



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



ARDHI UNIVERSITY (ARU)

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

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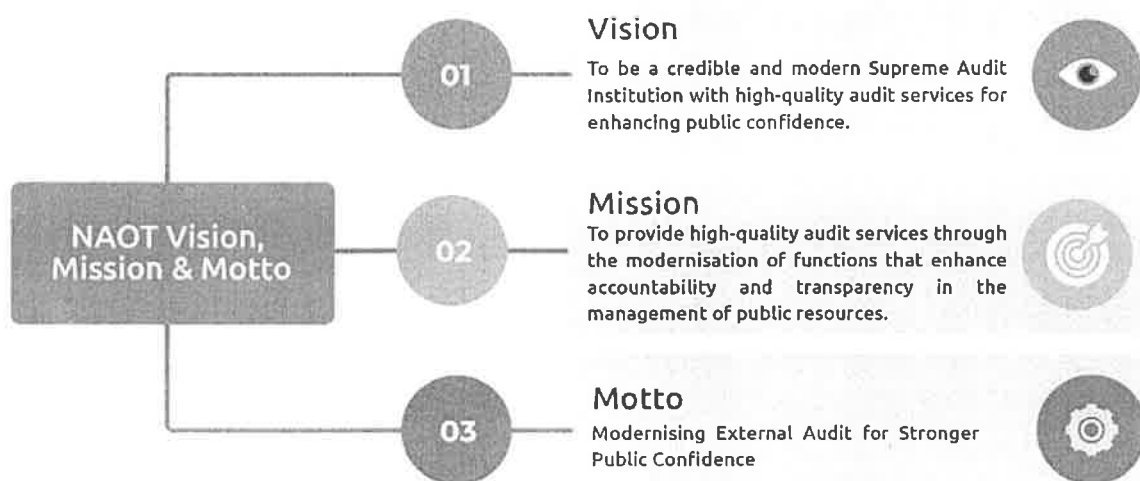
March 2025

AR/PAD/ARU/2023/24

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.



Independence and objectivity

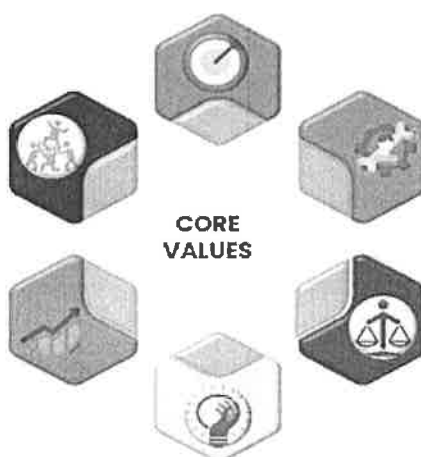
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

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



Professional competence

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

Integrity

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

Creativity and Innovation

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

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



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Abbreviations

ARU	Ardhi University
CAG	Controller and Auditor General
CCIAM	Climatic Change Impacts Adaptation and Mitigation in Tanzania
DANIDA	Danish International Development Agency
IASB	International Accounting Standards Board
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standards of Supreme Audit Institutions
JICA	Japan International Cooperation Agency
MLHSD	Ministry of Land, Housing and Human Settlement Development
NAO	National Audit Office
PSSSF	Public Service Social Security Fund
SIDA	Swedish International Development Cooperation 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 2024, the statement of financial performance, statement of changes in net assets, 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 2024, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348.

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of 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 responsibilities by those charged with governance, Declaration by the Head of Finance and but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I performed a compliance audit on the procurement of works, goods, and services in the Ardhi University for the financial year 2023/24 as per the Public Procurement laws.

Conclusion

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

1. Anonymity in finalizing the contractor's procurement process for construction of Buildings at Mwanza Campus that has taken more than 300 days

The procurement process for Tender No. PA/014/WB-HEET/P166415/33855/22-23/W/02 in respect of the construction of buildings at Ardhi University - Mwanza Campus, started on 22 August 2023 via TANEPS and was advertised in the Daily News and the World Bank UNDB online platform. However, as of the time of this audit on 16 August 2024, the process remains incomplete despite a re-evaluation of the successful bidder and a due diligence exercise, including physical site visits in April 2024. This delay is contrary to Reg.5(1) & (2) (c) of the Public Procurement Regulations 2015 and compromises the efficiency of the process.

2. Decision made through circular resolution not reported in the next Tender Board Meeting for board adoption TZS 858.42 million

Paragraph 11.2 of the Public Procurement Regulatory Authority (PPRA) Guidelines for Tender Board's Decision through Circular Resolution, 2020, requires that all decisions made through circular resolution to be reported in the next ordinary meeting of the tender board using the prescribed format.

However, I noted that the University management convened multiple Tender Board meetings, including both ordinary and extraordinary sessions, but failed to submit circular resolution decisions for adoption and approval. This non-compliance involved procurement decisions amounting to TZS 858,428,299. The omission raises concerns regarding transparency, accountability, and adherence to procurement regulations.

3. Activities approved in the Annual Procurement Plan (APP) not initiated for implementation TZS 2.74 billion

Regulation 69 (3) & (7) of the Public Procurement Regulations, 2013, mandates procuring entities to accurately forecast their procurement needs and align them with the approved budget to ensure efficient implementation of planned activities.

The University management planned to procure goods, works, consultancy, and non-consultancy services worth TZS 5,340,552,145 for the financial year 2023/24. However, as of 30 June 2024, only TZS 2,600,880,140 (49%) had been implemented, leaving procurements worth TZS 2,739,672,005 (51%) unimplemented. I further noted that TZS 977,365,138 was explicitly recognized as unimplemented, while procurements worth TZS 1,762,306,867 lacked clarity regarding their implementation status. This shortfall in procurement execution raises concerns about planning efficiency, budget utilization, and overall adherence to procurement regulations.

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 Ardhi University for the financial year 2023/24 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that 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 2025



2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2024

2.1. ENTITY OPERATING MODEL

2.1.1. Introduction

The Council of Ardhi University (ARU) is pleased to present its report together with the financial statements for the year that ended on 30 June 2024, which discloses the situation of the University. The Governance report has been prepared using the Tanzania Financial Reporting Standards No. 1 (TFRS No. 1) approved and issued by the NBAA Governing Board on its 182nd meeting held on 22 June 2020. The standard replaces TFRS 1 on Directors' Report that was issued by the NBAA on 1 January 2010 and the standard become operative for financial statements covering accounting periods beginning on or after 1 January 2021.

The standard aims at assisting the Council in setting out the analysis of the University's operations and financial reviews with a forward-looking orientation. This helps primary users and other stakeholders to assess strategies adopted by ARU and the potential for those strategies to succeed in creating value over the short, medium, and long-term periods.

PRINCIPAL PLACE OF BUSINESS:

Ardhi University (ARU),
P. O. Box 35176,
DAR ES SALAAM.

BANKERS:

BANKERS

National Microfinance Bank (NMB) PLC,
University Branch,
P.O. Box 35199,
DAR ES SALAAM.

National Bank of Commerce Limited,
Mlimani City Branch,
P. O. Box 72375
DAR ES SALAAM.

CRDB Bank PLC,
Mlimani City Branch,
P. O. Box 35407,
DAR ES SALAAM.

Bank of Tanzania,
2 Mirambo Street,
P.O. Box 2939,
DAR ES SALAAM.

Tanzania Commercial bank,
Head Office 10th LAPF Towers,
Bagamoyo Road, Opp Makumbusho Village,
Kijitonyama,
P.O BOX 9300,
DAR ES SALAAM.

PARENT MINISTRY:

Ministry of Education, Science and Technology,
Block 10,
College of Humanities,

2.1.1.1. Establishment

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 technician land surveyors 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 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. 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.

2.1.2. Vision

To be a centre of excellence in seeking knowledge and disseminating it to a wide spectrum of beneficiaries at national, regional and global level

2.1.3. Mission

To provide integrated teaching, research and public services that is geared towards achieving sustainable socio-economic development of Tanzania and the World at large.

2.1.4. Core Values

The University adheres to the following core values: -

- (i) Effectiveness
- (ii) Efficiency
- (iii) Pursuit of excellence
- (iv) Creativity and innovativeness

- (v) - Equality and social justice
- (vi) Integrity
- (vii) Transparency
- (viii) Accountability

2.1.5. Inputs, Outputs and Outcomes

The Ardhi University is a higher learning institution engaged in training, research, outreach and consultancy whose inputs, operations, outputs, and outcomes are as follows: -

a. Inputs

In accomplishment of daily activities, the University has both quality academic and administrative members of staff, adequate infrastructure including office spaces, lecture theatres, classrooms, laboratories, workshops, studios; and communication facilities to cater for quality training, research, and outreach needs. Some of the facilities includes the new multipurpose laboratory with a capacity of handling 760 students at once, multipurpose workshops for priority degree programmes at main campus with a capacity of handling 495, studio buildings with a capacity of handling 780 students at once; and multipurpose classrooms with a capacity of handling 4,100 students.

Notwithstanding the quality of inputs, the University is also progressing well in appropriate allocation of resources to ensure equitable inputs with the increase in needs to suit its expansion of operations. Requests have been made to the Government to cover for the inadequacy in the number of staff. Other inputs included but not limited to the following: -

- i. The University had 548 members of staff (Including 320 male and 228 female);
- ii. The University enrolled 6,516 students which includes 6,186 undergraduate and non-degree program (3,342 male and 2,844 female); and 330 postgraduate students (219 male and 111 female);
- iii. Continued with repair and maintenance, rehabilitation, and construction of teaching, learning and related supporting infrastructure. As part of the initiatives, the University is eligible to receive a sum of TZS 67.7 billion for the Higher Education for Economic Transformation (HEET) program funded by the World Bank. The procurement processes in construction and rehabilitation of infrastructure; procurement of equipment's as well as training is in progress.
- iv. Constructed the Industrial Advisory Committee constituting stakeholders from Private Sector for the purpose of advising in view of the present and future employment market needs.
- v. The University supported its staff to attend various sports and games including SHIMMUTA Competition in Dodoma from 9 November, 2023. Also prepared a jogging program for staff and later physical exercises program to students.
- vi. The University provided permission to 146 members of staff to attend trainings; and continued to support staff in attending capacity building seminars, short courses, and workshops. On top of that, the University continued with a waiver policy on university fees for members of staff undertaking their studies at ARU.
- vii. The University continued to mainstream gender issues in all its activities where during the year managed to improve the infrastructure for people with special needs; and distributed 2 tricycles; 6 tablets and 2 audiometers to students with special needs. Also has managed to prepare a draft policy for individuals with special needs.

b. Operating/Business Activities

The main objectives of ARU establishment 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.

The principal activities of Ardhi University as stipulated under Article 5 of the ARU Charter 2007, among others are as follows: -

- (a) 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;
- (b) 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;
- (c) To excel in knowledge and human resource capacity building by ensuring a balance between quality and quantity;
- (d) 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;
- (e) 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;
- (f) To provide consultancy and advisory services;
- (g) To promote continuing education to Tanzanian in order to maintain labour productivity and global competitiveness;
- (h) To ensure an effective and efficient legal and institutional framework and to develop and maintain a supportive organizational culture;
- (i) To engage in resource mobilization activities that are within the mission of the University;
- (j) To promote effective and efficient Human Resource Management functions at the University;
- (k) To employ modern library, technology and management techniques in the provision of training, research, consultancy and advisory services;
- (l) To be producer and supplier of key policy market experts and personnel for national development;
- (m) To stimulate and promote intellectual, scientific and technological development;
- (n) To establish mutually negotiated, beneficial and durable links with the higher learning and research institutions at national, regional and global level; and
- (o) To promote gender balance and mainstreaming at the University and in the society.

The day-to-day operations of the University are managed through Schools, Institutes, Directorates, Departments and Units having different functions as shown in Table 1.

Table 1: The University's schools/directorates/Units as of 30 June 2024

SN	Unit	Functions in accomplishment of principal activities
1.0	The Office of the Vice Chancellor (VC)	The office is headed by the Vice-Chancellor who is the Chief Executive Academic and Administrative Officer of the University and ex-officio Chairman of the Senate . The VC is responsible to the Council for the implementation of the decisions

SN	Unit	Functions in accomplishment of principal activities
		of the Council. The Office of the VC comprises five (5) units with the functions shown in 1.1 to 1.5 below: -
1.1	Procurement Management Unit (PMU)	<p>The functions of the unit are: -</p> <ol style="list-style-type: none"> 1. To serve as the Secretary to the Tender Board 2. To prepare and update the Annual procurement Plan for the procurement of goods, works, non - consultancy and consultancy services 3. To prepare monthly information used for the implementation of the procurement plan for the Tender Board, management, user department and other stakeholders 4. To ensure adherence to the procurement process and procedures as per the Public Procurement Act and its regulations 5. To procure, maintain and manage supplies, materials, and services to obtain the best value for money in terms of price, quality, and delivery 6. To ensure proper handling and storage, adequate and timely distribution of office supplies and materials 7. To provide technical advice to management, Tender Board user departments, and other stakeholders on matters pertaining to procurement practices pursuant, procurement principles and procedures 8. To play as a link between the University and PPRA on matters related to procurement 9. To bid documents for the procurement of goods, works, non - consultant services and disposal of assets as per regulation 10. To assist contract management and administration, including coordination of contracts as well as issuing of approved contracts. 11. To prepare and maintain the fixed assets register of the University.
1.2	Internal Audit Unit	<p>The functions of the unit are: -</p> <ol style="list-style-type: none"> 1. To assist the University Management in evaluating the effectiveness of control systems to safeguard the interests of the University. 2. To guide and ensure the University expenditures comply with the laid down financial and audit standards (local and international). 3. To prepare and execute Annual Audit Plans. 4. To collaborate and assist External Auditors while undertaking their duties in the University. 5. To monitor the performance of the annual budgets across the University. 6. To evaluate the genuine of various payments.
1.3	Legal/Counsel Unit	<p>The main functions of the Legal Services Unit are: -</p> <ol style="list-style-type: none"> 1. To provide legal services, guidance, and advice to the University. Such services include and not limited to, interpreting laws, ruling and regulations of the University management and community, drafting reviewing and participating in preparation of all legal documents which

SN	Unit	Functions in accomplishment of principal activities
		<p>concern the operations of university in all units of the University</p> <ol style="list-style-type: none"> 2. To handle issues of property rights and acquisition 3. To gather relevant information or evidence 4. To draft or write legal opinions 5. To be the custodian of and maintain all legal documents such as title deeds, contracts, MoU, statutes such as the Universities Act, University Charter and regulations/bylaws made under the Charter 6. To maintain the legal database of the University 7. To handle court cases involving the University 8. To liaise with the Attorney General Chamber and external legal counsels hired by the University for guidance and legal services 9. To handle labour disputes and complaints filed at the Commission for Mediation and Arbitration and Labour Court in collaboration with the Directorate of Human Resources and Administration.
1.4	Communication and Marketing Unit	<p>The functions of the unit are: -</p> <ol style="list-style-type: none"> 1. To guide and manage internal and external communication activities and public relations. 2. To organize and participate in coordination of the University events, media relations and the University news. 3. To handle the preparation and keep records of press cuttings of Radio and TV programmes. 4. To Maintaining photographic records of special and major events. 5. To receive news assignments, investigate news leads, mobilize, and assemble news reports into stable stories.
1.5	Quality Assurance Bureau	<p>The functions of the unit are: -</p> <ol style="list-style-type: none"> 1. To develop, strategize, promote, and oversee the implementation of the Quality Assurance Policy 2. To develop and maintain appropriate and relevant general operational manuals including internal self-evaluation instruments to guide University-level QA operations 3. To set performance standards including updating in every five years, operational manuals to guide university-level quality assurance operations as well as instruments for use in internal evaluations 4. To evaluate the link between various University policies and quality assurance framework and devise harmonization strategies. 5. To formulate and oversee the implementation of various responsive strategies for quality assurance and promotion in accordance with changes and challenges 6. To evaluate resource availability for training, research and outreach programmes and advise accordingly 7. To coordinate institutional self-evaluation on quality assurance systems 8. To carry out analysis of quality assurance reports such as students' course evaluations; External examiners reports, external evaluation/audit reports and identifying issues for

SN	Unit	Functions in accomplishment of principal activities
		<p>short, medium- or long-term implementation and their implementing units</p> <ol style="list-style-type: none"> 9. To coordinate external evaluation or institutional audits. 10. To initiate and maintain links with TCU and Quality Bureaus/Directorates/Units in sister universities and colleges and forging partnership with relevant regional QA bodies for mutual benefit 11. To monitor, evaluate and ensure quality in teaching, learning, research, outreach, and service provision 12. To evaluate and ensure that all staff and students implement set institutional quality standards in teaching, learning, research, outreach, and service provision 13. To conduct periodic training on quality assurance issues 14. To keep abreast with topical quality assurance matters in higher education at national, regional, and global levels and determine how the University can actively participate in any debates and/or practices arising thereof 15. Perform any other duties related to QA as shall be determined by the University 16. To ensure continued supply of quality training materials and aids and manage lecture rooms supplies and ensuring their adequacy 17. To guide the University Management on compliance to National and International quality management standards 18. To prepare and conduct in house training to the University Leaders on various quality assurance and management matters.
2.0	The Office of the Deputy Vice Chancellor, Academic, Research and Consultancy (DVC-ARC)	The office is headed by the Deputy Vice Chancellor responsible for academic, research and consultancy who is the principal assistant of and responsible to the Vice Chancellor in all matters pertaining to the academic activities of the University and in the absence of the Vice Chancellor, deputize for the Vice Chancellor. This office comprises units with the functions shown in 2.1 to 2.16 below.
2.1	School of Architecture Construction Economics and Management (SACEM)	<p>The school offers Undergraduate and Postgraduate Training Programmes leading to B.Sc., M.Sc., and PhD qualifications. The school is also acquainted with staff competent in performance of research and outreach.</p> <p>UNDERGRADUATE PROGRAMMES</p> <ol style="list-style-type: none"> 1. Bachelor of Architecture (B. Arch) 2. Bachelor of Science in Interior Design (BSc. ID) 3. Bachelor of Science in Landscape Architecture (BSc. LA) 4. Bachelor of Science in Quantity Surveying and Construction Economics (BSc. QSCE) 5. Bachelor of Science in Civil Engineering (BSc. CE) <p>POSTGRADUATE PROGRAMMES</p> <ol style="list-style-type: none"> 1. Postgraduate Diploma in Architecture (PGD Arch.) 2. Postgraduate Diploma in Construction Economics and Management (PGD-CEM) 3. Master of Architecture (M. Arch.) 4. Master of Science in Construction Economics and Management (MSc. CEM) 5. Doctor of Philosophy in Architecture (PhD Arch)

SN	Unit	Functions in accomplishment of principal activities
		6. Doctor of Philosophy in Construction Economics and Management (PhD CEM) 7. Doctor of Philosophy in Construction Management (PhD CM) 8. Doctor of Philosophy in Civil Engineering (PhD CE)
2.2	School of Earth Sciences, Real Estate, Business and Informatics (SERBI)	<p>The school offers Undergraduate and Postgraduate Training Programmes leading to B.Sc., M.Sc., and PhD qualifications. The school is also acquainted with staff competent in performance of research and outreach.</p> <p>UNDERGRADUATE PROGRAMMES</p> <ol style="list-style-type: none"> 1. Bachelor of Science in Land Management and Valuation (B.Sc. LMV) 2. Bachelor of Science in Real Estate (Finance and Investment) (B.Sc. REFI) 3. Bachelor of Science in Property and Facilities Management (B.Sc. PFM) 4. Bachelor of Science in Accounting and Finance (B.Sc. AF) 5. Bachelor of Science in Geomatics (BSc GM) 6. Bachelor of Science in Geographical Information Systems and Remote Sensing (BSc GI & RS) 7. Bachelor of Science in Computer Systems and Networks (BSc CSN) 8. Bachelor of Science in Information Systems Management (BSc. ISM) <p>POSTGRADUATE PROGRAMMES</p> <ol style="list-style-type: none"> 1. Master of Science in Geomatics (MSc. Gm) - (By Coursework & Dissertation) 2. Master of Science in Geomatics (MSc. Gm) - (By Thesis) 3. Master of Science in Real Estate (MSc. RE) - (By Coursework & Dissertation) 4. Master of Science in Real Estate (MSc. LM) - (By Thesis) 5. Doctor of Philosophy in Geospatial Sciences (PhD GS) - By Thesis 6. Doctor of Philosophy in Real Estate (PhD RE) - By Thesis 7. Doctor of Philosophy in Land Administration (By Coursework & Dissertation) 8. Doctor of Philosophy in Real Estate Economics (By Coursework & Dissertation)
2.3	School of Engineering and Environmental Studies (SEES)	<p>The school offers Undergraduate and Postgraduate Training Programmes leading to B.Sc., M.Sc., and PhD qualifications. The school is also acquainted with staff competent in performance of research and outreach.</p> <p>Undergraduate Programmes</p> <ol style="list-style-type: none"> 1. Bachelor of Science in Environmental Engineering (B.Sc. EE)

SN	Unit	Functions in accomplishment of principal activities
		<ol style="list-style-type: none"> 2. Bachelor of Science in Municipal and Industrial Services Engineering (B.Sc. MISE) 3. Bachelor of Science in Environmental Science and Management (B.Sc. ESM) 4. Bachelor of Science in Environmental Laboratory Science and Technology (BSc. ELST) 5. Bachelor of Science in Civil Engineering (BSc. CE) <p>Postgraduate Programmes</p> <ol style="list-style-type: none"> 1. Master of Science in Environmental Technology and Management (MSc. ETM) - (By Coursework and Dissertation) 2. Master of Science in Environmental Technology and Management (MSc. ETM) - (By Thesis) 3. Master of Disaster Risk Management (M. DRM) - (By Coursework and Dissertation) 4. Master of Disaster Risk Management (M. DRM)- (By Thesis) 5. Doctor of philosophy in Environmental Engineering (PhD EE) - (By Thesis) 6. Doctor of philosophy in Environmental Technology and Management (PhD ETM) - (By Thesis) 7. Doctor of philosophy in Environmental Science and Management (PhD ESM)- (By Thesis) 8. Doctor of philosophy in Disaster Management (PhD DM)- (By Thesis) 9. Doctor of philosophy in Laboratory Science and Management (PhD LSM) - (By Thesis) <ol style="list-style-type: none"> 1. Mathematics and Statistics 2. Informatics and Information Technology 3. Biosciences 4. Geography and Environmental Studies; and 5. Chemistry and Physics.
2.4	School of Spatial Planning and Social Sciences (SSPSS)	<p>The school offers Undergraduate and Postgraduate Training Programmes leading to B.Sc., M.Sc., and PhD qualifications. The school is also acquainted with staff competent in performance of research and outreach.</p> <p>UNDERGRADUATE PROGRAMMES</p> <ol style="list-style-type: none"> 1. Bachelor of Science in Urban and Regional Planning (BSc URP) 2. Bachelor of Science in Regional Development Planning (B.Sc. RDP) 3. Bachelor of Science in Housing and Infrastructure Planning (B.Sc. HIP) 4. Bachelor of Arts in Economics (BA.Econ.) 5. Bachelor of Arts in Community and Development Studies (BA. CDS) <p>POSTGRADUATE PROGRAMMES</p> <ol style="list-style-type: none"> 1. Master of Science in Urban Planning and Management (MSc. UPM) -(By Coursework & Dissertation) 2. Master of Science in Urban and Regional Planning and Management (MSc. URPM) - (By Coursework & Dissertation) 3. Doctor of Philosophy in Urban and Regional Planning (PhD URP) - By Thesis

SN	Unit	Functions in accomplishment of principal activities
		<p>4. Doctor of Philosophy in Urban Planning and Management (Housing and Infrastructure) (PhD UPM), - By Thesis</p> <p>5. Doctor of Philosophy in Economics (PhD Econ) - By Thesis</p> <p>6. Doctor of Philosophy in Urban and Regional Planning (By Coursework & Dissertation)</p>
2.5	Institute of Human Settlements Studies (IHSS)	<p>The Institute offers postgraduate programmes (MSc. and PhD); on themes of Human Settlements Development and Management, Environmental Planning and Management, and Land Development and Management.</p> <p>The main objective of the Postgraduate Programme is to improve the competence of professionals in the field of human settlements and to impart them with new knowledge on housing and other related fields. It also aims to develop practical, managerial and analytical skills, as well as social and economic competence necessary to address the rising human settlement challenges. Ultimately the programme will support the sector so that it can meaningfully contribute towards realization of the aspirations of the National Development Goals and the Sustainable Development Agenda.</p> <p>The postgraduate programmes offered are:</p> <ol style="list-style-type: none"> 1. MSc. Housing; 2. MSc. Public Policy Analysis and Programme Management; 3. MA. Development Studies; 4. PhD in Built Environment and Analysis; 5. PhD in Climate Change Studies; 6. PhD in Housing and Settlements Studies; 7. PhD in Policy Analysis and Programme Management; 8. PhD in Development Studies; and 9. PhD in Urban Governance and Environmental Studies.
2.6	Institute of Building Research (IBR)	<p>The Institute stands as a beacon of excellence and innovation in the realm of construction and building research in Tanzania. Formerly recognized as the National Housing Building Research Agency (NHBRA), IBR has forged a profound legacy of pioneering contributions to the development, sustainability, and advancement of the construction industry in the region.,</p> <p>KEY OBJECTIVES OF IBR</p> <ul style="list-style-type: none"> • Coordinate construction-related research efforts among stakeholders within and outside the country; • To ensure research results and technical information on construction and housing-related matters are available to the public; • To promote affordable housing and durable local construction materials and associated technologies; • To facilitate training on innovative construction materials and associated technologies to stakeholders; and, • To provide construction and housing-related consultancy services

