority keeps inventory that consists of items consumable in nature. Such items include Stationeries, Cleaning materials, and food items. As at 30 June 2023, the amount of Inventories recognized as an expense during the year were TZS 176.35 million (2021/22: TZS 177.48 million). Also, during the year slow moving inventories provided was TZS 12.48 million (2021/22: TZS 30.49 million). During the current or prior financial year there were no inventory items pledged as security.

#### Inventory Movement

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Inventory balance at the start of the year	221,964	208,259
Inventories added during the year	147,438	191,187
Less: Inventories issued/adjusted during the year	(176,350)	(177,482)
<b>Inventories available at the end of the year</b>	<b>193,053</b>	<b>221,964</b>
Less: Provision for Slow moving Inventory	(12,481)	(30,489)
<b>Inventories balance at the end of the year</b>	<b>180,571</b>	<b>191,475</b>
<b>Inventories recognised as an expense during the year</b>	<b>176,350</b>	<b>177,482</b>

## NOTE 10: Prepayments

	30.06.2023	30.06.2022
	TZS.'000	TZS.'000
Prepaid Office Rent	94,618	171,670
Purchase of Motor Vehicles-GPSA	-	356,533
Prepaid fuel deposit	50,000	
Prepayments – (Key deposit, Subscription)	393,158	458,381
Membership subscription fee	12,718	-
NHIF Supplementary package	108,100	108,100
Prepaid air ticket deposit	-	40,000
Prepaid software development	177,324	16,590
Acquisition of plot for Northern Zone Office	71,874	
Overpayment for Statutory Contribution for the FY 2022/23	9,627	
<b>Total Prepayments</b>	<b>917,419</b>	<b>1,151,274</b>

## Prepayment Movement

During the period, the amount of prepayment released was TZS 1.15 billion (2021/22: TZS 459.35 million). The prepayment additions during the same period were TZS 917.42 million (2021/22: TZS 680.82 million) as analysed below;

Description	Opening Balance	Amortized	Closing Balance	Additions
	TZS.'000	TZS.'000	TZS.'000	TZS.'000
	A	B	C	E=(B+C-A)
Prepaid Office Rent	171,670	171,670	94,618	94,618
Purchase of Motor Vehicles-GPSA	356,533	356,533	-	-
Prepaid fuel deposit	-	-	50,000	50,000
Prepayments – (Key deposit, Subscription)	458,381	458,381	393,158	393,158
Membership subscription fee	-	-	12,718	12,718
NHIF Supplementary package	108,100	108,100	108,100	108,100
Prepaid air ticket deposit	40,000	40,000	-	-
Prepaid software development	16,590	16,590	177,324	177,324
Acquisition of plot for Northern Zone Office			71,874	71,874
Overpayment for Statutory Contribution for the FY 2022/23			9,627	9,627
<b>Total Prepayments</b>	<b>1,151,274</b>	<b>1,151,274</b>	<b>917,419</b>	<b>917,419</b>

## NOTE 11: PROPERTY AND EQUIPMENT

	Building	Land	Leasehold Improvement	Plant and Machinery	Equipment and Systems	Technical Equipment	Motor Vehicles	Fixture and Fittings	Furniture and Fittings	Office Equipment	Computers	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'
<b>Cost:</b>	7,575,316	261,383	-	704,921	2,101,793	6,190	4,584,306	1,517,594	1,086,459	2,288,933	2,427,913	22,554,808
At 1 July 2022												
Additions	7,311		210,392	-	-	-	1,066,720	-	92,012	118,236	468,167	1,962,838
Adjustments/disposal	-	-	-	-	-	-	(290,142)	-	-	-	-	(290,142)
<b>Cost as at 30 June 2023</b>	<b>7,582,627</b>	<b>261,383</b>	<b>210,392</b>	<b>704,921</b>	<b>2,101,793</b>	<b>6,190</b>	<b>5,360,884</b>	<b>1,517,594</b>	<b>1,178,471</b>	<b>2,407,169</b>	<b>2,896,080</b>	<b>24,227,504</b>
<b>Depreciation:</b>												
At 1 July 2022	303,145	-	-	91,076	584,451	5,088	3,004,695	424,974	660,303	1,237,642	1,751,909	8,063,283
Charges for the Year	151,557	-	41,502	40,923	349,957	184	484,102	218,524	96,982	257,189	209,627	1,850,545
Adjustments/Disposal	-	-	-	-	-	-	(252,342)	-	-	-	-	(252,342)
<b>At 30 June 2023</b>	<b>454,702</b>	<b>-</b>	<b>41,502</b>	<b>131,999</b>	<b>934,408</b>	<b>5,272</b>	<b>3,236,455</b>	<b>643,498</b>	<b>757,285</b>	<b>1,494,831</b>	<b>1,961,536</b>	<b>9,661,488</b>
<b>NBV as at 30 June 2023</b>	<b>7,127,925</b>	<b>261,383</b>	<b>168,890</b>	<b>572,922</b>	<b>1,167,385</b>	<b>918</b>	<b>2,124,428</b>	<b>874,096</b>	<b>421,186</b>	<b>912,339</b>	<b>934,545</b>	<b>14,566,016</b>

- ✓ TZS 290.14 million disposal of motor vehicles represent two (2) motor vehicles with registration STL 2177 and STK 8205 which were sold to staff during the financial year
- ✓ TZS 1.96 billion reported addition during the year include non-cash items as follow: Capitalization of various fixed assets which were paid for during previous year but brought into use this financial year as follow leasehold property TZS 205.31 million, Office equipment TZS 4.32 million, Furniture and Fittings TZS 65.55 million, Motor vehicles TZS 356.53 million and retention amount with respect to the reception counter TZS 1.71 million. Therefore, cash outflow related to the Asset additions was TZS 1.40 billion (TZS 1.33 billion which was paid for acquired assets and TZS 71.87 million prepayment for acquisition of plot at EWURA Northern Office)
- ✓ There were no assets pledged as security as at 30 June 2023.

