



THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE



ISO 9001:2015 Certified

ARDHI UNIVERSITY

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

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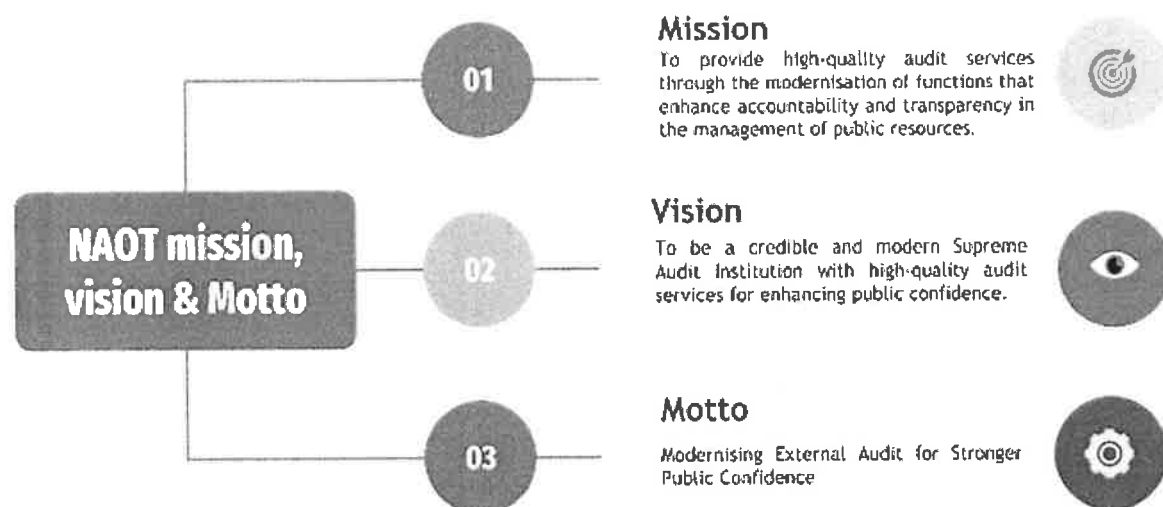
March 2024

AR/PAD/ARU/2022/23

About the National Audit Office

Mandate

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



Independence and objectivity

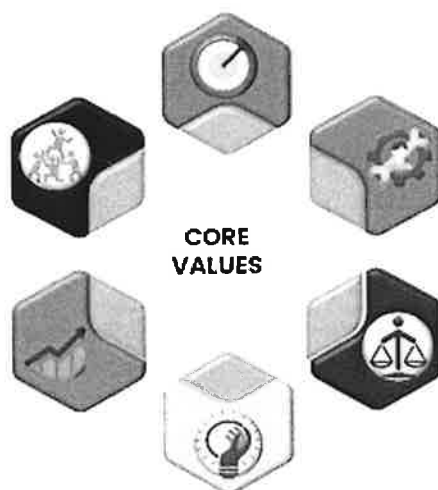
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

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



Professional competence

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

Integrity

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

Creativity and Innovation

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

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Abbreviations

ARU	Ardhi University
CAG	Controller and Auditor General
CCIAM	Climatic Change Impacts Adaptation and Mitigation in Tanzania
DANIDA	Danish International Development Agency
IAS	International Accounting Standards
ICARU	Integrity Committee for ARU
IPSAS	International Public Sector Accounting Standards
ISSAI	International Standards of Supreme Audit Institutions
JICA	Japanese International Cooperation Agency
NAO	National Audit Office
PAR	Public Audit Regulation, 2009
PSSSF	Public Service Social Security Fund
SIDA	Swedish International Development Agency
STHEP	Science, Technology and Higher Education Project
TEA	Tanzania Education Authority
UNDP	United Nations Development Programme
URT	United Republic of Tanzania
VC	Vice Chancellor

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairman,
University Council,
Ardhi University,
P.O. Box 35176,
Dar es Salaam, Tanzania.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Ardhi University, 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 Ardhi University 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 Ardhi University in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

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

Other Information

Management is responsible for the other information. The other information comprises the Report by those charged with governance, statement of management responsibility, 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

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

Conclusion

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

(i) Procurement made through imprest - TZS 19 million

According to Seventh schedule of Public Procurement Regulations, 2013 procurements above TZS 10 million should be made through Competitive quotations (Shopping) and shall obtain quotations from at least three suppliers. Likewise, Regulation 166 (4) of the Public Procurement Regulations, 2013 requires that, items that may be procured may use petty cash and imprests are those categorized under micro procurement that do not exceed TZS 5 million. Contrary to the requirement of the cited regulations, ARU procured stationaries worth TZS 19 million by using imprests instead of competitive quotations.

(ii) Commencement of negotiations without tender board approval of negotiation plan

Reg. 227 (1) of the Public Procurement Regulations, 2013 states that, "The tender board shall approve the negotiations plan prior to any negotiations taking place"; however for the tender in respect to contracts number PA/014/2022-2023/HQ/W/01 and PA/014/2022-2023/HQ/NC/01 for "Proposed completion of lands building wing "a" and "serving, maintenance, repair and replacement of various equipment" Management commenced the negotiation without approval of the negotiation plan by the tender board.

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 Ardhi University 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 Ardhi University is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.



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



Ardhi University (ARU)

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

1.1. INTRODUCTION

The Council Members have the honour to present this report to various users together with the financial statements for the year ended 30 June 2023, which offers the results of Ardhi University operations, performance and its state of affairs. The Council prepared this report to meet the requirement of TFRS 1 - The report by those charged with governance issued by NBAA and became effective on 1 January 2021. This annual report addresses to primary users and other stakeholders as well as all interested parties by setting out analysis of the ARU operations and financial review, with a forward-looking orientation and sustainability issues. The report will assist primary users and other stakeholders in assessing the strategies adopted by the University and the potential for those strategies to succeed toward creating value over the short-term, medium-term and long-term periods.

1.2. ESTABLISHMENT

Ardhi University (ARU) is a public academic institution, full autonomous legal entity, which was established by the Universities Act of 2005 and the Ardhi University Charter of 2007 (Declaration of Ardhi University). In September, 2018, ARU established a Consulting company called *ARU Built Environment Consulting Company (ABECC) Ltd* to carry out Consultancy and Works Services in line with the University Vision and Mission. The company was fully incorporated in Tanzania under the Company Act. No. 12 of 2002 as a limited company by shares in September, 2018. The Treasury Registrar approved the establishment of the company in May 2019.

1.3. VISION AND MISSION OF ARDHI UNIVERSITY

Vision of Ardhi University is “to be a centre of excellence in seeking knowledge and disseminating it to a wide spectrum of beneficiaries at national, regional and global level” while its **Mission** is “to provide integrated teaching, research and public services that is geared towards achieving sustainable socio-economic development of Tanzania and the World at large”.

1.4. BRIEF HISTORY OF ARDHI UNIVERSITY

The history of Ardhi University (ARU) goes back to 1956 when the colonial government established a Survey Training Centre (STC) at Mgulani, Dar es Salaam. The STC was charged with the duty of training technicians in land surveying since these were considered important to help map the country. The award given was a certificate. The STC and its successor the Ardhi Institute were under the Ministry responsible for lands.

During the 1990s, Ardhi Institute contemplated its future, and realised that it was inevitable for it to be transformed into a University. Among the various options considered and later adopted to attain this goal was the transformation of the Institute into a University College of

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the University of Dar es Salaam, named the University College of Lands and Architectural Studies (UCLAS) as an interim measure during which, the University College would be nurtured so as to become a fully-fledged University standing on its own. Two legal instruments namely GN 148 of 29 June 1996 and the University of Dar es Salaam (UDSM) Act No. 12 of 1970 were the basis for the establishment of UCLAS.

Within a period of ten (10) years of its existence from 1996 to 2006, UCLAS increased the number of academic programs from six (6) to thirty-nine (39). The College had two faculties namely, the Faculty of Architecture and Planning (FAP) and the Faculty of Lands and Environmental Engineering (FLEE). The College offered courses ranging from diploma to PhD.

Ardhi University came into being after the signing of the Ardhi University Charter by His Excellency the then President of the United Republic of Tanzania, Dr. Jakaya Mrisho Kikwete on 28 March 2007. The University Charter was prepared based on the Universities Act, No. 7 of 2005.

1.5. OPERATIONAL OBJECTIVES AND FUNCTIONS

a) Objectives

The main objectives of ARU are the advancement of knowledge and creativity, the diffusion and extension of the art, science, technology and learning, the provision of higher education, research, consultancy and public service and, so far as is consistent with those objects, the nurturing of the intellectual, aesthetic, social and moral growth of the students at the University.

b) Functions

The main functions of ARU as summarized under Article 5 of the ARU Charter 2007 are:

To preserve, enhance and transmit knowledge by teaching and conducting research through various means pertaining to present disciplines and others to be introduced as ARU may from time to time decide;

To conduct quality and practice-oriented programmes in the disciplines at the Undergraduate and Postgraduate degree levels and where the need arises, conduct courses at the certificate and diploma levels;

To excel in knowledge and human resource capacity building by ensuring a balance between quality and quantity;

To engage in applied research in the current disciplines as well as others to be introduced later and use the results to improve teaching, learning and the provision of public services;

To routinely evaluate and adjust the quality of training so as to remain relevant to the needs of the community, the country and the region;

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To provide consultancy and advisory services:

- To promote continuing education to Tanzanian in order to maintain labour productivity and global competitiveness;
- To ensure an effective and efficient legal and institutional framework and to develop and maintain a supportive organizational culture;
- To engage in resource mobilization activities that are within the mission of the University;
- To promote effective and efficient Human Resource Management functions at the University;
- To employ modern library, technology and management techniques in the provision of training, research, consultancy and advisory services;
- To be producer and supplier of key policy market experts and personnel for national development;
- To stimulate and promote intellectual, scientific and technological development;
- To establish mutually negotiated, beneficial and durable links with the higher learning and research institutions at national, regional and global level; and
- To promote gender balance and mainstreaming at the University and in the society.

c) Financing

The major sources of funds to the University are the Government subventions, internally generated funds (mainly tuition fees and consultancies, etc.) and donor funds such as World Bank (International Development Association), European Union, Swedish International Development Agency (SIDA), Belgian Development Cooperation (VLIRUOS) and Germany Agency for International Cooperation (GIZ) in support of various research activities.

1.6 GOVERNANCE STRUCTURES

ARU is governed by the University Council consisting of the Non-Executive Chairperson and twenty-one members including the Vice Chancellor. The Council is the highest decision making-body organ for the University.

Notwithstanding powers vested into the Council, the University Senate is the principal overall decision-making organ on all the academic matters both in training and learning, research and public service and for the regulation and superintendence of the education of the students of the University.

Day to day activities of the University are managed by the Vice Chancellor, assisted by 2 deputy vice chancellors namely: Deputy Vice-Chancellor, Academic, Research and Consultancy (DVC-ARC) and the Deputy Vice-Chancellor, Planning, Finance and Administration (DVC-PFA). The deputy vice chancellors are supported by the deans of schools, Directors and Heads of Units.

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1.6.1 MEMBERS OF THE COUNCIL

Members of the Council who served the University during the period ended 30th June 2023 were the following:

	Name	Position	Age	Discipline	Nationality	Tenure	Date of Appointment
1	Amb. Salome Sijaona	Chairperson	74	Economist	Tanzanian	Three Periods	Dec. 2021
2	Mr. Atupele Mwambene	Member	45	Economist	Tanzanian	Three Periods	Dec. 2021
3	Mr. Emmanuel M. Tutuba	Member	50	Economist	Tanzanian	Three Periods	Dec. 2021 to Jan 2023
4	Dr. Natu Mwamba	Member	63	Economist	Tanzanian	Two Periods	January 2023
5	Ms. Happiness Kibinga	Member	37	Accountant	Tanzanian	Three Periods	Dec.2021
6	Mr. Haruna Masebu	Member	69	Valuer	Tanzanian	Three Periods	Dec.2021 to Dec 2022
7	Dr. Medard Mushumbusi	Member	68	Quantity Surveyor	Tanzanian	Two Periods	Dec.2022
8	Prof. William L. Anangisye	Member	61	Educationist	Tanzanian	Three Periods	Dec.2021
9	Ms. Yolanda Kitama	Member	23	Student	Tanzanian	One Period	Dec.2021
10	Mr. RajabuKipango	Member	50	Administrator	Tanzanian	Three Periods	Dec.2021 to Aug.2022
11	Mr. Prosper Sangawe	Member	40	Janitor	Tanzanian	Three Periods	Sept.2022
12	Mr. Zidi M. Makame	Member	44	Architect	Tanzanian	Three Periods	Dec.2021
13	Prof. Evaristo Liwa	V.C.& Member	64	Surveyor	Tanzanian	Three Periods	Dec.2021
14	Dr. Fredrick M. Salukele	Member	49	Environmental Eng.	Tanzanian	Three Periods	Dec.2021
15	Dr. ShubiraKalugira	Member	48	Architect	Tanzanian	Three Periods	Dec.2021

The Council held four ordinary meetings during the period under review and discussed, directed and approved the following major issues;

- i) Draft Consolidated Financial Statements for financial year ended 30 June 2022;
- ii) Recommendation to appoint Chairperson of the Audit Committee
- iii) The Progress Report on the Implementation of the MTRSP for the period of 01 April 2022-30 June 2022 and 01 July 2021-30 June 2022
- iv) The progress Report on the implementation of the 2021/22 University Annual Procurement Plan for the period of 01 July 2021-30 June,2022
- v) The Income and Expenditure Report for the period ended 30 June 2022, 31 December 2022 and 31 March 2023
- vi) The Overall Audit Strategy for the Audit of the Ardhi University for the Financial Year ended 30 June 2022.

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- vii) The University Mid-Year Review Budget and Annual Procurement Plan Mid-Year for the Financial Year 2023/24.
- viii) The Progress Report on the Implementation of the MTRSP for the period of 01st October, 2022-31 December 2022 and from 01 January, 2023-31 March 2023.
- ix) The progress Report on the implementation of the 2021/22 University Annual Procurement Plan for the period of 01 October 2022-31 December 2022.
- x) The Revised Internal Audit Annual Work Plan 2022/23
- xi) The Request to Write off Bad and Doubtful Debts (Receivable)
- xii) The Report from the 37th and 38th University Funding and promotion Committee meeting
- xiii) The progress Report on the implementation of the 2022/23 University Annual Procurement Plan of 01 January 2023-31 March 2023.
- xiv) The Report of the Internal Audit for the period of 01 January 2023-31 March 2023

Further the Council approved the following issues:

- i) The Ardhi University Built in Environment Consultancy Company (ABECC) Report
- ii) The Report on ABECC consultancy project, income and expenditure and procurement for the period 01 January 2023-31 March 2023
- iii) The Guidelines for selecting sub-consultants and firms for collaborating with ABECC
- iv) The Addendum to the composition of the ARU Industry Advisory Committee under HEET project.
- v) The Search Committee recommendation for submission to the Ministry of Education and Technology for further approval.

In addition to that the Council approved the following Governing Instruments, Policies, Plans and Regulations:

- i) Reviewed ARU Corporate Plan 2019/20-2029/30
- ii) The Reviewed Medium Term Rolling Strategic Plan (MTRSP)
- iii) Evaluation Report of the MTRSP 2017/18-2019/20
- iv) Revised Corporate Plan (2019/20-2029/30
- v) The ARU ICT Disaster Recovery Plan
- vi) The Proposed Master plan for ARU Mwanza Campus
- vii) The Revised Internal Audit Annual Work Plan 2022/23 and Internal Audit Annual Work Plan for 2023/24
- viii) The University Budget Recast for the financial year 2023/24
- ix) The Annual Action Plan for the Implementation of the University MTRSP for the financial year 2023/24.
- x) The Ardhi University Annual Procurement Plan for the financial year 2023/24.
- xi) The Ardhi University Client Service Charter.
- xii) The Reviewed Ardhi University Library Service Policy.