SN	Unit	Functions in accomplishment of principal activities
2.7	Directorate of Undergraduate Programs (DUP)	<p>The directorate has the following functions: -</p> <ol style="list-style-type: none"> 1. To conduct overall coordination and monitoring of undergraduate studies 2. To serve as a Custodian to all the information and data related to undergraduate training and curricula 3. To handle institutional linkages in connection to undergraduate studies 4. To oversee undergraduate degree and non-degree admissions, and registration 5. To prepare and coordinate undergraduate studies teaching, timetabling and examination activities 6. To oversee compliance of regulations, guidelines and policy pertaining to undergraduate studies by staff and students; and 7. To ensure policy and regulations are reviewed and updated as per ARU corporate strategic plan.
2.8	Directorate of Postgraduate Studies, Research and Publications (DPRP).	<p>The directorate has the following functions: -</p> <ol style="list-style-type: none"> 1. To conduct overall coordination and monitoring of postgraduate studies 2. To perform overall coordination of research activities as conducted by Postgraduate Students and Members of Academic Staff 3. To support and guide protection, management and transfer of technologies and innovations developed by ARU Researchers 4. To serve as a custodian of all information and data related to research and postgraduate training 5. To handle institutional linkages in connection to research projects and programmes and postgraduate studies 6. To facilitate research fund mobilization and project cycle management 7. To ensure compliance to research policy, regulations and guidelines among staff and students 8. To review and update research, consultancy, intellectual property policies as required and as per ARU corporate strategic plan; and 9. To coordinate development of new technologies.
3.0	The Office of the Deputy Vice Chancellor, Planning, Finance and Administration (DVC-PFA)	<p>The office is headed by the Deputy Vice Chancellor responsible for Planning, Finance and Administration is the principal assistant of, and responsible to the Vice Chancellor in all matters pertaining to the Planning, Finance and Administration of the University, and in the absence of both the Vice Chancellor and the Deputy Vice Chancellor responsible for Academic, Research and Consultancy deputizes for the Vice Chancellor. This office comprises of units with the functions shown in 3.1 to 3.11 below:</p>
3.1	Directorate of Human Resources and Administration.	<p>The Department offers a range of services aimed at supporting Management, Academic and Administrative staff with both operational and academic matters towards attainment of University Strategic Plans.</p>

SN	Unit	Functions in accomplishment of principal activities
3.2	Directorate of Planning and Investment (DPI).	DPI is charged to ensure that aspirations, goals, and values are reflected in the day-to-day operations of the University. That include but not limited to; <ol style="list-style-type: none"> 1. Preparing and administering the University budget. 2. Approving purchases for the University subject to available funds. 3. Monitoring expenditures for budget compliance. 4. Developing general master plan programs for overall planning operations including updates of land use, zoning, subdivision, transportation, and buildings. 5. Interpreting the impact of government policies on the institution, reviewing, and recommending development proposals for compliance with various developmental regulations; and 6. Overseeing the collection, organization, and maintenance of social, economic, governmental, and regulatory and census data for use in decision making.
3.3	Directorate of Finance and Accounts (DFA)	Established to assist the University in management of all financial affairs through various sections such as revenue, pre-audit, payroll management, expenditure section, final accounts, students affairs section, students loan managements section and research grants management.
3.4	Directorate Information and Communication Technology (DICT).	DICT serves as the University's arm for Services, Research, Teaching, and Consultancy in Information and Communication Technologies (ICT) Matters.
3.5	Directorate of Students' Services (DSS)	The directorate is responsible for taking care of all forms of students' welfare matters (personal, social, and spiritual etc) as part of university resolve to provide a conducive university learning environment in support of institutional vision, missions, and objectives. Also is responsible for disciplinary matters pertaining to guiding students' lives in pursuit of their transformation into lifelong learners.

Source: ARU MTRSP 2020/21 to 2025/26

Revenue Generation

The University annual budget for Financial Year 2023/24 is TZS 47,394,538,612. The budget is financed by internally generated funds emanating from tuition fees, sale of goods and services from internal income generating units, Government subvention that mainly supports in payment of salaries and other personnel emoluments; and funds from development partners (both internal and external) in support of research activities. During the year under review, proportion- wise, the Government contributed 34%; Development Partners 31% and internally generated funds 35% of the total budget.

The University's approach to innovation

The University is flexible and adaptive towards changes and based on its vision it encourages for more innovation and sharing of knowledge with both local industries and international communities. During the year, University has managed to identify database for innovations from the schools/departments. Furthermore, these innovations have been exhibited in

various exhibitions including TCU (National Week of Skills, Research and Education), Sabasaba and Nanenane.

Adapting to change

The University's activities are regulated through both national and international standards issued and revised from time to time by authorities and boards such as the Tanzania Commission for Universities (TCU), the Tanzania Bureau of Standards (TBS), the Public Procurement Regulatory Authority (PPRA), the National Board of Accountants and Auditors (NBAA); and International Accounting Standards Board (IASB).

In continuous upholding of best practices, the University is also a member of renowned international bodies such as the Inter-University Council of East Africa (IUCEA).

Furthermore, the whole chain of university decision-making committees is made up of internal and external members with vast experience and therefore rigging off the rigidity in adapting to changes. To ensure compliance with Rules, Regulations and Standards; and effecting of proposed changes, the processes are reviewed and audited in annual basis by the internal and external Auditors from Government and Independent bodies.

c. Outputs

The University has succeeded in producing quality graduates and researched products. The graduates and knowledge have been employed in both the Government and private sector spanning from land sector, constructions, mining, climate change and oversight bodies.

During the year under review, the University had several outputs including but not limited to: -

On the Key Result Area No. 1: Training and Learning;

- a) The University enrolled 6,186 (3,342M & 2,844F) students in undergraduate programs, which is an increase of 421 students from the 5,765 students enrolled in the last year. This is equivalent to 7.3% increase from the last year, the target was to increase undergraduate students by 14% from the last year.
- b) The University enrolled 330 (219M & 111F) students in postgraduate programs, which is an increase of 96 students from the 234 students enrolled in the last year. This is equivalent to 41% increase from the last year, the target was to increase postgraduate students by 30% from the last year.
- c) The target to operationalize ARU curricula in collaboration with partners from industry was implemented through engagement of partners from industry in students practical training, guest lectures, and industrial training. Various partners were engaged during the period. These partners include TIRDO, SARUFI Africa, JICA, Creative Studio, GCLA, TBS, SEAMIC, Artuto Vittori Warka Water project, and MZUZU University of Malawi.
- d) University Academic Management Information System (AMIS) has been improved in the areas of Students Confirmation and Registration, Application payments, Foreigners application, and presentation of university examination results
- e) Review of academic programs to cope with labour market demand has been performed under HEET project, whereby draft revised curricula for the (i) MSc in Disaster Risk Management (MSc. DRM), (ii) BSc in Construction Management and (iii) BSc in Building Survey and Construction Maintenance, have been developed

- f) The University, under HEET project, has developed ten (10) draft curricula, which are five (5) new Bachelor programs and five (5) new Diploma programs for Mwanza Campus. These curricula are: (i) BSc. in Hydrographic and Oceanographic Sciences (BSc. HOS), (ii) BSc. in Hydrology and Water Resources Engineering (BSc. HWRE), (iii) BSc. in Integrated Water and Environmental Resources Engineering (BSc. IWERE), (iv) BSc. in Data Science and Artificial Intelligence (BSc. DSAI), (v) BSc. in Geospatial Information and Communication Technology (BSc. GeolCT), (vi) Dipl. in Architecture, (vii) Dipl. in Construction Technology, (viii) Dipl. in Environmental Resources Recovery and Technology, (ix) Dipl. in Land Use Planning and Conflict Management, and (x) Dipl. in Land Registration and Information Systems. Draft curricula are under stakeholders' meetings stage.
- g) The University has completed the procurement of design review and supervising consultant for construction of five (5) new buildings, procurement of contractor was at awarding stage, and Building permits and ESIA certificate were secured.

On the Key Result Area No. 2: Research, Innovations and Publications;

- a) During the reporting period 141 peer reviewed papers were published as detailed in Appendix 1. The annual target to publish 100 research papers has been surpassed by 41%.
- b) Thirteen (13) collaborative and multidisciplinary research proposals were prepared. As of 30th June, 2024 ten (10) proposals were in the review process before submission for funding, while three (3) research proposals were submitted for funding as follows:
 - i) The research proposal titled "De-carbonation Pathways for Meeting Household Energy Demands and Reducing Agriculture and Vehicle emissions" was submitted to JICA for funding;
 - ii) The research proposal titled "Digitization of Eco-Friendly Housing Solutions - Enhancing the Livelihoods of the Vulnerable Communities in Tanzanian Cities and Towns (DIGITECH)", was submitted to WFP for funding; and
 - iii) The research proposal titled "Strengthening Community Water Security through Climate Resilient (IWRM & WASH) systems for livelihood improvement in Tanzania" was submitted to the Green Climate Fund (GCF) for funding. The annual target was to develop six (6) research projects.
- c) The university has continued to implement VLIR, Peri Peri U, TISA, GeolCT4, and YOU-ENGAGE projects; and minor 30 research projects.
- d) A total of 25 academic staff members were trained in research dissemination skills.

On the Key Result Area No. 3: Consultancy, Outreach and Public Services;

- a) The University through ABECC has signed eight (8) new contracts for the consultancy projects. Also, under ABECC the University continued to implement 52 on-going consultancy projects. The dividend of TZS 415,070,036/= from ABECC to ARU for the 2023/24 financial year has been earned.
- b) Under the Consultancy Bureau (CB), the University has continued to implement three (3) consultancy projects, as well as laboratory related consultancy services from which TZS 87,219,223.47/= have been earned as income to ARU during the 2023/24 financial year.

c) The University has also conducted several Community Outreach activities, during the period, including the following:

- i. On affordable housing building material: It was conducted to Buchosa's local community and at Msomera Handeni, Tanga for relocated people from Ngorongoro.
- ii. On design of Clinic of Care: It was conducted in Nkweshoo village, Machame ward, Kilimanjaro in collaboration with Holcim Foundation and Paris-Malaquais Architecture School.
- iii. On understanding the Past, working for the Future: It was conducted in Zanzibar, in collaboration with Bremen School of Architecture (HSL).
- iv. On storm-water management with focus on challenges and solutions by individual local communities: It was conducted in Goba Kibululu (ubungo Municipality)
- v. On Enhancing Participatory Infrastructure Management System at Local Level: It was conducted to the community of Mailimoja Ward, in Kibaha Township.

On the Key Result Area No. 4: University Capacity and Governance;

- a) The University has completed the construction of Lands Building wing "A", which include creation of 4 studio rooms with the capacity of 160 students, a studio archive and 4 office rooms
- b) The University has continued with the construction works for Studio building and multipurpose laboratory as well as the Workshops building and multipurpose classrooms under HEET project. The works were on good progress at 56%.
- c) The University received ICT equipment including wireless devices, network cables and associated equipment under VLIR project from Belgium.
- d) Health Management System was installed and staff members at the University dispensary were trained on the use of the system.
- e) The University facilitated 34 staff to attend professional review courses, 56 University leaders to attend training on transformative leadership skills, 103 staff to attend training on preparations for retirement, and 46 staff members to attend other various short-course training programs.
- f) The University has recruited 35 staff members (17academic (4M, 13F) and 18 administrative (7F, 11M)).
- g) The University facilitated 84 staff members into long-term training including 26 on PhD, 55 on Masters and three (3) on Diplomas.
- h) The ARU MTRSP 2020/21 - 2025/2026 and other seven (7) relevant governance instruments were revised and approved by Council, and six (6) new governance instruments, including the Staff Incentive Scheme, were approved during the 2023/24 financial year.

On the Key Result Area No. 5: Partnerships, Internationalization and Branding;

- a) The University signed five (5) MoUs with different stakeholders. These are (i) Humboldt Universitat zu Berlin, an extension to (2022-2025) of EAGER Trans-Net for exchange of students and staff, joint training and collaboration in research, (ii) NMAIST in training and learning and research programs, (iii) UDSM for Implementation of Green Roofs in Building research, (iv) the Australian National University for the circular food systems in Africa (CFS), and (v). CHONGQING Vocational Institute of Engineering - China

- b) The University 17th Graduation Ceremony was held whereby total of 1,148 students (639M and 509F) graduated. These include 1,117 Bachelor degree (618M and 499F), 27 Masters' degree (17M and 10F), and 4 PhDs both males.

d. Outcomes

The University has recognized an outcome of its operations as follows: -

- i. Increased reputation and goodwill nationally and internationally;
- ii. Increased space for staff, students, and research activities;
- iii. Improved quality of graduates because of improved infrastructure;
- iv. Increased employees' morale due to working in a prestigious University with good working environment and reputation;
- v. The University recognition in terms of quality in application of international standards used in operationalization of university activities;
- vi. Increased awareness of the community in environmental protection programs through the annual tree planting campaigns; and
- vii. Improved services and recognition by the surrounding communities due to the extension services done in a year.

2.2. CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

2.2.1. Significant features of the development and performance

The University has a six-year Medium Term Rolling Strategic Plan covering the period 2020/21 to 2025/26. The MTRSP is directed towards achieving the core functions which are; teaching, research, and public service delivery. It also emphasizes on human, financial, and infrastructural capacity building, quality assurance, outreach activities and the realization of the new organizational structures. The University has plans to expand student enrolment from the current 6,516 students to 9,363 students by end of year 2025/26 with emphasis on improving infrastructure and gender balance.

The plan also covers, the emerging issues that have an impact on the delivery of the University mandate, such as the convergence of ICT, changing world of jobs for graduates where more focus is on introduction of demand driven degree programs to suit the needs of individuals and national priorities, requirement of life-long learning and public health emergencies. Further, the University has focused in building and acquiring new infrastructures. To start with, has acquired and established Sengerema Campus in Mwanza Region.

Generally, the MTRSP provides a roadmap for all ARU operations aiming at achieving its mandate and thereby providing a fundamental framework for planning, implementation, and performance of planned activities across the University, which are the basis for efficient and effective resource allocation.

2.2.2. The University Future Strategies

The University has the following strategies in attainment of its objectives:

- i. Increase internally generated income through strengthening of the existing income generating units, and introducing new income avenues; and reduce dependence on donors.
- ii. Increase efforts to solicit funds from different sources including the Government and development partners to enable ARU to construct new and rehabilitate the existing infrastructure.
- iii. Continue to review the existing academic programmes and development of new undergraduate, postgraduate, and non-degree programmes as per University Qualifications Framework (UQF) to improve quality and attracts new students/ entrants to programs offered at ARU. It is very likely that soon, ARU will face stiff competition during admission. This threatens the realization of the strategic objectives and especially the Strategic Objective that
- iv. Aims to Increase Students Enrolment and Improve Quality of Graduates and therefore more focus will be put into review of the programs and establishment of proper infrastructure to suit the emerging demand of both internal and external stakeholders in balance with the national priorities; and
- v. Strengthen and promote joint research activities with regional and international partners/organizations/institutions. This also includes Participate actively in activities of the professional and academic organizations in which the University is a member or could forge future affiliation in a quest to establish and foster collaboration with other institutions locally and internationally.

2.2.3. Aspects of the Statements of Financial Performance Linked to other Results

During the year under review, ARU had revenue of TZS 47.4 billion (2023: TZS 30.4 billion). Similarly, ARU had an expenditure and transfers of TZS 34 billion (2023: TZS 27.1 billion).

2.2.4. Results for the Year

During the financial year 2023/24, total revenue for the University was TZS 47.4 billion (2023: TZS 30.4 billion). Likewise, the total operating expenses and transfers was TZS 34 billion (2023: TZS 27.1 billion) thus, recorded a surplus of TZS 13 billion (2023: TZS 3.3 billion). The increase in surplus is mainly attributable to the increase in revenue grants from HEET Project.

2.2.5. Trend analysis on the aspects of the financial performance

2.2.5.1. Revenue Trend

Generally, the University revenue has increased from TZS 30.4 billion in 2019/20 to TZS 47.4 billion in financial year 2023/24. The increase is directly attributable to change in both micro and macro-economic parameters which in turn led to change in both national and international policies and dynamics. Implementation of Higher Education for Economic Transformation (HEET) Project plays a major role in increase of revenue grants

2.2.5.2. Trend Analysis for Revenue Items with Significant Impact

i. Government Recurrent Grant

Over the past five years the Government recurrent grant for personnel emoluments has decreased significantly from TZS 16.7 billion in 2019/20 to TZS 16 billion in 2023/24. The

decrease is directly attributable to the retirement of members of staff whose positions have remained vacant. Also, it is a result of Government data cleaning exercise to members of staff done between the years 2017/18 to 2019/20 where a good number of staff with unqualified academic certificates were relieved off duty. These altogether led to a decrease of wage bill.

ii. Government Development Grant

Over the past five years, the Government development grant has increased from TZS 3.1 billion in 2019/20 to TZS 14.6 billion in 2023/24. The increase is attributed by the implementation of various donor funded projects. Government entered into a Financing Agreement with the World Bank and managed to secure a sum of USD 29 million equivalent to TZS 67.7 billion for the Higher Education for Economic Transformation (HEET) project as explained in Part 4.3 of this report.

iii. Income from Development Partners

Over the past five years, the income from development partners has decreased from TZS 0.95 billion in 2019/20 to TZS 0.27 billion in financial year 2023/24. The overall decrease is directly attributable to emergence of the global Covid 19 pandemic and the Russia & Ukraine war.

Measures have been taken to counter the effect where the University has increased the amount set aside for research in financial year 2024/25 to boost research activities.

iv. Revenue from Exchange Transactions

Over the past five years, the revenue from exchange transactions has increased from TZS 9.1 billion in 2019/20 to TZS 12.8 in 2023/24. The increase is directly attributable to the increase in a number of students.

Further, the University has taken measures to increase internally generated income where cost cutting measures have been implemented and identification of other avenues of revenue.

v. Other Revenue

Over the past five years, other revenue has increased from TZS 3.2 billion in 2019/20 to TZS 3.9 billion in 2023/24. The increase is a result of increase in business avenues and consultancy revenues from ABECC.

2.2.5.3. The Trend in Overall Expenditure

Generally, the University expenditure and transfers increased from TZS 26.9 billion in 2019/20 to TZS 34 billion in financial year 2023/24. The increase in spending directly attributable to the increase in university activities including training, research, outreach and consultancy. However, the University has also imposed the cost cutting measures where the utility and electrical meters as well as bulky purchase of material and consumables.

2.2.5.4. Trend Analysis for the Specific Expenditure Items with Significant Impact

i. Wages, Salaries and Employee Benefits

Over the past 5 years the expenditure on wages, salaries and employee benefits has decreased from TZS 16.7 billion in 2019/20 to TZS 16 billion in 2023/24. The decrease is attributable to retirement of members of staff whose replacement is in progress. Further, there was a data cleaning exercise for staff with unqualified certificate and their replacement is underway.

ii. Use of Goods and Service

Over the past 5 years, the trend in use of goods and services has increased from TZS 5.1 billion in financial year 2019/20 to TZS 11.1 in financial year 2023/24. The increase is attributable to the increase in activities which also includes increase in the number of students, research and members of stakeholders across time.

iii. Maintenance Expenses

Over the past five years, maintenance expenses have decreased from TZS 1.1 billion in 2019/20 to TZS 0.1 billion in 2023/24. The decrease is attributable to major rehabilitation undertaken to all University Building under ESPJ Project in 2019/20 financial year.

iv. Other Expenses

The trend shows an increase in other expenses from TZS 4.14 million in 2019/20 to TZS 1.90 billion. The increase is attributable to the increment in university activities while the other part is a result of reclassification of the MUSE Accounting system where some of the expenses including Audit fee which were stand alone are now part and parcel of other expenses.

v. Depreciation of Property, Plant and Equipment

Over the past 5 years depreciation charges have increased from TZS 1.58 billion in 2019/20 to TZS 2.4 billion in 2023/24. The general increase is directly proportional to the increase in university operations which calls for additional acquisition of assets and construction of infrastructure over time.

2.2.6. Academic Performance

a) Undergraduate Degree Programs

In the financial year 2023/24, ARU had 6,186 (3,342 male and 2,844 female students compared to 5,765 students in the previous year. This includes 5,765-degree program students depicted with an upward trend in Table 2. During this financial year under review 1,356 students (655 male and 701 female) graduated from various undergraduate programs.

Table 2: The trend of undergraduate degree programs enrolments and related number of graduands as at 30 June, 2024

Details	2023/24	2022/23	2021/22	2020/21	2019/20
Male	3,342	3,130	2,867	2,655	2,514
Female	2,844	2,635	2,317	1,964	1,711
Total	6,186	5,765	5,184	4,619	4,225
Graduated	1,356	1,117	884	931	897

Source: ARU Facts and Figures

b) Postgraduate Degree Programs

During the year 2023/24 a total of 330 (219 male and 111 female) students were enrolled for studies to different postgraduate degree programs in comparison to 316 students enrolled in year 2022/23. Further, the trend of admission of postgraduate students has increased from 295 in year 2019/20 to 330 in 2023/24. This increase is attributable to the expansion of training capacity which includes change in policies and resources. Also, the number of graduated postgraduate students has increased from 34 in 2019/20 to 97 in 2023/24 due to the number of students who did not complete their research studies on time due to several reasons among other things including the delayed works due to emergence of Covid 19 pandemic (for instance some of the sandwich program students with researches/supervisors spread in other countries). This trend of five years is as shown in Table 3.

Table 3: The trend in postgraduate degree students' enrolments and graduates as at 30 June 2024

Details	2023/24	2022/23	2021/22	2020/21	2019/20
Male	219	225	233	212	213
Female	111	91	102	84	82
Total	330	316	335	296	295
Graduated	97	31	58	43	34

Source: ARU Facts and Figures

c) Research and Outreach

During the respective period, the University had 31 (2023: 30) research projects funded by various donors which were carried out across the country. Research projects undertaken for the year under review, comprised both basic and applied research. Outreach activities were also carried out in different locations within the Country. Technological inventions were disseminated to stakeholders aiming at improving output in both quantity and quality.

During the year under review, ARU researchers published 142 (2023: 120) research articles in the form of conference papers, book chapters, books, and journals. Further, the number of research projects have started to pick up from 20 in 2019/20 to 31 in financial year 2023/24. The increase is attributable to the University efforts in support of the junior researchers to write the fundable research proposals where the funds set aside to facilitate trainings aiming at enhancing the capacity to write fundable proposals have increased in financial year 2023/24.

d) Institutional Capacity Building

i. Infrastructural Development

On July 27, 2023, the University signed a contract with M/s China Jiangxi International Economic and Technical Cooperation Ltd for the construction of four buildings on the Main campus; the Studio building, multipurpose laboratory building, Workshops, and Multipurpose classrooms with a seating capacity of 6,928 students across all buildings. The construction period is 18 months, with an expected completion date of February 13th, 2025. On July 31st, 2023, the construction site was handed over to the Contractor to commence construction works.

M/s ARQES Africa Architects and Interior Designs is supervising the construction. The supervising consultant has prepared monthly supervision reports. During this period, eleven site meetings were held, and compliance with the World Bank Environmental and Social Standards (ESS) has been monitored as per the plan.

Construction works at the main campus started in July 2023. The overall time spent is 45 weeks, equivalent to 58% of the contract period, which is 78 weeks. The overall construction work progress is 56% against the expected 67% as per construction schedule. The specific work progress for each building is as follows:

- a) Workshop Building: 52% against the expected 65%. Continue fixing formwork and rebar for roof slabs, beams, and gutter for the remaining two wings. Also, the block walls, Plastering, and skimming are in progress on the basement and ground floor.
- b) Classroom Building: 28% against the expected 64%. Continue with scaffolding and formworks for first-floor beams and slab.
- c) Studio Building: 66% against the expected 66%. Continue with scaffolding, formworks, and rebars for roof beams, slab, and gutter Laying blocks for Second-floor walls. Moreover, the fabrication of roof trusses was in progress.
- d) Laboratory Building: 72% against the expected 72%. Continue fixing the roof trusses, plastering, skimming, and aluminium window frames.

The overall progress shows that work is behind schedule by 11%, equivalent to eight weeks of the project's duration. Reasons for the delay include delayed payment of certified works due to lengthy D-fund procedures and unfavourable weather conditions during foundation construction. The management continues with close follow-ups on monitoring the project execution to minimize further delays.

The Contractor has been paid the certified amount of the work executed, amounting to USD 6,075,882.34, and equivalent to 42% of the total Contract Value, USD 14,359,424.14.

At the Mwanza campus, procurement of design review and supervising consultants has been completed. The contract for the design review and supervising consultant for the construction works at the Mwanza campus was signed on June 21st June, 2024.

The Environmental and Social Impact Assessment (ESIA) report for the Mwanza campus has been approved by the World Bank, and the National Environment Management Council

(NEMC) certificate has been obtained. Additionally, building permits for the four buildings have been secured. Procurement of a contractor for the construction works is at the due diligence stage, originally the contract is expected to be signed in December 2024. The delay is attributed to a prolonged procurement process. Management is actively following up with the respective authorities.

ii. Staff Development

During the year under review 146 (2022:157) members of staff were undergoing training as indicated in Table 4.