## PREVIOUS FINANCIAL YEAR (2021/22) PPE MOVEMENT

	Building	Land	Leasehold Improvement	Plant and Machinery	Equipment and Systems	Technical Equipment	Motor Vehicles	Fixture and Fittings	Furniture and Fittings	Office Equipment	Computers	Total
Cost:	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 2021	7,486,599	261,383	574,497	704,921	2,101,793	6,190	4,343,999	1,517,594	941,573	2,148,128	2,052,919	22,139,596
Adjustments/ Disposal	-	-	(574,497)	-	-	-	(242,179)	-	-	-	-	(816,676)
New Additions	88,716	-	-	-	-	-	482,486	-	144,886	140,806	374,995	1,231,888
<b>Cost as at 30 June 2022</b>	<b>7,575,316</b>	<b>261,383</b>	<b>-</b>	<b>704,921</b>	<b>2,101,793</b>	<b>6,190</b>	<b>4,584,306</b>	<b>1,517,594</b>	<b>1,086,459</b>	<b>2,288,934</b>	<b>2,427,914</b>	<b>22,554,809</b>
<b>Depreciation:</b>												
At 1 July 2021	149,732	-	574,497	47,230	210,976	3,851	2,781,584	151,819	535,632	992,565	1,614,864	7,062,749
Charges for the Year	153,414	-	-	43,846	373,476	1,238	465,290	273,155	124,671	245,078	137,045	1,817,212
Adjustments/ Disposal			(574,497)				(242,179)					(816,676)
<b>At 30 June 2022</b>	<b>303,146</b>	<b>-</b>	<b>-</b>	<b>91,076</b>	<b>584,451</b>	<b>5,089</b>	<b>3,004,695</b>	<b>424,974</b>	<b>660,303</b>	<b>1,237,643</b>	<b>1,751,909</b>	<b>8,063,285</b>
<b>NBV as at 30 June 2022</b>	<b>7,272,170</b>	<b>261,383</b>	<b>-</b>	<b>613,845</b>	<b>1,517,341</b>	<b>1,101</b>	<b>1,579,611</b>	<b>1,092,620</b>	<b>426,156</b>	<b>1,051,291</b>	<b>676,005</b>	<b>14,491,524</b>

- ✓ The Ministry of Finance and Planning undertook a review of useful life for assets which were fully depreciated but still in use on behalf of EWURA, this review was pursuant to Government circular No. 2 of the year 2021/22 with reference number JA.32/233/01 that insisted on the use of Government Assets Management Information System (GAMIS) and review of Estimated Remaining Economic Life (EREL) of existing assets. The reviewed assets were 14-Motor vehicles, 403 Furniture, 63-Office equipment and 45- Computers. The review resulted to reduced accumulated depreciation of the respective asset groups as follows (Motor vehicle- TZS 499.86 million; Technical equipment-TZS 2.34 million; Furniture and fittings TZS 98.43 million; Office equipment-TZS 177.90 million and Computers- TZS 115.34 million). The net amount reduced (TZS 893.87 million) was treated against retained surplus and adjusting the Opening balances for FY 2020/21 for Accumulated Depreciation as required by IPSAS 3. Due to that, no assets in use with zero net book value during the year.
- ✓ Due to the review of the useful life of the mentioned assets categories, the comparable amounts (FY 2020/21) for Depreciation in the Statement of Financial Performance and the Comparable amount of the PPE schedule and Retained Surplus in the Statement of Financial Position were adjusted to comply with the requirements of the IPSAS 3 as follows; The depreciation amount increased by TZS 299.51 million i.e. from TZS 1.60 Billion to TZS 1.90 Billion, the amount of PPE and Retained Surplus decreased by TZS 299.51 million each, as such PPE changed from TZS 14.18 billion to 13.88 billion and Retained Surplus changed from TZS 27.61 billion to TZS 27.31 billion. Also, the Total Assets for FY 2020/21 changed from TZS 34.19 billion to TZS 33.89 billion. The annual depreciation for FY 2020/21 of the reviewed assets is Computer Equipment (TZS 57.66 million), Office equipment (TZS 51.75 million), Furniture and Fittings (TZS 30.64 million), Motor Vehicles (TZS 158.69 million) and Technical Equipment (TZS 0.77 million).
- ✓ Leasehold improvement costing TZS 574.50 million with zero net book value relating to partition cost of the leased offices was derecognized after the Eastern Zone office re-allocated to another leased office building and thus caused the de-recognition following end of contractual terms. Additionally, the motor vehicle having original cost of TZS 242.18 million with zero NBV were derecognized due to disposal made during FY 2017/18.
- ✓ TZS 1.23 billion reported in cash flow comprise Cash paid for construction of wall fence in Southern Highland Zone - TZS 88.72 million; Acquisition of Furniture TZS 144.89 million; Computer TZS 375 million, Motor vehicles TZS 482.49 million and Office Equipment TZS 140.81 million.
- ✓ There were no assets pledged as security as at 30 June 2022.

#### NOTE 12: INTANGIBLE ASSETS – SOFTWARE COSTS

	30.06.2023	30.06.2022
<b>Cost</b>	<b>TZS.'000</b>	<b>TZS.'000</b>
At Start of Year	1,883,565	1,245,589
Additions	42,716	637,976
Outdated software not in use with zero Book Value	(701,890)	
<b>At the end of the Year</b>	<b>1,224,391</b>	<b>1,883,565</b>
<b>Amortization</b>		
At Start of Year	1,250,931	976,630
Charge for the Year	331,703	274,300
Outdated Software not in use with zero Book Value	(701,891)	
<b>At the end of the Year</b>	<b>880,743</b>	<b>1,250,930</b>
<b>NBV as at 30 June 2023</b>	<b>343,648</b>	<b>632,635</b>