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1.6.2 MEMBERS OF SENATE

Members of the Ardhi University Senate who served the University during the period were the following:

	Name	Position	Age	Discipline	Nationality	Tenure	Number of Meeting Attended		Date of Appointment
							Ordinary	Special	
1	Prof. Evaristo Liwa	Chairperson	64	Surveyor	Tanzanian	Three periods	2	3	May 2017
2	Prof. John Lupala	Member	63	Planner	Tanzanian	Three periods	1	-	July 2022
3	Prof. Yohana Mashalla	Member	73	Medical Doctor	Tanzanian	Three periods	2	3	July 2022
4	Prof. Lughano Kusiluka	Member	62	Veterinary Scientist	Tanzanian	Three periods	2	4	April 2022
5	Mr. Haruna Masebu	Member	68	Valuer	Tanzanian	Three periods	2	4	April 2022
6	Mr. Atupele Mwambene	Member	45	Planner	Tanzanian	Three periods	-	-	December 2021
7	Dr. Fredrick Salukele	Member	49	Environmental Eng.	Tanzanian	Three periods	2	4	February 2017
8	Dr. Daniel Msangi	Member	52	Planner	Tanzanian	Three periods	2	4	October 2016
9	Dr. Makarius Mdemu	Member	52	Engineer	Tanzanian	Three periods	2	4	October 2016
10	Dr. Yassin Senkondo	Member	51	Agric Scientist	Tanzanian	Three periods	2	4	October 2016
11	Dr. Shubira Kalugila	Member	49	Architect	Tanzanian	Three periods	2	4	October 2016
12	Prof. Ally Namangaya	Member	50	Planner	Tanzanian	Three periods	2	4	October 2016
13	Dr. Sarah Phoya	Member	49	Quantity Surveyor	Tanzanian	Three periods	2	4	October 2016
14	Prof. Rubhera Mato	Member	65	Environmental Eng.	Tanzanian	Three periods	2	4	October 2016
15	Dr. Guido A. Uingo	Member	53	Surveyor	Tanzanian	Three periods	2	3	June 2020
16	Dr. Dawah Maghembe	Member	51	Planner	Tanzanian	Three periods	2	4	June 2020
17	Dr. Shedrack M. Sabai	Member	47	Environmental Eng.	Tanzanian	Three periods	2	4	October 2016
18	Prof. Anesi Mahenge	Member	47	Environmental Eng.	Tanzanian	Three periods	2	4	October 2016
19	Dr. Beatrice Tarimo	Member	44	Surveyor	Tanzanian	Three periods	2	1	April 2018
20	Dr. Daniel Mbiso	Member	46	Architect	Tanzanian	Three periods	1	2	April 2018
21	Dr. Godwin Maro	Member	46	Quantity surveyor	Tanzanian	Three periods	2	4	June 2020
22	Dr. Dorothea Deus	Member	43	Surveyor	Tanzanian	Three periods	1	2	August 2022
23	Dr. Stalin Mkumbo	Member	53	Environment Engineer	Tanzanian	Three periods	2	4	April 2018
24	Dr. Given Mhina	Member	40	Environment Engineer	Tanzanian	Three periods	2	3	August 2022
25	Dr. Sophia Kongela	Member	48	Valuer	Tanzanian	Three periods	2	3	April 2018
26	Dr. Fredrick Magina	Member	45	Planner	Tanzanian	Three periods	2	3	August 2022
27	Dr. Tatu Limbumba	Member	61	Research fellow	Tanzanian	Three periods	3	4	October 2016
28	Ms. Yolanda Kitama	Member	23	Student	Tanzanian	One period	2	4	July 2022

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	Name	Position	Age	Discipline	Nationality	Tenure	Number of Meeting Attended		Date of Appointment
							Ordinary	Special	
29	Mr. Dishani Ngailo	Member	23	Student	Tanzanian	One period	2	4	July 2022
30	Mr. Daniel Nyasebwa	Member	26	Student	Tanzanian	One period	2	4	July 2022
31	Ms. Neema Kadori	Member	29	Student	Tanzanian	One period	2	4	July 2022
32	Ms. Esther Meiludie	Member	45	Lawyer	Tanzanian	Three periods	3	5	October 2016
33	Dr. Aristide. Lambura	Member	42	Mathematician	Tanzanian	Three periods	1	2	Sept. 2022
34	Dr. Samwel Alananga	Member	47	Valuer	Tanzanian	Three periods	2	4	June 2019
35	Ms. Amina Mmidi	Member	59	Socialist	Tanzanian	Three Periods	2	4	Jan. 2017
36	Mrs. Emma Mwangomango	Secretary	48	Administrator	Tanzanian	Three periods	2	4	October 2016
37	Mr. Prosper Sangawe	Member	40	Janitor	Tanzanian	Three periods	2	4	June 2022
38	Dr. Nicholas Mwageni	Member	39	Environmental Scientist	Tanzanian	Three periods	2	4	June 2020
39	Dr. Isabella Mtani	Member	50	Architect	Tanzanian	Three periods	2	4	June 2020
40	Dr. Emmanuel Mchome	Member	54	Planner	Tanzanian	Three periods	2	4	June 2020
41	Dr. Elitruder Makupa	Member	42	Valuer	Tanzanian	Three periods	2	1	June 2020
42	Dr. Luitfred Kissoly	Member	41	Economist	Tanzanian	Three periods	2	4	June 2020
43	Dr. Upendo Matotola	Member	43	Valuer	Tanzanian	Three periods	2	3	June 2020
44	Dr. Fortunatus Bahendwa	Member	55	Architect	Tanzanian	Three periods	2	4	June 2020
45	Dr. Ephraem E.Silayo	Member	51	Librarian	Tanzanian	Three periods	2	4	June 2020
46	Dr. Agness Mwasumbi	Member	61	Valuer	Tanzanian	Three periods	2	4	June 2022

The Senate held two (2) ordinary meetings and four (4) special meetings during the period under review and discussed, directed and approved the following major issues;

- Admissions for 2022/2023 academic year.
- Examination results for 2021/2022 academic year.
- Decentralization of procedures for handling examinations at ARU.
- Progress reports for postgraduate students.
- Progress of review of research and innovation proposals to be funded by HEET project.
- Reports on examination irregularity cases committed during semester II of 2021/2022 academic year.
- Endorsed proposal for increasing stipend payable to postgraduate students at ARU.
- Approved curriculum of Msc. URP program.
- Endorsed ARU Publishing Guidelines.

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- Endorsed appointments of HoDS, Manager PC and D/ACB for triennium 2022-2025.
- Approved appeals against results of 2021/2022 academic year.
- Approved supplementary/special examination results for 2021/2022.
- Approved academic prizes for 2021/2022 academic year.
- Approved reports on examination irregularity cases committed during semester I of 2022/2023 academic year.
- External examiners reports for 2021/2022 academic year.
- Examination results for semester I of 2022/2023.
- Curriculum for bachelor of business administration programme.
- Endorsed establishment of an electronic journal of business, socio-economic & development (JBSED).
- Noted progress report on donor funded projects.
- Endorsed research & innovation grants guidelines.
- Endorsed proposal for waiver of fees for research associates who are beneficiaries of the VLIR-UOS IUS Project scholarship.

1.6.3 COMMITTEES OF THE COUNCIL

i) PLANNING AND FINANCE COMMITTEE

S/N	Name	Position	Qualification/ Discipline	Nationality
1.	Amb. Salome Sijaona	Chairperson	Economist	Tanzanian
2.	Prof. Evaristo Liwa	Member	Surveyor	Tanzanian
3.	Ms. B. Kishura	Member	Student	Tanzanian
4.	Mr. Zidi Makame	Member	Architect	Tanzanian
5.	Prof. John Lupala	Member	Town Planner	Tanzanian
6.	Dr. Makarius V. Mdemu	Member	Environmental Eng.	Tanzanian
7.	M/s Happy Kibinga	Member	Accountant	Tanzanian
8.	Dr. Natu Mwamba	Member	Economist	Tanzanian
9.	Ms. Esther. R. Meiludie	Secretary	Lawyer	Tanzanian

The Committee reports to the Council. The Committee held four ordinary meetings and one extra-ordinary meeting.

ii) HUMAN RESOURCE MANAGEMENT COMMITTEE

S/N	Name	Position	Qualification/ Discipline	Nationality
1.	Prof. Evaristo Liwa	Chairperson	Surveyor	Tanzanian
2.	Mr. Prosper Sangawe	Member	Janitor	Tanzanian
3.	Ms. Lydia Gunzu	Member	Warden	Tanzanian
4.	Dr. Agness Mwasumbi	Member	Valuer	Tanzanian
5.	Mr. Zidi Makame	Member	Architect	Tanzanian
6.	Ms. Esther. R. Meiludie	Secretary	Lawyer	Tanzanian

The Committee Reports to the Council. The Committee held four ordinary meeting during the period.

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iii) AUDIT COMMITTEE

S/N	Name	Position	Qualification/ Discipline	Nationality
1.	CPA. Alexander John	Chairperson	Fellow Accountant	Tanzanian
2	CPA. Peace Lumelezi	Member	Accounting and Finance	Tanzanian
3.	CPA. Peter Mbelwa	Member	Accounting and Finance	Tanzanian
4.	CPA. Leticia Nchwali	Member	Fellow Accountant	Tanzanian
5.	Ms. Esther R. Meiludie	Secretary	Lawyer	Tanzanian

The Committee reports to the Council. The Committee held four ordinary meetings and one special meeting. During the Financial year ended 30 June 2023 the Audit Committee endorsed the following reports.

- i) Draft Consolidated Financial Statements for financial year ended 30 June 2022;
- ii) Overall Audit Strategy of Ardhi University for the financial year ending 30 June 2022.
- iii) Draft Financial Statements for the period ended 30 June 2022
- iv) Internal Audit for the period of 1 April 2021 to 30 June 2022
- v) Report of the Internal Audit for the period of 1 October 2022 to 31 December 2022.
- vi) Risk Management Report for the period ended 30 June 2021;
- vii) Revised Internal Audit Annual Work Plan 2022/2023.
- viii) Report on follow up of the Agreed External Auditors previous year recommendation;
- ix) Request to Write off Bad and Doubtful Debts (Receivable).
- x) Report of the Internal Audit for the period of 1 January 2023 to 31 March 2023.
- xi) Revised Risk Register 2023
- xii) Internal Audit Annual Work Plan for the Year 2023/2024.
- xiii) Revised Financial Regulations Year 2023.
- xiv) Revised Accounting Manual Year 2023.

iv) UNIVERSITY FUNDING AND PROMOTION COMMITTEE

S/N	Name	Position	Qualification/ Discipline	Nationality
1.	Mr. HarunaMasebu	Chairman	Valuer	Tanzanian
	Dr. Medard Mushumbisi	Chairman	Quantity Surveyor	Tanzanian
3.	Prof. Ally Namangaya	Member	Planner	Tanzanian
4.	Dr. Beatrice Tarimo	Member	Serveyor	Tanzanian
5.	Dr. Godwin Maro	Member	Quantity Surveyor	Tanzanian
6.	Dr. Fredrick Salukele	Member	Environmental Eng.	Tanzanian
7.	Dr. Shubira Kalugila	Member	Architect	Tanzanian
8.	M/s HappnessKibinga	Member	Accountant	Tanzanian
9.	Ms. Esther R. Meiludie	Secretary	Lawyer	Tanzanian

The Committee reports to the Council. The University Funding and Promotion Committee met four times during the period.

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v) STUDENTS AFFAIRS COMMITTEE

S/N	Name	Position	Qualification/ Discipline	Nationality
1.	Prof. William Anangisye	Chairman	Educationist	Tanzanian
2.	Ms. Amina Mddi	Member	Socialigist	Tanzanian
3.	Mr. Prosper Sangawe	Member	Janitor	Tanzanian
4.	Prof. Ally Namangaya	Member	Planner	Tanzanian
5.	Ms Yolanda Kitama	Member	Student	Tanzanian
6.	Mr. T. Kiloloma	Member	Student	Tanzanian
7.	Ms. N. D. Makwaia	Member	Student	Tanzanian
8.	Dr. Regina John	Member	Planner	Tanzanian
9.	Ms. Esther R. Meiludie	Secretary	Lawyer	Tanzanian

The Committee reports to the Council. The Committee met four times during the period.

1.7 STAFF MANAGEMENT

The Management of the University is led by Vice Chancellor assisted by two Deputy Vice Chancellors: -

S/N	Name	Title
1.	Prof. Evaristo Joseph Liwa	Vice Chancellor
2.	Prof. John Modestus Lupala	DVC -ARC
3.	Prof. Ally Hassan Namangaya	DVC -PFA

1.8 PRINCIPAL ACTIVITIES

The Principal activities of Ardhi University as stipulated by Ardhi University Charter, among others are as follows: -

- to assume the leading role in the responsibility for University education within the United Republic and to make provision for centres and places of learning, education, professional or vocational training, research and consultancy;
- to endeavour to excel in knowledge and human resource capacity building by ensuring a balance between quantity and quality and avoiding imparting elitist values to the products of the University;
- to ensure, as a matter of principle, integration of the highest standard of teaching, research, consultancy and public service at the immediate subject area level with a view to building a distinctive characteristic of the product of the University as creative scientific professionals and the services of the University and of its staff as symbols of creative scientific professionalism.

1.9 FUTURE PLANS OF ARDHI UNIVERSITY

According to its Rolling Strategic Plan, ARU intends to make much improvement in the following areas:

- (a) Good Governance
- (b) Student Enrolment, Teaching and Learning
- (c) Innovation, Research and Publication
- (d) Continuing Education, Consultancy and Public Service
- (e) National, Regional and International Linkages and Partnerships
- (f) Marketing and Public Relations
- (g) Human Resource Capacity Development
- (h) Planning and Finance
- (i) Information Communication Technology
- (j) Library Services
- (k) Estates Management
- (l) Quality Assurance and Monitoring
- (m) Gender Balance and Mainstreaming
- (n) Students Welfare
- (o) Health Affairs of Staff and Students

1.10 RISK MANAGEMENT AND INTERNAL CONTROL

The Management accepts final responsibility for the risk management and internal control system of the University. It is the task of Management to ensure that adequate internal financial and operational control systems are developed and maintained on an - ongoing basis in order to provide reasonable assurance regarding:

- The effectiveness and efficiency of operations;
- The safeguard of the University's assets;
- Compliance with applicable laws and regulations;
- The reliability of accounting records;
- Business sustainability under normal as well as adverse conditions; And
- Responsive behaviour towards all stakeholders of the University.

1.10.1 PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

a) Principal Risks and Uncertainties

No.	Risks and their Impacts	Risks Mitigation
1	<p>Data and information management</p> <ul style="list-style-type: none"> -Data Breaches: Unauthorized individuals gain access to sensitive data or information. This can have severe impacts on businesses and individuals, including financial loss, reputational damage, and legal consequences. - Data Loss: hardware failure or software errors can lead to the loss of important data. This can result in disruptions to business operations, loss of critical information, and potentially financial loss. - Data Privacy Violations: Failure to properly protect and handle personal and sensitive data can result in violations of privacy laws and regulations. This can lead to regulatory fines, legal actions, and reputational damage. 	<ul style="list-style-type: none"> -Data Breaches: Implement strong security measures such as encryption, firewalls, and intrusion detection systems to protect sensitive data. Regularly update software and systems to address vulnerabilities. Train employees on data security best practices and enforce strict access controls. - Data Loss: Regularly back up data and store backups in secure off-site locations. Implement disaster recovery plans to quickly restore data in the event of a loss. Use reliable and redundant storage systems to minimize the risk of data loss. -Data Privacy Violations: Implement strong data protection measures, including data encryption, anonymization, and pseudonymization, to protect personal and sensitive information. -Comply with applicable privacy laws and regulations and establish a robust data privacy program. -Regularly train employees on data privacy best practices.
2	<p>Reputation</p> <ul style="list-style-type: none"> - Negative Publicity: Negative publicity can come from various sources, such as a scandal involving the University's leadership, or a data breach. The impact of negative publicity can be significant, leading to a loss of trust from customers and stakeholders, a decline in revenue, and an increased risk of lawsuits or regulatory investigations. 	<ul style="list-style-type: none"> • Proactively manage and monitor the organization's reputation: • Regularly monitor media and online platforms for any negative mentions or potential issues that could impact the organization's reputation. • Have a crisis communication plan in place to respond quickly and effectively to mitigate the impact.