Table 4: The number of staff on training for the year 2023/24

Training Level	Administrative staff		Academic staff	
	2023/24	2022/23	2023/24	2022/23
PhD	-	-	51	64
Second Degree	-	-	48	46
First Degree	3	3	-	-
Diploma	2	1	-	-
Certificate	0	1	-	-
Short Course	42	42	-	-
Total	47	47	99	110

Source: ARU Human Resource Department Reports 2023/24

During the year under review, 18 staff completed their studies. Also, the University continued to support members of staff in attendance of short courses, seminars, and workshops within and outside the country.

Further, the trend of staff training has increased over the past five years from 47 in financial year 2019/20 to 146 in financial year 2023/24. This is directly attributable to the University's desire of building capacity to its staff to attain the desired standards of efficiency.

e) Observed challenges during the financial year and their effect on development, performance, and future perspectives

The following were the identified challenges during the year: -

- i. Inadequate financial resources;
- ii. Aged infrastructure which requires rehabilitation or replacement;
- iii. Shortage of manpower to undertake planned activities;
- iv. The annual operating plans were greatly affected by untimely disbursement of funds and emerging issues that were not part of the original plan (e.g., the Russia-Ukraine war);
- v. Changing nature of future jobs and opportunities calls for a relook of how the university can play a role in ensuring that graduates have the requisite educational wellbeing, possibly by embracing life-long learning;
- vi. Convergence of information and communication technologies such as the use of Artificial Intelligence (AI) have a bearing on the future of university business; thus, it will be important to take advantage of these developments where possible.

However, there is also an ongoing debate about the use of AI in Higher Learning Institutions where it is argued that Artificial intelligence is surrounded by myths and misconceptions. So

it is worth debunking some of these fallacies. Further, some educators are concerned that if students and researchers rely on AI, their critical thinking and problem-solving abilities may be compromised, along with their capacity for learning independently. However, the key to successfully integrating AI into education is to understand that intelligent tools are not a replacement for human expertise. Thus, this is a critical area in the education sector that needs to be looked upon.

f) The state of key stakeholder relationships and how the organization has responded to key stakeholders' legitimate needs and interests

The University has been keen on responding to stakeholders' needs including but not limited to students, employees, employers etc. This has been enabled by effective means of feedback starting from internal communication where stakeholders are involved in decision making meetings and their views are channelled to the vital decision-making organs of the University including the Senate and the University Council. Also, the University is progressing towards devising other means including deployment of tracer studies in collection of views from stakeholders about the quality of training and research in relation to production of quality graduates and other products to the society.

To comprehend that, all the University's curricula are now developed under the University Qualifying Framework (UQF) issued by the Tanzania Commission for Universities (TCU). The UQF was designed to ensure that the curricula and programs developed are based on the demands by employers (job markets) and other actors. Further, the University has analysed stakeholders' needs to ensure that the Strategic Objectives are positioned to meet their expectations.

g) The main trends and factors which are likely to impact on prospects

In implementing the 2nd Corporate Plan 2019/20 - 2029/30, the University had nine Strategic Objectives including (i) to Improve health services, prevent, treat and control HIV/AIDS, non-communicable diseases and other public health emergencies; (ii) Implement National Anti-Corruption Strategy; (iii) Increase student's enrolment and improve quality of graduates; (iv) Increase the volume and quality of research, publications and innovations; (v) Enhance outreach, publicity, linkages and partnerships; (vi) Enhance university financial management and sustainability; (vii) Improve teaching, research and learning environment; (viii) Improve management and institutional governance; and (ix) Mainstream gender issues.

In accomplishment of these milestones, the University has the following underlying assumptions:

- i. Availability of adequate human, financial and infrastructural resources to implement the planned activities for achievement of the Strategic objectives;
- ii. Stakeholders continue to support fully and respond effectively to the needs of 5th SUACSP during the implementation. This includes availing of accurate information as per implementation plan;
- iii. Retention of competent and motivated staff for smooth implementation;
- iv. Presence of an effective monitoring and evaluation system that is accompanied by systematic and efficient information sharing mechanisms; and
- v. Prevalence of Peace and tranquillity at the University.

h) The University's expectations about the external environment likely in short, medium, and long term

The University survives in an environment with numerous stakeholders with different expectations and needs. The Management managed to scan the internal and external environment and managed to establish the strengths, weaknesses, opportunities, threats, aspirations and results necessary in detection and curbing of risks as well as tapping into emerging opportunities for the brighter future in accomplishment of the strategic objectives. The analysis is as shown in Table 8: -

The overall goal of the 2nd Corporate Plan (CP) 2019/20 - 2029/30 is to provide focus for realization of the mission and vision through strategic objectives. The CP have a total of nine (9) strategic goals namely:

- i. Improve Health services, fight HIV, non-communicable diseases, and public health emergencies;
- ii. National anti- corruption strategy and action plan effectively implemented;
- iii. Increase students' enrolment and improve quality of graduates;
- iv. Increase the volume and quality of research;
- v. Enhance outreach, publicity, linkages, and partnerships;
- vi. Enhance university financial management and sustainability;
- vii. Improve teaching and learning environment;
- viii. Improve management and institutional governance; and
- ix. Mainstream gender issues across University functions.

Therefore, going forward ARU strategic objectives have been clustered into five (5) Key Result Areas (KRA). From the above analysis, the KRA includes the following: -

- a) Training and Learning
- b) Research, Innovation and Dissemination
- c) Consultancy, Outreach and Public services
- d) University Capacity and Governance
- e) Partnerships, Internationalization and Branding

2.3. RESOURCES

The University has a vast number of resources that facilitate the University's endeavour in achieving its strategic objectives include human, financial and technological resources including but not limited to human and financial resources analysed below.

a. 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.

During the year under review, ARU received revenue of TZS 47.4 billion (2023: TZS 30.4 billion). The major sources of funding for the University are internal generating income projects, Government subvention and funds received from Development Partners as a result of Financing Agreements and MoUs signed between ARU and those partners.

b. Intellectual Resources

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

- (i) Academic Management Information System - AMIS
- (ii) Planning and Reporting System - PLANREP
- (iii) Billing Management System - BiMiS
- (iv) Consultancy Management Information System -COMIS
- (v) Mfumo wa Uhasibu Serikalini - MUSE
- (vi) Research Management Information System- REMIS
- (vii) Government Asset Management Information System - GAMIS

In general, implementation of ICT application systems improves the University service delivery process and enhances efficiency. The University shall continue with its initiative to automate business operations to enhance efficiency and reduce costs of business operations. Factors that may affect availability, quality and affordability of intellectual resources include fast technological changes, Government legislative changes, systems hackers where access controls and firewalls are weak, and unexpected power outage. However, the University is organized to cope with future changes and expects intellectual resources will continuously be available to meet future demand.

c. Human Resource

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

During the year under review, the University had a total of 548 employees (2023: 518). This includes 320 males and 228 female staff. The members of staff are responsible for handling the academic and administrative affairs of the University and spearhead the attainment of its vision.

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.

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.

e. Social and Relationship Resource

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 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.

2.4. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

2.4.1. Council's Responsibility in Internal Control and Risk Management

The Council is ultimately responsible for risk management, determining the system of internal controls operated by the University and for monitoring and effectiveness of the control environment.

It is the task of the management to ensure that adequate internal financial and operational control are developed, reviewed, and maintained on an ongoing basis in order to provide reasonable assurance about: -

- i. The effectiveness and efficiency of operations;
- ii. The safeguarding of the University assets;
- iii. Compliance with applicable laws and regulations;
- iv. The reliability of accounting records;
- v. Business sustainability under normal as well as adverse conditions; and
- vi. Responsible behaviours towards all stakeholders.

The efficiency of the internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff whilst no system can provide absolute assurance against misstatement or loss, the University control system is designed to manage rather than eliminate the risk of failure to achieve business objectives.

2.4.2. Key elements of the system of internal control

The management receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms. Key elements of the system of internal control are as follows: -

a. Budgets

Detailed annual budgets are prepared by Management and discussed by the Finance and Planning Committee of the Council for review; and deliberated in the Workers' Councils before the approval of the University Council. The budget briefings take place yearly and are attended by Monitoring and Budget Committee (MBC), Committee for Deans and Directors (CoDD) and other stakeholders including Trade Unions, academic staff associations to discuss key strategic issues within the University. These meetings are chaired by the Vice Chancellor who is the Accounting Officer of the University.

b. Competence

Staff skills are maintained by both a formal recruitment process and a performance appraisal system, which identifies training needs. Also, necessary training, both in-house and externally, helps to consolidate existing staff skills and competences.

2.4.3. Risk Assessment

The Council understands the specific sources of risk and analysis of their impact on its operations at ARU. In the financial year 2023/24 the Council used risk assessment frameworks to enable the analysis of cost-effective mitigation strategies. Among the types of risks that the Council is aware of and their mitigation strategies are provided in Table 5.

Table 5: Types of Risks and Mitigation Measures

Type of risk	Cause	Management
Strategic	Arises from the business environment - emergence of new strong competitors such as change of Government Regulations etc.	Increased number of enrolments and Improving quality of graduate.
Commercial	Declining market share	Enhance outreach, publicity, linkages, and partnerships
Operational	Monetary loss resulting from inadequate or failed internal processes, people, and systems or from external events	Improve teaching and learning environment, increase quality of working tools, expand built infrastructure capacity, improve availability and reliability of utilities and services, Improve ICT and telecommunication infrastructure and services, Strengthen Quality Assurance and Promotion Bureau, provide regular training to staff, increase the volume and quality of research, publications and innovations hence increase creativity and work performance.
Financial currency and credit risk	Depreciation of foreign currency and likelihood of default	Transacting using local currency and credit rating, establishing credit limits, encourage upfront payment

Type of risk	Cause	Management
Compliance	Adverse change in regulations guiding operation	Be optimistic and well informed about government legislations and decisions
Liquidity/funding	Receiving less funds to meet organization's obligations	Establishing contingency plans, such as backup lines of credit, grants, and new profitable investments
Technical Risk	Risk of managing assets such as machine failure, IT risks such as virus incidences, computer crashes etc.	Adoption of policies and systems that are strong and relevant in curbing of the risk

Source: ARU Risk Framework and Register

2.4.4. Function of Internal Audit Unit

The University has a sound internal audit unit which independently and objectively evaluates the organization's operations. The unit reports functionally to the Council's Audit Committee and administratively to the Vice Chancellor. It assesses risks; and reviews controls using the Risk Based Approach (RBA). The unit ensures that recommendations to improve controls are implemented by the Management. Its reports are also submitted in quarterly basis to the Internal Auditor General's Office.

2.4.5. Function of the Audit Committee

The Audit Committee's role in this area is confined to a high-level review of the arrangement for internal controls. The University's Internal Auditors monitor the system of internal control, risk management control and governance processes in accordance with an agreed plan and report their findings to management and the Audit Committee. Management is responsible for the implementation of agreed audit recommendations and the Internal Auditors undertake prevailing follow up reviews to ensure that such recommendations have been implemented.

The Audit Committee considers summarized reports together with recommendations for the improvement of the University systems of internal control and management's responses and implementation plans. Whilst senior executives attend meetings of the Audit Committee as necessary, they are not members of the committee. The committee meets the internal and external auditors separately for independent discussions.

2.4.6. Council's Opinion in Assessment of Regular Reports of the Audit Committee

The Council is of a view that there is an ongoing process for identifying, evaluating, and managing the University's significant risks, and that it has been in place throughout the year ended 30 June 2024 up to the date of approval of the annual reports and financial statements and is of the opinion that met the accepted criteria.

2.4.7. Accounting Policies

A summary of key accounting policies is in Note 1 to the Financial Statements and were consistently applied during the year under review.

2.4.8. Financial Reporting and Auditing

The Council accepts overall responsibility for the preparation of the annual financial statements which are present as at the end of the year under review. The reports include:

- i. The financial position;
- ii. Statement of Financial Performance;
- iii. Statement of Changes of Net Assets and Equity;
- iv. The Statement of cash flows; and Statement of comparison between Budget and actual.

The responsibility for compiling the annual financial statements is vested in the management and the University complied with all applicable laws of the country of incorporation. The external auditors of the University report on whether the annual financial statements are fairly presented.

The Members of the council are satisfied that during the year under review the following issues were undertaken effectively: -

- (a) Adequate accounting records were maintained;
- (b) An effective system of internal control and risk management, monitored by management, was maintained;
- (c) Appropriate accounting policies, supported by reasonable and prudent judgments and estimates, were used consistently;
- (d) The financial statements were compiled in accordance with International Public Sector Accounting Standards and in the manner required by the Tanzanian Public Finance Act No. 6 of 2001 and instructions issued by the Treasury in respect of the year under review; and
- (e) The Councillors are also satisfied that no material event has occurred between the financial year-end and the date of this report which affects the business or has not been reported.

2.5. STAKEHOLDERS' RELATIONSHIP

The University recognizes the importance of addressing the needs of its key stakeholders in order to add value, satisfy their needs and expectations to fulfil its mission. The stakeholders of ARU are those who have interest in or are directly or indirectly affected by the operations of the University. The major stakeholders identified include: -

Government and policy makers, students, staff, Employees, Higher learning and Collaborative Institutions, Regulatory Bodies and Authorities, Development Partners, Professional Boards, Alumni, Industries Parents and Suppliers as provided in **Table 6** below.

Table 6: Stakeholders' analysis for Ardhi University for the year 2023/24

Stakeholders	Services offered by ARU	Stakeholders Expectations
Government, Departments (Ministries, Agencies, Local Government Authorities) Local community Private sector	a. Training, research and consultancy services b. Skilled human resource	a. Quality job creators produced b. Highly skilled and competent manpower produced c. Competent Graduate with entrepreneurship skills are produced d. Critical minimal research capacity for national development established e. Cumulative research results that shed more light on the solutions to the problems facing the society provided f. Research results that lead to overcoming practical problems concerning land development and conflicts, surveying, environmental management and settlements development, climate variability and changes.
Industry	a. Information on students b. Partnership c. Consultancy d. Innovation	a. Relevant research outputs and innovations of commercial value provided b. Highly skilled and competent manpower produced c. Competent Graduate with entrepreneurship skills produced d. Linkage with industry in research and training collaboration that is productive e. Curriculum design to show direct role of industry in training f. Graduates capable of utilizing local resources and materials for development
R&D and of higher learning institution	a. Partnership b. Professional services	a. Infrastructures and facilities for research together with competent research partners are established b. Innovations that benefit ARU as well as the partner institutions increased c. Research results that help to address a number of social and community as well as national problems conducted d. Sharing information on research results and practical experiences e. Exchange of expertise
Alumni	a. Contemporary issues of ARU b. Engagement in various activities c. Create new members d. Create a database of graduates	a. Active engagement in matters pertinent to the development of the University enhanced b. Participation in charity contributions to the University activities including fundraising enhanced c. Ambassadorial roles established d. Networking e. Competitive university at national and international levels
Parents, Guardians and sponsors	a. Information b. Security and welfare	a. Parents are able to get places for their children in higher learning institutions and they get quality education.

Stakeholders	Services offered by ARU	Stakeholders Expectations
	c. Training to their children or sponsored students	<ul style="list-style-type: none"> b. Affordable fees of higher education c. Smooth learning processes d. Timely graduation e. Employability of graduates f. Integrity, moral and ethical growth g. Safety of students h. Hostel accommodation facilitation
Students	<ul style="list-style-type: none"> a. Training and learning environment b. Linkage with industry c. Students' welfare 	<ul style="list-style-type: none"> a. Quality education that meets the demand of employment market b. Technical and professional competencies acquired c. Confidence and sense of independence enhanced d. Training and learning infrastructure and facilities enhanced e. Value for money services f. Skills for self-employment g. Timely graduation
Regulatory Boards and Professional Associations	<ul style="list-style-type: none"> a. Various data b. Participate in exhibitions c. Competent graduates d. Database of graduates 	<ul style="list-style-type: none"> a. Quality assurance in teaching and learning b. Adherence to professional practices and statutory provisions c. Academic and professional integrity
Development partners	<ul style="list-style-type: none"> a. Professional services b. Partnership c. Graduates d. Research outputs 	<ul style="list-style-type: none"> a. Capacity to use donated funds and resources available and good end results in terms of the cost effectiveness, b. Infrastructure capacity and quality graduate and research output enhanced c. Realizing synergies in collaborative undertaking d. Facilitation of the exchange programmes which are mutually beneficial
Employees	<ul style="list-style-type: none"> a. Employment security b. Incentives and welfare c. Working facilities 	<ul style="list-style-type: none"> a. Good governance and working environment b. Staff motivation enhanced c. Job security
Suppliers	<ul style="list-style-type: none"> a. Orders for goods/services b. Data on procurements 	<ul style="list-style-type: none"> a. Transparency, dignity and courtesy b. Corruption free and fair procurement process c. Timely honouring of obligations d. Long term business relationship with ARU
General public	<ul style="list-style-type: none"> a. Corporate responsibility 	<ul style="list-style-type: none"> a. Growth of socio-economic activities b. Peace, harmony and integrity

Stakeholders	Services offered by ARU		Stakeholders Expectations	
	b. Community engagement c. Outreach programs	c. Quality of goods and services d. Developed neighbourhood		

Source: ARU Stakeholders Survey, 2018

Table 7: SWOC Analysis of the Core Functions of ARU

Area	Strength	Weakness	Opportunities	Challenges
Training and Learning	<ul style="list-style-type: none"> a. Presence of competent staff members in most disciplines; b. Accredited and attractive academic programmes; c. Availability of hard and soft reading materials and periodicals; d. Availability of basic training and learning infrastructure; e. Quality assurance mechanisms and tools in place. f. The only institution in the country which offer comprehensive land and built environment programmes under one roof g. Student-centered learning approach. 	<ul style="list-style-type: none"> a. Inadequate academic staff members at senior position levels b. Inadequate training and learning facilities; c. Low enrolment in postgraduate programmes d. Inadequate utilization of ICT in training, learning, and operationalization of university functions. e. Predominance of land related programmes f. Staff attrition g. Lack of entrepreneurial centre for student h. Inability to fully cope with rapid technological change 	<ul style="list-style-type: none"> a. A big pool of potential students from within and outside Tanzania b. High demand for most ARU academic programmes; c. Conducive regulatory environment d. High demand for non-land related programmes. e. Presence of Higher Education Student Loan Board; f. Commitment of the Government and other development partners to fund the University external resources. g. 	<ul style="list-style-type: none"> a. Increasing competition from other institution for students; b. Increased competition for loan from HESLB and ZHELB c. Limited number of applicants for some degree programmes; d. Competition over resources with other institutions; e. Limited number of potential qualified academic staff in the labour market for some employment cadre; f. Limited alternative source of scholarships for postgraduate students; g. Staff mobility to serve national posts i. Reliance on part-time Lecturers for some academic programmes
Research, Innovation and Dissemination	<ul style="list-style-type: none"> a. Existence of a number of academic staff members who are competent in undertaking research; b. Presence of institutional structure for coordination of research; 	<ul style="list-style-type: none"> a. Inadequacy of staff engagement in research activities; b. Inadequate number of publications from staff c. Inadequate capacity to compete in seeking large research grants of funds; 	<ul style="list-style-type: none"> a. Availability of external sources of fund to finance research; b. Availability of forums to disseminate research findings; 	<ul style="list-style-type: none"> a. Increased global, regional and national competition for research funding; b. Changing research priority among research funders; c. Stringent conditions in use of research funding-

Area	Strength	Weakness	Opportunities	Challenges
	<ul style="list-style-type: none"> c. Availability of approved research agenda and policy. d. Availability of ARU Journals for publication of research papers e. Availability of research outputs that have influenced national policies f. Existence of some basic research infrastructure and facilities g. Existence of intellectual property rights policy 	<ul style="list-style-type: none"> d. Declining number of consultancies e. Inadequate partnership with industry in research undertakings f. Limited international research links g. Inadequate mentoring in research h. Inadequate monitoring of research; i. Inadequate monitoring of postgraduate students j. Inadequate financial support for staff undertaking sabbatical leave 	<ul style="list-style-type: none"> c. Willingness of local and international research institutions to collaborate with ARU; d. Availability of fellowship and sabbatical opportunities. e. Availability of refereed international journals relevant to ARU disciplines f. Supportive environment to attract researchers to do research. 	<ul style="list-style-type: none"> d. Limited utilization of ARU research outputs and innovation by users.
Public Services and Community outreach	<ul style="list-style-type: none"> a. Established partnerships with relevant industries and accreditation bodies; b. Presence of skilled, knowledgeable and experienced staff. c. Existence of institutional framework for coordination of public services d. Existence of dedicated University Consultancy Company (ABECC) e. Existence of Consultancy Bureau (CB) for coordinating community outreach and continuing education. f. Availability of consultancy outputs that have influenced national policies 	<ul style="list-style-type: none"> a. Inadequate community and stakeholder engagement; b. Inadequate engagement in outreach services c. Inadequate monitoring of public services. d. Inadequate physical working space for public service activities e. Failure to transform public service outputs into refereed publication f. Imbalance between public services and academic training g. Limited engagement of retirees in consultancies 	<ul style="list-style-type: none"> a. Availability of market for public services; b. Growing demand for public services; and c. Willingness of various institutions to partner with ARU in public service delivery. 	<ul style="list-style-type: none"> a. Competition for resources with other Institutions; b. High competition with private and public firms in consultancy services.

Area	Strength	Weakness	Opportunities	Challenges
University Capacity	<p>g. Strong tradition of engaging students and graduates in public services</p> <p>a. Strong collaboration among staff members across the units;</p> <p>b. Strategic geographical location of ARU;</p> <p>c. Availability of ICT facilities for supporting the academic activities of staff and students;</p> <p>d. Municipalisation of non-core functions of the university;</p> <p>e. Existence of comprehensive organization structure;</p> <p>f. Availability of governance instruments and guidelines</p> <p>g. Approved ARU Main Campus Master Plan (2018 -2038) and ARU Mwanza Campus Master Plan (2023 - 2033)</p> <p>h. Availability of skilled staff members in the new fields that support built environment;</p> <p>i. High reputation of the University nationally and internationally</p> <p>j. Presence of University Dispensary</p>	<p>a. Underutilized land;</p> <p>b. Inadequate funds;</p> <p>c. Limited ICT infrastructure, utilization and networking;</p> <p>d. Inadequate social and recreational facilities for staff and students;</p> <p>e. Reliance on few revenue streams;</p> <p>f. Gender imbalance among academic staff members;</p> <p>g. Limited capacity for coordinating quality assurance activities (teaching, research and consultancy);</p> <p>h. Limited capacity of ARU Dispensary to match with demand</p> <p>i. Limited succession plan;</p> <p>j. Few student's hostels; and lack of multi-purpose hall.</p> <p>k. Limited publicity and promotion of ARU activities and processes;</p> <p>l. Inadequate visibility of the University.</p> <p>m. Limited research and protected outputs that identify ARU</p>	<p>a. Existence of education policies to guide decision making;</p> <p>b. Government willingness to strengthen the land and human settlement sector;</p> <p>c. Availability of external funding sources to finance training of staff members;</p> <p>d. Partnerships with national, regional and global institutions in capacity building.</p> <p>e. Support of the government to the University;</p> <p>f. Accessibility to international community</p>	<p>n. Insufficient funds from the government;</p> <p>o. Increased competition among students for loans from HESLB;</p> <p>p. Government policy changes;</p> <p>q. Threats from HIV/AIDS infection and non-communicable diseases;</p> <p>r. Gender imbalance in academic staff</p> <p>s. Staff turnover;</p> <p>t. Unreliable power supply.</p> <p>u. Limited funding to spearhead ARU vision;</p> <p>v. Limited research and protected outputs that identify ARU;</p> <p>w. Limited number of partners to engage with in promoting ARU visibility</p>

Source: ARU Corporate Plan 2019

2.6. CAPITAL STRUCTURE AND TREASURY POLICIES

2.6.1. The Capital Structure of the University

The University capital structure comprises of Tax Payers Funds only. This equity is wholly financed by the Government. Further, the University had total assets of TZS 178.3 billion (2023: TZS 165.8 billion).

Table 8: The trend of the University capital structure as at 30 June 2024

Asset Composition	2023/24		2022/23		2021/22		2020/21		2019/20	
	%	TZS "000"	%	TZS "000"	%	TZS "000"	%	TZS "000"	%	TZS "000"
Net Assets	100	178,270,970	100	165,883,895	100	150,547,942	100	149,337,307	100	153,195,918
Total Assets	100	178,270,970	100	165,883,895	100	150,547,942	100	149,337,307	100	153,195,918

Source: Financial statements 2023/24

2.6.1.1. Commentary on the 5 Years Trend in Capital Structure

Further, the net assets have increased from TZS 149.3 billion in financial year 2019/20 to TZS 178.28 billion in financial year 2023/24. The increase in equity is attributable to fully acquisition of the former National Housing and Building for Research Agency (NHBRA), increase in a number of students and an increase in receipt of development partners' funds for research which led to increase in income.