## NOTE 13: TRADE AND OTHER PAYABLES

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Trade Payables	226,294	50,406
Gratuity payable	95,309	3,900
Audit Fees	115,000	115,000
Withholding Tax	2,956	5,231
PAYE	8,421	11,801
ESAWAS Fund*	363,657	-
VAT Input **	306,166	
Accruals	1,437,737	1,523,558
<b>TOTAL</b>	<b>2,555,540</b>	<b>1,709,897</b>

DETAILS	30.06.2023	30.06.2022
	TZS'000	TZS'000
Utilities costs for the month of June 2023/2022	33,426	-
Administrative expenses for the month of June 2023/2022	59,043	43,810
Maintenance and Services costs for Head office facilities -Fire system, Elevators, Generator	18,239	6,955
Air ticket costs	173,375	-
Operating activities accrued	95,800	344,248
Software Development	108,421	145,648
Motor vehicle services received	6,447	866
Treasury Contribution for the month of June 2023/2022	877,264	977,096
Assets received not yet paid for	65,722	2,849
Revolving loan insurance payable		2,087
<b>TOTAL</b>	<b>1,437,737</b>	<b>1,523,558</b>

\*During the year under review, the Authority received additional financing of TZS 500.21 million for ESAWAS to continue facilitate implementation of activities for Development of Onsite Sanitation and Faecal Sludge Management Guidelines; and Development of Onsite Sanitation Business Model for WSSA. ESAWAS funds were received through Bill and Melinda Gates Foundation to support the increase access to safely managed sanitation services for an estimated 50 million people particularly the urban poor in East and Southern African countries by improving non-sewered sanitation service delivery through regulation during the year TZS TZS 136.55 million was utilized leaving a balance of TZS 363.66 million.

\*\*During the year the Authority collected TZS 2.01 billion with respect to unpaid fuel marking charge by OMCs. Amount remitted to the Government during the period was TZS 1.32 billion. The remaining balance of TZS 306.17 million represent VAT Input component which was still not paid waiting for payment instruction modality from Tanzania Revenue Authority (TRA). TZS 384.04 million was paid to GFI in compliance with clause 2.1(c) of the Deed of Settlement between GFI and EWURA.

In the opinion of the directors, the carrying amount of Trade and other Payables is approximate to their fair value.



## Payable Aging as at 30.06.2023

Description	30.6.2023 TZS '000'	30.6.2022 TZS '000'	Up To 1 Month TZS '000'	2021/22			
				1-3 Months TZS '000'	3-12 Months TZS '000'	1-3 Years TZS '000'	Payables to Govt Entities TZS '000'
Trade Payables	226,294	50,406	226,294				
Gratuity payable	95,309	210,402	95,309				
Audit Fees	115,000	115,000	0		115,000		115,000
Withholding Tax	2,956	5,232	2,956				2,956
PAYE	8,421	11,801	8,421				8,423
ESAWAS Fund	363,657	-	0		363,657		
VAT Input	306,166	-	306,166				306,166
Accruals	1,497,807	1,523,558	0	1,497,807			
<b>Total</b>	<b>2,615,610</b>	<b>1,916,399</b>	<b>639,146</b>	<b>1,497,807</b>	<b>478,657</b>	<b>-</b>	<b>432,544</b>

## NOTE 14: GRATUITY PAYABLE

The Authority released TZS 158.57 million (2021/22: TZS 619.28 million) provisions for gratuity during the year relating to staff whose employment contracts came to an end. The current gratuity provision made amounting to TZS 218.58 million (2021/22: TZS 305.67 million) relates to 18 staff who were in contract terms during the period. The analysis is given below: -

	30.06.2023	30.06.2022
	TZS'000	TZS'000
At start of the year	210,402	524,012
Charge for the Year	218,577	305,664
Released During the Year	(158,579)	(619,275)
<b>At End of Year</b>	<b>270,400</b>	<b>210,402</b>
<b>Categorized As:</b>		
Current Liabilities	95,309	3,900
Non-Current Liabilities	175,091	206,502
<b>Gratuity payable as at the end of year</b>	<b>270,400</b>	<b>210,402</b>

## NOTE 14.1 NHC LOAN

The amount of TZS 504.6 million (2021/22: TZS 2.21 billion) loan payable to NHC is the remaining amount due to liquidated damage and employer contingency. During the year TZS 1.70 billion (2021/22: TZS 2.45 billion) was paid.

	30.06.2023	30.06.2022
	TZS'000	TZS'000
At start of the year	2,207,188	4,656,341
Amount paid during the year	(1,702,591)	(2,449,153)
<b>At End of Year</b>	<b>504,597</b>	<b>2,207,188</b>

## NOTE 15: REVENUE

Section 43(1) of the EWURA Act Cap 414 provides sources of funds for the Authority which consist of: - fees collected by the Authority including, fees payable for the grant and renewal of licenses; levies collected from regulated suppliers; all other payments or property due to the Authority in respect of any matter incidental to its functions; and any grants, donations, bequest, or other contributions made to the Authority.

During the period the Authority was able to earn TZS 56.68 billion (2021/22: TZS 55.76 billion) from its revenue sources which enabled to finance implementation of regulatory functions;

### NOTE 15.1: Revenue from Non-Exchange Transactions

#### NOTE: 15.1.1 Regulatory Levy

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Electricity	18,961,123	18,462,412
Petroleum	22,198,872	23,186,937
Natural Gas	8,894,775	7,108,529
Water and Sewerage	3,578,696	3,421,795
<b>Total Regulatory Levy Revenue</b>	<b>53,633,466</b>	<b>52,179,673</b>
<b>Adjustment for Changes in receivables</b>	<b>(1,434,947)</b>	<b>3,790,230</b>
<b>Total Regulatory Levy collected</b>	<b>52,198,519</b>	<b>55,969,903</b>
<b>NOTE 15.1.2: REGULATORY LEVY COLLECTED</b>		
	30.06.2023	30.06.2022
	TZS'000	TZS'000
Electricity	18,430,393	18,125,076
Petroleum	21,574,154	28,640,425
Natural Gas	8,712,085	6,389,578
Water and Sewerage	3,481,887	2,814,824
<b>Total Regulatory Levy collected</b>	<b>52,198,519</b>	<b>55,969,903</b>