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No.	Risks and their Impacts		Risks Mitigation
3	Quality Service Delivery	<p>- Customer dissatisfaction: If the quality of service provided does not meet customer expectations, it can lead to customer dissatisfaction. This can result in negative word of mouth, loss of customers, and damage to the University reputation.</p> <p>-Lack of skill or knowledge: If employees lack the necessary skills or knowledge to perform their job effectively, it can impact the quality of their work and the overall objective of the University. This can lead to errors, delays, and customer dissatisfaction.</p> <p>-Business disruptions: Failure to comply with legislation may result in operational disruptions. This can include temporary closures, restrictions on operations, and delays in obtaining necessary permits or approvals. These disruptions can affect the smooth functioning of the University and its ability to deliver services.</p>	<p>-The University invest in training programs to ensure that employees have the necessary skills and knowledge to deliver high-quality service.</p> <p>- The University invest in training programs to ensure that employees have the necessary skills and knowledge to deliver high-quality service.</p>
4	Employee Capability		
5	Compliance with legislation		Internal auditing and monitoring - conduct regular internal audits and compliance reviews to identify any areas of non-compliance and take corrective actions promptly.
6	Social and Environmental impact	Climate change poses a significant environmental risk. The impacts of global warming are already being felt through rising temperature, more frequent and intense extreme weather events, and sea-level rise. These changes can lead to catastrophic consequences such as displacement of communities, loss of biodiversity, food scarcity, and increased health risks.	<ul style="list-style-type: none"> The University conduct thorough assessment to understand the risk such as pollution or human violation and develop robust management system to ensure compliance with regulations and industry best practices. Engaging with stakeholders help addressing concern and expectation proactively, preventing negative impact.
7	Business Continuity	There are various types of risks that can impact business continuity, and their impacts can range from minor disruptions to severe damage. Some common risks and their impacts on business continuity include: Financial risks, Liquidity risks, Natural disasters etc.	<p>-Implement business continuity and disaster recovery plans, including backup systems and alternate facilities.</p> <p>-Conduct regular risk assessments and ensure appropriate insurance coverage.</p>
8	Financial Management	<p>The University activities and operations are potentially exposed to a variety financial management risk including financial risk, market risk, credit risk and liquidity risk as briefly explained below:</p> <p>(a) Financial Risk The financial risk is the possibility that the University cash flow will prove inadequate to meet the its obligations.</p> <p>(b) Market Risk Market risk is the risk of changes in market prices, such as foreign-exchange rates and interest rates, affecting the University since several accounts of the University are forex related. The objective of market risk management</p>	<ul style="list-style-type: none"> Mitigation of financial risk involves various strategies such as diversification, hedging, risk management techniques, insurance, due diligence, controlling leverage, cash flow management, and regular monitoring and review. These measures aim to reduce the impact of potential losses, protect against unforeseen events, and minimize risks associated with investments and financial operations.

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No.	Risks and their Impacts	Risks Mitigation
	<p>is to manage and control market risk exposures within acceptable parameters, while optimizing the return on the risk.</p> <p>(c) Credit Risk Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The University is exposed to credit-related losses in the event of non-performance by counter parties to financial instruments.</p> <p>(d) Liquidity Risk Liquidity risk is the risk of the University not being able to meet its obligations as they fall due. The University approach to managing liquidity risk is to ensure that enough liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the University reputation.</p>	

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Opportunities

The University risk assessment process identified opportunities that would expectedly enhance the strategic plan execution as summarized below:

In this global world, technological advancement and avenues for digitization processes great challenges in the operations of University and possess opportunities for improving the performance. The University has potential of enhancing quality service delivery and increase revenue collection by taking advantage of new technology in making transformative changes in its operations and processes.

b) Assumptions on Risks, Uncertainties and Opportunities

The University is mindful of the following assumptions during assessments of the risks, uncertainties, and opportunities:

- (i) Macro- economic factors or conditions like Inflation, Interest rates, Gross Domestic Product, per capital income, economic growth rate, and terms of international trade exchange rate will continue to perform well and remain fairly stable;
- (ii) Political environment will remain stable and political support to the maritime transport sub-sector prevail during the implementation of the University functions;
- (iii) Stable and predictable regulatory environment like Policies, Laws and Regulations will exist during the implementation of University functions;
- (iv) Competent, skilled and motivated staff will be available during the Strategic Plan implementation period;
- (v) Good or stable relationship with key stakeholders like MoEST, PSCs and other stakeholders will be maintained during the implementation of the University Strategic Plan;
- (vi) Availability of sufficient financial and physical resources like buildings, working tools, and legal environment for the implementation of the University Strategic Plan; and
- (vii) The current organization structure will remain intact for the implementation of University Strategic Plan and there will be no significant change in the existing organization structure.

1.11 STAKEHOLDERS' RELATIONSHIP

In order to enhance its working environment, ARU has to do stakeholder's analysis. Stakeholder analysis is the planning tool which requires all the individuals or groups that are likely to be affected by the activities of the University be identified and then sorted according to how much they can affect the University or be affected. This information is used to assess how the interests of such stakeholders should be addressed in the University Strategic Plan.

Accordingly, as per its operations the University has various stakeholders who are engaged with, in a day to day activities such as Ministries, Departments, Agencies, Politicians,

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Employees, Member of the Media, National Audit, Development Partners and the Public at large. The analysis is conducted in terms of services and products offered, what are their expectations when liaising with the University and ranking of these expectation so as to priorities activities.

Several measures have been taken to institute a responsible behavior to employees of the University and other stakeholders. These measures include, but are not limited to, holding interactive stakeholders' meetings or engagements, staff meetings, seminars and workshops; provide education through media and improving customer services within the University. In this regard, ARU has identified ten (10) categories of stakeholders who are engaged with, in a day to day activities includes: Ministries, Departments, Agencies, Politicians, Employees, suppliers, Students, business partners, Members of Parliamentary Oversight Committees, Member of the Media, National Audit Office, Development Partners and the Public at large.

The analysis is conducted in terms of services delivered, customers satisfaction, time taken to attend Customers and products offered, what are their expectations when liaising with University and ranking of these expectation so as to priorities activities. Before making its decisions, the University Management considers the interests of all stakeholders and ensures that engagement with stakeholders is deliberate and planned and that communication is always transparent and effective. These stakeholders and their relationship to University is as follows:

a) Employees

Employees are key with whom the University is supposed to make them fill pleasure and honored working at the University. They should find working for University is an inspiring and a place for elevating personal experience and consequently accepts co-responsibility for the development of each employee to the full potential. Together with efficient and value-creating solutions, services and operations offer value to our customers. Career progress is based on the individual initiative towards the fulfilment of their responsibilities complemented by the University.

Key concerns

Employees' wants friendly, safe and conducive working environment, defined career progression, better salary and benefits, motivation and recognition, opportunities to contribute to the society as adequate working tools.

Source: Feedback on this is obtained through University Staff meetings and the Workers Council meetings held twice in the financial year 2022-2023. During the financial year, in its efforts to build capacity of its employees, the University ensured continuity in the career development as guided by the University training programme, facilitated the training of 130 employees, of whom 49 completed their studies and 81 were on studies at various levels.

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Value we create

Transforming into an inclusive society through employment equity and gender equality; University focus on developing our employees through targeted training programs and skills upgrading to further their career and improve our services;

- Rewarding employees for the value they add;
- Motivating and energizing our work force;
- Capacity building to its employee by engaging them into short- and long-term courses in accordance to the training programmes; and
- Timely payments of employees' entitlements.
- Create conducive working environment.
- Ensure work life balance.

b) Suppliers

The suppliers are very important stakeholders of the University operations, these includes suppliers of various goods and services which make the day to day activities of the University be achieved accordingly as per its Strategic Plan and budget set out.

Key concerns

The suppliers are very much interested to see that their bills which has matured are honored accordingly, there are friendly safe and conducive business environment. The processes are openly handled to ensure that everyone is treated equally due to the services offered.

Source: Feedback on this is obtained through University stakeholders' engagement and suggestion boxes placed at University Offices, the stakeholder's engagement meeting shall be held at least once in every financial year.

Value we create

Transforming into an inclusive and participatory business relationship and participatory which enhances service deliverance to the citizens. It reduces business commotion between University and suppliers and improves sense of dialogue in case of difficulties.

c) Students

Students are key stakeholders of the University expecting to receive value when they receive services. They tend to be more concerned with the quality of services offered rather than financial performance.

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Key concerns

Debtors require a clear reconciliation of their outstanding dues so that when all outstanding are properly cleared they obtain their certificates maintained by the University.

Source: Feedback on this is obtained through the University stakeholders' engagement and suggestion boxes placed at the University Offices, the stakeholder's engagement meeting shall be held at least once in every financial year.

Value we create

Transforming into an inclusive and participatory training and learning relationship, which enhances service deliverance to the students and the citizens. It reduces commotion between the University and students and improves sense of dialogue in case of difficulties.

d) Business partners

The business partners are very important stakeholders of the University operations, these includes other government institutions like Ministries, Departments, Agencies and Public Sector Entities which assists and makes the day to day activities of the University been achieved accordingly as per its Strategic Plan and budget set out.

Key concerns

Business partners want friendly, safe and conducive working environment, collaborations, and support to each other to ensure the University operationalization are done accordingly.

Source: Feedback on this is obtained through regular communication and meetings. During the reporting period the University through Higher Education for Economic Transformation (HEET) Project officially launched its Industrial Advisory Committee (IAC), the launching was officiated by the Chief Secretary, Dr. Moses Mpogole Kusiluka on 26 May 2023.

Value we create:

Transforming into an inclusive service delivery and promotion of enhancement of compliance in laws, rules and regulations to facilitate working situation and revenue collection.

e) Politicians

The politicians are very important stakeholders of the University operations, this group represents those charged with the power for approval of budget and legislation relating to the performance of the University. The University needs political will and support to execute its duties smoothly which makes the day to day activities of the University be achieved accordingly as per its Strategic Plan and budget set out.

Key concerns

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Key concerns

Politicians want friendly, safe and conducive working environment, clear understanding of the University operating environments, compliance of rules, laws and regulations defining career progression, motivation and recognition, opportunities to contribute to the society as well as enough and conducive arena for Government operations.

Source: Feedback on this is obtained through the University appearing in Oversight meetings of the Standing Committees and through Parliamentary proceedings held from time to time.

Value we create.

Transforming the University strategic into reality through the budget issued and approved by the Parliament through sessions in the financial year; University focus on developing smooth environment in the government development for the betterment of revenue collections.

f) Members of Parliamentary Oversight Committees

The University is working closely with the Parliamentary Oversight Committees such as Public Investment Committee, Public Accounts Committee and the Budget Committee. These committee are key tools to the success of University operations interms of supervising the Government investment through PSE.

Key concerns

Delay in replying to directives issued by the Committees which eventually causes difficultness in advicing as to the best way for investing and reporting by the PSE.

Source: Feedback on this is obtained through the University appearing in the Committees meetings with respective PSEs and parliamentary session from time to time held in accordance to the schedule issued by the National Assembly.

Value we create

Promotion of legislation compliance to all University supervision role to public sector entities and improvement of the investment of the government and information deliverance for decision making.

g) Member of the Media

The Members of the Media are very important stakeholders of the University operations, this group help the University management to disseminate information about the operations of the University in various capacities.

Key concerns

The key concern of media group is freedom of express and right to access any kind of information which is not harmful for the operations of the University functions.

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Key concerns

The key concern of media group is freedom of express and right to access any kind of information which is not harmful for the operations of the University functions.

Source: Feedback on this is obtained through University conference meetings and the interviews made by the University officials and the press. During the financial year 2022/23, the university promoted its services through TV platform.

Value we create

Transforming into an inclusive society understanding through meetings and press release as well as periodicals issued by the University to improve our services.

h) The Office of the Controller and Auditor General

Amongst the important stakeholders of the University operations is the NAOT. According to Article 143, the CAG is the constitutional auditor of the University, supposed to provide assurance to users of our financial information issued and published by the Management of the University. The financial information includes auditing and information on various goods and services used, and other payments made. The financial information is essential to various suppliers and stakeholders, who make the day to day activities of the University be achieved accordingly as per its Strategic Plan and budget set out.

Key concerns

Availability of information supported with relevant attachments for authenticity of the payments made to ensure relevance of the documents to approve payments for proper budget execution of exchequer released from the consolidated fund. Financial statements comply with the requirements of applicable framework.

Source: Feedback on this is obtained through the report of the Controller and Audit General containing the university management letter and the audited financial statement, which is prepared once in every financial year.

Value we create

Improved University's internal financial management and accountability systems, for maintaining Clear Audit reports.

i) Development Partners

The Development Partners play a very important role as stakeholders of the University operations. Development partners provide resources for development activities of the University through facilitation of acquisition of goods and services as well as consultants where it deemed necessary. The role played by development partners helps the University to accomplish its day-to-day activities as per its Strategic Plan and budget set out.

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Key concerns

Development Partners want friendly, safe and conducive working environment, defined and bound terms of cooperation, recognition, opportunities to contribute to the society as well as adequate reliable information on the matters pertaining their partnership.

Source: Feedback on this is obtained through the University feedback meetings with Development Partners and the budget execution reports issued, as well as audit reports. In the financial year 2022-2023 audit has been conducted once.

In addition, just to mention few, in the financial year, partner universities (Leeds University (UK) and University of Johannesburg (South Africa)) of the ASIM project visited the University to familiarize with the project implementation environment and to follow up the progress of implementation of ASIM project at ARU.

Also, the university in partnership with Hasselt University (UHasselt) under the generous financing of Belgium Government through the Flemish Interuniversity Council-University Development Cooperation (VLIR-UOS) officially launched a project on establishing a new center "The African Center for Sustainable Cities Studies" at Ardhi University on 2nd March 2023.

Value we create

Internationalization of the university and supported University efforts in realization of its strategic objectives in offering the services in the training and learning as well as research and public services.

j) Public at large

The public at large plays a very important role as stakeholders of the University operations. The public provides an reliable market for the goods and services offered by the University and provides the feedback on the quality and satisfaction of the services offered by the university.

Key concerns

The public wants access to reliable and adequate information on the services and goods offered by the University; as well as clearly institutionalized procedures for the public to access the services offered by the University.

Source: Feedback on this is obtained through various exhibitions, to the public, of the University services and products. During exhibitions such as Saba-saba, Nane-nane, and TCU exhibitions, the University interacts with the public to explain and display on the services offered and to receive comments from the public. During the financial year 2022/23 the University participated in the 17th Higher Education, Science and Technology Exhibitions organized by TCU that took place at Mnazi Mmoja ground in Dar es Salaam City from Monday 18th to Saturday 23rd July 2022. The University used the exhibition to publicize its core

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functions and activities to various stakeholders who visited its pavilion. The university used the event to avail important information to applicants of our degree programmes.

Value we create

Branding of the university products and progressing number of applicants of ARU academic programs that contribute into increasing students' enrolment. In the academic year 2022/23, the overall enrolment of students were 6,081 consisting 2,730 (44.9%) female students and 3,351 (55.1%) male students. The number of students enrolled in 2022/23 presents an increase of 10.2% compared to 5,519 students enrolled in the academic year 2021/22.