2.6.2. Treasury Policies and Objectives

The University finances are managed using the ARU Financial Regulations. The regulations aim at directing actors on what is to be done to ensure that the resources of ARU are not misused or misappropriated and are safe guarded. Further, there are other guidelines including the Government Standing Orders and Regulations; and the Financing Agreements and/ or MoUs signed between the University and funders.

All the transactions are managed using budgetary tools and conditions where the controls are specific to the nature of funding, for instance, donor funding is completely treated as restricted funding.

The University did not accrue any interest on deposit of funds to the commercial banks since all monies are kept with the Central Bank of Tanzania (BoT). All the closing balances in the Statement of financial position at the year-end are translated using the BoT spot exchange rate as of 30 June 2024. Other details in handling treasury matters have been detailed in the notes to the financial statements. Further, more information related to treasury policies and management is disclosed in the Notes to the Financial Statements (Under Material Policy issues).

2.6.3. Resource Accountability Requirement

All of the University resources such as technical and financial, human resource are governed by the Public Finance Act, the Public Procurement Act, Budget Act and its Regulations, the University Financial Regulations; Policies and Procedures including the Accounting Manual,

the Human Resource Procedures Manuals, Forest Management Plans and guidelines etc. Additionally, there are other tools like the Financing Agreements, project documents, work plans and budgets specific in managing of development partners funding. Further, there are Government guidelines and Standing Orders used for such a purpose.

In nutshell, the University operates under the principles of good governance where all matters are reported in through the University machineries in quarterly basis. Further, the University is being Audited by other external bodies including the Tanzania Commission for Universities (TCU) for accreditation purposes, the Tanzania Revenue Authority (TRA) in Tax compliances, the Public Procurement Regulatory Authority (PPRA) in procurement compliance issues, Office of Treasury Registrar (OTR) on governance matters and other fiduciary assessments and due diligences from donor and the annual audit of the consolidated financial statements done by Controller and Auditor General (CAG).

2.7. CASH FLOWS

2.7.1. The Basis of Cash Flow Projection

The University prepares its budgets in accordance with the Medium-Term Expenditure Framework (MTEF) which also includes preparation of cash flows for managing the inflows and outflows on a quarterly basis. The cash flow projection includes estimates of inflows and outflows from exchange and non-exchange transactions generated from operating, investing, and financing activities.

2.7.2. Cashflows from Operating Activities

Over the past five years, the Net Cashflows from operating activities have increased significantly from TZS 2.29 billion (2019/20) to TZS 37.8 billion (2023/24). The significant increase attributed by the increase of cash flow from revenue grants (Development partners). The trend of cashflows from operating activities are as shown in Table 9 below and the respective cash and cash equivalent covering accrued expenses for each year is shown under Table 9.

Table 9: Trend of net cashflows from operating activities for 2023/24

	2023/24	2022/23	2021/22	2020/21	2019/20
	TZS	TZS	TZS	TZS	TZS
	"000"	"000"	"000"	"000"	"000"
Receipts	71,346,870	35,579,923	45,419,266	32,026,902	30,007,727
Payments	33,539,307	27,457,865	44,198,168	27,411,066	27,712,340
Net Cash	37,807,563	8,122,058	1,221,098	4,615,836	2,295,387

Source: ARU Audited Financial Statements

2.7.3. Cashflows from Investing Activities

Over the past years the total cashflows from investing activities have increased from TZS 4.08 billion in 2019/20 to TZS 15.3 billion in 2023/24. The increase is directly related to the ongoing construction activities undertaken by HEET Project. The trend of investing activities is as shown under **Table 10**.

Table 10: The trend of cashflows from investing activities for 2023/24

	2023/24	2022/23	2021/22	2020/21	2019/20
	TZS	TZS	TZS	TZS	TZS
	"000"	"000"	"000"	"000"	"000"
Investing activities	15,334,219	1,862,437	1,308,747	2,690,685	4,084,156
Total Payments	15,334,219	1,862,437	1,308,747	2,690,685	4,084,156

Source: ARU Audited Financial Statements

2.7.4. Cashflows from Financing Activities

During the year under review, the University through ARU Built Environment Consulting Company paid a dividend of TZS 477,190,666.

2.7.5. Special factors that influenced cashflows

During the financial year 2023/24, the University had the Cash inflow of TZS 71.3 billion and the total cash outflow of TZS 49.4 billion leaving the net cash and cash equivalent of TZS 21.9 billion.

2.7.5.1. The underutilization of the funds for HEET project

The University signed a contract in implementation of the HEET project. The project started its activities in financial year 2022/23. Majority of the activities are expected to take off in the subsequent year and this will have a significant impact in both, the operating and investing cashflows.

2.7.6. Future plans on carry over budget

During the year under review, the University had a balance of funds in implementation of the pending commitments at the year end. The Management requested for approval in utilization of TZS 2.6 of which the same was granted by the Government to be used in the subsequent year. This amount will have a significant impact in both the operating and investing activities.

2.8. LIQUIDITY

2.8.1. Ability to fund the current and future operations

During the year under review, the University had total current assets of TZS 40.05 billion (2023: TZS 18.41 billion) and current liabilities of TZS 37.39 billion (2023: TZS 15.13 billion). Further, over the past five years the total current assets have increased from TZS 12.92 billion in 2019/20 to TZS 40.05 billion in financial year 2023/24 while the current liabilities have increased from TZS 8.51 billion in 2019/20 to TZS 37.39 billion in 2023/24. Further, over the past five years, the current; quick and cash ratios are at the average rate of 1.07:1, 1.06:1 and 0.99:1 respectively indicating a favorable ability of the current assets to cover the current liabilities over time.

The trend in both current assets and liabilities is as shown in Table 11.

Table 11: The trend in growth of current assets and current liabilities as at 30 June, 2024

	2023/24	2022/23	2021/22	2020/21	2019/20
	TZS	TZS	TZS	TZS	TZS
	"000"	"000"	"000"	"000"	"000"
Current Assets					
Cash and Cash Equivalents	36,892,135	14,907,364	8,424,645	8,512,294	6,728,188
Inventories	211,106	221,380	171,482	426,545	205,870
Prepayments	40,000	40,914	284,665	165,588	0
Receivables	2,913,770	3,243,556	2,176,918	3,319,328	5,988,078
Total Current Asset	40,057,011	18,413,214	11,057,710	12,423,755	12,922,136
Total Current Liabilities	37,392,077	15,136,860	8,140,884	12,102,959	8,511,304
Current Ratio	1.07	1.22	1.36	1.03	1.52
Quick Ratio	1.06	1.20	1.30	0.98	1.49
Cash Ratio	0.99	0.98	1.03	0.70	0.79

Further, during the year under review, the University computed three types of ratios to determine the ability of ARU to meets its quick emerging obligations. This includes the current ratio, the quick ratio and the cash ratio explained here under and its details referred to in Table 15 above.

- i. **The current ratio** which is a liquidity ratio that measures ARU ability to pay short-term obligations or those due within one year where;

$$\text{Current Ratio equals } \frac{\text{Current assets}}{\text{Current liabilities}}$$

During the year under review, the University had the current ratio of 1.07:1 which is favorable; indicating that the University's current assets have the ability to cover the short-term obligations; and this has been constant over the past five years as shown in Table 16 above.

- ii. **The quick ratio** is the measure of the University's capacity to pay its current liabilities without needing to sell its inventory or obtain additional financing where;

$$\text{Quick Ratio equals } \frac{\text{Current Assets-Inventory-Prepayments}}{\text{Current Liabilities}}$$

During the year under review, the University had the quick ratio of 1.06:1 which is favorable; indicating that the University's current assets have the ability to cover the short term obligations without demanding for a sell off of additional assets or redeeming the repayment obligations; and this has been constant over the past five years as shown in Table 15 above.

iii. Cash Ratio

During the year under review, the University had the cash ratio of 0.9: 1 which is favorable. The most preferable is between 0.5 to 1. The cash ratio is derived by adding a university's total reserves of cash and near-cash securities and dividing that sum by its total current liabilities.

$$\text{Cash Ratio equals } \frac{\text{Cash and Cash Equivalent}}{\text{Current Liabilities}}$$

The cash ratio is more conservative than other liquidity ratios because it only considers University's most liquid resources

2.8.2. Restrictions on ability to transfer funds

- i. The University upholds budgeting principles of allocating funds to each individual activity in accordance with the approved budget. Transfers and virements are restricted except for approvals provided in the Financial Regulations and the Public Finance Act, 2006; and
- ii. The University treats Development Partners' funds with Financing Agreements signed between ARU and Development Partners as restricted funds. Upon receipt, these funds are recorded as deferred income under conditions of the signed contracts or MoUs.

2.8.3. Loan Covenant

During the year under review, the University had no loan covenants with counterparts. However, ARU is in progress of registering its own company and also soliciting of more funding to expand its operations.

2.9. KEY PERFORMANCE INDICATORS (KPIs)

The overall goal of the 2nd Corporate Plan (CP) 2019/20 - 2029/30 is to provide focus for realization of the mission and vision. It is envisaged that significant movement towards the vision of the University in the period 2019/2020 - 2029/2030 will be achieved through the implementation of the following nine strategic objectives:

- i) Improve health services, and prevent, treat and control HIV/AIDS, non -communicable diseases and other public health emergencies
- ii) Implement National Anti - Corruption Strategy and Action Plan;
- iii) Increase students' enrolment and improve quality of graduates;
- iv) Increase the volume and quality of research, publications and innovations;
- v) Enhance outreach, publicity, linkages and partnerships;
- vi) Enhance financial mobilization, management and sustainability;
- vii) Improve teaching, research and learning environment;
- viii) Improve management and institutional governance; and
- ix) Mainstream gender issues;

The CP is embedded with the key performance indicators (KPIs) of measuring implementation levels or status where during the year under review the University had an overall rating of its KPIs to the tune of 74% against the targeted plan.

The variance of 26% under the target was attributed by several factors including but not limited to the delayed receipt of funding in accomplishment of the Development Projects. The funds were received from the Higher Education Students Loans Board (HESLB) in May; and the activities proceeded from that time to the subsequent period. Furthermore, the variance was also attributed by delay in finalizing procurement process for securing contractor of ARU Sengerema campus.

2.9.1. Assumptions underlying the Key Performance Indicators

The major assumptions and risks in the implementation of the ARU Corporate Plan and related measure of performance are presented hereunder.

- i) Availability of adequate human, financial and infrastructural resources to implement the planned activities;
- ii) Stakeholders continue to support and respond effectively to the needs of 2nd Corporate Plan (CP) 2019/20 - 2029/30 during the implementation. This includes availing accurate information as per the implementation plan;
- iii) Retention of competent and motivated staff for smooth implementation;
- iv) Existence of an effective monitoring and evaluation system, which is accompanied by systematic and efficient information sharing mechanisms; and
- v) Prevalence of peace and tranquility at the University.

2.9.2. Commentary on future targets

ARU Corporate Plan and related KPIs has taken into account the developments that are bound to influence the delivery of university education for the future. The strategic goals focus on the areas of quality of training and learning, student enrolment, research innovation and publications, public and outreach services, supportive infrastructures and services, financial capacity and sustainability, governance and quality assurance systems, cross-cutting issues, partnership, internationalization and branding.

2.9.3. Adjusted Information from the Financial Statements as part of the KPIs

During the year under review there were no information that was adjusted for inclusion in performance measurement rather it is hereby reported that some of the KPIs were rated 0 percent as shown under **Table 12** below. However, at the year end, the Management requested for a carryover budget in implementation of the activities in progress. The Government approved for the implementation of these activities in the subsequent year of 2024/25.

2.9.4. Changes in the KPIs and Related Calculations

Currently, there are no changes to KPIs and the calculation method used compared to previous financial years which also includes significant changes in the underlying accounting policies adopted in the financial statements. However, the University is now in progress for the mid review of the MTRSP; and upon completion the identified changes shall be incorporated and disclosed in the Financial Statements.

Table 12: Measurement of performance as per documented Key Performance Indicators (KPIs) during the year 2023/24
UNIVERSITY WIDE MTRSP IMPLEMENTATION PROGRESS REPORT FOR THE PERIOD OF JULY 2023-JUNE 2024

KRA	TOTAL ACTIVITIES	IMPLEMENTED	PARTIALLY IMPLEMENTED	NOT IMPLEMENTED	% IMPLEMENTATION
	a	b	c	d	(b+0.5*c) / a*100%
KAR1	90	59	16	15	74%
KRA2	28	13	8	7	61%
KRA3	8	7	0	1	87%
KRA4	254	181	29	44	77%
KRA5	62	30	18	14	63%
TOTAL	442	290	71	81	74%

Source: ARU MTRSP Progress Report: June, 2024

2.10. CORPORATE GOVERNANCE MATTERS

2.10.1. Membership of those Charged with Governance

The University Council is the highest organ of Ardhi University established as per Article 18 of the ARU Charter, 2007. The Council consists of a chairperson and thirteen members, all of them are Tanzania Nationals. Apart from the Secretary to the Council who is the Corporate Counsel; seven members are non-executive Directors and three are ex-officio members holding positions in the University and three are representing the staff and students at the University.

The Council is chaired by a member who has no executive function. The Council includes members from diverse disciplines and skills including economic, finance, quantity surveying, land surveying, town planning, and environment engineering, 69% of which are male and 31% female. The Council is confident that its members have the knowledge, talent, and experience to lead the University. The non-executive members are independent of management and exercise their independent judgment. With their depth of experience, they add value to Council deliberations. The areas of expertise of the members to the Council is as shown in the **Table 19**.

2.10.2. Secretary to the Council

The secretary to the Council is appointed as per ARU Charter 2007, as amended in 2023 for advising the Council on legal and corporate governance matters and ensuring that there is good information flow between the Council, its Committees and Management. All members of the Council and Management have access to his legal advice and services.

2.10.3. Briefing on Discussions Held

Ordinary meetings of the University Council are held quarterly in a year in accordance with the University charter and oversee the management activities. During the year under review, four meetings were held whereby various decisions including but not limited to the following were made: -

- i. Approved the revised Financial Regulations year 2023.
- ii. Approved the Progress Report on the Implementation of the University Medium Term Rolling Strategic Plan (MTRSP) for the period of 01 July 2022 to 30 June 2023 and from 01 October, 2023 to 31 December 2023.
- iii. Approved Progress Report on the Implementation of the 2022/23 University Annual Procurement Plan for the period of 01 July 2022 to 30 June 2023 and from 01 October, 2023 to 31 December 2023.
- iv. Approved the Report on the Estates Matters for the period ended 30 June 2023.
- v. Approved the Proposed Incentives Scheme for staff at Ardhi University.
- vi. Approved the Action Plan for the implementation of the Investment Policy.
- vii. Approved the General Guidelines and Procedures for Postgraduate Executive Programmes at ARU.
- viii. Approved the proposal to establish an Electronic Journal Namely the Journal Business, Socioeconomics and Development (JBSED).
- ix. Approved the proposal for Increasing stipend payable to postgraduate student at ARU.
- x. Approved the Report of the Internal Audit for the period of 01 April 2023 to 30 June 2023 and from 01 October, 2023 to 31 December 2023

- xi. Approved the Draft Consolidated Financial Statements for the period ended 30 June, 2023.
- xii. Approved Plan for Audit and Audit fees for the Financial Year ended 30 June, 2022.
- xiii. Approved the request to write back long outstanding payable amounting to TZS. 265,615,871.48.
- xiv. Approved the Report from the 39th and 40th University Funding and Promotion Committee meeting.
- xv. Approved promotion of two Senior Lecturer to Associate Professor.
- xvi. Approved the Vice Chancellor's Report on Events and Activities of the University for the Period for the period from 01 December, 2023 to 05 March 2024.
- xvii. Approved the Income and Expenditure Report for the period ended 31 December 2023.
- xviii. Approved recruitment of seventeen staff on permanent and pensionable terms for academic posts.

All matters deliberated in the Council meetings are brought up by the University Management led by the Vice Chancellor. The Vice Chancellor of the University reports to the Council and enjoys all executive powers. He is assisted by two Deputy Vice Chancellors (One for Academic matters and the other for Administration and Finance); and senior management officers in the day-to-day operations of the University.

Senior Management staff is invited to attend Council meetings and facilitate the effective control of all the University's operational activities, acting as a medium of communication and coordination between various business units. The members of the University Council are as shown in **Tables 13**.

Table 13: List of members of the University Council who served the University for the year 2023/24

S/N	Name	Position	Age	Discipline	Nationality	Tenure	Date of Appointment
1	Amb. Salome Sijaona	Chairperson	75	Economist	Tanzanian	Three Periods	Dec.2021
2	Mr. Atupele Mwambene	Member	46	Economist	Tanzanian	Three Periods	Dec.2021
3	Dr. Natu Mwamba	Member	64	Economist	Tanzanian	Two Periods	Jan.2023
4	Ms. Happiness Kibinga	Member	38	Accountant	Tanzanian	Three Periods	Dec.2021
5	Dr. Medard Mushumbusi	Member	69	Quantity Surveyor	Tanzanian	Two Periods	Dec.2022
6	Prof. William L. Anangisye	Member	62	Educationist	Tanzanian	Three Periods	Dec.2021
7	Mr. Innocent Alex	Member	23	Student	Tanzanian	One Period	May.2023
8	Mr. Prosper Sangawe	Member	41	Janitor	Tanzanian	Three Periods	Dec.2021
9	Mr. Zidi M. Makame	Member	45	Architect	Tanzanian	Three Periods	Dec.2021
10	Prof. Evaristo Liwa	V.C. & Member	65	Surveyor	Tanzanian	Three Periods	Dec.2021
11	Dr. Fredrick M. Salukele	Member	50	Environmental Eng.	Tanzanian	Three Periods	Dec.2021
12	Mr. Edward Ruhinda	Member	43	Environmental Eng.	Tanzanian	Three periods	Dec.2023
13	Dr. Shubira Kalugira	Member	49	Architect	Tanzanian	Three Periods	Dec.2021

Source: Council Members' profiles 2023/24

Controller and Auditor General	AR/PAD/ARU/2023/24
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University Management

The Management of the University is headed by the Vice Chancellor who is assisted by two Deputy Vice Chancellors (One for Academic matters and the other for Administration and Finance). Apart from that there are Deans, Directors and Heads of units. The University Management are required to report to the University Council on all affairs of the University in quarterly basis and as and when where necessary there are significant matters requiring the attention of the Council.

2.10.4. Council Remunerations

The Council expenses which also include statutory payment to key management personnel during the year are as disclosed under Note 30 to the Financial Statements.

2.10.5. Fiduciary Responsibility

All non-executive members of the Council are considered by the Council to be independent both in character, judgment and free of relationships or circumstances that could affect their judgment.

2.10.6. Code of Corporate Practice and Conduct

Ardhi University is committed to the principles of effective Corporate Governance and the council is of the opinion that the University currently complies with principles of good Corporate Governance. This is attained through an emphasis of highest standards of corporate governance.

2.10.7. Flexibility towards Change

The current organizational structure is flexible and accommodates changes from internal as well as external environment. Moreover, the University periodically reviews its rules and regulations with a view to ensuring the best performance of the academy. The University adheres to the global standards and practices of good corporate governance. The Councillors continue to strengthen the good governance system by reviewing various performance reports and approving policies and guidelines with the aim of enhancing good governance.

2.10.8. Business ethics and organizational integrity

The University's Code of Conduct commits it to the highest standards of integrity, conduct and ethics in its dealings with all parties concerned, including its Principal, Directors, managers, employees, customers, suppliers, competitors, investors, and the public in general. The management and staff are expected to fulfil their ethical obligations in such a way that the business is run strictly according to laid out policies and procedures.

2.10.9. Performance evaluation and reward

The University ensures that Tanzanian Government Scale related salaries are paid, and related trends are followed in terms of changes in benefits, while at the same time considering the intrinsic value of individual contributions. Details of the remuneration paid to key management staff are disclosed in Note 30 to the financial statements.

In conducting its activities, ARU maintains transparency and observes the principles of good governance. In this respect, the University has established an Ethics Committee and Code of Ethics dealing with mitigation of unethical issues.

2.10.11. University Council Members' Interests

The University is a public body under the supervision and control of the University Council. During the year 2023/24, none of the members of the University Council had interest or transactions with the University except those reported under note 30 of these financial statements.

2.10.12. Related Party Transactions

All related party transactions and balances are disclosed in note 30 of the financial statements.

2.11. Details of Particular Matters

2.11.1. Implementation of the Higher Education for Economic Transformation (HEET) Project

ARU is immensely proud to be a central participant in the HEET project, a forward-thinking initiative formed in collaboration with the Government of Tanzania and the World Bank.

The HEET project became effective on 13 September 2021, and its implementation began during the year 2022/23.

This notable five-year initiative, is valued at USD 425 million equivalent to TZS 972 billion, is set to transform the higher education landscape in our country out of which ARU has been allocated a significant USD 29 million equivalent to TZS 67.7 billion for various progressive initiatives.

These funds are designated to accelerate the development of new infrastructure, refurbish existing facilities, update curricula to meet industry standards, procure advanced equipment, enhance income-generation strategies, improve ICT facilities, foster capacity building in e-learning and innovative teaching methods, establish robust ties with the private sector and industry, and facilitate the professional development of academic staff and university leadership.

The objectives of the HEET project align seamlessly with Six-Year Medium Term Rolling Strategic Plan (MTRSP) 2020/21-2025/26. Challenges faced include insufficient infrastructure and skill gaps. However, the support from the HEET project is a significant step in the right direction to address these issues.

The project aims to improve the educational environment and align curriculum with labour market demands, producing graduates fit for current and future job markets. It's essential for Tanzania's higher education to evolve, meeting both local and global needs, to transition its economy towards a middle-income and industrialized base, consistent with Vision 2025.

The project's execution at ARU is organized under the University Strategic Investment Plan (USIP). It is divided into seven core components, each serving as a significant milestone:

- i. Development and renovation of sustainable infrastructure, like lecture studios, workshops, classrooms and labs;

- ii. Curriculum overhaul with an introduction to innovative teaching methods and an emphasis on climate change;
- iii. Promotion of applied research and innovation;
- iv. Strengthening ties with the industrial and private sectors;
- v. Modernization and expansion of the ICT infrastructure and related services;
- vi. Initiatives to enhance self-sustaining income sources; and
- vii. Professional development for staff capacity building and leadership.

2.11.2. The Environmental Matters

The University Master Plan 2018-2028, indicates that, the University activities have been expanding since establishment. Further, the Six-Year Medium Term Rolling Strategic Plan (MTRSP) 2020/21-2025/26 indicates that, the ARU operations including training, research and consultancy activities has increased significantly. For instance, as of now ARU has more than 6,000 students compared to 1,000 students in financial year 2001/02, currently served by 548 staff (2001: 100). This increase is also reflected in all associated activities.


Despite an increase in the size, ARU has been a major pioneer in protection of the environment by adhering to the required environment safety standards issued by Regulatory bodies including the National Environmental Management Council (NEMC). All major constructions and infrastructural developments are done after doing the environmental impact assessments and obtaining of the clearance certificates from NEMC.

The University has a Department of Environment Science and Management which deals with preservation, transmission, dissemination, and enhancement of knowledge in the field of environment science and Management.

2.11.3. Entities with Contractual or Other Arrangements

The University has several entities with both contractual and other arrangements the institution. This includes the Government and Private Sector ranging from regulatory authorities to service providing institutions. Some of the institutions are as follows: -

- i. The Tanzania Commission for Universities which is a regulatory Authority responsible for Quality Assurance and accreditation of the University established under the Universities Act, 2005
- ii. The National Environmental Management Council responsible for setting and overseeing of the environmental safety standards established under the NEMC Act, 2004
- iii. Other Government entities such as the Tanzania National Electric Company (TANESCO) which feeds the University with electricity within the campuses, Dar es salaam Water Supply and Sanitation Authority (DAWASA) which feeds and regulate the University in water usage, The Public Procurement Regulatory Authority overseeing the Procurement Act, Tanzania Electrical, Mechanical and Electronics Services Agency (TEMESA), The Tanzania Postal Services; Other Government Universities and higher learning institutions, SUMA JKT, Tanzania Telecommunication Company Ltd (TTCL), Tanzania Education Authority, Tanzania Revenue Authority etc.

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- iv. Also, the University has subscribed to other regional and international bodies such as the Inter University Council of East Africa; and
 - v. The University is working closely with the Development partners under the collaboration in research projects, this includes but not limited to the World Bank-IDA, stakeholders under the USAID, Belgium International Cooperation Agency (VRIL), Germany International Cooperation Agency (GIZ); European Union etc.

2.11.4. Receipts from, and returns to, primary users of the entity

The University has a major role of training, research and consultancy. This is in accordance with the Six-Year Medium Term Rolling Strategic Plan (MTRSP) 2020/21-2025/26. ARU offers the undergraduate, postgraduate, non-degree program and short courses where in turn the students and the community pay a minimal fee to assist in running of the courses. The University receives a major support from the Government in retaining of employees, construction of infrastructure and procurement of equipment necessary for running of its programs. The Government also acts as the regulatory oversight through its bodies in ensuring that all activities are done in accordance with the required standards.

Further, the University has been working with development partners under the Memorandum (s) of Understanding in running of the research projects and programs. These funders have been offering support in terms of finances, equipment and technical expertise where applicable.

Over a number of years ARU has succeeded to produce quality graduates prevailing in the areas of land and built environment countrywide and internationally. Further, the researches done has produced massive publications and technologies used by the society and other researchers.