#### NOTE: 15.1.3 Licence Fees

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Electricity	37,750	134,705
Natural Gas	-	6,000
Water and Sanitation	76,345	57,250
Electricity Contractors and Wiremen	1,260	220
Petroleum	814,150	868,887
<b>Total License Fees Revenue</b>	<b>929,505</b>	<b>1,067,062</b>

Adjustment for Changes in receivables	425	(27,055)
<b>Total License collected</b>	<b>929,930</b>	<b>1,040,007</b>
<b>NOTE 15.1.4: License Fee Collected</b>		
	<b>30.06.2023</b>	<b>30.06.2022</b>
	<b>TZS'000</b>	<b>TZS'000</b>
Electricity	37,767	127,983
Natural Gas	-	30,334
Water and Sanitation	76,380	2,528
Electricity Contractors and Wiremen	1,261	800
Petroleum	814,522	878,363
<b>Total License Fees Collected</b>	<b>929,930</b>	<b>1,040,007</b>

#### NOTE 15.1.5: Application Fees

	<b>30.06.2023</b>	<b>30.06.2022</b>
	<b>TZS'000</b>	<b>TZS'000</b>
Electricity	95,290	44,502
Natural Gas	40,000	8,500
Petroleum	561,800	467,608
Water and Sanitation	1,080	280
<b>Total Application fees revenue</b>	<b>698,170</b>	<b>520,890</b>
Adjustment for Changes in receivables	3,450	2,010
<b>Total Application fee collected</b>	<b>701,620</b>	<b>522,900</b>
<b>NOTE 15.1.6: Application Fees Collected</b>		
	<b>30.06.2023</b>	<b>30.06.2022</b>
	<b>TZS'000</b>	<b>TZS'000</b>
Electricity	95,761	14,235
Natural Gas	40,198	25,882
Petroleum	564,576	482,720
Water and Sanitation	1,085	63
<b>Total Application fees collected</b>	<b>701,620</b>	<b>522,900</b>

#### NOTE 15.1.7: Penalties Fees Revenue

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Penalties-Natural Gas	-	32
Penalties-Electricity	-	-
Penalties-Petroleum	1,248,694	1,705,257
Penalties-Water	175,944	275,228
<b>Total Penalties fees revenue</b>	<b>1,424,639</b>	<b>1,980,517</b>
Adjustment for Changes in receivables	(45,743)	(1,089)
<b>Total Penalties fee collected</b>	<b>1,378,895</b>	<b>1,979,428</b>
<b>NOTE 15.1.8: Penalties Fees Collected</b>		
	30.06.2023	30.06.2022
	TZS'000	TZS'000
Electricity	-	32
Natural Gas	-	-
Petroleum	1,208,600	1,704,320
Water and Sanitation	170,295	275,076
<b>Total Penalties fees collected</b>	<b>1,378,895</b>	<b>1,979,428</b>
<b>Total Revenue from Non-Exchange Transactions</b>	<b>56,685,780</b>	<b>55,748,141</b>

#### NOTE 15.2: REVENUE FROM EXCHANGE TRANSACTIONS

##### NOTE 15.2.1 OTHER INCOME

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Other Income		
Hiring of Head Office Venue and restaurant	3,750	1500
Amount deposited to test functionality of NPGIS	255	
Penalties related to the previous period		13,815
<b>Total Revenue from Exchange Transactions</b>	<b>4,005</b>	<b>15,315</b>

TOTAL REVENUE	30.06.2023	30.06.2022
	TZS'000	TZS'000
<b>Total revenue</b>	<b>56,689,785</b>	<b>55,763,456</b>

## NOTE 16: STAFF COSTS

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Salaries	12,237,586	11,882,961
Gratuity Expenses	455,200	559,984
Pension Employer's Contribution	1,659,794	1,417,208
Skills and Development Levy	630,871	615,342
Medical Expenses	1,111,813	783,693
Other Staff Costs (Schedule 16.1)	3,482,571	3,457,211
<b>TOTAL STAFF COSTS</b>	<b>19,577,835</b>	<b>18,716,399</b>

### NOTE 16.1: Other Staff Costs

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Workers Compensation Fund	74,047	71,594
Transport Allowances	858,850	889,076
Acting Allowance	53,629	25,921
Housing Allowance	1,484,600	1,470,290
Utility Allowance	984,795	975,663
Security Allowance	26,650	24,667
<b>TOTAL</b>	<b>3,482,571</b>	<b>3,457,211</b>

### NOTE 16.2: PAID STAFF COSTS

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Total Staff Costs	19,577,835	18,716,399
Changes in Accrued staff costs	(149,062)	313,611
<b>Total Staff expenses paid</b>	<b>19,428,773</b>	<b>19,030,010</b>

## NOTE 17: OPERATING COSTS

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Capacity Building	1,810,357	1,727,948
Regulatory Tools Development Expenses	2,372,549	2,309,848
Field and Inspection Expenses	4,636,795	4,298,518
Public Inquiries	328,483	284,192
Complaints, Mediation and Dispute Resolution	500,733	562,806
Government Delegation Participation costs	8,101	11,604
Public Awareness Programs	1,215,760	1,294,510
Advertisement Expenses	382,712	476,863
Consultancy Expenses	260,947	60,031
Membership Contribution, Books and Periodicals	399,928	425,279

	30.06.2023	30.06.2022
Library General Expenses	37,911	13,935
Regional Cooperation Meetings	641,221	255,649
Local Travel and Conference Expenses	1,756,874	1,107,962
Stakeholders Consultative Meetings	369,170	71,675
Bad Debt Provision	439,350	221,674
Motor Vehicle Fuel Expenses	107,707	62,343
Motor Vehicle Repairs and Maintenance	505,194	629,044
Car Hiring Expenses	49,856	40,739
Maintenance of Computer Hardware	282,694	279,836
Maintenance of Computer Software	588,410	808,319
Maintenance of Other Office Equipment	7,023	265
Wiremen Licensing Activities	48,890	134,497
Directors Fees	60,204	49,805
Board Expenses	482,235	378,717
Loss on Disposal	37,800	-
<b>TOTAL OPERATING EXPENSES</b>	<b>17,330,904</b>	<b>15,506,059</b>