1.12 ANALYSIS OF EXTERNAL ENVIRONMENT

ARU has various stakeholders it works with; these include Government Institutions, Ministries, Departments, Agencies and Parastatals. Every entity, which is within the scope of operation of the University, affects the operations of the University externally. Thus, analysis of the external environment that might affected the University operations includes but not limited to:

(a) Market and Competitive Position

The University is mandated to offer advancement of knowledge and creativity, the diffusion and extension of the art, science, technology and learning; the provision of higher education, research, consultancy and public service, some of the Universities operate in a competitive world and hence when they make profit they contribute well towards attainment of University strategic objectives. It becomes the duty of the University to ensure that the market operates well to safeguard its shares and reap the products.

(b) Macro and Micro Economic Conditions

The University was affected with the impact of COVID-19 pandemic that caused at a certain point revenue not to be stable. The Government initiative on vaccination measures has restated the situation in higher education sector and led to an increase in revenues collected.

(c) Technological Change

The technology is changing very fast that forces the University to develop a number of systems, which will assist in performing its duties. The developed system will assist and facilitate Students Management, Research Management and Consultancy Management. Developed systems will motivate and promote efficiency in activities conducted at the University and get quick results.

(d) Societal Issues

The University operates within societies in Tanzania Mainland and cannot dissociate itself from these societies. In this regard, the University has been participating and supporting financially the societies' programs under the corporate social responsibility's funds. However, despite continuous participation and funding, demands from societies are higher than approved annual

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budgets. Going forward, the University will increase its budget allocation and focus its contribution to specific programs related to land sector.

(e) Environmental Challenges

Pollution of the air environment has been a major challenge in many areas of the country in term of burning trees, throwing garbage in drainage, which hinders free flow of rainwater and hence pollutes the air, which becomes a disaster. The University continued with its efforts on educating the public on the benefits of cleaning and protecting the living and working environments for the healthy communities. Further, the University has instituted a disaster recovery plan to mitigate environment-challenging risks.

(f) Political Environment

The University plans and budgets are prepared and implemented while observing the leading political party (Chama cha Mapinduzi) manifesto 2020, the National Five-Year Development Plan III 2020/21 - 2025/26, and the Inaugural Speech of the President of the United Republic of Tanzania, 2021. The political environment in the country is calm for the University to perform its functions without challenges and disturbances. Further, during the year ended 30th June 2023 the University experienced no political interference to hinder its operations as mandated by the law. The political environment is favorably promoting smooth operations of the University.

1.13 RESOURCES

The University key strengths, which assist in performing its functions and achieving its objectives, are pegged on a well-composed effective Management, competent human resource, deployed ICT systems, and documented internal operating procedures. Also, the existence of the law mandating the University powers to perform its functions as stipulated in Universities Act of 2005 and the Ardhi University Charter, 2007 (Declaration of Ardhi University) CAP 370. These strengths continuously create value to the University operations and enhancement of its achievements. In terms of resources, the University has tangibles and intangibles, which include intellectual resources, human resources, social and relationship resources, natural resources, financial resources and other resources as explained below:

(a) Intellectual Resources

The University's intellectual resources include ICT systems that automate its operations. Some systems are internally developed and managed, while others are government-owned and adopted by the University. ARU intellectual property includes internally developed systems such as:

- (i) Academic Management Information System (AMIS1 &2) for processing and Management of students' academic records,
- (ii) Undergraduate Admission Management Information System - for undergraduate admission,

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- (iii) Consultancy Management Information System (CoMIS) - for Management of records related to consultancy activities at the University,
- (iv) Research Management Information System (ReMIS) - for Management of research activities at the University,
- (v) Email Management systems (@aru.ac.tz and @aruweb.ac.tz) - for Management of staff and students' emails,
- (vi) Students Course Evaluation Management Information System (CEMIS) - for evaluation of academic staff and degree programmes offered to students,
- (vii) University Intranet - for sharing information among staff within the University Network,
- (viii) NHIF Portal - to allow students to apply for NHIF Identity Cards online.

Government owned systems, which have been adapted by the University to facilitate conduct of its operations are:

- (i) Mfumo wa Uhasibu Serikalini (MUSE) - for accounting purposes
- (ii) Planning and Reporting System (PlanRep)
- (iii) Governments Assets Management Information System (GAMIS)
- (iv) Tanzania National e-Procurement System (TaNePS)
- (v) Human Capital Management Information System (HCMIS)
- (vi) NHIF verification portal - for verification of NHIF patient cards attending services at Ardhi University dispensary.

The implementation of ICT application systems has significantly improved the operations of the University. This has resulted in enhanced efficiency and improved quality of services offered. The University will continue to digitalise its processes to improve efficiency in its business operations and reduce costs related to the delivery of its core functions. However, several factors may affect intellectual resources' availability, quality, and affordability, including rapid technological changes, government legislative changes, system hackers, and unexpected power outages. Nevertheless, the University is aware of these challenges and is prepared to ensure that intellectual resources will continuously be available to meet present and future demands.

(b) Human Resources

The University has skilled, committed, motivated and competent employees dedicated to the provision of quality services that meet customers' expectations. Management adheres to the principles of good governance and promotes good working environment and labor relations. In addition, the University has continually invested on human resource development focusing on training, staff wellness, staff recognition and career growth. A comprehensive training programme has been developed with the sense of ensuring that all staff are subjected to certain training for the sake of capacity building and enhancing their working capability.

(c) Social and Relationship Resources

The University social and relationship resources is composed of ethical and transparent dealings and relationship with its customers, regulated service providers, suppliers, regulatory bodies, Government and the public who are internal and external stakeholders by establishing a

Ardhi University (ARU)

harmonious relationship. The University creates shared value strategy relating to social development initiatives such as education and leadership development, financial inclusion, health and safety facilities which are delivered to the communities in the areas of operations.

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

(d) Natural Resources

The University major natural resources are water and land with the view of environmental protection. Various initiatives have been taken by the University to promote environment sustainability through internal engagements and external partnerships and commitments.

In addition, the University proclaim on proper utilization of water being a key natural resource in sustaining human life. Strict control on misuse of water, both from water taps and natural sources, is highly emphasized.

- (e) Factors that may affect availability, quality and affordability of natural resources include natural calamities, draught, human sabotage, laxity in compliance with legislation and minimum commitments from leaders. However, the University values natural resources and will continuously take necessary steps to ensure protection and availability of such resources to meet the University future demand.

(f) Financial Resources

The University enhances its financial sufficiency by improving management of its resources through prioritization of initiatives, implementing initiatives within the available financial resources to generate adequate revenue for timely implementation of planned activities.

Further, the University is continuing with the efforts to ensure that revenue is collected as budgeted to mobilize resources to the consolidated funds which eventually is distributed for consumption by all entities.

Ardhi University (ARU)

1.14 OWNERSHIP

The Ardhi University (ARU) is wholly owned by the Government of the United Republic of Tanzania while ABECC is wholly owned by Ardhi University. In the Consolidated financial statements ARU stand as the controlling entity while ABECC stand as the controlled entity.

1.15 ASSETS

a) CURRENT ASSETS - CASH AND CASH EQUIVALENTS

Cash and cash equivalents as at 30th June, 2023 was TZS 13,601,531,000. Part of the funds remained in bank for implementing the remaining development activities as at 30th June, 2023 and also TZS 6,223,153,000 for Development partner funds received towards the end of the period.

1.16 LIABILITIES

1.16.1 CURRENT LIABILITIES

Payables under current liabilities stood at TZS 4,614,657,000 as at 30th June, 2023 compared to TZS 3,848,809,000 as at 30 June, 2022.

1.17 CONSOLIDATED CAPITAL FUND

Ardhi University capital structure for the year ended 30 June 2023 is TZS 17,894,240,000 which are represented as follows in a comparable basis:

DESCRIPTION	30.06.2023 TZS '000'	30.06.2022 TZS '000'
Analysis of Capital Funds		
Capital Grant from Government	6,208,752	6,208,752
TEA Grants	205,591	205,591
DANIDA Grants	782,879	782,879
Bow Centrum International	9,100	9,100
UNDP Grant	2,199	2,199
JICA Grants	180	180
Revenue Contribution	154	154
UDSM-VLIR Co-op Capital Grant	39,489	39,489
SIDA/SAREC Capital Grant	200,389	200,389
DONATION/EISCAP Project	51,600	51,600
Carnegie Corporation Grants	4,208	4,209
STHEP Project	528,618	528,618
CCIAM Capital grants	26,100	26,099
Climate Change in Coastal DSM Project	531	531

DESCRIPTION	Ardhi University (ARU)	
	30.06.2023	30.06.2022
	TZS '000'	TZS '000'
Lease hold land ILALA FLATS	1,532,003	0
Acquisition of former NHBRA	<u>8,302,447</u>	<u>0</u>
TOTAL	<u>17,894,240</u>	<u>8,059,790</u>

1.18 CONSOLIDATED OPERATIONAL PERFORMANCE FOR THE PERIOD ENDED 30TH JUNE, 2023

During the period ended 30 June, 2023 the University earned revenue amounting to TZS 30,338,245,000 while expenses were TZS 27,679,110,000 This reflected a Surplus of TZS 2,659,135,000.

Description	30.06.2023	30.06.2022	Increase/(Decrease)
	TZS '000'	TZS '000'	TZS '000'
Operating Income:			
Subventions from the government	15,807,797	17,619,586	(1,811,789)
Revenue from exchange transactions	11,013,848	13,073,136	(2,059,288)
Other revenues	1,528,916	933,920	594,996
Revenue grants	1,705,712	<u>0</u>	1,705,712
Sub Total	30,056,273	31,626,642	(1,570,369)
Add Other Income			
Fair value Gains on assets and liabilities	281,940	0	281,940
Gain on disposal	<u>32</u>	<u>0</u>	<u>32</u>
TOTAL INCOME	30,338,245	31,626,642	(1,288,396)
Less : EXPENDITURE	27,679,110	28,792,187	(1,113,076)
SURPLUS/(DEFICIT)	2,659,135	2,834,455	(175,320)

Total income decreases by TZS 1,288,396,000 from TZS 31,626,642,000 for period ended 30 June, 2022 to TZS 30,338,245,000 for period ended 30 June, 2023 mainly due to decrease in consultancy activities from ABECC.

The University continued to rely heavily on internally generated funds in support of other charges expenditures.

1.19 CONSOLIDATED FINANCIAL POSITION AND LIQUIDITY

Working Capital is the amount of cash and those assets that are easily convertible into known amount of cash to pay for day to day operations, current ratio is among the key measure in working capital management used to check an entity's financial health (ability to meet entity's obligations in short term). During the period working capital increased from TZS 1,651,168,000 as at 30 June 2022 to TZS 5,118,191,000 as at 30 June 2023. The current ratio of the University had also increased during the period from 1.20:1 during the previous period 30.06.2022 to 1.42:1 during the current period. The current ratio position is still healthy for the University since it is the same as the recommended ratio of 2.00:1 as shown below: -

Ardhi University (ARU)

	30.06.2023 TZS	30.06.2022 TZS
Current Assets	17,331,699,000	9,792,052,000
Current Liabilities	-12,213,508,000	(8,140,884,000)
Working Capital	5,118,191,000	1,651,168,000
Current Ratio (CA/CL)	1.42:1	1.20:1
Standard Ratio	2.00:1	2.00:1

1.20 SURPLUS AND RESERVES

The surplus and reserves of the University are not available for distribution. Such surpluses and reserves whenever available are exclusively and wholly used for financing future development of the University.

1.21 SOLVENCY

The Council confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Council has reasonable expectation that Ardhi University has adequate resources to continue in operational existence for the foreseeable future.

1.22 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. They include relationship with members of the Council, key management personnel, their associates and joint ventures. Ardhi University key management personnel include Vice Chancellor and Deputy Vice Chancellors, Deans and Directors. Related party transactions are disclosed under **Note 32**.

1.23 EMPLOYEES' WELFARE

1.23.1 Management - Employees' Relationship

The average number of employees during the period was 518. The relationship between management and employees continued to be good. Complaints were resolved through meetings, correspondences and e-mrejesho introduced at DAHRM for resolving and receiving complaints from employees in and out of the University. Work morale was good and continued to be good during and after the financial year 2022/23, there were no unresolved complaints from employee. Further, the management continued to facilitate the workers council's to be held as required twice in a year.

Ardhi University (ARU)

1.23.2 Training

Training programmes have been and are continually being developed to ensure that employees are adequately trained in accordance to the training plan developed from the need assessment conducted annually. As at the end of the period under review 157 Staff were on training: 64 for PhD, 46 for master's degree, 3 for bachelor's degree and 1 for Diploma, 1 for Certificate and 42 for short courses. A number of workshops, seminars and short-term courses were conducted or financed and attended by various University employees.

1.23.3 People with Disabilities

The University is aware of the existence of the National Policy for Disabled Persons and in its implementation gives no biasness or discrimination to disabled staff during recruitment. Similarly, under the workman compensation Act, the University compensates staff who becomes disabled while in the service of the University under Workers Compensation Fund.

1.23.4 Gender Balance

Ardhi University gives equal opportunity to all Tanzanians during recruitment and filling of management positions provided that they have the necessary qualifications, qualities and abilities regardless of their gender. Furthermore, The University ensures that there is gender balance in all opportunities. In so doing the University is continuing to ensure that there is equality in employment opportunity, in June 2023 University had 518 staff (Male: 295 & Female: 223) whereas in June 2022 University had 453 staff (Male: 259 & Female: 194). The strategy is to ensure that 50:50 ratio for male and female is reached. The University also has Directorate of Diversity which ensure diversities such as Gender, Disability are accommodated in all University operations.

1.23.5 Medical Assistance

The University staff members are registered members of insurance schemes which pay for their medical bills. The University has continued to contribute towards staff member insurance schemes at the rate of 3% of basic salary in accordance with the existing regulation. Further the University has Dispensary and VCT Centre which offer their services to ARU and neighbouring community.

1.23.6 Employee Welfare

The University facilitates social welfare of employees by providing moral and material support such as medical care through National Health Insurance Fund (NHIF), leave pay, prizes to the best workers and other benefits. Employee benefits are recognized when incurred. The University continued to operate a defined contribution plan where contributions were paid to Public Service Social Security Fund (PSSSF).

The employer contributed 15% and employee 5% and the total contributions remitted to PSSSF. The employer contribution is often affected centrally by the Ministry of Finance and Planning - Public Debt and General Services, Vote 22.

Ardhi University (ARU)

1.23.7 Financial Assistance

The University facilitates employees to secure loans in banks and other financial institutions after assessing the risks of individuals and the ability to service the amount of loan. The opportunity is available to all confirmed employees as added credibility to the banks. Also University has SACCOS which provides loans to staff members to support personal financial development.

1.24 CORPORATE GOVERNANCE

Ardhi University put emphasis to highest standards of Corporate Governance. The Organization structure is flexible and accommodates changes from internal as well as external environment. The University adheres to the global standards and practices of good corporate governance. In doing so the University has established and maintains Tender Board, Information Technology Department, Internal Audit Unit and a Procurement Management Unit.

1.25 ENVIRONMENTAL PROTECTION

Ardhi University Implements Government's Policy and Directives on environmental protection. The University preserves the environment through various activities and plans which include use of appropriate technology of wastewater treatment such as up flow Anaerobic Sludge Blanket (UASB). Furthermore, the University is carrying out erosion control activities through planting of erosion control plants, grass and trees, back filling of eroded areas and construction of check dams along erosion prone areas. For solid waste disposal, the University collect, store and transports all the generated institutional waste to the designated disposal site thus ensuring environmental protection.

Moreover, the University has appointed an Environmental coordinator in accordance with the policy of the Government.

1.26 HIV/AIDS POLICY

The management of HIV/AIDS is an important challenge for the nation and for the University. The University has determined that HIV/AIDS will have an impact on the following areas: operations, legal risk and health risk. Whilst all these risks are under investigation, the University has adopted the following core principles as a basis for HIV/AIDS policy:

Limit the number of new infections among employees.