2.11.5. Effectiveness and efficiency in utilization of resources

The University adheres to the principles of good governance as detailed in the National Framework of Good Governance, 2009 which also states the traits of Transparency, Integrity and Accountability. ARU has systems in place responsible for measurement of auditable performance. This revolves around establishment of sound internal controls by observing the Regulations and Policies, regular reporting under this case quarterly, a continuous review of systems done by both the internal and external audits. Finally, the reporting structure ends up to submitting of the reports to Government and other stakeholders; Development Partners inclusive.

2.11.6. Social and Community Issues

The University has constantly been engaging in community issues where during the year under review conducted various outreach services to the local communities as an initiative to go against environmental pollutions. Further, University has Environment Engineering Laboratory accessible by the surrounding communities across the year. The other services and facilities like training grounds (football and basketball court) are also available and accessible by the community demanding such services.

2.11.7. Prolonged Effect of Covid-19 Pandemic and Its Impact

Ardhi University as part of the community was largely affected by Covid-19 pandemic. Most of the activities including training and research were delayed and had to be rescheduled in order that the core objectives could be attained. This also included a downward trend in receipt of Development Partners funding where some of the funders scaled down their operations. Further, even some internal programs such as research activities across the country and abroad had to be rescheduled. Some of the projects such as the capacity building STEM-ID project funded by Sida had students performing research in Tanzania and Sweden. These students' works had to be delayed to date due to effects of this pandemic disease.

2.11.8. The effect of War in Ukraine

The University experienced the negative effects of the Ukrainian war. The war in Ukraine was a "massive and historic energy shock" to the markets, according to a November 2022 report by the OECD. The "shock" of the war was one of the main factors that had slowed economic growth in 2023/24 and more negative effects were expected in financial year 2024/25.

The University budget suffered negatively due to the abrupt rise of the input prices such as fuel, agricultural implements such as fertilizers and seeds etc. Also some of the development partners from the European Union block such as Sida scaled down their operations (budgets) in support of operations to third world countries. The STEM-ID program phase VI was among of the projects which were affected with such a decision.

The University has continued to set aside internally generated funds to boost the research activities and minimize the impact.

2.11.9. Ownership

Ardhi University is wholly owned by the Government of the United Republic of Tanzania.

2.11.1 Committees Charged with Governance

The University Council has six (6) committees which assist in discharging its functions and responsibilities effectively. Operations of each committee are defined in the Terms of Reference approved by the Council. To adequately interrogate issued presented by the Management, the Council had constituted the following committees:

1. Planning and Finance Committee;
2. The University Senate;
3. Appointment and Human Resource Committees;
4. Student's Affairs Committee;
5. Audit Committee; and
6. University Funding and Promotion Committee

2.11.1 Planning and Finance Committee

The Planning and Finance Committee monitors the financial performance of the University and its associated legal entities if any. It considers financial policies and issues and makes recommendations to the Council on these matters having regard to the importance of financial sustainability.

It also considers and evaluates quarterly financial progress reports, financial statements and budgets of the University and other related financial issues and makes recommendations to the Council thereon. The Committee is chaired by Chairperson of the Council and normally meets four times a year.

During the year under review, the Committee deliberated and forwarded to the Council, the matters including but not limited to the following: -

- i. Deliberations on the quarterly and annual budgets
- ii. Matters brought up by the Planning and Estates subcommittee including but not limited to review and proposal on development plans, the progress in implementation of the annual budget and Corporate Strategic Plan for the year under review; and the progress reports and status of capital development projects.
- iii. Deliberations on quarterly financial management reports and related sources of funding.

Table 14: List of members of the Planning and Finance Committee meetings for the year 2023/24

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

Source: Planning and Finance Committee Records 2023/24

2.11.2. The University Senate

The ARU Charter, 2007 provides that, “there shall be a Senate for the University which shall, subject to the powers of the Council as provided in the Act, the Regulations made thereunder, this Charter and the Rules contained in the First Schedule hereto, be the principal overall decision-making organ in respect of all academic matters of the University and be responsible for the academic work of the University both in teaching, research and consultancy and for the regulation and superintendence of the education of the students of the University”.

During the year under review, the University Senate deliberated on the matters including but not limited to the following:

Table 15: Senate deliberations during the period July 2023 to June 2024

S/n	Senate Meeting	Deliberation
1.	102 nd Special meeting held on 18/7/2023	Approved selected applicants with direct and equivalent entry qualifications for admission into various undergraduate programmes for 2023/2024 academic year.
2.	103 rd Regular meeting held on 11/9/2023	<ol style="list-style-type: none"> 1. Approved undergraduate and postgraduate examination results for 2022/2023 academic year 2. Endorsed renewal of Professor Emeritus position for Prof. Wilbald Kombe 3. Endorsed draft University Almanac for 2023/2024 academic year. 4. Approved report of Research Projects submitted under HEET Projects 5. Noted progress reports of Donor Funded Projects.

3.	104 th Special Meeting held on 4/10/2023	<ol style="list-style-type: none"> 1. Approved Appeals against examination results for 2022/2023 Academic year. 2. Approved recommendations from Examination Irregularity Committees (EICs) on examinations irregularity cases committed during Semester II of 2022/2023 academic year.
4.	105 th Special Meeting held on 15/11/2023	<ol style="list-style-type: none"> 1. Approved Undergraduate and Postgraduate Supplementary/Special examination results for 2022/2023 academic year. 2. Approved academic prizes for 2022/2023 academic year. 3. Noted progress reports of Donor Funded Projects
5.	106 th Regular Meeting held on 15/4 & 24/4/2024	<ol style="list-style-type: none"> 1. Approved undergraduate Semester I examination results for Pre-requisite courses for 2023/2024 academic year. 2. Noted Semester I provisional examination results for normal courses for 2023/2024 academic year. 3. Endorsed reviewed Guidelines and Procedures for Recruitment and Assessment of Academic Staff Performance (2018). 4. Deliberated on a report for Improving BSc in Interior Design programme offered in the School of Architecture Construction Economics and Management (SACEM). 5. Discuss and Deliberate review of Guidelines and format for setting written University examination papers 6. Approved recommendations from Examination Irregularity Committees (EICs) on examinations irregularity cases committed during Semester I of 2023/2024 academic year. 7. Approved revised specific entry requirements for Postgraduate programmes. 8. Approved progress report of Postgraduate Students. 9. Approved Editorial Board of the Journal of Business, Socioeconomics and Development (JBSED) 10. Approved Revised Guidelines for Selecting Appropriate Journals for Publishing Articles. 11. Approved Market Survey and Needs Assessment report for the proposed Master of Business Administration (MBA) programme. 12. Approved Curriculum for the proposed Master of Business Administration (MBA) evening programme. 13. Approve Market Survey and Needs Assessment report for the proposed Master of Business Administration in Finance (MBA Finance) programme. 14. Approved Curriculum for Master of Business Administration in Finance (MBA Finance) evening program.

The members of the senate meetings are as shown in **Tables** below:

Table 16: The Senate Committee Members who served during the year 2023/24

S/N	Name	Position	Age	Discipline	Nationality	Tenure	Number of Meetings Attended	
							Regular	Special
1.	Prof. Evaristo Liwa	Chairperson	65	Surveyor	Tanzanian	Three periods	2	2
2.	Prof. John Lupala	Member	64	Planner	Tanzanian	Three periods	2	1
3.	Prof. Ally Namangaya	Member	51	Planner	Tanzanian	Three periods	1	3
4.	Prof. Yohana Mashalla	Member	74	Medical Doctor	Tanzanian	Three periods	2	2
5.	Prof. Lughano Kusiluka	Member	61	Veterinary Scientist	Tanzanian	Three periods	1	-
6.	Mr. Atupele Mwambene	Member	46	Planner	Tanzanian	Three periods	-	-

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S/N	Name	Position	Age	Discipline	Nationality	Tenure	Number of Meetings Attended	
							Regular	Special
7.	Dr. Fredrick Salukele	Member	50	Environmental Eng.	Tanzanian	Three periods	2	-
8.	Dr. Daniel Msangi	Member	53	Planner	Tanzanian	Three periods	2	3
9.	Dr. Makarius Mdemu	Member	52	Engineer	Tanzanian	Three periods	2	3
10.	Dr. Yassin Senkondo	Member	52	Agric Scientist	Tanzanian	Three periods	2	2
11.	Dr. Shubira Kalugila	Member	50	Architect	Tanzanian	Three periods	2	2
12.	Dr. Sarah Phoya	Member	50	Surveyor	Tanzanian	Three periods	1	2
13.	Prof. Rubhera Mato	Member	66	Environmental Eng.	Tanzanian	Three periods	1	1
14.	Dr. Guido A. Uhingo	Member	54	Computer Scientist	Tanzanian	Three periods	2	2
15.	Dr. Dawah Maghembe	Member	52	Planner	Tanzanian	Three periods	2	2
16.	Dr. Shedrack M. Sabai	Member	48	Environmental Eng.	Tanzanian	Three periods	2	1
17.	Prof. Anesi Mahenge	Member	48	Environmental Eng.	Tanzanian	Three periods	2	2
18.	Dr. Beatrice Tarimo	Member	45	Geomatician	Tanzanian	Three periods	2	1
19.	Dr. Daniel Mbiso	Member	47	Architect	Tanzanian	Three periods	2	1
20.	Dr. Godwin Maro	Member	47	Quantity surveyor	Tanzanian	Three periods	1	-
21.	Dr. Dorothea Deus	Member	44	Surveyor	Tanzanian	Three periods	2	2
22.	Dr. Stalin Mkumbo	Member	54	Engineer	Tanzanian	Three periods	2	3
23.	Dr. Given Mhina	Member	41	Engineer	Tanzanian	Three periods	2	3
24.	Dr. Sophia Kongela	Member	49	Valuer	Tanzanian	Three periods	2	1
25.	Dr. Fredrick Magina	Member	46	Planner	Tanzanian	Three periods	2	3
26.	Dr. Yohanes Kachenje	Member	56	Research fellow	Tanzanian	Three periods	2	2
27.	Ms. Asha Sisto Malekela	Member	27	Student	Tanzanian	One period	2	2
28.	Mr. Steven Charles Mauafi	Member	27	Student	Tanzanian	One period	2	2
29.	Mr. Innocent D Alex	Member	25	Student	Tanzanian	One period	2	3
30.	Ms. Leticia E Shija	Member	22	Student	Tanzanian	One period	2	1
31.	Ms. Khadija Ally	Member	27	Student	Tanzanian	One period	2	1
32.	Ms. Esther Meiludie	Member	46	Lawyer	Tanzanian	Three periods	2	1

S/N	Name	Position	Age	Discipline	Nationality	Tenure	Number of Meetings Attended	
							Regular	Special
33.	Dr. Aristide Lambura	Member	43	Mathematician	Tanzanian	Three periods	2	21
34.	Dr. Samwel Alananga	Member	48	Valuer	Tanzanian	Three periods	2	2
35.	Ms. Amina Mdidi	Member	59	Planner	Tanzanian	Three Periods	2	2
36.	Mrs. Emma Mwangomango	Secretary	49	Administrator	Tanzanian	Three periods	2	3
37.	Mr. Prosper Sangawe	Member	41	Janitor	Tanzanian	Three periods	2	2
38.	Dr. Nicholous Mwageni	Member	40	Environmental Scientist	Tanzanian	Three periods	2	1
39.	Dr. Modest Maurus	Member	51	Architect	Tanzanian	Three periods	2	3
40.	Dr. Emmanuel Mchome	Member	55	Planner	Tanzanian	Three periods	2	1
41.	Dr. Elitruder Makupa	Member	43	Valuer	Tanzanian	Three periods	2	1
42.	Dr. Luitfred Kissoly	Member	42	Development Economist	Tanzanian	Three periods	2	3
43.	Dr. Fortunatus Bahendwa	Member	56	Architect	Tanzanian	Three periods	2	3
44.	Dr. Ephraem E.Silayo	Member	52	Librarian	Tanzanian	Three periods	2	3
45.	Dr. Agness Mwasumbi	Member	62	Valuer	Tanzanian	Three periods	2	2
46.	Dr. Kimata Malekela	Member	48	QS	Tanzanian	Three periods	2	2
47.	Dr. Nelly Babere	Member	47	Planner	Tanzanian	Three periods	2	-
48.	Dr. Frank J Wambura	Member	40	Planner	Tanzanian	Three periods	1	1
49.	Dr. Godfrey Ayubu	Member	51	Architect	Tanzanian	Three periods	1	-
50.	Dr. Regina John	Member	48	Planner	Tanzanian	Three periods	1	-
51.	Dr. Eunice Likotiko	Member	35	Data Scientist	Tanzanian	Three periods	1	-
52.	Dt. Atupelye Komba	Member	33	Surveyor	Tanzanian	Three periods	1	-

Source: Senate Committee Records 2023/24

2.11.3. Students' Affairs Committee

The committee is responsible for overseeing students' affairs and it is required to meet four times in a year. During the year under review, the committee met 4 times in deliberation of student matters.

The matters discussed included but not limited to the following: -

- i. The students teaching and learning environment

- ii. The participation of students in various University programs
- iii. The reports on students counselling and health matters
- iv. Discussions on integrity and ethical issues tabled for
- v. The assessment of student's accommodation in and outside campuses; and
- vi. Other challenges including but not limited to gender mainstreaming.

The list of members of the committee is as shown in Table 17.

Table 17: The Students Affairs Committee Members who served during the year 2023/24

S/N	Name	Position	Discipline
1.	Prof. William Anangisye	Chairman	Political Scientist
2.	Ms. Amina Mmidi	Member	Social Scientist
3.	Mr. Prosper Sangawe	Member	Administrator
4.	Prof. Ally Namangaya	Member	Planner
5.	Ms Innocent Alex	Member	Student
6.	Mr. Sergio A. Faraji	Member	Student
7.	Mr. Steven Maufi	Member	Student
8.	Dr. Regina John	Member	Planner
9.	Ms. Esther R. Meiludie	Secretary	Lawyer

Source: Students Affairs Committee Records 2023/24

2.11.4. Audit Committee

The Audit Committee provides oversight of the financial reporting process, the audit process, the system of internal controls and compliances with laws and regulations. The Committee is chaired by member of the University Council and normally meets four times in a year.

During the year under review, the Audit Committee had deliberations on matters including but not limited to the following: -

- i. Review and provision of recommendations and directives to Management on Internal Auditors quarterly progress reports
- ii. Review and recommendations on quarterly Risk Management reports
- iii. Review and recommendations on Internal Controls in quarterly basis
- iv. Reviewed and provided recommendations on the updated Internal Audit Charter; and
- v. Review and recommendations on Audited Financial Statements and Management letter for the year 2023/24.

Table 18: Audit Committee Members serve the period 2023/24

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

Source: Audit Committee records 2023/24

2.11.5. Human Resource Committee

The Human Resource Committee provide oversight of all human resource matters including employee's benefits and oversee compliance with laws and regulations and evaluate good governance The Committees are chaired by the Vice Chancellor and normally meet four times in a year.

During the year under review, the committee in quarterly progress reviewed and recommended on matters including but not limited hire, fire and/or proposal of disciplinary actions, training and promotion of the University staff. Also assessed the staff working environment and manning levels for each unit of the University. The list of members of the committee is as shown in Table below.

Table 19: Members of Human Resource Committee who served the committee for the year 2023/24

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

Source: The Human Resource Committee records 2023/24

2.11.6. University Funding and Promotion Committee

The University Funding and Planning Promotion Committee monitors the investments of the University and its associated funding sources if any. It considers financial policies and issues and makes recommendations to the Council on these matters having regard to the importance of financial sustainability.

The Committee is chaired by The Deputy Chairperson of the Council and normally meets four times a year.

During the year under review, the Committee met four times deliberated and forwarded to the Council, the matters including but not limited to the following: -

- i. Matters brought up by the Fundraising and Investment subcommittee including but not limited to review and proposal on development plans, the progress in implementation of the Income Generating Units for the year under review; and the progress reports and status of capital development projects.
- ii. Deliberations on quarterly financial management reports and related sources of funding.

The list of members of the University Funding and Promotion Committee is as shown in Table below.

Table 20: Members of University Funding and Promotion who served the committee for the year 2023/24

S/N	Name	Position	Discipline
1.	Dr Medard Mushumbusi	Chairman	Quantity Surveyor
3.	Prof Ally Namangaya	Member	Planner
4.	Dr Beatrice Tarimo	Member	Surveyor
5.	Dr Godwin Maro	Member	Quantity Surveyor
6.	Dr Godfrey Severe	Member	Architect
7.	Dr Fredrick Salukele	Member	Environmental Engineer

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8.	Mr Edward Ruhinda	Member	Environmental Engineer
9.	Dr Shubira Kalugila	Member	Architect
10.	Ms Happness Kibinga	Member	Accountant
11.	Ms. Esther R. Meiludie	Secretary	Lawyer

Source: *The University Funding and Promotion Committee records 2023/24*

2.12. POLITICAL AND CHARITABLE DONATIONS

ARU subscribed and contributed to various organizations which include, the Inter-University Council for East Africa (IUCEA), the Association of African Universities (AAU), and other professional associations and charities. There were no donations made to any political parties.

2.13. EMPLOYEES WELFARE

2.13.1. Management - employees' relationship

The number of employees during the year was 548 (2023: 518). The relationship between the employees and Management was cordial. However, there were some complaints due to delays in payment of staff benefits such as leave assistances, house allowances to eligible staff, salary arrears, and payment for promotion and increments and retirement benefits due to inadequate funding from government.

The University employees are fully involved in all matters pertaining to the welfare of the University also including their benefits. All matters deliberated in university meetings pass through the Workers' Council which is the highest organ in order before the University Council. Its positioning was made purposely to ensure that employees' matters and interests are well presented.

Furthermore, the employees' benefits are overseen by the Tanzania Higher Learning Institutions Trade Union (THTU) and Ardhi University Academic Staff Association (ARISA).

2.13.2. Employee Contributions to Social Security Funds

All the University employees are subjected to monthly contributions to the PSSSF where the employers contribute 15% and staff 5%. Also, staff contribute monthly to the National Health Insurance (NHIF) where the employer contributes 3% while staff contributes 3%.

2.13.3. HIV/AIDS Policy

The management of HIV/AIDS is an important challenge for university. ARU has determined some risks associated with the impact of HIV/AIDS as operational, legal and health risks. Furthermore, University has adopted the following core principles as a basis for HIV/AIDS policy: -

1. Continuously assess the risk posed by HIV/AIDS on the operations of the University;
2. Limit the number of new infections among the employees and students;
3. Ensure employees and students living with HIV/AIDS are aware of their rights, respected and protected;
4. Provide care and support to employees and students living with HIV/AIDS; and
5. Provide continuous mass education on HIV/ AIDS.

2.13.4. Human Medical Facilities

Like other public organizations, all staff of ARU are members of the National Health Insurance Fund (NHIF) whereby each, the employer and employee contribute 3% of basic salaries. In addition, the University has dispensary at the Main Campus offering medical services to employees, students, and the surrounding community.

2.13.5. Employees' Financial Support

The University has several arrangements that offer financial support to employees which includes a Savings and Credit Cooperative Society (SACCOS), which grants loans/credits to its members. The University also covers burial expenses related to employees and their legally recognized family members. The University has also entered contract as a guarantor with some financial institutions and hire purchase companies where members of staff are granted loans and house appliances on credit.

2.14. DISABLED PERSONS AND GENDER BALANCE

2.14.1. People with Physical Disabilities

The recruitment and training policies of the University does not discriminate against persons with physical disabilities. There are persons with disabilities among the members of staff and students. Also, the University has ensured that both students and staff with physical disabilities are catered whereby through the proposal sent to the Government, students with disabilities were supplied with 2 odometers (hearing aid), 2 tricycles; and 25 iPads for the visually impaired. Further, the University has started to restructure its buildings with facilities to accommodate them.

Furthermore, the University adheres to the under the Workers Compensation Act, 2015 whereby deductions and contributions are affected in monthly basis as a cover in case of any accidental damage to the worker while on duty and/or in case an employee becomes disabled while performing his official duties.

2.14.2. Gender Parity

Gender issues are managed through the University gender policy, 2008. The University is an equal opportunity employer always considering gender in staff recruitment where qualified female candidates are encouraged to apply.

During the year under review, the University had 548 employees (2023: 518) with the proportion of 58% male; and 42% female as shown in Table 21.

Table 21: The proportion of ARU employees in consideration of gender for the year 2023/24

Gender	2023/2024		2022/2023	
	Units	Percentage	Units	Percentage
Male	320	58	295	57
Female	228	42	223	43
Total	548	100	518	100

Source: Human Resource Department records 2022/23

Further it is worth commenting that, the number of staff has increased from 462 in financial year 2019/20 to 548 in financial year 2023/24. The need for increase is attributable to the increase in the number of students. Furthermore, the Government has issued a permit for ARU to employ an additional 138 staff for the vacant positions. A total of 100 (85 Academic and 15 Administrative) positions were approved by the Government for recruitment to ARU in financial year 2023/24. Also in the 2023/24 financial year, 38 (17 Academic and 21 Administrative) positions were again approved for recruitment to ARU. Since the basis for allocations by the Government are based on the set countrywide approved PE Budget, the University Management rather appreciates to the Government for the approvals and keeps submitting HR requirements on yearly basis for cadres with inadequate staff.

2.15. PREJUDICIAL ISSUES

During the year ended 30 June 2024, there were no serious prejudicial matters to report as required by the Tanzania Financial Reporting Standards No. 1.

2.16. STATEMENT OF COMPLIANCE WITH TFRS NO.1

The Governance Report has been prepared in full compliance with requirements of the Tanzania Financial Reporting Standards No.1.

2.17. COMPLIANCE WITH LAWS AND REGULATIONS

In performing the activities of the University, various laws and regulations having impact on operations were observed.

2.18. PUBLICATION OF THE GOVERNANCE REPORT AND AUDITED FINANCIAL STATEMENTS.

Ardhi University is a public sector entity adheres to the principles of open governance and therefore publishes its Governance report along with audited financial statements within 30 days after the approval of the audited financial statements by those charged with governance as per the requirements of the NBAA Technical Pronouncement No.1 of 2018. The Financial Statements for financial year 2022/23 are found in the University website; <https://www.aru.ac.tz/audited-financial-statements>.

2.19. APPOINTMENT OF AUDITORS

The Controller and Auditor General is the statutory Auditor of Sokoine University of Agriculture by virtue of Article 143 of the Constitution of the United Republic of Tanzania of 1977 and in Section 10 of the Public Audit Act, Cap 418.

2.19.1. RESPONSIBILITY OF THE AUDITOR

The Auditor is responsible to provide assurance of the correctness and consistency of each and every information contained in the report by those charged with governance with those provided in the financial statements.

3.0 STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The University Council is responsible for the preparation of the annual financial statements that give a true and fair view of Ardhi University covering the period from 1 July, 2023 to the date of approving the audited financial statements. This responsibility is inclusive to those charged with governance who acted in the capacity during any part of the period covered by financial statements.

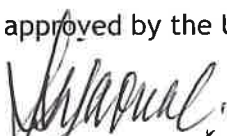
The responsibility ranges from the Statement of Financial Position as at 30 June 2024, and the Statements of Financial Performance for the year ended 30 June, 2024, A statement of changes in net assets as at 30 June, 2024, The Statement of Cash Flows as at 30 June, 2024, the Statement of Comparison of Budget and Actual amount for the year ended 30 June, 2024, and the Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with Accrual-International Public Sector Accounting Standards (IPSASs), Government Finance Statistics (GFS) Standards, National Board of Accountants and Auditors (NBAA), and in the manner required by the ARU Charter, 2007.

The University Council is also responsible for such internal control as members determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The University Council has assessed the ability of the University to continue as a going concern and have no reason to believe that the University will not be able to operate in the year ahead. The auditors are responsible for reporting on whether the annual Financial Statements give a true and fair view in accordance with Accrual-IPSASs requirements.

APPROVAL OF GOVERNANCE REPORT AND ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

The Governance Report and the annual Financial Statements of Ardhi University, as identified in the first paragraph, were approved by the University Council and signed on its behalf by: -



Amb. Salome Thadaus Sijaona
CHAIRPERSON

Date: 10/03/2025



Prof. Evaristo Joseph Liwa
COUNCIL MEMBER

Date: 10/03/2025

4.0 DECLARATION OF THE HEAD OF FINANCE

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act. No. 2 of 1995 requires financial statements to be accompanied with a declaration issued by the Head of 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 Sylvester 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, 2024 have been prepared in compliance with applicable accounting standards and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Ardhi University (ARU) as on that date and that they have been prepared based on properly maintained financial records.