#### NOTE 17.1: OPERATING COSTS PAID

	30.06.2023	30.06.2022
	TZS'000	TZS'000
<b>Total Operating Expenses</b>	17,330,904	15,506,059
Adjust: Changes in payables-Operating Expenses	(970,137)	(5,651)
<b>Total Operating Expenses Paid</b>	<b>16,360,767</b>	<b>15,500,408</b>

#### NOTE 18: CONTRIBUTION TO TREASURY AND GOVERNMENT ENTITIES

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Government Consultative Council Expenses	54,350	71,149
Consumer Consultative Council Expenses	2,341,842	2,292,519
Fair Competition Tribunal	445,240	435,792
Fair Competition Commission	528,968	693,951
Treasury Contribution	8,503,468	8,375,193
<b>Total Contributions</b>	<b>11,873,868</b>	<b>11,868,604</b>

#### NOTE 18.1: PAID CONTRIBUTION TO TREASURY AND GOVERNMENT ENTITIES

#### NOTE 18.2: CONTRIBUTION TO TREASURY AND GOVERNMENT ENTITIES

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Government Consultative Council Expenses	54,350	71,149
Consumer Consultative Council Expenses	2,341,842	2,292,519



Fair Competition Tribunal	445,240	435,792
Fair Competition Commission	528,968	693,951
Treasury Contribution	8,503,468	8,375,193
<b>Total Contributions</b>	<b>11,873,868</b>	<b>11,868,604</b>
<b>Less: Accrued Contribution</b>	<b>(877,264)</b>	<b>(977,067)</b>
<b>Add: Overpayment</b>	<b>9627</b>	
<b>Cash paid</b>	<b>11,006,231</b>	<b>10,891,537</b>

#### NOTE 19: ADMINISTRATION COSTS

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Office Rent	1,308,442	1,400,185
Telephone, Fax and Internet	627,070	597,939
Stamps and Postages	110,918	138,719
Printing and Stationery	397,104	289,265
Maintenance of Leasehold Property	16,301	404,607
Maintenance of Office Building	144,827	60,024
Office General Expenses	451,359	394,796
Entertainment Expenses	10,009	12,083
Donations and Contributions	401,639	681,999
Annual Leave Package	189,033	224,424
Outfit Allowance	43,179	9,340
Funeral Expenses	16,920	23,437
Recruitment Costs	141,056	210,688
Compensation Allowance	420,224	139,503
Relocation Costs	218,513	30,522
Welfare Expenses	227,988	195,533
Furniture Allowance	308,000	46,000
Audit Fees	115,000	115,000
Data Storage Charges	146,991	161,979
Insurance charges		23,249
Tender Board Expenses	96,724	201,612
<b>TOTAL</b>	<b>5,391,297</b>	<b>5,360,904</b>

#### NOTE 19.1: ADMINISTRATION COSTS PAID

	30.06.2023	30.06.2022
	TZS'000	TZS'000
<b>Total Administration Costs</b>	<b>5,391,297</b>	<b>5,360,904</b>
Changes in Accrued -Administration	-	-
<b>Total Administration Costs Paid</b>	<b>5,391,297</b>	<b>5,360,904</b>

## NOTE 20: FINANCE COSTS AND OTHER EXPENSES

### NOTE 20.1: FINANCE COSTS

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Bank Charges	33,625	29,579
<b>TOTAL</b>	<b>33,625</b>	<b>29,579</b>

### NOTE 20.2: OTHER EXPENSES PAID

Other expenses indicated in cash flow statement relates to bank charges during the year and payments effected during the financial year for items that were accrued during the financial year 2021/22 and as shown below;

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Operating Expenditure	25,302	728,260
Administrative Expenditure	787,982	507,768
Bank Charges	33,625	29,579
<b>Total Other Expenses Paid</b>	<b>846,909</b>	<b>1,265,607</b>

## NOTE 21: BUDGET PERFORMANCE RECONCILIATION

Surplus	30.06.2023	30.06.2022
	TZS'000	TZS'000
Deficit for the year as per Statement of Budget	(969,320)	<b>7,479,087</b>
Less: Surplus for the year as per Statement of Performance	300,009	2,190,398
<b>Difference</b>	<b>(1,269,329)</b>	<b>5,288,689</b>

The accompanying financial statements have been presented on an accrual basis of accounting, while the budget has been prepared using cash basis of accounting. Reconciliation of the difference is shown below;

Reconciliation of the Difference	30.06.2023	30.06.2022
	TZS'000	TZS'000
Depreciation	1,850,545	1,817,212
Amortization	331,703	274,300
Bad debt Provision	439,350	221,674
Loss on disposal	37,800	-
Accrued and Payable Expenses	1,552,737	1,709,898
Other expenses	(846,909)	1,265,607
Revenue	(1,486,243)	-
Capital expenditures	(3,148,314)	-
<b>Sub Total</b>	<b>(1,269,329)</b>	<b>5,288,689</b>

## NOTE 22: RELATED PARTY TRANSACTIONS

EWURA related party include members of the Board of Directors, Head of Divisions and Units who have significant influence over the Authority affairs.

### Related Party Transactions

The following transactions were carried out with related parties during the year: -

#### NOTE 22A: Key Management Compensation

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Salaries and Other Emoluments	2,213,357	2,121,914
<b>Total Key Management Compensation</b>	<b>2,213,357</b>	<b>2,121,914</b>
<b>Employees Post-Employment Benefits:</b>		
Pension - Employer's Contribution	75,652	44,527
Gratuity paid during the year	138,559	618,830
<b>Total Employee Post-Employment Benefits</b>	<b>214,211</b>	<b>663,357</b>

#### NOTE 22B: Board of Directors

The annual Directors Fees were paid to seven members of the Board of Directors at the approved rates as follows: TZS 12.0 million for the Chairman and TZS 10.0 million to other members of the Board. The total amount of Directors' fees paid during the year under review is TZS 60.20 million (2021/2022: TZS 49.81 million).