Ensure employees living with HIV/AIDS are aware of their rights and that their rights are respected and protected.

Providing care and support to employees living with HIV/AIDS.

Ardhi University (ARU)

1.27 ANTI-CORRUPTION

In conducting its activities, Ardhi University maintains transparency and observes the principles of good governance, in that respect the University has established Integrity Committee for ARU (ICARU). Ardhi University has established and maintains Tender Board and Procurement Management Unit, organs which ensure that transparency prevails in all procurement transactions.

1.28 CORPORATE SOCIAL RESPONSIBILITY

ARU continued with its principle of Corporate Social Responsibility (CSR) and committed itself to active participation in promotion of social economic development of the society through extension or promotion of professional and financial support towards implementation of community development projects.

Specifically, during the period the University has allocated TZS 55,000,000 as contributions to the Government in support of development activities being undertaken.

1.29 STATUTORY AUDITORS

The Controller and Auditor General is the statutory auditor of the Ardhi University by virtue of Article 143 of the Constitution of the United Republic of Tanzania, and as amplified in section 10 (1) of the Public Audit Act No.11 of 2008.

BY ORDER OF THE COUNCIL


Amb. Salome Sijaona
CHAIRPERSON


Prof. Evaristo Liwa
VICE CHANCELLOR

DATE: 01/03/2024

Ardhi University (ARU)

2.0 STATEMENT OF COUNCIL RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Universities Act, 2005 and the subsequent granting of the Ardhi University Charter, 2007 (Declaration of Ardhi University) required the Council to prepare financial statements at the end of each financial period which show a true and fair view of the state of affairs and the results of the operations of the University.

The Council confirms that suitable policies that are in conformity with International Public Sector Accounting Standards (IPSAS) accrual basis have been used and applied consistently and reasonable and prudent judgment and estimates have been made in the preparation of the University's financial statements for the period ended 30 June 2023.

The Council is also responsible for safeguarding the assets of the University and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


.....
Amb. Salome Sijaona
CHAIRPERSON

DATE: 01/03/2024


.....
Prof. Evaristo Liwa
VICE CHANCELLOR

Ardhi University (ARU)

3.0 DECLARATION OF THE HEAD OF FINANCE

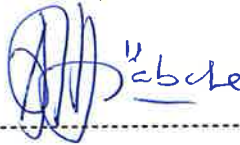
The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act. No. 2 of 1995 requires financial statements to be accompanied with a declaration issued by the Head of Finance/Accounting responsible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

It is the duty of a professional Accountant to assist the Council to discharge the responsibility of preparing financial statements showing true and fair view position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Council as under Council Responsibility statement on an earlier page.

I, Allen Sylivester Msabaha, being the Head of Finance of Ardhi University (ARU) 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 Ardhi University (ARU) as on that date and that they have been prepared based on properly maintained financial records.

Signed:



Signed by:

Allen Sylivester Msabaha

Position:

Acting Head of Finance

NBAA Membership No:

ACPA-4060

Dated:

01/03/2024.

Ardhi University (ARU)

4.0 FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

		CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	Note	2022/23	(RESTATED)	2022/23	(RESTATED)
		TZS '000	2021/22	TZS '000	2021/22
			TZS '000		TZS '000
ASSETS					
Current Assets					
Cash and Cash Equivalents	2	13,601,531	8,424,645	12,290,354	6,524,410
Receivables and Prepayments	3	3,476,661	1,194,549	1,321,616	1,306,799
Inventories	4	<u>253,507</u>	<u>172,858</u>	<u>253,507</u>	<u>172,858</u>
		17,331,699	9,792,052	13,865,477	8,004,067
Non-Current Assets					
Property, Plant and Equipment	5	163,390,719	142,435,292	163,348,082	142,397,331
Capital Work in Progress	6	0	8,891,356	0	8,891,356
Intangible Assets	7	127,008	11,725	124,652	7,013
Investment in ABECC	28	<u>0</u>	<u>0</u>	<u>64,865</u>	<u>64,865</u>
		163,517,727	151,338,373	163,537,599	151,360,565
TOTAL ASSETS		<u>180,849,426</u>	<u>161,130,425</u>	<u>177,403,076</u>	<u>159,364,632</u>
LIABILITIES					
Current Liabilities					
Payables	8	4,614,657	3,848,809	1,828,118	2,432,415
Tanzania Education Authority Loan	26	0	118,757	0	118,757
Loan from MLHSD	34	792,860	892,860	792,860	892,860
Provision for Audit Fees Payable	25	116,800	105,800	85,416	85,416
Income tax Payable	24	50,968	234,695	0	0
Deferred Income (Grants)	9	<u>6,223,153</u>	<u>549,153</u>	<u>6,223,153</u>	<u>549,153</u>
		11,798,438	5,750,074	8,929,547	4,078,601
Non-Current Liabilities					
Staff Pension Contingency and Endowment Fund	10	1,442,296	1,469,339	1,442,296	1,469,339
Staff claims	35	2,754,560	2,390,810	2,754,560	2,390,810
Deferred Capital Grant	27	<u>0</u>	<u>972,260</u>	<u>0</u>	<u>972,260</u>
		4,196,856	4,832,409	4,196,856	4,832,409
TOTAL LIABILITIES		<u>15,995,294</u>	<u>10,582,483</u>	<u>13,126,403</u>	<u>8,911,010</u>
NET ASSETS		<u>164,854,132</u>	<u>150,547,942</u>	<u>164,276,673</u>	<u>150,453,622</u>
OWNER'S EQUITY					
Capital Fund	11	17,894,241	8,059,790	17,894,241	8,059,790
Accumulated Surplus/(Deficit)		143,663,989	139,192,250	143,086,530	139,097,930
Self-Financing Fund	13	<u>3,295,902</u>	<u>3,295,902</u>	<u>3,295,902</u>	<u>3,295,902</u>
TOTAL NET ASSETS		<u>164,854,132</u>	<u>150,547,942</u>	<u>164,276,673</u>	<u>150,453,622</u>



 Amb. Salome Sijaona
 CHAIRPERSON


 Prof. Evaristo Liwa
 VICE CHANCELLOR

DATE: 01/03/2024

Ardhi University (ARU)
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE
2023

		CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
		2022/2023	(RESTATED)	2022/2023	(RESTATED)
		TZS '000	TZS '000	TZS '000	TZS '000
REVENUE	Note				
Subventions from the Government	16	15,807,797	17,619,585	15,807,797	17,619,585
Revenue from exchange transactions	15	11,013,848	13,073,136	9,170,516	10,145,086
Revenue Grants	9	1,705,712	-	1,705,712	-
Other revenues	14	1,528,916	933,920	1,528,916	933,920
Fair value Gains on Assets and Liabilities	23	281,940	-	281,940	-
Gain on disposal of assets	12	32	-	32	-
		<u>30,338,245</u>	<u>31,626,641</u>	<u>28,494,913</u>	<u>28,698,591</u>
EXPENSES					
Wages, salaries and employee benefits	17	17,415,234	18,944,935	17,415,234	18,944,935
Supplies and consumables used	18	5,968,211	4,793,063	5,968,211	4,793,063
Maintenance expenses	19	305,853	240,206	305,853	240,206
Finance costs	22	1,669	2,522	-	-
Other expenses	20	1,741,555	2,544,515	652,582	719,125
Impairment of receivables	23	0	938,514	0	938,514
Depreciation of property, plant and equipment	5	1,906,791	1,255,291	1,897,499	1,248,193
Amortization of intangible assets	7	9,368	16,764	7,012	14,408
Grants, subsidies and transfer payments	21	330,429	55,000	330,429	55,000
		<u>27,679,110</u>	<u>28,790,810</u>	<u>26,576,820</u>	<u>26,953,444</u>
Surplus/(Deficit) During the Period		2,659,135	2,835,831	1,918,093	1,745,147
Less; Corporate Tax	24	(259,278)	(358,162)	0	0
Surplus Net of Tax		<u>2,399,857</u>	<u>2,477,669</u>	<u>1,918,093</u>	<u>1,745,147</u>



Amb. Salome Sijaona
CHAIRPERSON



Prof. Evaristo Liwa
VICE CHANCELLOR

DATE: 01/03/2024

Ardhi University (ARU)

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS/ EQUITY FOR THE PERIOD ENDED 30 JUNE 2023

	Capital Fund	Self Financing Fund	Accumulated Surplus/ (Deficit)	Total
	TZS 000	TZS 000	TZS 000	TZS 000
At 01.07. 2021				
Adjustments for useful life	8,059,790	3,295,902	136,714,581	148,070,273
Surplus/(Deficit) for the Year	0	0	2,071,882	2,071,882
Balance as at 30.06.2022	<u>8,059,790</u>	<u>3,295,902</u>	<u>2,477,669</u>	<u>2,477,669</u>
			<u>141,264,132</u>	<u>152,619,824</u>
At 01.07. 2022				
Additions during the year	8,059,790	3,295,902	141,264,132	152,619,824
Surplus/(Deficit) for the Year	9,834,451	0	0	9,834,451
Balance as at 30.06.2023	<u>17,894,241</u>	<u>3,295,902</u>	<u>2,399,857</u>	<u>2,399,857</u>
			<u>143,663,989</u>	<u>164,854,132</u>


Amb. Salome Sijaona
CHAIRPERSON


Prof. Evaristo Liwa
VICE CHANCELLOR

DATE: 01/03/2024

Controller and Auditor General

AR/PAD/AR/2022/23

Ardhi University (ARU)

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2023

		CONSOLIDATED 2022/2023 TZS '000	CONSOLIDATED 2021/2022 TZS '000	UNIVERSITY 2022/2023 TZS '000	UNIVERSITY 2021/2022 TZS '000
Cash Flows From/(Used in) Operating Activities	Note				
Receipts					
Revenue from non-exchange	30	0	6,972,530	0	6,972,530
Revenue from exchange	30	13,473,696	7,970,721	8,820,917	3,902,472
Subventions from Government	30	13,769,517	16,907,963	13,769,517	16,907,963
Other Revenue	30	558,143	13,568,052	558,143	13,568,052
Revenue Grants	30	7,928,864	-	7,928,864	-
		35,730,220	45,419,266	31,077,441	41,351,017
Payments					
Employees costs	30	(16,047,662)	(20,743,420)	(16,047,662)	(20,743,420)
Maintenance expenses	30	(305,853)	(240,206)	(305,853)	(240,206)
Other payments	30	(459,223)	(13,342,709)	(215,469)	(13,160,132)
Payments to suppliers	30	(5,860,776)	(4,266,978)	(5,859,760)	(4,266,978)
Other expenses	30	(5,189,364)	(5,549,856)	(765,351)	(719,126)
Grants, subsidies & transfer payments (TANESCO)	30	(330,429)	(55,000)	(330,429)	(55,000)
		(28,193,307)	(44,198,169)	(23,524,524)	(39,184,862)
Net Cash From/(Used in) Operating Activities (A)		<u>7,536,913</u>	<u>1,221,097</u>	<u>7,552,917</u>	<u>2,166,155</u>
Cash Flows From/(Used in) Investing Activities					
Acquisition of PPE and WIP	30	(1,676,290)	(1,308,746)	(1,662,322)	(1,302,123)
Acquisition of Intangible assets	30	(124,651)	0	(124,651)	0
Net Cash from/(Used in) Investing Activities (B)		<u>(1,800,941)</u>	<u>(1,308,746)</u>	<u>(1,786,973)</u>	<u>(1,302,123)</u>
Cash Flows From/(Used in) Financing Activities					
Dividend					
Net Cash From/(Used in) Financing Activities (C)		<u>(559,086)</u>			
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		5,176,886	(87,649)	5,765,944	864,032
Cash and Cash Equivalents at the Beginning of the Period		<u>8,424,645</u>	<u>8,512,294</u>	<u>6,524,410</u>	<u>5,660,378</u>
Cash and Cash Equivalents at the End of the Period		<u>13,601,531</u>	<u>8,424,645</u>	<u>12,290,354</u>	<u>6,524,410</u>


Amb. Salome Sijaona
CHAIRPERSON

DATE: 01/03/2024



Prof. Evaristo Liwa
VICE COUNCILLOR

UNIVERSITY STATEMENT OF COMPARISON OF BUDGET AND ACTUAL FOR THE PERIOD ENDED 30 JUNE, 2023

RECEIPTS	Original Budget (A)	Adjustments (B)	Final budget (C) =A+B	Actual amount on Comparable Basis (D)	Difference: Final Budget Vs Actual(C-D)	Perc enta ge Vari ance %
Subvention from other Government entities	39,506,274	15,000	39,491,274	13,769,516	25,751,758	65
Revenue from Exchange Transactions	13,151,393	0	13,151,393	8,820,917	4,330,476	33
Revenue Grants	7,928,864	0	7,928,864	7,928,864	0	-
Other Revenue	568,143	0	568,143	558,143	10,000	2
Total Receipts	61,154,674	15,000	61,169,674	31,077,440	30,092,234	
PAYMENTS						
Wages, Salaries and Employee Benefits	19,281,198	98,430	19,379,628	16,047,662	3,331,966	17
Use of Goods and Service	10,143,266	442,560	10,585,826	5,859,759	4,726,067	45
Grants, Subsidies and Transfer payments (TANESCO)	540,000	(30,000)	510,000	330,429	179,571	35
Other Expenses	1,591,949	(188,570)	1,403,379	765,351	638,028	45
Maintenance Expenses	481,032	(23,910)	457,122	305,853	151,269	33
Acquisition of Property, Plant and Equipment and WIP	28,578,122	(283,510)	28,294,612	11,496,773	16,797,839	59
Acquisition of Intangibles	539,107	0	539,107	124,651	414,456	77
Decrease in deposits	0	0	0	215,469	(215,469)	-
Increase in Tax payers fund	0	0	0	(9,834,451)	9,834,451	-
Total Payment	61,154,674	15,000	61,169,674	25,311,496	35,858,178	
Net Receipts/Payments	-	-	-	5,765,944	(5,765,944)	

The statement of comparison of budget amount and actual amount is to be read in conjunction with note 1 to 41


Amb. Salome Sijaona
CHAIRPERSON


Prof. Evaristo Liwa
VICE CHANCELLOR

DATE: 01/03/2024

NOTES TO THE FINANCIAL STATEMENTS

NOTE:

1.0 PRINCIPAL ACCOUNTING POLICIES

Introduction

The notes to the Financial Statements for the period ended 30th June, 2023, give elaborations pertaining to policies and other issues related to preparation and presentation of these Financial Statements which disclose the state of affairs of Ardhi University.

1.2 Basis of Preparation

The accompanying financial statements have been prepared in accordance with International Public Sector Accounting Standards (IPSAS) accrual basis including International Accounting Standards (IAS). The financial statements have been prepared under the historical cost convention. No adjustments have been made for inflationary factors affecting the financial statements.

The preparation of financial statements in conformity with IPSAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the University's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are separately disclosed in the notes.

1.3 Statement of Compliance with International Public Sector Accounting Standards (IPSASs)

The Financial Statements have been prepared in accordance with Accrual Basis International Public Sector Accounting Standards (IPSAS).

1.4 Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less subsequent accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the University and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of financial performance during the financial period in which they are incurred.

Depreciation

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to write off the cost of each asset value over its estimated useful life at a given rate per annum as detailed below: -

Description of Asset	Rate p.a.
Buildings	2.00%
Infrastructures	10.00%
Computers and Computer Software	25.00%
Furniture and Equipment	10.00%
Motor Vehicles - Heavy Duty	10.00%
- Others	20.00%
Tri-cycles	10.00%

Depreciation is charged on assets from the date when they are ready for use and stop on the date when the asset is derecognized by the University. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Gains and losses on disposal are determined by comparing the disposal proceeds with the carrying amount and are credited/charged to statement of financial performance. Expenditure on tools, books and other minor assets are written off during the period of acquisition. However, they are recorded in memorandum registers for control and monitoring purposes.