Signed:



Signed by:

Position:

NBAA Membership No:

Allen Sylvester Msabaha
Acting Head of Finance
ACPA 4060

Dated:

10/03/2025

5.0 FINANCIAL STATEMENTS

ARDHI UNIVERSITY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

		CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	Note	2023/24 TZS '000	2022/23 TZS '000	2023/24 TZS '000	2022/23 TZS '000
ASSETS					
Current Assets					
Cash and Cash Equivalents	2	36,892,135	14,907,364	34,424,312	13,596,187
Receivables	3	2,913,770	3,243,556	1,497,066	1,088,512
Prepayments	4	40,000	40,914	40,000	40,914
Inventories	5	211,106	221,380	211,106	221,380
		<u>40,057,011</u>	<u>18,413,214</u>	<u>36,172,484</u>	<u>14,946,993</u>
Non-Current Assets					
Property, Plant and Equipment	9	161,859,505	163,434,696	161,826,331	163,392,058
Intangible Assets	6	112,188	127,008	112,187	124,652
Work in Progress	10	14,427,203	-	14,427,203	-
Investment in ABECC	27	-	-	64,865	64,865
		<u>176,398,896</u>	<u>163,561,704</u>	<u>176,430,586</u>	<u>163,581,575</u>
TOTAL ASSETS		<u>216,455,907</u>	<u>181,974,918</u>	<u>212,603,070</u>	<u>178,528,568</u>
LIABILITIES					
Current Liabilities					
Payables and Accruals	7	8,949,556	8,789,941	6,093,184	6,056,620
Deposits	13	673,011	537,394	673,011	537,394
Income tax Payable	28	45,032	33,504	-	-
Dividend payable	29	699,588	477,191	-	-
Deferred Income (Grants)	12	<u>27,024,890</u>	<u>5,298,830</u>	<u>27,024,890</u>	<u>5,298,830</u>
		<u>37,392,077</u>	<u>15,136,860</u>	<u>33,791,085</u>	<u>11,892,844</u>
Non-Current Liabilities					
Payable and Accruals (Long Term)	11	-	178,823	-	178,823
Other Borrowing by Govt Entity	8	792,860	792,860	792,860	792,860
Total Non-Current Liabilities		<u>792,860</u>	<u>971,683</u>	<u>792,860</u>	<u>971,683</u>
TOTAL LIABILITIES		<u>38,184,937</u>	<u>16,108,543</u>	<u>34,583,945</u>	<u>12,864,527</u>
NET ASSETS		<u>178,270,970</u>	<u>165,866,375</u>	<u>178,019,125</u>	<u>165,664,041</u>
OWNER'S EQUITY					
Taxpayers/Share Capital	15	17,894,241	17,894,241	17,894,241	17,894,241
Accumulated Surplus/(Deficit)		<u>160,376,729</u>	<u>147,972,134</u>	<u>160,124,884</u>	<u>147,769,800</u>
TOTAL NET ASSETS		<u>178,270,970</u>	<u>165,866,375</u>	<u>178,019,125</u>	<u>165,664,041</u>

Notes 1 To 44 Form Part Of These Financial Statements

Amb. Salome Thadaus Sijaona

CHAIRPERSON

Prof. Evaristo Joseph Liwa

COUNCIL MEMBER

DATE: 10/03/2025

Controller and Auditor General

AR/PAD/ARU/2023/24

ARDHI UNIVERSITY

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

		CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
		2023/2024	2022/2023	2023/2024	2022/2023
REVENUE	Note	TZS '000	TZS '000	TZS '000	TZS '000
Subventions from the Government-PE	19	16,035,239	16,476,800	16,035,239	16,476,800
Revenue from exchange transactions	17	12,796,616	10,559,359	7,933,526	8,716,026
Other Revenues	16	3,908,148	1,351,998	3,908,148	1,351,998
Revenue Grants	18	14,613,795	1,705,711	14,613,795	1,705,711
Fair value Gains on Assets and Liabilities	20	40,741	281,940	40,741	281,940
		<u>47,394,539</u>	<u>30,375,808</u>	<u>42,531,449</u>	<u>28,532,475</u>
EXPENSES					
Wages, salaries and employee benefits	21	18,379,008	15,675,515	18,379,008	15,675,515
Use of Goods and Services	22	11,095,852	7,407,019	7,496,645	6,539,961
Expected Credit Loss	32	11,382	484,100	11,382	484,100
Maintenance expenses	23	101,949	314,336	101,949	314,336
Finance costs	31	2,270	1,669	-	-
Other expenses	24	1,933,604	908,831	1,676,306	709,395
Depreciation of property, plant and equipment	9	2,438,229	1,906,791	2,428,767	1,897,499
Social Benefit	25	27,000	25,141	27,000	25,141
Amortization of intangible assets	6	14,821	9,368	12,465	7,012
Total Expenses		<u>34,004,115</u>	<u>26,732,770</u>	<u>30,133,522</u>	<u>25,652,959</u>
Transfer					
Subsidies (TANESCO)	27	-	330,429	-	330,429
TOTAL EXPENSES AND TRANSFERS		<u>34,004,116</u>	<u>27,063,230</u>	<u>30,133,523</u>	<u>25,983,389</u>
Surplus/(Deficit) During the Period		13,390,423	3,312,578	12,397,927	2,549,087
Less; Corporate Tax	29	<u>(299,305)</u>	<u>(241,782)</u>	-	-
Profit after tax		693,191	521,709	-	-
Dividend	30	<u>(643,680)</u>	<u>(415,070)</u>	-	-
Retained Earning		49,511	106,639	-	-

Revenues and expenses under ABECC (Subsidiary Company) has been reclassified for consolidation purposes to align with IPSAS presentation format.

Notes 1 To 44 Form Part Of These Financial Statements.


Amb. Salome Thadaus Sijaona

CHAIRPERSON


Prof. Evaristo Joseph Liwa

COUNCIL MEMBER

DATE: 10/03/2025

Controller and Auditor General

AR/PAD/ARU/2023/24

ARDHI UNIVERSITY

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

NOTE	Capital Fund	Self Financing Fund	Accumulated Surplus/ (Deficit)	Total
	TZS 000	TZS 000	TZS 000	TZS 000
At 01.07. 2023	17,894,241	-	147,769,800	165,664,041
Addition capital injected	-	-	-	-
Prior year adjustment	-	-	(42,843)	(42,843)
Surplus/ (Deficit) for the Year	-	-	12,397,927	12,397,927
Balance as at 30.06.2024	<u>17,894,241</u>	<u>-</u>	<u>160,124,884</u>	<u>178,019,124</u>
At 01.07. 2022	8,059,790	-	143,190,513	151,250,303
Addition Capital Injected	9,834,451	-	-	9,834,451
Prior year adjustment	-	-	2,030,200	2,030,200
Surplus/ (Deficit) for the Year	-	-	2,549,087	2,549,087
Balance as at 30.06.2023	<u>17,894,241</u>	<u>-</u>	<u>147,769,800</u>	<u>165,664,041</u>

Notes 1 TO 44 Form Part of These Financial Statements.


 Amb. Salome Thadous Sijaona
 CHAIRPERSON



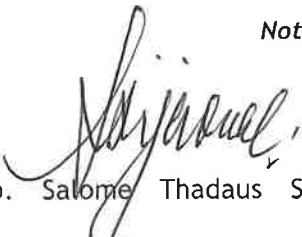
Prof. Evaristo Joseph Liwa
 COUNCIL MEMBER

DATE: 10/03/2025

ARDHI UNIVERSITY
CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2024

		CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
		2023/2024	2022/2023	2023/2024	2022/2023
Cash Flows From/ (Used in) Operating Activities	Note	TZS '000	TZS '000	TZS '000	TZS '000
Receipts					
Subventions from Government	35	30,649,034	14,438,486	30,649,034	14,438,486
Revenue Grant	35	21,726,060	7,153,651	21,726,060	7,153,651
Revenue from exchange Transaction	35	14,859,470	13,429,641	8,134,650	8,776,864
Other Revenue	35	3,908,148	558,143	3,908,148	558,143
Increase in Deposit		204,158	-	204,158	-
Total Receipt		71,346,870	35,579,921	64,622,050	30,927,144
Payments					
Wages, salaries and Employee Benefit	35	19,509,233	15,174,455	19,509,233	15,174,455
Use of Good and Service	35	10,629,874	10,430,280	5,932,458	6,084,070
Subsidies		-	330,429	-	330,429
Social Benefit	35	27,000	25,141	27,000	25,141
Finance Cost	35	2,270	1,699	-	-
Maintenance expenses	35	101,949	314,336	101,949	314,336
Other expenses	35	2,504,843	1,065,918	2,207,549	822,164
Decrease in deposit	35	670,134	38,487	670,134	38,487
Taxation		94,004	77,119	-	-
Total Payment		33,539,307	27,457,864	28,448,323	22,789,082
Net Cash Flow from Operating Activities		37,807,563	8,122,057	36,173,727	8,138,062
Cash Flows From/ (Used in) Investing Activities					
Investing Activities					
Payment for WIP	35	(14,427,203)	-	(14,427,203)	-
Acquisition of PPE	35	(907,016)	1,737,786	(907,016)	(1,723,819)
Acquisition of Intangible assets		-	(124,651)	-	(124,651)
Net Cash from/ (Used in) Investing Activities		(15,334,219)	1,613,135	(15,334,219)	(1,848,470)
Cash Flows From/ (Used in) Financing Activities					
Cash proceeds from long -term borrowing		-	792,860	-	792,860
Dividends	29	(477,191)	(559,086)	-	-
Net Cash Flows from Financing Activities		(477,191)	233,774	-	792,860
Net Increase in Cash and Cash Equivalent		21,996,153	6,493,394	20,839,508	7,082,452
Cash and Cash Equivalents at the Start of the Period		14,954,245	8,460,851	13,643,068	6,560,616
Cash and Cash Equivalents at the End of the Period		36,950,398	14,954,245	34,482,576	13,643,068

Notes 1 to 44 Form Part of These Financial Statements.


Amb. Salome Thadaus Sijaona
CHAIRPERSON


Prof. Evaristo Joseph Liwa
COUNCIL MEMBER

DATE: 10/02/2025

Controller and Auditor General

AR/PAD/ARU/2023/24

ARDHI UNIVERSITY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE PERIOD ENDED 30 JUNE 2024

	Original Budget (A)	Adjustments (B)	Final Budget (C)=A+B	Actual amount on Comparable Basis (D)	Difference: Final Budget Vs Actual (C-D)	Percentage Variance (%)
RECEIPTS	TZS	TZS	TZS	TZS	TZS	
Other Revenue	7,665,318,372	-	7,665,318,372	3,908,148,283	3,757,170,089	49
Revenue from Exchange Transactions	12,833,097,445	-	12,833,097,445	8,134,651,257	4,698,446,188	37
Revenue Grants	54,210,534,916	-	54,210,534,916	36,339,854,411	17,870,680,505	33
Subvention from Government entities	16,485,994,000	-	16,485,994,000	16,035,238,799	450,755,201	3
Increase in Deposit	-	-	-	204,157,678	(204,157,678)	
Total Receipts	91,194,944,733	-	91,194,944,733	64,622,050,428	26,572,894,305	
PAYMENTS						
Decrease in Deposit	-	-	-	670,133,975	(670,133,975)	-
Maintenance Expenses	362,117,510	201,310,000	563,427,510	101,949,372	461,478,138	82
Other Expenses	3,160,014,226	140,040,000	3,300,054,226	2,207,548,873	1,092,505,353	33
Social Benefits	27,000,000	-	27,000,000	27,000,000	-	-
Use of Goods and Service	10,410,342,793	243,996,000	10,654,338,793	5,932,458,343	4,721,880,450	44
Wages, Salaries and Employee Benefits	19,095,343,371	(51,980,000)	19,043,363,371	19,509,233,126	(465,869,755)	(2)
Acquisition of Intangibles	1,702,036,884	19,000,000	1,721,036,884	-	1,721,036,884	100
Acquisition of Property, Plant and Equipment	56,438,089,949	(552,366,000)	55,885,723,949	15,334,219,008	40,551,504,941	73
Total Payment	91,194,944,733	-	91,194,944,733	43,782,542,697	47,412,402,036	
Net Receipts/Payments	-	-	-	20,839,507,731	(20,839,507,731)	

The statement of comparison of budget amount and actual amount is to be read in conjunction with note 1 to 43

Amb. Satorwe Thadous Sijaona

CHAIRPERSON

Prof. Evaristo Joseph Liwa

COUNCIL MEMBER

DATE: 10/03/2025

ARDHI UNIVERSITY

6.0 NOTES TO THE FINANCIAL STATEMENTS

1.0 INTRODUCTION

The notes to the Financial Statements for the period ended 30 June 2024, 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. These Notes also highlight the adoption of the newly introduced IPSAS 41 by the IPSASB and its impact on cash and cash equivalents resulting from this adoption.

2.0 BASIS OF PREPARATION

The accompanying financial statements have been prepared in accordance with Public Finance Act Cap 348 and other amendments of 2015, and comply with the requirements of International Public Sector Accounting Standards (IPSASs) Accrual Basis. 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.

Furthermore, as the basis for preparing the Consolidated Financial Statements, the University has adopted IPSAS 35. This has been achieved by incorporating the financial reports of its controlled entity, the ABECC, into the Ardhi University Financial Statements through consolidation

3.0 STATEMENT OF COMPLIANCE WITH IPSAS

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

3.1 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements of every financial year requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liabilities to be affected in the future.

(1) 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 rate stipulated in Public Finance Regulation per annum as detailed below: -

Description of Asset	Rate p.a.
Buildings	2.00%
Infrastructures	10.00%
Roads-Tarmac roads-surface dressing	14.00%
Water systems	4.00%
Plant and Machinery-Generators	7.00%
Computer (Desktops, Laptops,)	12.5.00%
Intangible Assets- Computer Systems and software	10.00%
Network/Telecom equipment and servers	10.00%
Furniture and Equipment	10.00%
Motor Vehicles - Heavy Duty (5 tons and above)	5.00%
- Light Duty (below 5 tons)	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.

Derecognition

An item of property, plant and equipment is removed by the Entity from the financial statements when no future service potential is expected from its use.

(2) 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.

(3) 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.

Financial Instruments Recognition

Financial Assets

i. Initial recognition and measurement

Financial assets within the scope of IPSAS 29 Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through surplus or deficit, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. The Entity determines the classification of its financial assets at initial recognition.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Losses arising from impairment are recognized in the surplus or deficit.

a) Held-to-maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Entity has the positive intention and ability to hold it to maturity. After initial measurement, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in surplus or deficit.

b) Impairment of financial assets

The Entity assesses at each reporting date whether there is objective evidence that a financial asset or an Entity of financial assets is impaired. A financial asset or an Entity of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the Entity of financial assets that can be reliably estimated. Evidence of impairment may include the following indicators:

- The debtors or an Entity of debtors are experiencing significant financial difficulty.
- Default or delinquency in interest or principal payments
- The probability that debtors will enter bankruptcy or other financial reorganization.
- Observable data indicates a measurable decrease in estimated future cash flows (e.g., changes in arrears or economic conditions that correlate with defaults).

2.1.1. Financial Liabilities

i. Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Entity determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

ii. Loans and borrowing

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in surplus or deficit when the liabilities are derecognized as well as through the effective interest method amortization process. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

2.2. Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the University.

2.3. Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Provisions are raised and management determines an estimate based on the information available. Additional disclosure these estimates of provisions is included in Note 23.

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material. This includes; provision for obsolete stock, audit fee and bad debts. The assessment for obsolete stock is normally done during the annual stock taking exercise done at every end of the financial year, provision for bad debts is normally done based on the aging analysis and challenges in collecting of the dues while provision for audit fee is done based on work done charged by the auditors and settled in the following year.

2.4. Contingent assets and liabilities

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

2.5. Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements. The University maintains reserves in form of tax payers fund/share capital and accumulated surplus. The tax payers' funds mean the initial capital/asset injected by the Government to establish the University while the accumulated surplus is the cumulative net difference between income and expenditure across years. The University reserves are as shown in the Statement of Change in Net Assets.

2.6. Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

2.7. Employee benefits

Retirement benefit plans

The University provides retirement benefits for its employees and management. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund), and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans.

Scheme	Percentage Contributions		
	Employee	Employer	Total
	%	%	%
Public Service Social Security Fund (PSSSF)	5	15	20

The University's contributions to the defined contribution schemes are recognized as an employee benefit expense in the statement of financial performance when they fall due. The University has no further payment obligations once the contributions have been paid.

Effective from July 2011, employer's contributions have been remitted to the funds by the Treasury in accordance with Circular No. C/BA54/328/01/15. Employees specifically retired academic members of staff who are on contractual basis granted by the Governments are paid their gratuity (25% of their salaries) by the Government through PSSSF upon expiry of the contract.

Impairment of financial assets

The impairment of financial asset is calculated using expected credit losses model. The Entity recognizes loss allowances {Expected Credit Losses (ECL)} on all financial assets except those that are measured at FVTSD and credit impaired financial assets. The Entity uses the Simplified approach in determining the impairment of Receivables and Cash and Cash Equivalent). A loss

allowance is calculated at each reporting date however, the ECL model is updated on yearly basis to accommodate any event that might cause significant increase in credit risks on financial asset. The term 'expected credit loss' does not imply that losses are anticipated, rather that there is recognition of the potential risk of loss. Determining whether an expected credit loss should be based on 12-month expected credit losses or lifetime expected credit losses depends on whether there has been a significant increase in credit risk of the financial asset since initial recognition.

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

Inputs into measurement of ECLs

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

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

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

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

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

THE IMPACT OF CHANGE IN ACCOUNTING POLICY

The impact of introducing IPSAS 41 is the emergence of Expected Credit Loss/ gain in the financial Statements by having different Cash and Cash Equivalent. Figures reported in the Statement of Financial Position and the Statement of Cash flows with Exposure at Default (EAD) (Balance) at the end of the financial year. This is supported by historical analysis.

CASH AND CASH EQUIVALENT	30.06.2024	30.06.2023
Cash at Bank and on hand	36,950,398,158	14954,245,425
Expected Credit Loss:		
Opening balance (Provision for ECL)	46,881,214	-
Charge during the year (ECL EXP/GAIN(REVERSAL))	11,382,252	46,881,214
Closing balance (Provision for ECL)	58,263,466	46,881,214
Cash as per Statement of Financial Position (Balance of Cash and Cash Equivalent)	36,892,134,665	14,907,364,211

Analysis of Cash and Cash Equivalent

For the purpose of the statement of cash flows, cash and cash equivalent comprises of the following balances with less than 12 months maturity from the date of acquisition

	30.06.2024	30.06.2023
Cash as per Statement of Financial Position	36,892,134,665	14,907,364,211
Expected Credit Loss	58,263,493	46,881,214
Gross Cash and Cash Equivalent (Cash flow balance)	36,950,398,158	14,954,245,425

Moreover, The University operates with the following Banks with the global ratings and Probability of Default (PD) as provided in the table below:

No	Name of the Bank	Rating Agency	Score	Probability of Default (PD)
1	CRDB PLC	Moody's	B2	2.16%
2	NMB PLC	Moody's	B1	2.16%
3	NBC	Moody's	Baa3	0.40%
4	TCB	N/A	Unrated	0.61%

DESCRIPTION	CASH AND BANK BALANCE	ACCUMULATED SURPLUS	REASON
FINANCIAL YEAR 2022/2023	13,643,067,988	147,787,321,008	Change in Accounting Policy

EXPECTED CREDIT LOSS	(46,881,214)	(46,881,214)	Change in Accounting Policy
RESTATED BALANCE	13,596,186,774	147,740,439,794	

Derecognition Financial assets

The Entity derecognizes a financial asset when:

- a) The contractual rights to the cash flows from the financial asset expire; or
- b) It transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - The Entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

When The Entity enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

Recognition

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

Measurement

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

Derecognition

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

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

(4) Provisions

Provisions are recognized when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation and the expense relating to any provision is presented in surplus/deficit net of any reimbursement.

(5) Related Party Transactions

Related party transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. The Entity discloses any related party transactions of every financial year including special funds for facilitating other Government directives.

(6) Operating Lease

The Entity as lessee, rentals payable under operating leases are charged as an expense to the statement of financial performance on a straight-line basis over the term of the relevant lease annually.

(7) Events after reporting date

Events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. There are two types of events after reporting date, which includes adjusting and non-adjusting items as per IPSAS 14 Events after reporting date. There were no material events to influence the financial statements under the reporting period.

(8) 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.

(9) 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.

(10) 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.

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

Assistance pertaining to current period expenses is credited directly to income.

Government subvention for salaries are not recognized until there is reasonable assurance that conditions attached to staff recruitments are confirmed and the subvention will be received.

Assistance pertaining to research/development grant is accounted for under Research and Development Grants in the statement of financial position. Actual research/development expenditure is deducted directly from this account as and when incurred.

Grants which are received in the form of long-lived assets are debited to Property, Plant and Equipment Account and are correspondingly credited to Capital Grants Account.

Capital grants (except for grants related to buildings) are amortized and credited to revenue according to depreciation rates charged to respective fixed assets annually.

(11) 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.

(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.

(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.

(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.

(15) Future Changes in Accounting Policies

Standards issued as at the date of issuance of the University's financial statement are listed below. These 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 43 - Leases: IPSASB approved IPSAS 43, *Leases* with an effective date of January 1, 2025. IPSAS 43 supersedes IPSAS 13, *Leases* and introduces the right-of-use model for lessees, aligning with IFRS 16, *Leases*. The IPSASB will continue consideration of public sector specific leasing issues, such as concessionary leases, in its Other Lease-Type Arrangements project. The entity is currently assessing the impact of the standard.

IPSAS 44- Non-current Assets Held for Sale and Discontinued Operations: In May 2022 IPSASB issued IPSAS 44 that specifies the accounting for assets held for sale and the presentation of discontinued operations. It requires assets that meet the criteria to be classified as held for sale to be:

- measured at the lower of carrying amount and fair value less costs to sell and depreciation on such assets to cease; and
- presented separately in the statement of financial position and results of discontinued operations to be presented separately in the Statement of financial performance.

IPSAS 44 will be effective for periods beginning on or after January 1, 2025.

IPSAS 45 - Property, Plant and Equipment: This standard provides guidance on accounting for Property, Plant and Equipment so that users of Financial Statements can discern information about an entity's investment in its PPE and the changes in such investment. The standard applies to PPE used to develop or maintain the biological assets related to agricultural activity other than bearer plants, Mineral rights and mineral reserves such as oil, natural gas and similar non-regenerative resources and the recognition and measurement of exploration and evaluation assets. IPSAS 45 removed IPSAS 17's scope exclusion of Heritage Asset. This standard will be effective on 1 January 2025 with earlier application permitted

IPSAS 46- Measurement. The objective of this Standard is to define measurement bases that assist in reflecting fairly the cost of services, operational capacity and financial capacity of assets and liabilities. The Standard identifies approaches under those measurement bases to be applied through individual IPSAS to achieve the objectives of financial reporting. An entity that prepares and presents financial statements under the

accrual basis of accounting shall apply IPSAS 46, Measurement in measuring assets and liabilities. The measurement requirements described in this Standard apply to both initial and subsequent measurement, unless specific guidance is included in the individual IPSAS. IPSAS 46 will be effective for periods beginning on or after January 1, 2025.

IPSAS 47- Revenue.

IPSAS 47 is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of a binding arrangement. This new Standard provides focused guidance to help entities apply the principles to account for public sector revenue transactions. IPSAS 47 is a single source for revenue accounting guidance in the public sector, which presents two accounting models based on the existence of a binding arrangement. This new Standard provides focused guidance to help entities apply the principles to account for public sector revenue transactions. To meet this objective requires an entity to consider the terms of the transaction, and all relevant facts and circumstances, to determine the type of revenue transaction and set out the accounting requirements to account for the revenue transaction. IPSAS 47 will be effective for periods beginning on or after January 1, 2026.

IPSAS 48: Transfer Expenses. The objective of this standard is to establish the principles that a transfer provider (an entity) shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. In order to meet the objective, This Standard requires an entity to consider the terms of the transaction and all relevant facts and circumstances to determine the type of transfer expense transaction and sets out the accounting requirements for the transfer expense transaction. IPSAS 48 will be effective for periods beginning on or after January 1, 2026.

IPSAS 49: Retirement Benefit Plans. The objective of this standard is to prescribe the accounting and reporting requirements for public sector retirement benefit plans, which provide retirement benefits to public sector employees and other eligible participants. IPSAS 49 will be effective for periods beginning on or after January 1, 2026.

IFRS S1: The objective of IFRS S1 (General Requirements for Disclosure of Sustainability related Financial Information) is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. The Standard requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. This Standard also prescribes how an entity prepares and reports its sustainability-related financial disclosures. It sets out general requirements for the content and presentation of those disclosures so that the information disclosed is useful to primary users in making decisions relating to providing resources to the entity.

