

THE UNITED REPUBLIC OF TANZANIA

Tanzania Shipping Agencies Corporation



ANNUAL REPORT
2021/2022

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About the National Audit Office

Mandate

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

Vision

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

Mission

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

Motto: “Modernising External Audit for Stronger Public Confidence”

Core values

In providing quality services, NAO is guided by the following Core Values:

- i. Independence and objectivity
- ii. Professional competence
- iii. Integrity
- iv. Creativity and Innovation
- v. Results-Oriented
- vi. Teamwork Spirit

We do this by:

- Contributing to better stewardship of public funds by ensuring that our clients are accountable for the resources entrusted to them;
- Helping to improve the quality of public services by supporting innovation on the use of public resources;
- Providing technical advice to our clients on operational gaps in their operating systems;
- Systematically involve our clients in the audit process and audit cycles; and
- Providing audit staff with adequate working tools and facilities that promote independence.

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ABBREVIATIONS

AIDS	Acquired Immunodeficiency Syndrome
APP	Annual Procurement Plan
BoT	Bank of Tanzania
CFA	Clearing and Forwarding Agency
CFS	Container Freight Station
COVID-19	Corona Virus Disease – 2019
DMI	Dar es Salaam Maritime Institute
ECD	Empty Container Depot
eGA	e-Government Authority
EWURA	Energy and Water Utilities Regulatory Authority
GePG	Government Electronic Payment Gateway
GPSA	Government Procurement Services Agency
GT	Gross Tonnage
HIV	Human Immunodeficiency Virus
ICD	Inland Container Depot
ICT	Information and Communications Technology
IFMIS	Integrated Financial Management Information System
IMO	International Maritime Organization
IOMOU	Indian Ocean Memorandum of Understanding
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
ISCOS	Inter-governmental Standing Committee on Shipping
ISO	International Organization for Standardization
ISPS	International Ship and Port Facility Security
ISSAI	International Standard of Supreme Audit Institutions
JNIA	Julius Nyerere International Airport
KIA	Kilimanjaro International Airport
LATRA	Land Transport Regulatory Authority
MLVMCTP	Multinational Lake Victoria Maritime Communication & Transport Project
MoFP	Ministry of Finance and Planning
MoWT	Ministry of Works and Transport
MRCC	Maritime Rescue and Coordination Centre
MSCL	Marine Services Company Limited
MTEF	Medium-Term Expenditure Framework
MUSE	Mfumo wa Uhasibu Serikalini
NAO	National Audit Office
NBAA	National Board of Accountants and Auditors
NCCDs	Non-Communicable and Communicable Diseases
NCDs	Non-Communicable Diseases



AIDS	Acquired Immunodeficiency Syndrome
NHIF	National Health Insurance Fund
NMOSCP	National Marine Oil Spill Contingency Plan
OMCs	Oil Marketing Companies
OTR	Office of the Treasury Registrar
PAA	Public Audit Act
PAYE	Pay As You Earn
PBPA	Petroleum Bulk Procurement Agency
PMAESA	Port Management Association of Eastern & Southern Africa
POS	Point-of-Sale
PPRA	Public Procurement Regulatory Authority
PSSSF	Public Service Social Security Fund
PST	Permanent Secretary Treasury
QMS	Quality Management System
SAR	Search and Rescue
SBMS	Shipping Business Management System
SOP	Standard Operating Procedure
STCW	Standards of Training, Certification and Watchkeeping for Seafarers
SUMATRA	Surface and Marine Transport Regulatory Authority (Defunct)
TAFFA	Tanzania Freight Forwarders Association
TASAA	Tanzania Shipping Agents Association
TASAC	Tanzania Shipping Agencies Corporation
TBS	Tanzania Bureau of Standards
TCM	Tanzania Chamber of Mines
TCRA	Tanzania Communications Regulatory Authority
TCWG	Those Charged With Governance
TEMESA	Tanzania Electrical, Mechanical and Services Agency
TICTS	Tanzania International Containers Terminal Services Limited
TIRA	Tanzania Insurance Regulatory Authority
TPA	Tanzania Ports Authority
TPSF	Tanzania Private Sector Foundation
TRA	Tanzania Revenue Authority
TZS	Tanzania Shillings
URT	United Republic of Tanzania
US\$	United States Dollar
VAT	Value Added Tax
WMA	Weights and Measures Agency
ZMA	Zanzibar Maritime Authority

THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF WORKS AND TRANSPORT
TANZANIA SHIPPING AGENCIES CORPORATION
TASAC

Hon. Prof. Makame Mnyaa Mbarawa (MP),
Minister for Works and Transport,
The United Republic of Tanzania,
Government City Mtumba,
1 Ujenzi Street,
P.O. Box 2888,
40470 DODOMA.



Honorable Minister,

LETTER OF TRANSMITTAL

In accordance with Section 40 (1) of the Tanzania Shipping Agencies Act, Cap 415, I have the honour to submit the Annual Report of the Tanzania Shipping Agencies Corporation for the financial year ended 30th June 2022.

The Annual Report consists mainly of three parts:

- a) the Report by Those Charged with Governance prepared in compliance with the Tanzania Financial Reporting Standard (TFRS) No. 1;
- b) the Independent Report of the Controller and Auditor General (CAG); and
- c) the audited Financial Statements, which have been prepared in compliance with the International Public Sector Accounting Standards (IPSASs).

Yours sincerely,



Capt. Mussa H. Mandia
BOARD CHAIRMAN

STATEMENT OF THE BOARD CHAIRMAN



On behalf of the TASAC Board of Directors, I am pleased to present the Corporation's Annual Report for the financial year 2021/22. This is the fourth Annual Report since TASAC became operational on 23rd February 2018.

The Annual Report consists of the Report by Those Charged with Governance prepared in compliance with the Tanzania Financial Reporting Standards (TFRS) No. 1, which was issued by the National Board of Accountants and Auditors (NBAA) and became effective from 1st January 2021. Initially, this was known as the Director's Report. In addition, the Annual Report consists of the Independent Report of the Controller and Auditor General (CAG) and the audited financial statements of the Corporation for the financial year ended 30th June 2022.

The Board is pleased to report that the audited financial statements present fairly in all material respects, the financial position of the Corporation, and its financial performance and its cash flows for the year ended on 30th June 2022 in accordance with the International Public Sector Accounting Standards (IPSAS)-Accrual basis of accounting. As well, the Corporation's procurement of goods, works and services was generally in compliance with the requirements of the Public Procurement Legislation. In this regard, the Corporation received unqualified audit report from the CAG.

The current Board of Directors is the second established after the first Board was dissolved on 3rd May 2021 by Her Excellency, Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania. The second Board has learnt a lot from the experiences and the challenges of the first Board and is taking measures to address the challenges encountered by the first Board for continuous improvement in discharging its oversight role and the general performance of TASAC. Nevertheless, the Board is committed to ensure that the Government's objectives of establishing TASAC and the wishes of the 6th Government administration under the leadership of Her Excellency, Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania, is realized without compromise.

The Corporation continued to execute its regulatory role and exclusive mandate on shipping business as per establishing Act. On executing its regulatory role the Corporation continued to carry out maritime administration to regulate ports, shipping services, maritime environment, safety and security and related matters in Mainland Tanzania. On executing exclusive mandate on shipping business, the Corporation continued to carry out clearing and forwarding of specific goods, ship tallying, shipping agency and document control.

The Corporation continued to engage with Government agencies and its shipping business customers to review the scope of the exclusive mandate so as to create more engagement of the private sector in the shipping business and its contribution to the National economic growth. The Board expects that engagement with private sector and all key stakeholders will continue to ensure existence of good business environment in Tanzania's maritime industry.