Borrowing Costs

Borrowing costs are interest and other expenses incurred by the University in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. The commencement, suspension and cessation of capitalization and the amount of borrowing costs eligible for capitalization is determined in accordance with IPSAS 5.

Intangible Assets

Intangible assets acquired separately are initially recognized at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. The useful life of the intangible assets is assessed as either finite or infinite. Intangible assets with finite life are depreciated over its useful life:

Software	3 years.
----------	----------

Intangible asset with a finite useful life are assessed for impairment whenever there is an indication that the asset may be impaired, amortization period and method for intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life embodied in the asset are considered to modify the amortization period or method. Amortization expense on an intangible asset with a finite life is charged in a Statement

of financial performance. Gain or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceedings and the carrying amount of the asset and are charged in the statement of financial performance.

1.6 Provision for Impairment of Receivables

Receivables are recognized initially at fair value and subsequently measured at value less provision for bad and doubtful debts. Specific provision is made in the financial statements against receivables considered to be doubtful of recovery.

1.7 Inventories Valuation

Inventories are valued at the lower of cost and net realizable value. Cost is determined on First in First out (FIFO) basis. Provision for impairment is made on the basis of actual cost of stocks found obsolete or damaged.

1.8 Foreign Currency Translations

Functional and Presentation Currency

The financial statements are presented in Tanzania Shillings, which is the University's functional and presentation currency.

Transactions and Balances

Foreign currency transactions are translated into Tanzanian shillings at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities at the period-end expressed in foreign currencies are translated into Tanzanian shillings at the rates of exchange ruling at the end of the financial period. The resultant gains/losses on exchange rate translations are dealt with in the statement of financial Performance.

1.9 Cash and Cash Equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand; deposits held on call and fixed deposits maturing in less than three months.

Revenue Recognition

Revenue is recognized on accrual basis of accounting. Revenue is recognized only when it is probable that the economic benefits/service potential associated with the transaction will flow to the University.

1.10 Revenue from exchange Transactions

Revenues from exchange transactions include revenues from Consultancies, Research and tuition fees from students. Revenue is recognized only when it is probable that the economic

benefits/service potential associated with the transaction will flow to the University and the revenue can be reliably measured.

Accounting for Government Assistance/Grants

Revenue from non-exchange transactions

Revenue from non-exchange transactions with other government entities is measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property), if the transfer is free from conditions, and it is probable that the economic benefits or service potential related to the asset will flow to the group and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, a grant liability is recognized instead of revenue.

Financial Risk Management

The overall risk management focuses on the unpredictable financial markets is aimed at minimizing potential adverse effects on the University's financial performance. The role of the University's risk management is primarily vested in the Finance Directorate under guidance of the Council. The specific risk management policies of the University are as follows: -

Liquidity Risk

The University had a prudent liquidity risk management through maintaining Ardhi University Reserve Fund that is used in the event of delayed release of funds to cover committed credit facilities and working capital requirement.

Credit Risk Management

The potential credit risk involves short term cash and receivables. Students joining the University on private sponsorship are required to pay in cash tuition fees. Few cases of students especially those having reputable sponsors are allowed to continue with their studies before paying in cash.

Foreign Currency Risk

Foreign currency risk is managed at an operational level and it is monitored by Finance Department. Losses that arise from foreign liabilities are managed through timely payment of outstanding liabilities.

1.11 Provisions

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

1.12 Employees Benefits

Retirement Benefits

Ardhi University has statutory obligations to contribute to various pension schemes in favour of all the employees employed under permanent and pensionable terms. The University contributes to Public Service Social Security Fund (PSSSF) and the National Social Security Fund (NSSF).

Contributions to these schemes by the ARU are recognized as expense in the period the employees render the related services.

Short Term Benefits

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

Termination Benefits

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

The University recognizes termination benefits when it is constructively obliged to either terminate the employment of the current employees according to detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

1.13 Significant Judgment and Sources of Estimation Uncertainty

The preparation of the University financial statements in conformity with IPSAS requires management to make judgment, estimates and assumptions that affects the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

1.14 Budget

The University prepares its budget based on its actual requirements. However, after approval of Government by Parliament, the University adjusts its budget to be within the ceiling set by the Government. The variances have been caused by funds reallocation taking into account the University's priorities.

1.15 Future Changes in Accounting Policies

Standards issued as at the date of issuance of the University's financial statement are listed below. This listings of standards issued are those which the University is reasonably expecting to have an impact on disclosures, financial position or performance when applied at a future date. The university intends to adopt these standards.

IPSAS 41-Financial Instruments: This standard is effective for annual financial statements covering a period beginning on or after Jan 1, 2022.

IPSAS 42-Social Benefits: This standard is effective for annual financial statements covering periods beginning on or after Jan 1, 2022.

IPSAS 43-Lease: This standard is effective for annual financial statements covering periods beginning on or after Jan 1, 2025.

IPSAS 44-Non Current Assets Held for Sale: This standard is effective for annual financial statements covering periods beginning on or after Jan 1, 2025.

IPSAS 45-Property, Plant & Equipment: This standard is effective for annual financial statements covering periods beginning on or after Jan 1, 2025.

IPSAS 46-Measurement: This standard is effective for annual financial statements covering periods beginning on or after Jan 1, 2025.

IPSAS 47-Revenue: This standard is effective for annual financial statements covering periods beginning on or after Jan 1, 2026.

IPSAS 48-Transfer Expenses: This standard is effective for annual financial statements covering periods beginning on or after Jan 1, 2026.

NOTE: 2	CASH AND CASH EQUIVALENTS	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
		30.06.2023	30.06.2022	30.06.2023	30.06.2022
		TZS '000	TZS '000	TZS '000	TZS '000
	Cash at Bank				
	National Microfinance Bank(NMB)	607,704	209,671	607,704	209,671
	National Bank of Commerce (NBC)	524,179	645,977	524,179	645,977
	CRDB Bank PLC	1,669,166	346,227	1,486,320	328,253
	TCB	11,899	174,444	11,899	174,444
	Bank of Tanzania	<u>10,788,583</u>	<u>7,048,326</u>	<u>9,660,252</u>	<u>5,166,065</u>
	TOTAL	<u>13,601,531</u>	<u>8,424,645</u>	<u>12,290,354</u>	<u>6,524,410</u>
NOTE: 3	RECEIVABLES AND PREPAYMENTS	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
		30.06.2023	(RESTATED) 30.06.2022	30.06.2023	(RESTATED) 30.06.2022
		TZS '000	TZS '000	TZS '000	TZS '000
	Receivables from Sundry Debtors	379,352	248,734	379,352	248,734
	Receivables from students fees	761,655	931,126	761,655	931,126
	Staff Loans and advances	251,771	271,420	251,771	271,420
	Staff Imprest	2,747,255	889,577	594,252	1,001,827
	Consultancy deposits	2,042	-	-	-

		CONSOLIDATED	CONSOLIDATED (RESTATED)	UNIVERSITY	UNIVERSITY (RESTATED)
NOTE:	RECEIVABLES AND PREPAYMENTS	30.06.2023	30.06.2022	30.06.2023	30.06.2022
3		TZS '000	TZS '000	TZS '000	TZS '000
	Prepayments	40,000	284,665	40,000	284,665
	Less: Provision for impaired receivables	(705,414)	(1,430,973)	(705,414)	(1,430,973)
	TOTAL	<u>3,476,661</u>	<u>1,194,549</u>	<u>1,321,616</u>	<u>1,306,799</u>

		CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
		30.06.2023	30.06.2022	30.06.2023	30.06.2022
NOTE: 4	INVENTORIES	TZS '000	TZS '000	TZS '000	TZS '000
	Printing and Stationery	12,389	9,498	12,389	9,498
	Repair and Maintenance Materials	77,667	65,225	77,667	65,225
	Cleaning Materials	2,936	515	2,936	515
	Drugs and Medicines	9,283	13,888	9,283	13,888
	Motor Vehicle Spares, Oils and Lubricants	1,624	3,861	1,624	3,861
	Training Materials	47,758	45,763	47,758	45,763
	Computer Consumables	38,767	9,200	38,767	9,200
	Other Office Supplies	<u>63,083</u>	<u>24,908</u>	<u>63,083</u>	<u>24,908</u>
	TOTAL	<u>253,507</u>	<u>172,858</u>	<u>253,507</u>	<u>172,858</u>

NOTE: 5 CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT (PPE)

PARTICULARS	LEASEHOLD LAND	BUILDINGS	FURNITURE AND EQUIPMENT	MOTOR VEHICLE	COMPUTERS AND ACCESSORIES	TOTAL
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Cost/ As at 1 July 2022	119,670,000	26,463,195	10,261,754	2,422,086	4,598,617	163,415,652
Additions						
Monetary		42,661	372,990	-	224,853	640,504
Non-monetary	8,793,656	1,653,994	273,380	95,804	397,066	11,213,900
Transfer From CWIP	0	8,890,676	0	0	0	8,890,676
Disposal	0	0	(61,715)	(132,520)	(52,944)	(247,179)
Cost at 30 June 2023	128,463,656	37,050,526	10,846,409	2,385,370	5,167,592	183,913,553
Depreciation/Impairment						
As at 1 July 2023	0	7,717,791	7,237,425	2,057,074	3,903,204	20,915,494
Adjustment for useful life	0	(1,627,243)	888,140	(276,781)	(1,055,997)	(2,071,881)
Charge for the period	0	578,013	643,909	139,699	545,171	1,906,792
Impairment losses	0	0	0	0	0	0
On Disposal	0	0	(42,414)	(132,518)	(52,639)	(227,571)
At 30 June 2023	-	6,668,561	8,727,060	1,787,474	3,339,739	20,522,834
Net Book Value						
At 30 June 2023	128,463,656	30,381,965	2,119,349	597,896	1,827,853	163,390,719
At 30 June 2022	119,670,000	18,680,539	3,031,200	365,011	688,540	142,435,290

ARU PROPERTY, PLANT AND EQUIPMENT (PPE)

PARTICULARS	LEASEHOLD LAND	BUILDINGS	FURNITURE AND EQUIPMENT	MOTOR VEHICLE	COMPUTERS AND ACCESSORIES	TOTAL
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Cost/ As at 1 July, 2022	119,670,000	26,463,195	10,233,045	2,422,086	4,579,652	163,367,978
Addition						
Monetary	-	42,661	371,220	-	212,655	626,536
Non-Monetary	8,793,656	1,653,994	273,380	95,804	397,066	11,213,900
Transfer From CWIP	0	8,890,676	0	0	0	8,890,676
Disposal	0	0	(61,715)	(132,520)	(52,944)	(247,179)
Cost at 30 June, 2023	128,463,656	37,050,526	10,815,930	2,385,370	5,136,429	183,851,911
Depreciation/Impairment						
As at 1 July, 2023	0	7,717,791	7,234,412	2,057,074	3,896,505	20,905,782
Adjustment for useful life	0	(1,627,243)	888,140	(276,781)	(1,055,997)	(2,071,881)
Charge for the period	0	578,013	641,442	139,699	538,345	1,897,499
Impairment losses	0	0	0	0	0	0
On Disposal	0	0	(42,414)	(132,518)	(52,639)	(227,571)
At 30 JUNE, 2023	-	6,668,561	8,721,580	1,787,474	3,326,214	20,503,829
Net Book Value						
At 30 JUNE, 2023	128,463,656	30,381,965	2,094,350	597,896	1,810,215	163,348,082
At 30 JUNE, 2022	119,670,000	18,680,539	3,031,200	365,011	688,540	142,435,290

NOTE: 6	CAPITAL WORK IN PROGRESS	CONSOLIDATED 30.06.2023 TZS '000	CONSOLIDATED 30.06.2022 TZS '000	UNIVERSITY 30.06.2023 TZS '000	UNIVERSITY 30.06.2022 TZS '000
	Balances as at 1 st July, 2022	<u>8,891,356</u>	8,311,572	8,891,356	8,311,572
	Additions During the Period (Certificate received and paid during the year)	123,971	579,784	123,971	579,784
	Transferred to PPE Transferred to Intangible	<u>(8,890,676)</u> <u>(124,651)</u>	-	<u>(8,890,676)</u> <u>(124,651)</u>	-
	Balance Carried Forward	<u>0</u>	<u>8,891,356</u>	<u>0</u>	<u>8,891,356</u>
NOTE: 7	INTANGIBLE ASSETS	CONSOLIDATED 30.06.2023 TZS '000	CONSOLIDATED 30.06.2022 TZS '000	UNIVERSITY 30.06.2023 TZS '000	UNIVERSITY 30.06.2022 TZS '000
	Cost				
	Balance as at 1 st July 2022	561,555	561,555	552,131	552,131
	Additions (Computer software)	<u>124,651</u>	0	<u>124,651</u>	0
	Balance as at 30 th June, 2023	<u>686,206</u>	<u>561,555</u>	<u>676,782</u>	<u>552,131</u>
	Accumulated Amortization				
	Balance as at 1 st July 2022	549,831	533,067	545,118	530,711
NOTE: 8	Charge for the Period	<u>9,367</u>	<u>16,764</u>	<u>7,012</u>	<u>14,407</u>
	Balance as 30 th June, 2023	<u>559,198</u>	<u>549,831</u>	<u>552,130</u>	<u>545,118</u>
	NET BOOK VALUE	<u>127,008</u>	<u>11,724</u>	<u>124,652</u>	<u>7,013</u>
NOTE: 8	PAYABLES	CONSOLIDATED 30.06.2023 TZS '000	CONSOLIDATED 30.06.2022 TZS '000	UNIVERSITY 30.06.2023 TZS '000	UNIVERSITY 30.06.2022 TZS '000
	Creditors (Supplies of goods)	122,776	556,109	116,661	529,716
	Other Accounts Payable	1,559,952	3,292,303	1,528,667	1,902,699
	Imprest Payable (Imprest a/c)	178,822	-	178,822	-
	Consultancy deposits	2,599,274	-	-	-
	Withholding tax	<u>153,833</u>	<u>397</u>	<u>3,968</u>	-
	TOTAL	<u>4,614,657</u>	<u>3,848,809</u>	<u>1,828,118</u>	<u>2,432,415</u>
NOTE: 9	DEFERRED INCOME (GRANTS)	CONSOLIDATED 30.06.2023 TZS '000	CONSOLIDATED 30.06.2022 TZS '000	UNIVERSITY 30.06.2023 TZS '000	UNIVERSITY 30.06.2022 TZS '000
	Balance at the beginning of the period 01.07.2022	549,153	671,865	549,153	671,865
	Received during the period	7,526,374	621,251	7,526,374	621,251
		<u>8,075,527</u>	<u>1,293,116</u>	<u>8,075,527</u>	<u>1,293,116</u>
	Amortized during the period				
	Monetary Revenue - Grants	(1,705,712)	(743,963)	(1,705,712)	(743,963)

Non-Monetary Revenue - Capital	(146,662)	0	(146,662)	0
Balance at the end of the period 30.06.2023	<u>6,223,153</u>	<u>549,153</u>	<u>6,223,153</u>	<u>549,153</u>

	CONSOLIDATED 30.06.2023	CONSOLIDATED 30.06.2022	UNIVERSITY 30.06.2023	UNIVERSITY 30.06.2022
The Fund is represented by:	TZS '000'	TZS '000'	TZS '000'	TZS '000'
ARU HEET PROJECT	5,683,497	-	5,683,497	-
ARU SIDA PROJECT	388,040	549,153	388,040	549,153
ARU NELGA PROJECT	151,616	-	151,616	-
	<u>6,223,153</u>	<u>549,153</u>	<u>6,223,153</u>	<u>549,153</u>

NOTE: 10 STAFF PENSION CONTINGENCY AND ENDOWMENT FUND

	CONSOLIDATED 30.06.2023	CONSOLIDATED 30.06.2022	UNIVERSITY 30.06.2023	UNIVERSITY 30.06.2022
	TZS '000	TZS '000	TZS '000	TZS '000
Balance as at 1 July 2022	1,469,339	1,503,982	1,469,339	1,503,982
Contributions During the Period	39,100	45,602	39,100	45,602
Interest Earned During the Period	2,738	2,738	2,738	2,738
Less: Payment During the Period	<u>(68,881)</u>	<u>(82,982)</u>	<u>(68,881)</u>	<u>(82,982)</u>
Balance as at 30 June, 2023	<u>1,442,296</u>	<u>1,469,339</u>	<u>1,442,296</u>	<u>1,469,339</u>

Staff Pension Contingency and Endowment Fund consist of contributions to the staff superannuation scheme which is 3% of the gross consultancy services fees. The staff benefit under the funds are payable upon retirement, termination or death. The Fund is managed by Staff Pension Contingency and Endowment Fund Board. The contributions are deposited with CRDB Bank Limited in a savings account.