IFRS S2: The objective of IFRS S2 (Climate-related Disclosures) is to require an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. The Standard requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. Climate-related risks to which the entity is exposed includes; climate-related physical risks and climate-related transition

NOTE 2: CASH AND CASH EQUIVALENTS

	CONSOLIDATED	CONSOLIDATED	UNIVERSIT	UNIVERSIT
	30.06.2024	30.06.2023	Y	Y
			30.06.202	30.06.202
			4	3
	TZS '000	TZS '000	TZS '000	TZS '000
National Microfinance Bank (NMB)	907,064	607,704	907,064	607,704
National Bank of Commerce (NBC)	-	524,179	-	524,179
CRDB Bank PLC	2,73,780	636,866	1,814,200	454,020
TCB	11,899	11,899	11,899	11,899
Bank of Tanzania	33,557,655	13,173,597	31,749,412	12,045,266
Less: Provision for ECL	(58,263)	(46,881)	(58,263)	(46,881)
TOTAL	36,892,135	14,907,364	34,424,31	13,596,18
			2	7

NOTE 3: RECEIVABLES

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000	TZS '000	TZS '000	TZS '000
Imprest Receivable - Staff	700,093	781,268	700,093	781,268
Receivable (GEPG)	1,248,752	1,449,877	1,248,752	1,449,877
Consultancy deposits	1,842	1,842	-	-
Imprest Receivable-Consultancy	1,414,162	2,153,002	-	-
Withholding tax	200	200	-	-
Advance Income tax	500	-	-	-
Provision for Impairment	(55,301)	(705,414)	(55,301)	(705,414)
Provision for Impairment-ECL	(396,478)	(437,219)	(396,478)	(437,219)
TOTAL	2,913,770	3,243,556	1,497,066	1,088,512

NOTE 4: PREPAYMENTS

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000	TZS '000	TZS '000	TZS '000
Prepayment	40,000	40,914	40,000	40,914
TOTAL	40,000	40,914	40,000	40,914

NOTE 5: INVENTORIES

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000	TZS '000	TZS '000	TZS '000
IT and Computer Accessories	21,586	38,767	21,586	38,767
Building Addition	48,476	74,278	48,476	74,278
Cleaning supplies	2,936	2,936	2,936	2,936
Consumables	63,246	32,702	63,246	32,702
Households	3,388	3,388	3,388	3,388
Learning Materials Addition	47,759	47,759	47,759	47,759
Medical Supplies	9,283	9,283	9,283	9,283
Oil and Lubricants	680	1,624	680	1,624
Printed matters	12,389	12,389	12,389	12,389
Spare parts and tires	1,363	- 1,746	1,363	- 1,746
TOTAL	211,106	221,380	211,106	221,380

NOTE 6: INTANGIBLES

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000	TZS '000	TZS '000	TZS '000
Balance as at 1st July 2023	686,206	561,556	676,783	552,133
Additions (Computer software)	-	124,650	-	124,650
Balance as at 30 June, 2024	686,206	686,206	676,783	676,783
Accumulated Amortization				
Balance as at 1st July 2023	559,198	549,831	552,131	545,119
Charge for the Period	14,820	9,367	12,465	7,012
Balance as 30 June, 2024	574,018	559,198	564,596	552,131
NET BOOK VALUE	112,188	127,008	112,187	124,652

NOTE 7: PAYABLES AND ACCRUALS

Staff Claims consist of staff entitlements (Housing and Responsibility allowances) and staff contributions to the staff superannuation scheme which is 3% of the gross consultancy services fees. The staff entitlements are payable directly by the Treasury while the benefit under the staff superannuation scheme funds is payable upon retirement, termination or death of the staff.

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000	TZS '000	TZS '000	TZS '000
Audit fee Payable	127,384	105,800	107,000	85,416
Retention fees	1,801,970	-	1,801,970	-

Other Payable	997,425	1,528,667	997,425	1,528,667
Staff Claim	3,182,800	4,313,026	3,182,800	4,313,026
Supplies of goods and services	-	131,446	-	125,291
Withholding Tax Payable	74,948	73,046	3,989	4,220
Consultancy deposits	2,723,038	2,497,929	-	-
Consultancy honorarium	3,035	39,223	-	-
Dishonored Cheques	8,028	326	-	-
Office Rent Payable	29,160	19,440	-	-
Value Added Tax Payable	1,768	81,204	-	-
TOTAL	8,949,556	8,789,941	6,093,184	6,056,620

NOTE 8: OTHER BORROWINGS

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	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000	TZS '000	TZS '000	TZS '000
Loan from MLHSD	792,860	792,860	792,860	792,860
TOTAL	792,860	792,860	792,860	792,860

NOTE 9: 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, 2023	128,463,656	37,050,526	10,815,930	2,385,369	5,136,429	183,851,910
Addition	-	368,994	39,726	492,159	6,138	907,016
Cost at 30 June 2024	<u>128,463,656</u>	<u>37,419,520</u>	<u>10,855,656</u>	<u>2,877,528</u>	<u>5,142,567</u>	<u>184,758,926</u>
Depreciation/Impairment						
As at 1 July, 2023	-	6,668,560	8,721,580	1,787,474	3,326,215	20,503,828
Charge for the period	-	889,531	957,455	196,831	384,950	2,428,767
At 30 JUNE, 2024	-	<u>7,558,092</u>	<u>9,679,035</u>	<u>1,984,304</u>	<u>3,711,164</u>	<u>22,932,595</u>
Net Book Value						
At 30 JUNE, 2024	<u>128,463,656</u>	<u>29,861,428</u>	<u>1,176,621</u>	<u>893,223</u>	<u>1,431,402</u>	<u>161,826,331</u>
At 30 JUNE, 2023	<u>128,463,656</u>	<u>30,381,966</u>	<u>2,094,350</u>	<u>597,895</u>	<u>1,810,215</u>	<u>163,392,058</u>

NOTE 9 CONSOLIDATED PROPERTY, PLANT AND EQUIPMENT (PPE)

PARTICULARS	LEASEHOLD LAND	BUILDINGS	FURNITURE AND EQUIPMENT	MOTOR VEHICLE	COMPUTERS AND ACCESSORIES	TOTAL
Cost/	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
As at 1 July, 2023	128,463,656	37,050,526	10,846,409	2,385,369	5,167,591	183,913,361
Addition	-	368,994	39,726	492,159	6,138	907,016
Cost at 30 June 2024	<u>128,463,656</u>	<u>37,419,520</u>	<u>10,886,135</u>	<u>2,877,528</u>	<u>5,173,729</u>	<u>184,820,567</u>
Depreciation/Impairment						
As at 1 July 2023	-	6,668,560	8,727,060	1,787,474	3,339,739	20,522,833
Charge for the period	-	889,531	960,257	196,831	391,610	2,438,229
At 30 JUNE, 2024	-	<u>7,558,092</u>	<u>9,687,317</u>	<u>1,984,304</u>	<u>3,731,349</u>	<u>22,961,062</u>
Net Book Value						
At 30 JUNE, 2024	<u>128,463,656</u>	<u>29,861,428</u>	<u>1,198,818</u>	<u>893,223</u>	<u>1,442,380</u>	<u>161,859,505</u>
At 30 JUNE, 2023	<u>128,463,656</u>	<u>30,381,966</u>	<u>2,094,350</u>	<u>597,895</u>	<u>1,810,215</u>	<u>163,434,694</u>

NOTE 10: WORK IN PROGRESS-

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000	TZS '000	TZS '000	TZS '000
Balance as at 1st July 2023	-	-	-	-
Additions during the year	14,427,203	-	14,427,203	-
Balance as 30th June, 2024	14,427,203	-	14,427,203	-

NOTE 11: PAYABLES AND ACCRUALS (LONG TERM)

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000	TZS '000	TZS '000	TZS '000
Imprest Payable (Imprest Cash)	-	178,823	-	178,823
TOTAL	-	178,823	-	178,823

NOTE 12: DEFERRED INCOME

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000	TZS '000	TZS '000	TZS '000
Development Deferred Income	<u>27,024,890</u>	<u>5,298,830</u>	<u>27,024,890</u>	<u>5,298,830</u>
TOTAL	<u>27,024,890</u>	<u>5,298,830</u>	<u>27,024,890</u>	<u>5,298,830</u>

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000'	TZS '000'	TZS '000'	TZS '000'
The Fund is represented by:				
OT33PR05- ARU VRIL PROJECT	94,668	-	94,668	-
OT33PR08- ARU HEET PROJECT	26,930,222	5,298,830	26,930,222	5,298,830
	<u>27,024,890</u>	<u>5,298,830</u>	<u>27,024,890</u>	<u>5,298,830</u>

NOTE 13: DEPOSIT

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000	TZS '000	TZS '000	TZS '000
Unapplied Deposits				
OT330000-ARDHI UNIVERSITY	64,787	-	64,787	-
OT33PR05- VRIL PROJECT	-	1,502	-	1,502
OT33PR06- ARU SSS	3,126	2,826	3,126	2,826
Sub total	67,913	4,328	67,913	4,328
Deposit General				
OT33PR01-ARU SIDA PROJECT	278,505	424,857	278,505	424,857

OT33PR03- ARU SLGA PROJECT	204,894	2,494	204,894	2,494
OT33PR06- ARU SSS	94,708	71,743	94,708	71,743
OT33PR08- ARU HEET PROJECT	3,193	3,193	3,193	3,193
OT33PR07- ARU RESEARCH	23,798	30,779	23,798	30,779
Sub total	605,098	533,066	605,098	533,066
TOTAL	673,011	537,394	673,011	537,394

NOTE 14 STAFF SUPERANNUATION SCHEME

	CONSOLIDATED 30.06.2024 TZS '000	CONSOLIDATED 30.06.2023 TZS '000	UNIVERSITY 30.06.2024 TZS '000	UNIVERSITY 30.06.2023 TZS '000
As at 1 July 2023	1,442,296	1,469,339	1,442,296	1,469,339
Contributions During the Period	16,211	39,100	16,211	39,100
Interest Earned During the Period	76	2,738	76	2,738
Less: Payment During the Period	(99,060)	(68,881)	(99,060)	(68,881)
As at 30 June, 2024	<u>1,359,523</u>	<u>1,442,296</u>	<u>1,359,523</u>	<u>1,442,296</u>

Staff Pension Superannuation Scheme consist of contributions to the staff superannuation scheme which is 3% of the gross consultancy services fees. The staff benefits under the funds are payable upon retirement, termination or death. The contributions are deposited with CRDB Bank Limited in a savings account.

	CONSOLIDATED 30.06.2024 TZS '000'	CONSOLIDATED 30.06.2023 TZS '000'	UNIVERSITY 30.06.2024 TZS '000'	UNIVERSITY 30.06.2023 TZS '000'
The Fund is represented by:				
THTU Loan	224,295	196,852	224,295	196,852
SACCOS Loan	145,332	170,999	145,332	170,999
Bank Balances-CRDB	40,021	74,570	40,021	74,570
Bank Balances-BOT	999,875	999,875	999,875	999,875
	<u>1,359,523</u>	<u>1,442,296</u>	<u>1,359,523</u>	<u>1,442,296</u>

NOTE 15: TAXPAYERS FUND

Taxpayer's fund includes the contributions from the Government and development partners during establishments of Ardhhi University. Furthermore, the fund also included the net assets inherited/transferred from the former National Housing and Building Research Agency amounting to TZS 8,302,447,000.

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000'	TZS '000'	TZS '000'	TZS '000'
As at 1 July 2023				
Increase in Taxpayers fund	17,894,240	8,059,790	17,894,240	8,059,790
	=	<u>9,834,450</u>	=	<u>9,834,450</u>
Balance at 30 June 2024	<u>17,894,240</u>	<u>17,894,240</u>	<u>17,894,240</u>	<u>17,894,240</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	9,100	9,100	9,100	9,100
International				
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	39,489	39,489	39,489	39,489
Capital Grant				
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	4,208	4,208	4,208	4,208
Grants				
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
Lease hold land ILALA FLATS	1,532,003	1,532,003	1,532,003
Acquisition of former NHBRA	<u>8,302,447</u>	<u>8,302,447</u>	<u>8,302,447</u>
TOTAL	<u>17,894,240</u>	<u>17,894,240</u>	<u>17,894,240</u>

NOTE 16: OTHER REVENUES

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000	TZS '000	TZS '000	TZS '000
Application fee	116,832	115,590	116,832	115,590
Hire of Services		-		-
	17,500		17,500	
Revenue from Research Fees	2,492,830	1,118,605	2,492,830	1,118,605
Miscellaneous Revenue	489,442	42,832	489,442	42,832
Professional Fees	121,760	-	121,760	-
Revenue from Certificates		32,711		32,711
	28,500		28,500	
Examination Fees		-		-
	74,244		74,244	
Rent of Government Quarters	567,040	42,260	567,040	42,260
TOTAL	3,908,148	1,351,998	3,908,148	1,351,998

NOTE 17: REVENUES FROM EXCHANGE TRANSACTIONS

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000	TZS '000	TZS '000	TZS '000
Graduation Gown hire	26,370	38,722	26,370	38,722
Printing and Publications	77,378	179,819	77,378	179,819
Revenue From Commissions	20,836	16,983	20,836	16,983
Consultancy Fees			87,218	920,531
	4,950,308	2,763,864		
Medical and Dental fees	14,827	6,157	14,827	6,157
Sale of Government Assets	-	22,201	-	22,201
Tender fees- Exchange	-	304,396	-	304,396
Tuition Fees for University/College	7,706,897	7,227,217	7,706,897	7,227,217
TOTAL	12,796,616	10,559,359	7,933,526	8,716,026

NOTE 18: REVENUES GRANTS

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000	TZS '000	TZS '000	TZS '000
Govt Grant Development Foreign	14,613,795	1,702,628	14,613,795	1,702,628
Govt Grant Development Local	-	3,083	-	3,083
TOTAL	14,613,795	1,705,711	14,613,795	1,705,711

NOTE 19: SUBVENTIONS FROM OTHER GOVERNMENT ENTITY

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
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	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000	TZS '000	TZS '000	TZS '000
Govt Grant Personal Emolument	16,035,239	14,741,777	16,035,239	14,741,777
Monetary Revenue - Capital	-	1,066,020	-	1,066,020
Subvention devpt foreign	-	668,9670	-	668,9670
TOTAL	16,035,239	16,476,800	16,035,239	16,476,800

NOTE 20: FAIR VALUE GAINS ON ASSETS AND LIABILITIES

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000	TZS '000	TZS '000	TZS '000
Reversal of provision for impairment	-	-	0	281,940
TOTAL	-	-	0	281,940

NOTE 21: WAGES, SALARIES AND EMPLOYEE BENEFITS

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000	TZS '000	TZS '000	TZS '000
Acting Allowance	-	118,637	-	118,637
Casual Labour	-	4,370	-	4,370
Discretionary				
Civil Servants	16,035,239	12,914,690	16,035,239	12,914,690
Civil Servants			110,035	
Contracts	110,035	36,546		36,546
Councillors				
Allowance	97,100	107,093	97,100	107,093
Electricity	7,380	7,300	7,380	7,300
Extra-Duty	246,586	342,211	246,586	342,211
Food and				
Refreshment	2,009	1,495	2,009	1,495
Honoraria	579,928	620,058	579,928	620,058
Housing allowance	342,000	-	342,000	-
Expenses				
Leave Travel	54,496	52,161	54,496	52,161
Local Staff				
Salaries	6,643	-	6,643	-
Medical and				
Dental Refunds	619	1,083	619	1,083
Outfit Allowance	2,340	600	2,340	600
Responsibility				
Allowance	234,395	1,035,647	234,395	1,035,647
Sitting Allowance	295,470	261,927	295,470	261,927
Special	358,286	165,509	358,286	165,509
Allowance				
Telephone	6,482	6,190	6,482	6,190
TOTAL	18,379,008	15,675,515	18,379,008	15,675,515

NOTE 22: USE OF GOODS AND SERVICES

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000	TZS '000	TZS '000	TZS '000
Accommodation Training - Domestic	46,823	10,636	46,823	10,636
Advertising and publication	6,650	-	6,650	-
Advertising- Communication & Info	11,698	22,333	11,698	22,333
Air Travel Tickets Training - Domestic	-	1,000	-	1,000
Air Travel Tickets Training - Foreign	6,584	6,246	6,584	6,246
Air Travel Tickets Travel - In - Country	5,161	17,526	5,161	17,526
Air Travel Tickets-Out of Country	24,922	13,866	24,922	13,866
Classroom Teaching Supplies	9,047	13,560	9,047	13,560
Cleaning Supplies	-	750	-	750
Computer Supplies and Accessories	61,460	1,616	61,460	1,616
Conference Facilities	67,377	24,336	67,377	24,336
Consultancy execution costs	3,599,207	867,058	-	-
Contract based training services	549,175	593,519	549,175	593,519
Diesel	159,227	240,257	159,227	240,257
Drugs and Medicines	16,428	55,615	16,428	55,615
Electricity - Utilities Supplies	333,944	-	333,944	-
Entertainment - Hospitality	89,451	77,058	89,451	77,058
Examination Expenses	25,000	-	25,000	-
Exhibition, Festivals and Celebrations	800	500	800	500
Food and Refreshments	323,758	244,275	323,758	244,275
Fumigation Expenses	2,000	-	2,000	-
Furniture and Appliances	17,100	15,257	17,100	15,257

Gifts and Prizes	10,920	8,250	10,920	8,250
Ground Transport (Bus, Train, Water)	37,446	10,400	37,446	10,400
Ground travel - In - Country	387,721	264,661	387,721	264,661
Ground travel -Out of Country	31,782	-	31,782	-
Health Insurance Travel	2,000	-	2,000	-
Hiring of Training Facilities	303	27,140	303	27,140
Internet and Email connections	250,527	290,383	250,527	290,383
Laboratory Supplies	432	4,183	432	4,183
Mobile Charges	51,130	52,000	51,130	52,000
News Services Fees	4,000	3,000	4,000	3,000
Newspapers and Magazines	9,010	10,028	9,010	10,028
Office Consumables	74,159	683,175	74,159	683,175
Outsourcing Costs	353,629	773,457	353,629	773,457
Per Diem - Domestic	1,288,025	468,897	1,288,025	468,897
Per Diem - Foreign	31,893	24,702	31,893	24,702
Petrol	7,500	456	7,500	456
Posts and Telegraphs	8,926	9,937	8,926	9,937
Printing accessories	10,883	10,200	10,883	10,200
Printing and Photocopy paper	68,288	7	68,288	7
Printing and Photocopying Costs	91,608	95,008	91,608	95,008
Printing Material	87,512	26,241	87,512	26,241
Production and Printing of Materials	2,980	-	2,980	-
Publicity	4,000	2,075	4,000	2,075
Rent - Housing	-	525	-	525
Rent - Office Accommodation	-	2,400	-	2,400
Rent of Private vehicles	177,569	159,725	177,569	159,725
Rent of Vehicles and Crafts	-	15,307	-	15,307

Research and Dissertation - Domestic	1,758,722	1,355,926	1,758,722	1,355,926
Research and Dissertation - Foreign	64,859	-	64,859	-
Sewage Charges	2,340	1,640	2,340	1,640
Software License Fees	9,794	32,025	9,794	32,025
Sporting Supplies	9,564	11,520	9,564	11,520
Subscription Fees	35,850	50,220	35,850	50,220
Technical Materials	68,255	27,064	68,255	27,064
Technical Service Fees	3,032	7,808	3,032	7,808
Telephone Charges (Land Lines)	585	20,660	585	20,660
Testing Facilities	10,852	2,335	10,852	2,335
Training Allowances	133,583	85,636	133,583	85,636
Training Materials	12,865	-	12,865	-
Tuition Fees Training - Domestic	155,158	182,113	155,158	182,113
Tuition Fees Training - Foreign	57,862	-	57,862	-
Uniforms and Ceremonial Dresses	12,400	11,757	12,400	11,757
Uniforms	14,140	26,483	14,140	26,483
Upkeep Allowances	144,844	-	144,844	-
Upkeep/ Stipend Allowance	-	189,580	-	189,580
Visa Application Fees	1,475	-	1,475	-
Water Charges	248,357	254,687	248,357	254,687
Water Transport	1,860	-	1,860	-
Wire, Wireless, Telephone	1,400	-	1,400	-
TOTAL	11,095,852	7,407,019	7,496,645	6,539,961

NOTE 23: MAINTAINANCE EXPENSES

	CONSOLIDATED 30.06.2024 TZS '000	CONSOLIDATED 30.06.2023 TZS '000	UNIVERSITY 30.06.2024 TZS '000	UNIVERSITY 30.06.2023 TZS '000
Air conditioners	4,250	18,382	4,250	18,382

Computers, printers, scanners	2,366	-	2,366	-
Direct labour -Buildings	-	100,502	-	100,502
Direct labour- Machinery, Equipment	-	3,775	-	3,775
Direct labour - Water and Electricity	3,600	-	3,600	-
Electrical and Other Cabling Materials	17,812	64,381	17,812	64,381
Motor Vehicles and Water Craft	212	61,314	212	61,314
Oil, grease, and chemical materials	2,055	-	2,055	-
Outsource - Office Equipment	-	6,292	-	6,292
Outsource Vehicles and Transportation	35,058	6,653	35,058	6,653
Photocopiers	26,122	4,948	26,122	4,948
Photographic and survey equipment	-	19,991	-	19,991
Plumbing Supplies and Fixtures	2,790	13,434	2,790	13,434
Spare Parts - Vehicles	336	5,338	336	5,338
Tyres and Batteries	7,348	9,326	7,348	9,326
TOTAL	101,949	314,336	101,949	314,336

NOTE 24: OTHER EXPENSES

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000	TZS '000	TZS '000	TZS '000
Audit fees	128,354	97,312	128,354	97,312
Expenses				
Bank Charges	3,000	4,970	3,000	4,970
Burial Expenses	30,771	21,512	30,771	21,512
Capacity Charges	9,225	13,232	9,225	13,232
Consultancy fees	275,822	-	275,822	-
Education	29,996	62,784	29,996	62,784
supervision exp				
Freight	1,570	-	1,570	-
Forwarding				
Charges				
Honorariums	10,650	5,950	10,650	5,950
expenses				
Insurance	108,254	93,324	108,254	93,324
Expenses				
Legal fees	2,346	-	2,346	-
Expenses				
Parastatal	540,034	232,541	540,034	232,541
Rehabilitation				
Security Services	98,527	-	98,527	-

Sundry Expenses	637,534	333,256	380,236	133,820
Transportation exp -Water	56,050	43,950	56,050	43,950
Upkeep of Grounds and Amenities	1,471	-	1,471	-
TOTAL	1,933,604	908,831	1,676,306	709,395

NOTE 25: SOCIAL BENEFITS

	CONSOLIDATED 30.06.2024 TZS '000	CONSOLIDATED 30.06.2023 TZS '000	UNIVERSITY 30.06.2024 TZS '000	UNIVERSITY 30.06.2023 TZS '000
Funeral benefits - Social	27,000	25,141	27,000	25,141
TOTAL	27,000	25,141	27,000	25,141

NOTE 26: SUBSIDIES

	CONSOLIDATED 30.06.2024 TZS '000	CONSOLIDATED 30.06.2023 TZS '000	UNIVERSITY 30.06.2024 TZS '000	UNIVERSITY 30.06.2023 TZS '000
Tanzania Electric Supply Company (TANESCO)	-	330,429	-	330,429
TOTAL	-	330,429	-	330,429

NOTE 27: 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 2024 the amount of funds invested by ARU stand at TZS 64,865,000.

NOTE 28: INCOME TAX PROVISION TZS 299,305,149

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

TAX COMPUTATION FOR YEAR ENDED 30 JUNE 2024

SUMMARY OF INCOME TAX COMPUTATION

DETAILS	SCHEDULES	SUB TOTAL	TOTAL
Profit before tax	IS/SCH 3		992,496,036
ADD:			
Disallowable items-permanent	SCH 4	2,800,000	
Increase in general provisions	SCH 7A	-	

Capital deductions-balancing charge		-	
Foreign currency translation loss	SCH 4A	-	
Depreciation and amortization	SCH 3	11,817,700	
Interest and Amortization (Application of IFRS 16)	SCH 7B	-	
Loss on disposal of fixed assets	SCH 4A	-	
			14,617,700
LESS:			
Depreciation allowances	SCH 5	9,429,905	
Gain on disposal of fixed assets	SCH 3	-	
Decrease in general provisions	SCH 7A	-	
Rent Payment	SCH 7B	-	
Foreign currency translation loss	SCH 4A	-	
Utilisation of general provisions		-	
Other income - Dividend (Final Payment)	SCH 3	-	
			9,429,905
Income before interest			997,683,831
Interest deferral/(reversal)			-
Adjusted income			997,683,831
Loss b/f			-
Taxable income			997,683,831
Income tax charge - 30%			299,305,149
Alternative Minimum Tax (0.5%)			
Less:			
Instalment taxes	REC #		
First Instalment	30/09/2023	-	
Second Instalment	31/12/2023	-	
Third Instalment	31/03/2024	30,000,000	
Fourth Instalment	30/06/2024	30,000,000	-60,000,000
Withholding tax			-194,273,425
Tax payable/(receivable)			299,305,149
Tax paid in Instalments			-60,000,000
Net tax payable/(repayable)	BS		45,031,724
Income tax liability		299,305,149	
Deferred tax liability/(Asset)	SCH 1	-716,339	
Prior year			
Total tax charge		298,588,810	

NOTE 29: COMPUTATION OF DIVIDEND AND DIVIDEND PAYABLE

As a shareholder, the University receives dividends from the company's net profits on a project-by-project basis. For the financial year ending June 30, 2024, ABECC retained ARU distribution from fee notes (30%), totalling TZS 713,769,491. This retained distribution served as the basis for calculating the dividend declared during the 19th ABECC Board meeting. The declared dividend was determined after accounting for the proportion of income tax payable, as detailed below.

S/N	Descriptions	Amount (TZS)
1.	30%-ARU distribution from the fee note received	713,769,491
2.	Less: The proportion of income tax Paid/payable	<u>70,089,583</u>
	Dividend declared	<u>643,679,908</u>

Dividend Payable: Dividend Movements

Description	Amount (TZS)
Dividend declared Year 2021/22	621,206,306
Less: Payments 22/23	(503,177,108)
Balance	118,029,198
Add: Dividend declared Year 2022/23	415,070,036
cumulative balance	533,099,234
Less: Payments during the year 23/24	(477,190,666)
Balance	55,908,568
Add: Dividend declared Year 2023/24	<u>643,679,908</u>
Dividend payable as at June 2024	<u>699,588,476</u>

NOTE 30: 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.