#### NOTE 22C: Management Composition

The Management of EWURA is made up of the following members: -

- Director General
- Director of Natural Gas
- Director of Water and Sanitation
- Director of Legal Services
- Director of Internal Audit
- Director of Petroleum
- Director of Electricity
- Director of Corporate Services
- Director of Regulatory Economics
- Information, Communication and Technology Manager
- Communication and Public Relations Manager
- Procurement Management Manager

#### NOTE 22D: Employees Post-Employment Benefits

The Authority contributes to the defined benefit plans for its employees to Public Service Social Security Fund (PSSSF). The Authority's contribution during the year ended 30 June 2023 amounted to TZS. 1.68 billion (2021/22: TZS. 1.42 billion). The Authority also contributed a total of TZS 74.05 million (2021/22: TZS. 71.59 million) to the Workers Compensation Fund. Contributions to these

funds are recognized as an expense in the period the employees render services to the Authority. The Authority also charges gratuity expense of employee's last basic monthly salary on statement of financial performance and maintains gratuity payable account for future payment to staff. For the year ended 30 June 2023, TZS 158.57 million (2021/2022: TZS 619.28 million) were released to staff whose employment contract came to an end.

#### NOTE 22E: Staff Loans and Advances (Note 8B)

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Staff Revolving Loans	2,169,632	2,386,956
Salary Advances	662,160	770,499
<b>Imprest</b>	22,970	13,729
<b>TOTAL</b>	<b>2,854,763</b>	<b>3,171,185</b>

The Authority set up the Staff Revolving Loans Fund for extending loans to staff for the purchase of motor vehicles and other amenities. These loans are interest free, repayable within a period of three years and are taxed in accordance with the requirements of the Income Tax Act of 2004. For the year ended 30 June 2023 Revolving loans amounting to TZS 2.17 billion (2021/22: TZS 2.38 billion) were outstanding. During the same period, balance for staff salary advance which is payable within a period of 12 months was TZS 662.16 million (2021/22: TZS 770.50 million).

#### NOTE 23 A: EXCESS CAPITAL

During the year, the Authority was assessed for excess capital. However, no claim for payment of excess capital was received from the office of Treasury Registrar (2021/22: TZS 0 million).

#### NOTE 23 B: ADJUSTMENTS ON ACCUMULATED SURPLUS

During the year, a total of TZS 191.99 million (2021/22: TZS 579.33 million) was adjusted to the accumulated surplus. Analysis of adjustments is as shown in the table below.

Particulars	30.06.2023	30.06.2022
	TZS'000	TZS'000
Cancellation of the duplicated debit notes for the FY 2020/21	0	17,730
Adjustments of the receivable Opening balance for FY 2020/21	0	103,399
Retired imprests for FY 2020/21	(2,472)	458,197
Paid Skills Development Levy for the years 2018 -2020 resulted from TRA Tax Audit	82,213	-
Reclassification of Expenses	55,802	-
Non-current Assets Recognized in the Register but paid in the previous financial year	(205,132)	-
Adjustment for correction of accruals code	151,996	
Provision for Bad Debts 2022/23	(307,302)	
Provision for Slow-Moving Stock	(18,008)	
Write off- Revolving loan	51,111	
<b>Total Adjustment</b>	<b>191,792</b>	<b>579,326</b>

## NOTE 23 C: CAPITAL AND OTHER COMMITMENTS

### (i) Capital commitments

Capital expenditure commitments of TZS million (2021/22: TZS 2.81 billion) during the period includes an outstanding commitment for the last instalment of cost for construction of EWURA Head office building payable to NHC TZS 504.60 million; TZS 336.0 million for purchase of computers, furniture and other items capital in nature; and Software development cost of TZS 80 million as follows: -

	30.06.2023	30.06.2022
	TZS '000	TZS '000
Property and Equipment	840,637	2,728,065
Software Development	97,854	80,000
<b>Subtotal</b>	<b>938,491</b>	<b>2,808,065</b>

### Other Commitments

Commitment relates to the contracts entered into but goods or services had not been delivered. In some other cases, contracts have not been entered into but respective tenders were in progress in accordance with the requirement of the Public Procurement Act, 2011 (As amended in 2016). The amount represents value of work committed but not yet paid (**Refer to Table below**).

S/N	Contract/ Tender No.	Description of the Procurement	Supplier/ Service Provider/Contractor/ Consultant	Contract/ Tender Price TZS '000
1	AE/024/2022-23/HQ/G/19	Supply of Corporate Branded Staff Shirts	M/s JMX Mens Wear and General Supply	27,633
2	AE/024/2021-22/HQ/C/33	Consultancy Services for Customer Satisfaction Survey (20% of contract price)	M/s E-Link Consultant	36,880
3	AE/024/2021-22/HQ/N/23	Enhancement of LOIS (10% of Contract Price)	M/s Biz Logic Solution	7,158
4	AE/024/2021-22/HQ/C/34	Consultancy Services for Staff Satisfaction Survey (75% of contract price)	M/s College of Business Education	26,250
5	AE/024/2022-23/HQ/G/03	Supply of Computer Consumables (Toners)	M/s Bevery and Gold Investment	50,545
6	AE/024/2022-23/HQ/G/04	Printing and Supply of Newsletter, Natural Gas, Water, Petroleum, Electricity, Annual Report and other reports	M/s Jamana Printers	26,768
7	AE/024/2022-23/HQ/G/06- III	Supply of ICT Equipment (Desktop, UPS)	M/s Ariel Albert Tanch Holding Co. Ltd	25,500
8	AE/024/2022-23/HQ/G/24	Printing and Supply Newsletters, Calendars and Annual Reports for EWURA CCC	M/s Jamana Printers	16,278
9	AE/024/2021-22/HQ/N/19	Preventive Maintenance of HP Servers and storage	M/s Computer Centre Ltd	21,821
10		Consultancy dubbed Regulatory Impact Assessment and Challenges Facing the Petroleum Sub-sector		153,704
<b>Total</b>				<b>392,536</b>