	CONSOLIDATED 30.06.2023	CONSOLIDATED 30.06.2022	UNIVERSITY 30.06.2023	UNIVERSITY 30.06.2022
The Fund is represented by:	TZS '000'	TZS '000'	TZS '000'	TZS '000'
THTU Loan	196,852	175,000	196,852	175,000
SACCOS Loan	170,999	54,000	170,999	54,000
Bank Balances-CRDB	74,570	240,464	74,570	240,464
Bank Balances-BOT	999,875	999,875	999,875	999,875
Staff Loans	-	-	-	-
	<u>1,442,296</u>	<u>1,469,339</u>	<u>1,442,296</u>	<u>1,469,339</u>

NOTE: 11	CAPITAL FUND	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
		30.06.2023 TZS '000'	30.06.2022 TZS '000'	30.06.2023 TZS '000'	30.06.2022 TZS '000'
	Balance at 1 st July 2022	8,059,790	8,059,790	8,059,790	8,059,790
	Increase in Taxpayers fund	<u>9,834,450</u>	<u>0</u>	<u>9,834,450</u>	<u>0</u>
	Balance at 30 th June 2023	<u>17,894,240</u>	<u>8,059,790</u>	<u>17,894,240</u>	<u>8,059,790</u>
	Analysis of Capital Funds				
	Capital Grant from Government	6,208,752	6,208,752	6,208,752	6,208,752
	TEA Grants	205,591	205,591	205,591	205,591
	DANIDA Grants	782,879	782,879	782,879	782,879
	Bow Centrum International	9,100	9,100	9,100	9,100
	UNDP Grant	2,199	2,199	2,199	2,199
	JICA Grants	180	180	180	180
	Revenue Contribution	154	154	154	154
	UDSM-VLIR Co-op Capital Grant	39,489	39,489	39,489	39,489
	Sida/SAREC Capital Grant	200,389	200,389	200,389	200,389
	DONATION/EISCAP Project	51,600	51,600	51,600	51,600
	Carnegie Corporation Grants	4,208	4,208	4,208	4,208
	STHEP Project	528,618	528,618	528,618	528,618
	CCIAM Capital grants	26,100	26,100	26,100	26,100
	Climate Change in Coastal DSM Project	531	531	531	531
	Lease hold land ILALA FLATS	1,532,004	0	1,532,004	0
	Acquisition of former NHBRA	<u>8,302,447</u>	<u>0</u>	<u>8,302,447</u>	<u>0</u>
	TOTAL	<u>17,894,241</u>	<u>8,059,790</u>	<u>17,894,241</u>	<u>8,059,790</u>

NOTE: 12 GAINS ON DISPOSAL OF ASSETS

During the reporting period ARU disposed assets with net book value amounting TZS 19,608,000 and the proceeds from that disposal was TZS 19,640,000 resulted to gain on disposal amounting TZS 32,000. The proceeds from this disposal was included in Other revenue in the statement of cash of cash flow.

NOTE: 13	SELF FINANCING FUND	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
		30.06.2023	30.06.2022	30.06.2023	30.06.2022
		TZS '000	TZS '000	TZS '000	TZS '000
	Balance Brought Forward	3,295,902	3,295,902	3,295,902	3,295,902
	Funds Received During the Period	0	0	0	0
	Amortization	0	0	0	0
	Balance Carried Forward	<u>3,295,902</u>	<u>3,295,902</u>	<u>3,295,902</u>	<u>3,295,902</u>
NOTE: 14	OTHER REVENUES	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
		30.06.2023	30.06.2022	30.06.2023	30.06.2022
		TZS '000	TZS '000	TZS '000	TZS '000
	Application fees	115,590	78,145	115,590	78,145
	Miscellaneous fees	42,833	43,450	42,833	43,450
	Research fees	1,118,604	735,240	1,118,604	735,240
	Fees from Certificate Competence	32,711	33,633	32,711	33,633
	Revenue from Rent of Government Quarters	219,178	43,452	219,178	43,451
	TOTAL	1,528,916	933,920	1,528,916	933,919

NOTE:15	REVENUE FROM EXCHANGE TRANSACTIONS	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
		30.06.2023 TZS '000	30.06.2022 TZS '000	30.06.2023 TZS '000	30.06.2022 TZS '000
	Consultancy fees	2,763,863	5,551,870	920,531	2,623,820
	Accommodation fees	304,396	312,972	304,396	312,972
	Graduation Gown hire	38,722	39,813	38,722	39,813
	Printing and Publication	179,819	184,885	179,819	184,885
	Revenue from Insurance Commission	16,983	17,461	16,983	17,461
	Revenue from Medical charges	6,157	11,142	6,157	11,142
	Sale of Government assets	4,680	0	4,680	0
	Tuition Fees	7,699,228	6,954,993	7,699,228	6,954,993
	TOTAL	<u>11,013,848</u>	<u>13,073,136</u>	<u>9,170,516</u>	<u>10,145,086</u>

NOTE: 16 SUBVENTIONS FROM THE GOVERNMENT	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2023 TZS '000	30.06.2022 TZS '000	30.06.2023 TZS '000	30.06.2022 TZS '000
Subvention for PE	14,741,777	16,324,270	14,741,777	16,324,270
Subvention for Capital	-	1,295,315	-	1,295,315
Non-monetary Capital	<u>1,066,020</u>	<u>-</u>	<u>1,066,020</u>	<u>-</u>
	<u>15,807,797</u>	<u>17,619,585</u>	<u>15,807,797</u>	<u>17,619,585</u>

NOTE:17	WAGES, SALARIES AND EMPLOYEES' BENEFITS	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
		30.06.2023 TZS '000	30.06.2022 TZS '000	30.06.2023 TZS '000	30.06.2022 TZS '000
	Basic salaries-pensionable posts	14,741,777	16,403,006	14,741,777	16,403,006
	Basic salaries-non pensionable posts	40,915	32,751	40,915	32,751
	Employment allowances	2,484,239	2,351,105	2,484,239	2,351,105
	Councillor's fees and expenses	107,093	90,687	107,093	90,687
	Other employment costs	<u>412,210</u>	<u>67,386</u>	<u>412,10</u>	<u>67,386</u>
	TOTAL	<u>17,415,234</u>	<u>18,944,935</u>	<u>17,415,234</u>	<u>18,944,935</u>

NOTE:18	SUPPLIES AND CONSUMABLES USED	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
		30.06.2023 TZS '000	30.06.2022 TZS '000	30.06.2023 TZS '000	30.06.2022 TZS '000
	Office supplies and services	2,338,331	1,367,921	2,338,331	1,367,921
	Teaching Expenses	934,601	708,785	934,601	708,785
	Research and Publication expenses	1,359,047	1,298,823	1,359,047	1,298,823
	Rental expenses	177,957	56,650	177,957	56,650
	Advertising	25,110	20,408	25,110	20,408
	Travel and subsistence	819,545	776,856	819,545	776,856

Utilities	258,662	531,740	258,662	531,740
Medical cost	<u>54,958</u>	<u>31,880</u>	<u>54,958</u>	<u>31,880</u>
TOTAL	<u>5,968,211</u>	<u>4,793,063</u>	<u>5,968,211</u>	<u>4,793,063</u>

NOTE: 19	MAINTENANCE EXPENSES	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
		30.06.2023	30.06.2022	30.06.2023	30.06.2022
		TZS '000	TZS '000	TZS '000	TZS '000
	Physical infrastructure	236,649	200,171	236,649	200,171
	Vehicles and mobile equipment	61,314	21,398	61,314	21,398
	Fuel and oils	<u>7,890</u>	<u>18,637</u>	<u>7,890</u>	<u>18,637</u>
	TOTAL	<u>305,853</u>	<u>240,206</u>	<u>305,853</u>	<u>240,206</u>

NOTE: 20	OTHER EXPENSES	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
		30.06.2023	30.06.2022	30.06.2023	30.06.2022
		TZS '000	TZS '000	TZS '000	TZS '000
	Audit fees and expenses	97,312	116,384	97,312	85,000
	Entertainment	-	-	-	-
	Sports and games	-	-	-	-
	Miscellaneous expenses	<u>1,644,243</u>	<u>2,428,131</u>	<u>555,270</u>	<u>634,125</u>
	TOTAL	<u>1,741,555</u>	<u>2,544,515</u>	<u>652,582</u>	<u>719,125</u>

NOTE: 21 SUBSIDIES AND TRANSFER PAYMENTS

Transfer payments comprise utilities charges paid to Tanzania Electric Supply Company Limited (TANESCO) during the year.

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	TZS '000	TZS '000	TZS '000	TZS '000
Tanzania Electric Supply Company Limited (TANESCO)	<u>330,429</u>	-	<u>330,429</u>	-
TOTAL	<u>330,429</u>	-	<u>330,429</u>	-
Tanzania Electric Supply Company Limited(TANESCO)	330,429	-	330,429	-
Contribution to Consolidated Fund	-	55,000	-	55,000
TOTAL	<u>330,429</u>	<u>55,000</u>	<u>330,429</u>	<u>55,000</u>

NOTE: 22 FINANCE COSTS

Finance Costs comprise of bank transaction charges such as charges on fund transfers and account maintenance fee.

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	TZS '000	TZS '000	TZS '000	TZS '000
Finance costs	<u>1,669</u>	<u>2,522</u>	-	-
TOTAL	<u>1,669</u>	<u>2,522</u>	-	-

NOTE: 23 IMPAIRMENT OF RECEIVABLES

	CONSOLIDATED 30.06.2023 TZS '000	CONSOLIDATED 30.06.2022 TZS '000	UNIVERSITY 30.06.2023 TZS '000	UNIVERSITY 30.06.2022 TZS '000
Balance as at 1st July 2022	1,430,973	492,459	1,430,973	492,459
Additional Provision	-	938,514	-	938,514
less: Provision utilized/written off during the year	(443,619)	-	(443,619)	-
Decrease in provision	<u>281,940</u>		<u>281,940</u>	
Balance as at 30th June 2023	<u>705,414</u>	<u>1,430,973</u>	<u>705,414</u>	<u>1,430,973</u>

NOTE: 24 INCOME TAX PROVISION TZS 50,968,000

Income tax provisions for the year ended 30th June 2023 were in respect of ABECC only. Detailed calculation for provision amount is as follow;

TAX COMPUTATION FOR YEAR ENDED 30 JUNE 2023

PARTICULARS	TZS	TZS
Profit before Tax		741,011,297
Add Back:		
Disallowable items - Schedule 2	102,761,511	
Increase in general provisions-Schedule 3	20,384,000	
Valuation adjustments	0	
Depreciation	9,292,278	
Amortization	2,355,855	
Other	0	134,793,394
Deduct:		
Release on general provision -Schedule 3	0	
Utilization of general provisions-Schedule 3	0	
Valuation adjustments	0	
Depreciation Allowance	0	
Class 1 to 3	9,292,278	
Class 6	0	
Class 7	2,355,855	
Class 8	0	
Profit on disposal of fixed assets	0	(11,648,133)
		<u>864,156,558</u>
Interest Expense- Disallowable		0
The offset of tax losses for the YOI 2022		<u>0</u>
		259,246,967.44
Corporate Tax	30%	
Repatriated Income Domestic P/Establishment	10%	0
Alternative Minimum Tax (AMT)	0.5	0
	0%	0
Penalties:		
Underestimation -S.75		0
Late Filling -S.78		0
Late Payment-S.76		<u>0</u>
Withholding Tax Credit		(208,278,861.48)

Less: Tax Payments	
On 30 September 2022	(500,000)
On 31 December 2022	(500,000)
On 31 March 2023	(500,000)
On 31 June 2023	(500,000)

Payables **50,968,105.96**

NOTE: 25 PROVISION FOR AUDIT FEES

	CONSOLIDATED 30.06.2023 TZS '000	CONSOLIDATED 30.06.2022 TZS '000	UNIVERSITY 30.06.2023 TZS '000	UNIVERSITY 30.06.2022 TZS '000
Provision for Audit Fee	<u>116,800</u>	<u>105,800</u>	<u>85,416</u>	<u>85,416</u>
TOTAL	<u>116,800</u>	<u>105,800</u>	<u>85,416</u>	<u>85,416</u>

The amount of Audit fee provided in the financial year 2022/2023 were TZS 85,416,000 for ARU and TZS 31,384,000 for ABECC.

NOTE: 26 Tanzania Education Authority (TEA) Loan

The University has a long term loan with the Tanzania Education Authority (TEA) .The loan is guaranteed by the Ministry of Education and Science and Technology and carries annual interest at the rate of 6% repayable in five instalment with effect from January, 2019. The movements during the ensuing periods are as follows;

	CONSOLIDATED 30.06.2023 TZS '000	CONSOLIDATED 30.06.2022 TZS '000	UNIVERSITY 30.06.2023 TZS '000	UNIVERSITY 30.06.2022 TZS '000
Balance as at 1st July 2022	118,757	253,545	118,757	253,545
Interest Provision	-	-	-	-
less: Instalment amount paid	<u>(118,757)</u>	<u>(134,788)</u>	<u>(118,757)</u>	<u>(134,788)</u>
Balance as at 30th June 2023	<u>-</u>	<u>118,757</u>	<u>-</u>	<u>118,757</u>

Represented by:

Current Liabilities	-	118,757	-	118,757
Non-Current Liabilities	-	-	-	-
Balance as at 30th June 2023	-	118,757	-	118,757

NOTE: 27	DEFERRED CAPITAL GRANTS	CONSOLIDATED 30.06.2023 TZS '000	CONSOLIDATED 30.06.2022 TZS '000	UNIVERSITY 30.06.2023 TZS '000	UNIVERSITY 30.06.2022 TZS '000
	Balance at the beginning of the period 01.07.2022	415,586	758,232	415,586	758,232
	Received during the period	-	1,295,317	-	1,295,317
	Amortized during the year	-	-	-	-
	Subvention Capital	-	(1,637,963)	-	(1,637,963)

Non-Monetary Revenue - Capital	<u>(415,586)</u>	-	<u>(415,586)</u>	-
Balance at the end of the period 30.06.2023	<u>-</u>	<u>415,586</u>	<u>-</u>	<u>415,586</u>

NOTE 28: INVESTMENT IN ARU BUILT ENVIRONMENT CONSULTING COMPANY (ABECC)

ARU established a Consulting company called ARU Built Environment Consulting Company (ABECC) Ltd to carry out Consultancy and Works Services in line with the University Vision and Mission. The company was fully incorporated in Tanzania under the Company Act. No. 12 of 2002 as a limited company by shares in September 2018. The Treasury Registrar approved the establishment of the company in May 2019. During the year ended 30 June 2022 the amount of funds invested by ARU stand at TZS 64,865,000.

NOTE 29: RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES AND STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30TH JUNE 2023

Reconciliation of actual amounts on a comparable basis and actual amounts in the financial statements for the year ended 30th June 2023.