STATEMENT OF THE BOARD CHAIRMAN (CONTINUED)

During the year 2021/22, the Corporation was in implementation of its second five years Corporate Strategic Plan (2021/22- 2025/26) as from 1st July 2021. The Corporate Strategic Plan is the leading instrument for planning, priority setting and decision making. The strategic plan placed emphasis on the strategies to be executed to achieve the established six (6) strategic objectives namely Health services improved and HIV/AIDS infections reduced, effective implementation of National Anti-Corruption Strategy enhanced and sustained, maritime transport regulatory services enhanced; maritime safety, security and pollution prevention improved; shipping business services improved; and institutional capacity for service provision strengthened.

Furthermore, the 2nd Five Year Strategic Plan is guided by the Vision '*To be a leading Corporation in maritime administration and shipping business transforming Tanzania into global maritime transport hub*' and the Mission '*To ensure efficient provision of safe, secure, reliable and environmentally friendly maritime transport and shipping business services in order to contribute to socio- economic development*'. In pursuing its mission and vision the Corporation is guided by the following core values; professionalism, accountability, fairness, integrity, transparency and innovation.

Apart from the progress made in all of the Corporation's strategic areas, some challenges were experienced during the financial year. The challenges were considered as opportunities for reassessments of the Corporation's strategies towards improvement of services and growth of the maritime transport and shipping business. Through support from the Government and general public, the Board expects to record major progress in the years ahead.

In addition, during the financial year 2021/22, the Board will closely oversee the implementation of the 2nd Five Years Strategic Plan (2021/22 – 2025/26) in line with annual plans and budgets. Furthermore, the Board shall ensure the Corporation implement effectively the Corporation's Risk Management Policy and Framework and the Quality Management System (QMS) based on ISO 9001:2015. The Board shall also continue to oversee implementation of all key instruments necessary for execution of the Corporation's statutory functions.

Finally, on behalf of the Board of Directors, I wish to thank the Ministry of Works and Transport, regulated service providers, esteemed customers, stakeholders, Management and all staff of the Corporation. All of them have assisted the Board in exercising its role by providing support, feedback, co-operation, commitment and dedication in the pursuit of better Tanzania through better regulation and better terms and conditions of shipping business performed by the Corporation. The Board's special tribute is extended to Her Excellency, Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania for her good leadership and strategic efforts to revive the National economy; and to Hon. Prof. Makame Mbarawa Mnyaa (MP) for his tireless efforts of improving maritime sector and increasing its contribution to the National economy.

A handwritten signature in blue ink, consisting of several overlapping, stylized loops and lines, representing the name of the Chairman.

Capt. Mussa H. Mandia
CHAIRMAN
March, 2023

STATEMENT OF THE DIRECTOR GENERAL



The Corporation is pleased to present the 4th issue of its Annual Report for the financial year 2021/22. The report provides the Corporation's operational performance, the Controller and Auditor General report and the audited financial statements for the year ended 30 June 2022.

The 4th Annual Report reflects on implementation of the Corporation's various regulatory activities in the regulated sub-sectors of maritime environment, safety and security, ports and shipping services. It further reflects on performance of the Corporation's implementation of its exclusive mandate on shipping business functions namely, clearing and forwarding, document control, ship tallying and shipping agency services.

During the year 2021/22, the Corporation was implementing its second five years Corporate Strategic Plan (2021/22 – 2025/26) as from 1st July. The Strategic Plan is the leading instrument for planning, priority setting and decision making. Specifically, the Corporate Strategic Plan places emphasis on strategies to be executed to achieve the established six (6) strategic objectives namely Health services improved and HIV/AIDS infections reduced, effective implementation of National Anti-Corruption Strategy enhanced and sustained, maritime transport regulatory services enhanced; maritime safety, security and pollution prevention improved; shipping business services improved; and institutional capacity for service provision strengthened. During the financial year under review, the Corporation continued to undertake strategic initiatives of the 2nd Corporate Strategic Plan with the purpose of enhancing its capacity to effectively and efficiently discharge both regulatory role and shipping business functions.