During the year the University incurred expenditure amounting to TZS 2,061,994,100 in respect of related party transactions. Key Management short term benefits which were paid included salaries, allowances and social security contributions as follows: -

	2023/2024	2022/2023
	TZS	TZS
Salaries	1,492,306,000	1,489,808,000
Allowances	494,872,800	502,675,800
PSSSF	<u>74,815,300</u>	<u>74,490,400</u>
Total	<u>2,061,994,100</u>	<u>2,066,974,200</u>

Council members' fees and related costs amounted to TZS 107,093,000 paid during the year under review while TZS 107,093,000 was paid during 2022/2023 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.

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

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000	TZS '000	TZS '000	TZS '000
Finance costs	2,270	1,669	-	-
TOTAL	2,270	1,669	-	-

NOTE 32: IMPAIRMENT OF RECEIVABLES-EXPECTED CREDIT LOSS

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000	TZS '000	TZS '000	TZS '000
Opening Balance 1 July	437,219	-	437,219	-
Additions/(Reversal)	(40,741)	437,219	(40,741)	437,219
Closing Balance 30 June	396,478	437,219	396,478	437,219

ECL figure recognized in the statement of financial performance included the ECL from both receivables and cash. ECL Reversal shown here resulted from the decrease in ECL from receivables from TZS 437,219 in June 2023 to TZS 396,478 in June 2024. Therefore, in June 2024 ECL expenses comes from Cash only while ECL reversal comes from receivables only.

NOTE 33: PROVISION FOR AUDIT FEES

	CONSOLIDATED	CONSOLIDATED	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023	30.06.2024	30.06.2023
	TZS '000	TZS '000	TZS '000	TZS '000
Provision for audit fee	127,384	116,800	107,000	85,416
TOTAL	127,384	116,800	107,000	85,416

The amount of Audit fee provided in the financial year 2023/2024 were TZS 107,00,000 for ARU and TZS 20,384,000 for ABECC.

NOTE 34: STATEMENT OF RECONCILIATION BETWEEN OPERATING CASHFLOW AND STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

	UNIVERSITY	UNIVERSITY
	30.06.2024	30.06.2023
Surplus/ Deficit for the Period	12,397,926,795	2,549,086,571
Add/ (Less) Non-Cash Item		
Amortization of Intangible Assets	12,465,000	7,012,112
Depreciation of Property, Plant and Equipment	2,428,767,084	1,897,499,164
Fair value Gains on Assets and Liabilities	(40,741,210)	(281,940,189)

Expected Credit Loss Impairment	11,382,252	484,099,938
Non-Monetary Revenue - Capital	-	(1,066,052,913)
Add/ (Less) Change in Working Capital		
Deferred Income	21,726,059,701	4,475,679,087
Inventories	(15,529,418)	35,807,917
Other Receipt	(466,072,404)	(112,936,868)
Payables and Accruals	(163,842,338)	552,096,797
Prepayments	914,100	148,862,116
Receivables	282,397,204	(551,151,866)
Net Cash Flow from Operating Activities	36,173,726,766	8,138,061,866

NOTE 35: CASH FLOW RECONCILIATION FOR THE YEAR ENDED 30 JUNE 2024

	UNIVERSITY	UNIVERSITY
	TZS "000"	TZS "000"
	30.06.2024	30.06.2023
Revenue Grants		
Government Grant Development Foreign	-	1,702,628
Government Grant Development Local	-	3,083
Receipt	-	1,705,711
Add/Less (Change in Working Capital)		
Development Deferred Income Addition	21,726,060	5,298,830
Recurrent Deferred Income Addition	-	149,109
Receipt	21,726,060	7,153,651
Revenue from Exchange Transactions		
Graduation Gown hire - Exchange	26,370	38,722
Printing and Publications	77,378	179,819
Revenue From Commissions- Exchange	20,836	16,983
Revenue from Consultancy Fees- Exchange	87,219	920,531
Revenue from Medical and Dental Charges	14,827	6,157
Sale of Government Assets- Exchange	-	22,201
Tender fees- Exchange	-	304,396
Tuition Fees for University/College Students- Exchange	7,706,897	7,227,217
Receipt	7,933,526	8,716,026
Add/Less (Change in Working Capital)		
Receivable (GEPG)	201,124	60,838
Receipt	8,134,650	8,776,864
Other Revenue		
Application fee	116,832	115,590
Hire of Services	17,500	-
Interest from Revenue from Research Fees	2,492,830	1,118,604
Miscellaneous Revenue	489,442	42,832
Professional Fees	121,760	-

Revenue from Certificate of Competence	28,500	32,711
Revenue from Examination Fees	74,244	-
Revenue from Rent of Government Quarters	567,040	42,260
Receipt	3,908,148	1,351,998
Add/Less (Change in Working Capital)		
Other Revenue Addition	-	(793,854)
Receipt	3,908,148	558,143
Subvention from other Government entities		
Government Grant Personal Emolument	16,035,239	14,741,777
Non-Monetary Revenue - Capital	-	1,066,053
Subvention Development Foreign	14,613,795	668,970
Receipt	30,649,034	16,476,800
Add/Less (Change in Working Capital)		
Deferred Subvention Capital	-	(141,233)
Deferred Subvention Current	-	(831,028)
Non-Monetary Revenue - Capital	-	(1,066,053)
Receipt	30,649,034	14,438,486
Wages, Salaries and Employee Benefits		
Acting Allowance	(61,910)	118,637
Casual Labour Discretionary	-	4,370
Civil Servants	16,035,239	12,914,690
Civil Servants Contracts	110,035	36,546
Councillors Allowance	97,100	107,093
Electricity	7,380	7,300
Extra-Duty	308,496	342,211
Food and Refreshment	2,009	1,495
Honoraria	579,928	620,058
Housing allowance Expenses	342,000	-
Leave Travel	54,496	52,161
Local Staff Salaries	6,643	-
Medical and Dental Refunds	619	1,083
Outfit Allowance	2,340	600
Responsibility Allowance	234,395	1,035,647
Sitting Allowance	295,470	261,927
Special Allowance	358,286	165,509
Telephone	6,481	6,190
Payment	18,379,008	15,675,515
Add/Less (Change in Working Capital)		
Loan Payable Current	-	1,011,617
Staff Claim Addition	1,130,225	(1,512,678)
Payment	19,509,233	15,174,455
Use of Goods and Service		
Accommodation Training - Domestic	46,823	10,636
Advertising and publication	6,650	-

Advertising and Publication - Communication & Information	11,698	22,333
Air Travel Tickets Training - Domestic	-	1,000
Air Travel Tickets Training - Foreign	6,584	6,246
Air Travel Tickets Travel - In - Country	5,161	17,526
Air Travel Tickets Travel Out Of Country	24,922	13,866
Classroom Teaching Supplies	9,047	13,560
Cleaning Supplies - Use of goods and Services	-	750
Computer Supplies and Accessories	61,460	1,616
Conference Facilities	67,377	24,336
Contract based training services	549,175	593,519
Diesel	159,227	240,257
Drugs and Medicines	16,428	55,615
Electricity - Utilities Supplies and Services	333,944	-
Entertainment - Hospitality Supplies and Services	89,451	77,058
Examination Expenses	25,000	-
Exhibition, Festivals and Celebrations	800	500
Food and Refreshments	323,758	244,275
Fumigation Expenses	2,000	-
Furniture and Appliances	17,100	15,257
Gifts and Prizes	10,920	8,250
Ground Transport (Bus, Train, Water)	37,446	10,400
Ground travel (bus, railway taxi, etc) Travel - In - Country	387,721	264,661
Ground travel (bus, railway taxi, etc) Travel Out of Country	31,782	-
Health Insurance Travel Out of Country	2,000	-
Hiring of Training Facilities	303	27,140
Internet and Email connections	250,526	290,383
Laboratory Supplies	432	4,183
Mobile Charges	51,130	52,000
News Services Fees	4,000	3,000
Newspapers and Magazines	9,011	10,028
Office Consumables (papers, pencils, pens and stationaries)	74,159	683,175
Outsourcing Costs (includes cleaning and security services)	353,629	773,457
Per Diem - Domestic	1,288,025	468,897
Per Diem - Foreign	31,893	24,702
Petrol	7,500	456
Posts and Telegraphs	8,926	9,937
Printing accessories	10,883	10,200
Printing and Photocopy paper	68,288	7
Printing and Photocopying Costs	91,608	95,008
Printing Material	87,512	26,241
Production and Printing of Training Materials	2,980	-
Publicity	4,000	2,075
Rent - Housing	-	525
Rent - Office Accommodation	-	2,400
Rent of Private vehicles	177,569	159,725
Rent of Vehicles and Crafts	-	15,307
Research and Dissertation Training - Domestic	1,758,722	1,355,926
Research and Dissertation Training - Foreign	64,859	-

Sewage Charges - Utilities Supplies and Services	2,340	1,640
Software License Fees	9,794	32,025
Sporting Supplies	9,564	11,520
Subscription Fees	35,850	50,220
Technical Materials	68,255	27,064
Technical Service Fees	3,032	7,808
Telephone Charges (Land Lines)	585	20,660
Testing Facilities	10,852	2,335
Training Allowances	133,583	85,636
Training Materials	12,865	-
Tuition Fees Training - Domestic	155,158	182,113
Tuition Fees Training - Foreign	57,862	-
Uniforms and Ceremonial Dresses	12,400	11,757
Uniforms -Clothing, Bedding, Footwear and Services	14,140	26,483
Upkeep Allowances	144,844	-
Upkeep/ Stipend Allowance	-	189,580
Visa Application Fees	1,475	-
Water Charges	248,357	254,687
Water Transport	1,860	-
Wire, Wireless, Telephone, Telex Services and Facsimile	1,400	-
Payment	7,496,645	6,539,961
Add/Less (Change in Working Capital)		
IT and Computer Accessories	(17,180)	29,567
Advance Payment	-	(11,078)
Cleaning supplies	-	2,421
Consumables	30,544	(955)
Contracts and Work in Progress Payable	(1,801,970)	-
Foodstuffs	-	(1,301)
Households	-	(61,837)
Imprest Payable Long Term Addition	178,823	(178,823)
Imprest Receivable - Staff	(81,176)	(185,368)
Learning Materials Addition	-	1,995
Medical Supplies	-	(4,604)
Oil and Lubricants	(944)	(645)
Prepayment Consumables	(914)	(137,784)
Printed matters	-	2,891
Spare parts and tyres	3,109	(3,338)
Supplies of goods and services Addition	125,291	96,932
Withholding tax	(166)	166
Withholding Tax Payable Addition	396	(4,127)
	(1,564,187)	(455,890)
Payment	5,932,458	6,084,070
Maintenance Expenses		
Air conditioners	4,250	18,382
Computers, printers, scanners, and other computer related equipment	2,367	-

Direct labour (contracted or casual hire) - Buildings	-	100,502
Direct labour (contracted or casual hire) - Machinery, Equipment and Plant	-	3,775
Direct labour (contracted or casual hire) - Water and Electricity	3,600	-
Electrical and Other Cabling Materials - Buildings	17,813	64,381
Motor Vehicles and Water Craft	212	61,314
Oil, grease, and other chemical materials	2,055	-
Outsource maintenance contract services - Office Equipment and Appliances	-	6,291
Outsource maintenance contract services - Vehicles and Transportation Equipment	35,058	6,653
Photocopiers	26,122	4,948
Photographic and survey equipment	-	19,991
Plumbing Supplies and Fixtures	2,790	13,434
Spare Parts - Vehicles and Transportation Equipment	336	5,338
Tyres and Batteries	7,348	9,326
Payment	101,949	314,336
Social Benefits		
Funeral benefits - Social	27,000	25,141
Payment	27,000	25,141
Other Expenses		
Audit fees Expenses	128,354	97,312
Bank Charges and Commissions	3,000	4,970
Burial Expenses	30,771	21,512
Capacity Charges	9,225	13,232
consultancy fees	275,822	-
education supervision expenses	29,996	62,784
Freight Forwarding and Clearing Charges	1,570	-
Honorariums (expert opinion)	10,650	5,950
Insurance Expenses	108,254	93,324
Legal fees Expenses	2,346	-
Parastatal Rehabilitation	540,034	232,542
Security Services	98,527	-
Sundry Expenses	380,236	133,820
Transportation Cost by Water	56,050	43,950
Upkeep of Grounds and Amenities Expenses	1,471	-
Payment	1,676,306	709,395
Add/Less (Change in Working Capital)		
Other Payable	531,243	112,769
Payment	2,207,549	822,164
Subsidies		
Tanzania Electric Supply Company Limited (TANESCO)	-	330,429
Payment	-	330,429

Increase/Decrease in Deposit		
Deposit General	204,158	-
Deposit General	(670,134)	(38,487)
	(465,976)	(38,487)
Acquisition of Property, Plant and Equipment		
Hardware: servers and equipment (incl. desktops, laptops etc	(6,137)	(395,283))
Motor vehicles, Monetary	(492,159)	(8,750)
Office buildings and structures Monetary	(368,994)	(42,661)
Office Furniture and Fittings Monetary	(39,726)	(601,538)
Payment for Work in Progress	(14,427,203)	(579,783)
Prepayment Assets	-	(95,804)
Payment	(15,334,219)	(1,723,819)
Acquisition of Intangibles		
Computer Software Monetary	-	(124,651)
Payment	-	(124,651)
Cash proceeds from other short or long-term borrowings		
Loan from MLHSD	-	792,860
Payment	-	792,860

NOTE 36: STATEMENT OF RECONCILIATION BETWEEN BUDGET AND CASH FLOW

DETAILS	ACTUAL AMOUNT ON COMPARABLE BASIS	CASH FLOW	DIFFERENCE
Receipts	TZS "000"	TZS "000"	TZS "000"
Subvention from Other Govt Entities	30,649,033	30,649,033	-
Revenue Grants	21,726,060	21,726,060	-
Revenue from Exchange Transactions	8,134,651	8,134,651	-
Other Revenues	3,908,148	3,908,148	-
Other Receipts	204,158	204,158	-
Total Receipts	64,622,050	64,622,050	-
Payments			
Wages, Salaries and Employee Benefits	19,509,233	19,509,233	-
Use of Goods and Service	5,932,458	5,932,458	-
Social Benefits	27,000	27,000	-
Other Payments	670,134	670,134	-
Other Expenses	2207549	2207549	-
Maintenance Expenses	101,949	101,949	-
Cash Out Flow from Operating Activities	28,448,323	28,448,323	-
Net cash flows from operating activities	36,173,727	36,173,727	-
Cash flows from investing activities			

Acquisition of Property, Plant and Equipment (PPE)	907,016	907,016	-
Acquisition of Work in Progress	14,427,203	14,427,203	-
Net cash flows used in investing activities	15,334,219	15,334,219	-

NOTE 37: 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 2024 the following budget line adjustments exceeds the maximum percentage set out within the standard.

Budget line adjusted	Adjustment amount	Adjustment percentage	Explanations
Maintenance expenses	201,310,000	55.6%	During the period the budget for maintenance expenses were adjusted to reflect the projected expenses needs.

Explanation for material variances

Budget line item	Variance amount "000"	Variance percentage	Explanations
Revenue Grants	17,605,761	33%	Delay in the implementation of infrastructure activities under HEET Project in Mwanza Campus.
Revenue from Exchange Transactions	4,701,401	37%	Few students compared to target was enrolled during the year as well as shifting of Consultancy activities to ABECC.
Other Revenue	3,757,170	49%	Few students compared to target was enrolled during the year
Maintenance Expenses	461,478	82%	Few rehabilitation and maintenance activities undertaken during the period.
Other expenses	1,092,505	33%	Some of the procurements were not undertaken due to delays in procurement cycle and procedures from TANEPs.
Supplies and Consumables	4,021,180	42%	Some of the procurement of materials related to HEET project were not undertaken due to delays in procurement procedures from STEP.
Acquisition of PPE	42,454,324	72%	Delay in the implementation of infrastructure activities for Mwanza Campus under HEET during the year.

NOTE 38: CONTRIBUTIONS TO THE GOVERNMENT

During the financial year 2023/2024 the University contributed to the government consolidated fund a total amount of TZS 280 million as set in the annual budget for the financial year that ended 30th June 2024.

NOTE 39: INTER PUBLIC ENTITIES TRANSACTIONS

S/N	ENTITY NAME	AMOUNT(TZS)
1	AGENCY FOR THE DEVELOPMENT OF EDUCATION	2,937,500.00
2	CONTROLLER AND AUDITOR GENERAL	110,112,000.00
3	TANZANIA REVENUE AUTHORITY	286,340,877.77
4	DAWASA	250,606,942.80
5	KINONDONI MUNICIPAL COUNCIL	1,037,008.00
6	GOVERNMENT PROCUREMENT SERVICES AGENCY	357,735,292.35
7	MEDICAL STORE DEPARTMENT	11,055,122.58
8	MINISTRY OF LANDS REVENUE COLLECTION AC	7,366,002.00
9	NATIONAL BOARD OF ACCOUNTANTS AND AUDITORS	5,400,000.00
10	NATIONAL EXAMINATION COUNCIL OF TANZANIA	10,500,000.00
11	NATIONAL INSURANCE CORPORATION	4,245,860.94
12	NELSON MANDELA AFRICAN INSTITUTE OF SCIENCE AND TECHN	16,855,000.00
13	PUBLIC PROCUREMENT REGULATORY AUTHORITY	5,500,000.00
14	TANZANIA COMMISSION FOR UNIVERSITIES	125,294,000.00
15	TANZANIA COMMISSION FOR SCIENCE AND TECHNOLOGY	5,400,000.00
16	TANZANIA EDUCATION AND RESEARCH NETWORK	500,000.00
17	TANZANIA ELECTRIC SUPPLY COMPANY	301,335,165.63
18	TANZANIA LIBRARY SERVICES BOARD	400,000.00
19	TANZANIA POSTS CORPORATION	4,917,100.00
20	TANZANIA PUBLIC SERVICE COLLEGE	27,880,000.00
21	TANZANIA TRADE DEVELOPMENT AUTHORITY	3,001,768.96
22	TEMESA	22,587,506.90
23	THE TREASURY REGISTRY	280,000,000.00
24	TANZANIA TELECOMMUNICATION CORPORATION	247,043,328.87
25	UNIVERSITY OF DAR ES SALAAM	13,915,000.00
TOTAL PAYMENTS MADE		2,101,965,476.80
PAYABLES		
S/N	ENTITY NAME	AMOUNT
1	NATIONAL AUDIT OF TANZANIA	127,384,000
2	TANZANIA REVENUE AUTHORITY	76,716,000
3	MLHSD	792,860,000
TOTAL		996,960,000
PREPAYMENT		
S/N	ENTITY NAME	AMOUNT
1	DODOMA CITY COUNCIL	40,000,000

NOTE 40: EVENTS AFTER THE REPORTING DATE

Events after the reporting period are those events favourable and unfavourable that occur between the end of the reporting period and the date when the financial statements are authorized for issuance. Two types of events can be identified;

- Those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- Those that are indicative of conditions that arose after the reporting period (non-adjusting event after the reporting period).

The University had no events after the reporting date which needed to be adjusted. However, Management wishes to disclose the following non-adjusting event;

- On 30 October 2024, the President of the United Republic of Tanzania HE Dr. Samia Suluhu Hassan appointed Ambassador Salome Thadaus Sijaona to continue with her present post as Council Chairperson of Ardhi University for the second term.
- On 30 July 2024, Chief Secretary-President Office in line with section D.33(2) (c) and 33 (4) of the Standing Orders of the Public Service 2009 approved permit to employ on contract terms Professor Evaristo Joseph Liwa to continue with his present post as Vice Chancellor of Ardhi University from 30th July 2024 to 29 November 2027.

NOTE 41: 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 42: 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 5,850,811,350 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 the Hotel Facility in Kibaha. Kiundo terminated the contract and filed Arbitration against the University. The commercial court ruled in favour of Kiundo. The University through the office of Solicitor General has lodged an	ARU is likely to win

application for extension of time to Appeal to the Court of Appeal.

The ruling was delivered in favour of ARU, the University has lodged document for extension of time waiting for hearing date.

5,850,811,
350

NOTE 43: PREVIOUS PERIOD'S FIGURES

Previous period's figures have been re-arranged whenever considered necessary in order to make them comparable with current year's figures and to fit within the new template of financial statements developed from the Integrated Financial Management Information System (MUSE). The table below shows previous year's figures that have been restated.

S/N	ITEM	ORIGINAL AMOUNT	RESTATED AMOUNT	DIFFERENCE	REASON FOR RESTATEMENT
		30.06.2023 TZS '000'	30.06.2023 TZS '000'	30.06.2023 TZS '000'	
1	Cash and Cash Equivalents	12,290,354	14,628,487	(2,338,133)	Changes in presentation, classification and inclusions of projects created separately to University Consolidation following adoption of MUSE format for financial statement preparation.
2	Receivables	1,321,616	1,085,312	236,304	Implementation of IPSAS 41, exclusion of prepayments and the changes in presentation and classification following adoption of MUSE format for financial statement preparation.
3	Prepayments	-	40,914	(40,914)	Changes in presentation and classification following adoption of MUSE. This figure was part of Receivables in the previous format.
4	Inventories	253,507	221,380	32,127	Changes in presentation, classification and inclusions of projects created separately to University

					Consolidation following adoption of MUSE format for financial statement preparation.
5	Property, Plant and Equipment's	163,348,082	163,392,058	(43,976)	Changes in presentation, classification and inclusions of projects created separately to University Consolidation following adoption of MUSE format for financial statement preparation.
6	Payables and Accruals (Short term)	1,828,118	5,941,510	(4,113,392)	Inclusion of staff claims and Staff Endowment Funds in payables and accruals following adoption of MUSE format for financial statement preparation.
7	Deposits	-	537,393,896	(537,393,896)	Changes in presentation, classification and inclusions of projects with "Deposit" nature created separately to University Consolidation following adoption of MUSE format for financial statement preparation.
8	Staff Claims	2,754,560	-	2,754,560	Changes in presentation and classification following adoption of MUSE which include this figure under payables and accruals. This figure was reported separately in the previous format.
9	Staff Endowment Fund	1,442,296	-	1,442,296	Changes in presentation and classification following adoption of MUSE which include this figure under payables and accruals. This figure was reported separately in the previous format.
10	Audit fees Payable	85,416	-	85,416	Changes in presentation and classification following adoption of MUSE which include this figure under payables and accruals. This figure was reported separately in the previous format.
11	Deferred Income	6,223,153	5,298,830	924,323	Changes in presentation, classification and inclusions of projects created separately to University Consolidation following

					adoption of MUSE format for financial statement preparation.
12	Payables and Accruals (Long term)	-	178,823	(178,823)	Changes in presentation and classification following adoption of MUSE which exclude this figure from payables and accruals. This figure was included in payables in the previous format.
13	Revenue from Exchange transactions	9,170,516	8,698,506	472,010	Changes in presentation and classification following adoption of MUSE format for financial statement preparation which classified these revenues revenue grants. These revenues were included revenue from exchange transactions in the previous format.
14	Other Revenues	1,528,916	1,351,998	176,918	Changes in presentation and classification following adoption of MUSE format for financial statement preparation which reclassified these revenues to revenue grants. These revenues were included under Other Revenues in the previous format.
15	Revenue Grants	1,705,712	2,374,681	(668,969)	Changes in presentation and classification following adoption of MUSE format for financial statement preparation which reclassified these revenues to revenue grants. These revenues were included under Other Revenues and Revenue from exchange transactions in the previous format.
16	Use of Goods and Services	5,968,211	6,539,961	(571,750)	Changes in presentation, classification and inclusions of projects created separately to University Consolidation following adoption of MUSE format for financial statement preparation.
17	Maintenance Expenses	305,853	314,336	(8,483)	Changes in presentation, classification and inclusions of projects created separately to University

					Consolidation following adoption of MUSE format for financial statement preparation.
18	Other Expenses	652,582	709,395	(56,813)	Changes in presentation, classification and inclusions of projects created separately to University Consolidation following adoption of MUSE format for financial statement preparation.
19	Social Benefits	-	25,141	(25,141)	Changes in presentation and classification following adoption of MUSE format for financial statement preparation which reclassified these expenses to Social Benefits. These expenses were included under Other Expenses in the previous format.
20	Expected Credit Loss	-	484,100	(484,100)	Changes in presentation and classification following adoption of IPSAS 41

NOTE 44: PRIOR YEAR ADJUSTMENT

Prior year adjustments are made up of adjustment amounting to TZS 42,843,014.96 made during the period as a result of overstatement of assets from HEET Project during 2022/23 financial year. In 2022/23 financial year HEET project was not automatically merged within the ARU Consolidation mode under MUSE and thus these assets were posted through dummy voucher. In 2023/24 financial year HEET Project was successfully merged in ARU Consolidation mode and thus all assets from the project appeared automatically in ARU Consolidated financial statement. Therefore, prior year adjustment was affected to adjust the effect of double posting of these assets.

Furthermore, prior year adjustments amounting to TZS 2,030,200 to accumulated surplus/deficit and accumulated depreciation done during 2022/23 financial year due to review of useful life of fully depreciated assets 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 for the financial year 2022/23 has been restated to reflect prior year adjustment above.