		UNIVERSITY 30.06.2023	UNIVERSITY 30.06.2022
	Surplus/(Deficit) for the year as per statement of performance	1,273,640	1,743,771
Add/Less:	Depreciation of PPE	1,897,499	1,248,193
	Amortization of intangibles	7,012	14,408
	Fair value Gains on Assets and Liabilities	(281,940)	-
	Gains on Disposal Assets	(32)	-
	Non-Monetary Revenue-Capital	(1,066,020)	-
	Impairment of receivables	-	938,514
	Decrease in inventory	-	255,063
	Increase in Deposit General	-	556,674
	Decrease in Receivables	-	1,375,972
		556,519	4,388,824
Add/Less:	Increase in Payables and accruals	1,005,806	-
	Decrease in Prepayments	148,862	-
	Increase in Receivables	(385,308)	-
	Increase in Inventory	(82,025)	-
	Decrease in accounts payable	-	(3,510,623)
	Decrease in Deferred Income (Capital)	(215,469)	(214,028)
	Decrease in Deferred Income (Income)	5,250,892	(122,712)
	Increase in Prepayments	-	(119,077)
		5,722,758	(3,966,440)
	Net Cash flow as per statement of budget	7,552,917	2,166,155

NOTE 30: CASH FLOW RECONCILIATION FOR THE YEAR ENDED 30 JUNE 2023

	UNIVERSITY "000"	CONSOLIDATED "000"
Revenue Grants NOTE 9		
Revenue	1,705,711	1,705,711
Add/Less (Change in Working Capital)		

	UNIVERSITY "000"	CONSOLIDATED "000"
Development Deferred Income	6,223,153	6,223,153
Receipts from Revenue Grants	7,928,864	7,928,864
Revenue from exchange transaction		
Revenue NOTE 15	9,170,516	11,013,848
Add/Less (Change in Working Capital)		
Receivable from exchange transactions	349,599	2,459,848
Receipts from exchange transactions	8,820,917	13,473,696
Subvention from other Government entities		
Revenue NOTE 16	15,807,797	15,807,797
Add/Less (Change in Working Capital)		
Deferred Subvention Capital	(141,233)	(141,233)
Deferred Subvention Current	(831,027)	(831,027)
Non Monetary Revenue - Capital	(1,066,020)	(1,066,020)
Receipts from Government Subventions	13,769,517	13,769,517
Other Revenue NOTE 14		
Revenue	1,351,998	1,351,998
Add/Less (Change in Working Capital)		
Other Revenue - Receivable	(793,854)	(793,854)
Receipts from Other Revenue	558,143	558,143
Wages, Salaries and Employee Benefits		
Expenses NOTE 17	17,415,234	17,415,234
Add/Less (Change in Working Capital)		
Staff Claim	(1,367,572)	(1,367,572)
Payments for employee costs	16,047,662	16,047,662
Use of Goods and Service		
Expenses NOTE 18	5,968,211	5,969,227
Add/Less (Change in Working Capital)		
Advance Payment	(11,078)	(11,078)
Building Materials - Inventory	74,279	74,279
Cleaning supplies	2,421	2,421
Consumables	40,852	40,852
Households	(61,837)	(61,837)
Imprest payable	(178,823)	(178,823)
Imprest Receivable	(290,611)	(290,611)
IT and Computer Accessories	29,567	29,567
Learning Materials	1,995	1,995
Medical Supplies	(4,604)	(4,604)
Office consumable (Stationaries, etc.)	(1,301)	(1,301)
Oil and Lubricants	(645)	(645)
Prepayment - Expenses	(137,784)	(137,784)
Printed matters	2,891	2,891
Spareparts and tyres	(1,592)	(1,592)
Supplies of goods and services	431,772	431,772
Withholding Tax Payable	(3,953)	(3,953)
Payments for supplies and consumables	5,859,760	5,860,776

	UNIVERSITY "000"	CONSOLIDATED "000"
Maintenance Expenses		
Expenses NOTE 19	305,853	305,853
Payments for maintenance expenses	305,853	305,853
Other Expenses		
Expenses NOTE 20	652,582	3,349,552
Add/Less (Change in Working Capital)		1,727,043
Other Accounts Payable	112,769	112,769
Payments for other expenses	765,351	5,189,364
Other Payments		
Deposit General	200,338	444,092
Unapplied Deposit Account	15,131	15,131
Other Payments	215,469	459,223
Grants, subsidies and Transfer payments		
Tanzania Electric Supply Company Limited (TANESCO)	330,429	330,429
Transfer payments	330,429	330,429
Acquisition of Intangibles		
Computer Software	124,651	124,651
Payments for Acquisition of Intangibles	124,651	124,651
Acquisition of PPE & WIP		
Payments for acquisition of PPE & WIP	<u>1,662,322</u>	<u>1,676,290</u>
Payments for Acquisition of PPE & WIP	1,662,322	1,676,290

CASH FLOW RECONCILIATION FOR THE YEAR ENDED 30 JUNE 2022

	UNIVERSITY "000"	CONSOLIDATED "000"
Grants and Subsidies		
Revenue	17,619,586	17,619,586
Add/Less (Change in Working Capital)		
Development Deferred Income	-368,977	-368,977
Recurrent Deferred Income	-342,646	-342,646
Receipt from Grants and Subsidies	16,907,963	16,907,963
Revenue from Non exchange transaction		
Revenue	7,033,138	7,033,138
Add/Less (Change in Working Capital)		
Receivable from non-exchange transactions	-60,608	-60,608
Receipts from exchange transactions	6,972,530	6,972,530
Revenue from exchange transaction		
Revenue	4,045,867	9,756,673
Add/Less (Change in Working Capital)		
Receivable from exchange transactions	-143,395	-1,785,952
Receipts from exchange transactions	3,902,472	7,970,721

	UNIVERSITY "000"	CONSOLIDATED "000"
Other Receipts		
Deposit General	11,004,823	11,004,823
Meals, Accommodation and Stationaries	2,563,229	2,563,229
Other Receipts	13,568,052	13,568,052
Wages, Salaries and Employee Benefits Expenses	18,118,076	18,118,076
Add/Less (Change in Working Capital)		
Staff Claim	2,612,537	2,612,537
Staff debts	2,051	2,051
Funeral benefits	10,756	10,756
Payments for employee costs	20,743,420	20,743,420
Use of Goods and Service Expenses	3,904,851	3,904,851
Add/Less (Change in Working Capital)		
Cleaning supplies	-694	-694
Consumables	-80,023	-80,023
Households	-133,966	-133,966
Imprest Receivable	195,722	195,722
IT and Computer Accessories	-21,292	-21,292
Learning Materials	-4,277	-4,277
Loan Payable	134,788	134,788
Medical Supplies	5,978	5,978
Office consumable (Stationaries, etc.)	212	212
Oil and Lubricants	-238	-238
Other Payable	-2,094,318	-2,094,318
Other Payables	1,372,833	1,372,833
Prepayment	23,274	23,274
Printed matters	-15,720	-15,720
Spare parts and tyres	-8,286	-8,286
Supplies and Consumable Goods	-1,425,111	-1,425,111
Supplies of goods and services	2,420,262	2,420,262
Withholding tax	-7,017	-7,017
Sub total	362,167	362,127
Payments for supplies and consumables	4,266,978	4,266,978
Maintenance Expenses		
Expenses	240,206	240,206
Payments for maintenance expenses	240,206	240,206
Contribution to CF (15%)	55,000	55,000
Payment for contribution to CF	55,000	55,000
Other Expenses		
Expenses	719,126	719,126
Payments for other expenses	719,126	5,549,856
Other Payments		
Deposit General	10,596,903	10,596,903
Meals, Accommodation and Stationaries	2,563,229	2,563,229

	UNIVERSITY "000"	CONSOLIDATED "000"
Consultancy projects	-	182,577
Other Payments	13,160,132	13,342,709
Acquisition of Property, Plant and Equipment		
Hardware: servers and equipment (incl. desktops, laptops)	203,905	203,905
Motor vehicles,	8,750	8,750
Office buildings and structures	42,661	42,661
Office Furniture and Fittings	371,220	377,844
Work in Progress	579,783	579,783
	1,206,319	1,212,943
Add/Less (Change in Working Capital)		
Prepayment-Asset	95,804	95,804
Payments for Acquisition of PPE	1,302,123	1,308,747

NOTE 31: EXPLANATIONS OF VARIANCES OF FINAL BUDGET AND ADJUSTMENTS.

Explanation of budget adjustments

It is the standard requirement to provide explanations for all material budget adjustments that exceeds 10% of the original budget. During the year ended 30th June 2023 the following budget line adjustments exceeds the maximum percentage set out within the standard.

Budget line adjusted	Adjustment amount	Adjustment percentage	Explanations
Other expenses	(188,570,000)	(13%)	During the period the budget for other expenses were adjusted to reflect the actual expenses needs.

Explanation for material variances

Budget line item	Variance amount "000"	Variance percentage	Explanations
Subvention from other Government entities	25,751,758	65%	Delay in the implementation of infrastructure activities under HEET Project and non-release of funds for development from the Ministry.
Revenue from Exchange Transactions	4,330,476	33%	Few students compared to target were enrolled during the year as well as few Consultancy activities undertaken during the period.
Maintenance Expenses	151,269	33%	Few rehabilitation and maintenance activities undertaken during the period.
Other expenses	638,028	45%	Some of the procurement of materials were not undertaken due to delays in procurement cycle and procedures from TANEPs.
Grants, subsidies & Transfer Payment (Tanesco)	179,571	35%	Fixing of LUKU meters to some of ARU Houses and service providers.
Supplies and Consumables	4,726,067	45%	Some of the procurement of materials related to HEET project were not undertaken due to delays in procurement procedures from STEP.
Wages, salaries and employee benefits	3,331,966	17%	Restructuring of Organization structure resulted some of entitlements and incentives for HoDs and HoUs to be cut off.

Acquisition of Intangibles	414,456	77%	Delay in the implementation of ICT related activities under HEET Project during the first year.
Acquisition of PPE	16,797,839	59%	Delay in the implementation of infrastructure activities under HEET during the first year.

NOTE: 32 RELATED PARTY TRANSACTIONS

Key Management personnel of Ardhi University comprise members of both the Council and the University executive management team. Key Management includes Vice Chancellor, Deputy Vice Chancellor-Academic, Research and Consultancy and Deputy Vice Chancellor Planning, Finance and Administration, School Deans, Directors of Institute and Other Directors with a total of 31 Management personnel in 2022/23 financial year and 24 Management personnel in 2021/22 financial year.

During the year the University incurred expenditure amounting to TZS 2,066,974,200 in respect of related party transactions. Key Management short term benefits which were paid included salaries, allowances and social security contributions as follows: -

	2022/2023	2021/2022
	TZS	TZS
Salaries	1,489,808,000	1,303,332,000
Allowances	502,675,800	501,643,200
PPF, NSSF and Gratuity	<u>74,490,400</u>	<u>65,166,600</u>
Total	<u>2,066,974,200</u>	<u>1,870,141,800</u>

Council members' fees and related costs amounted to TZS 107,093,000 paid during the year under review while TZS 169,562,700 was paid during 2021/2022 and during the period there were no loan advanced to key Management personnel.

Payments to the Council members and ARU executives are paid in accordance with the Government Standing Orders and the approved Human Resources Management Policy and Incentive Scheme of the University.

NOTE: 33 CONTRIBUTIONS TO THE GOVERNMENT

During the financial year 2022/2023 the University contributed to the government consolidated fund a total amount of TZS 50 million as set in the annual budget for the financial year that ended 30 June 2023.

NOTE: 34 Loan from the Ministry of Land, Housing and Human Settlement Development (MLHSD)

The University has secured the loan amounting TZS 892,860,000 from the Ministry of Land, Housing and Human Settlement Development to conduct Mbarali regularization activities. The

loan is guaranteed by the Ministry and will be repayable after NMB fulfilling its contractual obligations. The movements during the reporting periods are as follows;

	CONSOLIDATED 30.06.2023 TZS '000	CONSOLIDATED 30.06.2022 TZS '000	UNIVERSITY 30.06.2023 TZS '000	UNIVERSITY 30.06.2022 TZS '000
Balance as at 01 July 2022	892,860	892,860	892,860	892,860
less: Instalment amount paid	(100,000)	-	(100,000)	-
Balance as at 30 June 2023	<u>792,860</u>	<u>892,860</u>	<u>792,860</u>	<u>892,860</u>

NOTE: 35 STAFF CLAIMS

	CONSOLIDATED 30.06.2023 TZS '000	CONSOLIDATED 30.06.2022 TZS '000	UNIVERSITY 30.06.2023 TZS '000	UNIVERSITY 30.06.2022 TZS '000
Balance as at 01 July 2022	2,754,560	2,390,810	2,754,560	2,390,810
less: Claims paid during the year	-	-	-	-
Balance as at 30 June 2023	<u>2,754,560</u>	<u>2,390,810</u>	<u>2,754,560</u>	<u>2,390,810</u>

NOTE: 36 PRIOR YEAR ADJUSTMENTS

Prior year adjustments are made up of

- Office consumables amounting TZS 1,376,000 erroneously omitted in the stock sheet count during 2021/22 financial year.
- Adjustments amounting to TZS 2,071,882,000 to accumulated surplus/deficit and accumulated depreciation due to review of useful life of fully depreciated assets within the books of accounts from 2021/22 financial year backward.
- Adjustments amounting to TZS 644,453,000 to accumulated surplus/deficit due to adjustment relating to receivables within the books of accounts from 2021/22 financial year backward.

Opening balances in the statement of change in net asset and in the statement of financial position under Property, Plant and Equipment and Inventory for the financial year 2022/23 has been restated to reflect prior year adjustment under (i) to (ii) above.

NOTE: 37 CONTINGENT LIABILITIES

Ardhi University had four pending lawsuits in court that sought remedy for losses caused during the course of business relations estimated at **TZS 6,150,811,350** as shown below:

S/N.	Amount in TZS	Case No.	Parties	Nature of the case and Current Status	likelihood of winning
1	5,850,811,350	Miscellaneous arbitration No. 123	Kiundo Enterprises Versus Ardhi University	The case is based on the Consultancy services the University entered with M/S Kiundo for construction of Hotel Facility in Kibaha. Kiundo terminated the contract and filed Arbitration against the University. The commercial court ruled in favour of Kiundo.	ARU is likely to win

				<p>The University through the office of Solicitor General has lodged an application for extension of time to Appeal to the Court of Appeal.</p> <p>Hearing of the case was held on 1st September, 2023. Ruling will be delivered on 14/9/2023.</p>	
2	300,000,000	Complaint No. CMA/DSM/KIN/R.355/15	Jerome Kessy (Complainant) Versus Ardhi University (Respondent).	<p>The Applicant has lodged Notice of Appeal against the decision of the High Court Labour Division quashing the CMA proceedings.</p> <p>The Applicants lost the case. He has filed a notice of Appeal to the court of Appeal.</p> <p>Appeal was held on 25th August, 2023. Ruling on notice.</p> <p>The matter is fixed for hearing main case on 27th October, 2022.</p>	ARU is likely to win
	6,150,811,350				

NOTE: 38 CONTINGENT ASSETS

Ardhi University had pending lawsuit in court relating with miscellaneous arbitration No. 123 in which ARU is likely to win the case. Once the ruling is delivered in favour of ARU compensations for costs relating with legal charges will be lodged by ARU.

NOTE: 39 POST BALANCE SHEET EVENTS

There were no post-balance sheet events (Non-adjusting event) that affected the University financial statements for the period ended on 30 June, 2023.

NOTE: 40 RECLASSIFICATION OF REVENUES

During the reporting period the revenue from non-exchange transaction items were reclassified to revenue from exchange transaction and other revenues category. This was done following the GFS Code mapping conducted within the MUSE system.

NOTE: 41 PREVIOUS PERIOD'S FIGURES

Previous period's figures have been re-arranged whenever considered necessary in order to make them comparable with the current period's figures.