## NOTE 24: SEGMENT REPORTING

### NOTE 24A: SEGMENT REPORTING ON THE STATEMENT OF THE FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE, 2023

	HEAD OFFICE	EASTERN ZONE	LAKE ZONE	NORTHERN ZONE	CENTRAL ZONE	SOUTHERN HIGHLAND ZONE	TOTAL
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Revenue							
Revenue from Non-Exchange Transactions							
Regulatory Levy, Licence Fees and Penalties	39,941,429	9,043,072	2,673,228	2,484,988	1,262,660	1,280,403	56,685,780
Revenue from Exchange Transactions:							-
Finance Income							-
Other Income	4,005						4,005
<b>Total Revenue</b>	<b>39,945,434</b>	<b>9,043,072</b>	<b>2,673,228</b>	<b>2,484,988</b>	<b>1,262,660</b>	<b>1,280,403</b>	<b>56,689,785</b>
							-
Expenditure							-
Staff Costs	13,796,084	2,466,397	1,273,458	762,711	631,811	647,374	19,577,835
Operating Expenditure	15,264,061	451,701	467,610	391,149	368,478	387,904	17,330,904
Contribution to TR and Other Government Entities	9,547,840	1,256,069	374,838	347,520	179,032	178,195	11,873,868
Administration Costs	4,858,133	264,419	67,149	68,099	59,790	73,706	5,391,297
Finance costs	29,507	1,746	942	166	176	1,089	33,625
Depreciation and Amortization Expenses	1,641,236	189,242	111,395	158,489	32,036	49,850	2,182,247
<b>Total Expenditure</b>	<b>45,136,862</b>	<b>4,629,371</b>	<b>2,295,393</b>	<b>1,728,134</b>	<b>1,271,324</b>	<b>1,338,119</b>	<b>56,389,776</b>
							-
<b>Surplus/(Deficit) for the Period</b>	<b>(5,191,428)</b>	<b>4,413,701</b>	<b>377,835</b>	<b>756,854</b>	<b>(8,664)</b>	<b>(57,716)</b>	<b>300,009</b>

**NOTE 24B: SEGMENT REPORTING ON STATEMENT OF THE FINANCIAL POSITION AS AT 30 JUNE 2023**

	HEAD OFFICE	EASTERN ZONE	LAKE ZONE	NORTHERN ZONE	CENTRAL ZONE	SOUTHERN HIGHLAND ZONE	TOTAL
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and Bank Balances	5,597,383	59,078	52,267	34,661	7,486	45,105	5,795,981
Trade and Other Receivables	9,316,323	1,418,935	1,200,113	439,614	547,569	275,974	13,198,528
Stocks and Consumables	45,971	88,159	22,416.53	8,139	9,523	6,362	180,571
Prepayments	818,520		37,329.30	4,282		57,289	917,419
<b>Total Current Assets</b>	<b>15,778,197</b>	<b>1,566,172</b>	<b>1,312,126</b>	<b>486,696</b>	<b>564,579</b>	<b>384,729</b>	<b>20,092,499</b>
							-
<b>Non-Current Assets</b>							
Property and Equipment	12,501,447	653,913	397,246	442,560	251,218	319,631	14,566,016
Intangible Assets	343,648						343,648
<b>Total Non-Current Assets</b>	<b>12,845,095</b>	<b>653,913</b>	<b>397,246</b>	<b>442,560</b>	<b>251,218</b>	<b>319,631</b>	<b>14,909,664</b>
							-
<b>TOTAL ASSETS</b>	<b>28,623,292</b>	<b>2,220,084</b>	<b>1,709,372</b>	<b>929,257</b>	<b>815,797</b>	<b>704,360</b>	<b>35,002,163</b>
							-
<b>EQUITY AND LIABILITIES</b>							
<b>Current Liabilities</b>							
Trade and Other Payables	2,460,231	-	-	-	-	-	2,460,231
Gratuity payable	95,309	-	-	-	-	-	95,309
<b>Total Current Liabilities</b>	<b>2,555,540</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,555,540</b>
	-						-
<b>Non-Current Liabilities</b>							
Gratuity payable	175,091	-	-	-	-	-	175,091
NHC Loan Payable	504,597	-	-	-	-	-	504,597
<b>Total Non-current Liabilities</b>	<b>679,688</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>679,688</b>
	-						-
<b>Total Liabilities</b>	<b>3,235,228</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,235,228</b>
							-
<b>Net Assets</b>	<b>25,388,064</b>	<b>2,220,084</b>	<b>1,709,372</b>	<b>929,257</b>	<b>815,797</b>	<b>704,360</b>	<b>31,766,935</b>
							-
<b>Net Assets/ Equity</b>							
Retained Surplus	25,388,064	2,220,084	1,709,372	929,257	815,797	704,360	31,766,935
<b>Total Net Assets/ Equity</b>	<b>25,388,064</b>	<b>2,220,084</b>	<b>1,709,372</b>	<b>929,257</b>	<b>815,797</b>	<b>704,360</b>	<b>31,766,935</b>



## NOTE 24C: SEGMENT REPORTING ON MOVEMENT OF THE NON-CURRENT ASSETS DURING THE YEAR ENDED 30 JUNE 2023

ASSET	HEAD OFFICE	EASTERN ZONE	LAKE ZONE	NORTHERN ZONE	CENTRAL ZONE	SOUTHERN HIGHLAND ZONE	TOTAL
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
<b>Cost:</b>							
At 1 July, 2021	19,499,721	1,990,106	966,845	1,134,745	257,070	589,886	24,438,373
							-
Additions	1,246,257	360,132	178,266	3,000	177,547	40,351	2,005,554
Adjustments/Disposal	(290,142)						(290,142)
At 30 June, 2023	20,455,836	2,350,239	1,145,112	1,137,745	434,617	630,237	26,153,785
<b>Depreciation:</b>							
At 1 July, 2022	6,221,847	1,507,084	636,471	536,695	151,363	260,755	9,314,216
Charges for the Year	1,641,236.15	189,241.51	111,394.68	158,489.00	32,035.73	49,851.04	2,182,248
Other Adjustments/Disposal	(252,342)						(252,342)
At 30 June, 2023	7,610,741.36	1,696,325.97	747,865.52	695,184.14	183,398.90	310,605.96	11,244,122
Net Book Value 30 June 2023	12,845,095**	653,913	397,246	442,560	251,218	319,631	14,909,663

\*\*The Net Book Value included also Intangible Assets located at Head Office, No Intangible Assets were being managed at Zones during the reporting period.

✓ The reported figures represent total assets located at each centre.

## NOTE 25: FINANCIAL RISK MANAGEMENT

The Authority's activities potentially expose it to a variety of financial risks. These risks include interest rate risks, credit risks, liquidity risks and foreign exchange risks. The authority has instituted several measures to minimize potential adverse effects on its financial performance as follows: -

### 1.1 Credit Risk

The billing for regulatory levy is undertaken on a credit basis. The regulatory levy which is the main source of authority's income is not tied to a single regulated supplier. This mitigates credit risk associated with its operations. Also, effective follow-up efforts on outstanding debts minimise default.

### 1.2 Liquidity Risk

The Authority ensures sufficient liquidity is maintained to meet short-term maturing obligations. Regular cashflow management and management of receivables and payables have guaranteed the authority to have a healthy liquidity position during the year. Thus, the computed liquidity ratio has improved to six times as compared to five times during the financial year 2021/22.

### 1.3 Foreign Exchange Risk

The Authority minimizes foreign exchange risk by maintaining foreign currency accounts. The Authority does not engage in foreign currency swaps or speculations. The risks are also managed by ensuring that the value of the services is negotiated and fixed in the local currency whenever possible. During the period, the authority did not receive any payment in foreign currency from its revenue sources. However, there was a bank balance of USD 0.263 million maintained during the period.

#### NOTE 26: OPERATING LEASE COMMITMENTS

The Authority had operating leases for offices in which it carried out its operations. These leases were with PSSSF (for Eastern Zone Office, Lake Zone Office and Northern Zone Office) and National Health Insurance Fund for Southern Highlands Zone Office. Expected future payments for the existing lease agreements are as follows: -

	30.06.2023	30.06.2022
	TZS '000	TZS '000
Within One Year	664,979	640,460
Later than One Year	1,334,200	1,410,573
TOTAL	1,999,179	2,051,033

#### NOTE 27: CONTROLLING ENTITY

EWURA by virtue of its formation is controlled by the Government of the United Republic of Tanzania. EWURA reports to the Ministry of Energy and reports to the Ministry of Water on matters relating to the Water Supply and Sanitation sector.

#### NOTE 28: FUNCTIONAL AND PRESENTATION CURRENCY

The functional currency of EWURA which is also the presentation currency is the Tanzanian Shilling. The values in this report have been rounded up to the nearest thousand.

#### NOTE 29: CONTINGENT ASSETS AND LIABILITIES

##### NOTE 29.1: CONTINGENT ASSETS

During the year under review, the Authority had a total of five cases (2021/22: 5) in various courts and tribunals at different stages of hearing in which the Authority is the applicant in five cases (2021/22: 5) involving claims of TZS 177.98 million (2021/22: TZS 174.82 million) on five cases) as shown below;

CASE	30.06.2023	30.06.2022	STATUS
	TZS '000	TZS '000	
EWURA Vs Sonda Machibya T/A Sojem Oil Investment	9,174	15	Ongoing
EWURA vs Paulo Mtete - FCT Application No.27/2020	1,294	1,294	Ongoing
EWURA vs Mohamed Ngauje Wenya – FCT Application No.15/2019	1,398	1,396	Ongoing
EWURA VS Fly Emirates – District Court Ngara Civil Case No.4 /2020	166,000	165,891	Ongoing

CASE	30.06.2023	30.06.2022	STATUS
	TZS '000	TZS '000	
EWURA vs Yusuph Mzee Lashikoni – FCT Application No.28/2018	112	6,224	Ongoing
<b>Total</b>	<b>177,978</b>	<b>174,820</b>	

## NOTE 29.2: CONTINGENT LIABILITIES

There are pending Court cases to which EWURA is a party at various registries of the High Court, the Fair Competition Tribunal, the Commission for Mediation and Arbitration and the Resident Magistrate Court. In the opinion of the directors, the outcome of these cases may not give rise to any significant loss and therefore, no provisions have been made in these financial statements. During the period the Authority had only one lawsuit (2021/22:1) with TZS 1.12 billion contingent claim against the Authority as of the year-end: -

	30.06.2023	30.06.2022	REMARKS
	TZS '000	TZS '000	
Naiungishu Soikan Mollel Vs. EWURA– Civil Appeal 173 of 2023	1,124,377	-	Naingishu Soikan Mollel filed an appeal against the decision of the High Court Labour in Revision Cases No. 202 and 214 of 2021 emanating from her claim of payment of compensation for the alleged breach of the employment contract.
<b>TOTAL</b>	<b>1,124,377</b>	<b>-</b>	

## NOTE 30: COMPARATIVE FIGURES

Comparative figures have been regrouped or adjusted as necessary to conform to changes in presentation in the current year.

## NOTE 31: EVENTS AFTER REPORTING DATE

There were no material events, adjusting or non-adjusting, which occurred between the reporting date on 20 December 2023 when the Financial Statements were authorised for issue by the Board of Directors.



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