During the year under review the Corporation registered a number of milestones in implementing its mandated functions. The Corporation continued to oversee maritime transport regulation through monitoring and inspections of regulated service providers while promoting fair practices among them. During the year under review, the Corporation issued 1,278 (30 June 2021: 1,194) licenses and registration certificates to ports and shipping regulated service providers. These included 29 (30 June 2021: 24) licenses issued to Shipping Agents, 32 (30 June 2021: 38) licenses issued to cargo Consolidators/De-consolidators, 102 (30 June 2021: 79) licenses issued to Miscellaneous Port Services Providers, 23 (30 June 2020: 41) licenses issued to Dry Ports Operators, 1,038 (30 June 2021: 962) registration certificates issued to Clearing and Forwarding Agents, and 49 (30 June 2021: 50) licenses issued to Gross Mass Verifiers.

In addition, the Corporation conducted 28 (30 June 2021: 28) visits to 14 Inland Water Way Ports for checking compliance with the requirements of the Tanzania Shipping Agencies (Port Terminal Operators) Regulations, 2020, conducted 68 (30 June 2021: 60) visits to Gross Mass Verifiers' (GMVs') premises in Dar es Salaam for checking compliance with the requirements of the Merchant Shipping (Verified Gross Mass of a Container carrying cargo) Regulations, 2016 and conducted quarterly monitoring visits to seven border posts of Holili, Horohoro, Murongo, Mutukula, Mwanza, Namanga and Sirari to oversee maritime cargo passing through border posts and check compliance on payment and collection of TASAC fees.

Furthermore, the Corporation continued to oversee maritime safety, security and prevention of pollution from ships. This included monitoring and auditing of formal ports under the provisions of the International Ship and Port Facility Security (ISPS) Code, the Merchant Shipping Act, Merchant Shipping Regulations and Merchant Shipping Notices. These were effectively implemented and there was no incident of piracy attack reported in Tanzanian controlled waters.

STATEMENT OF THE DIRECTOR GENERAL (CONTINUED)

The Corporation conducted inspections of small crafts and registered ships to ensure maritime vessels are seaworthy and properly manned. In this regard, during the year under review, the Corporation carried out a total of 154 (30 June 2021: 406) surveys and inspections on ships of 50 GT and above; and 6,206 (30 June 2021: 9,184) surveys and inspections on vessels below 50 GT (boats). In relation to the International Convention on Standards of Training, Certification and Watch keeping (STCW) for Seafarers 1978, as amended, the Corporation issued 17,689 (30 June 2021: 6,812) Seafarers certificates.

In the undertaking of the exclusive mandate on shipping business, the Corporation continued to exercise its mandate on the stipulated areas of shipping agency services, clearing and forwarding services and ship tallying services. Under this mandate, the Corporation handled 448 (30 June 2021: 401) ships under TASAC shipping agency. On clearing and forwarding services, clearance of cargo maintained at an average of 7 (30 June 2021: 7) days after receiving full shipping documents from customers. In addition, the Corporation continued to perform ship tallying services on stuffing and destuffing for containers and general cargo in Dar es Salaam, Tanga and Mtwara ports.

In strengthening institutional capacity for service provision, the Corporation registered a number of milestones including modernization and enhancement of ICT applications systems aim at enhancing its operations and service delivery. The corporation continued to improve ICT application systems including Maritime Safety and Seafarers Registration System, Long-Range Identification and Tracking of Ships (LRIT) system, an Integrated Financial Management System (IFMIS) based on Epicor 10.2 with the future outlook of migrating to MUSE, Cargo Manifest Billing (M-Bill) System, GePG system, Aruti Integrated Payroll and Human Resource Management System and Biometric Attendance System. Furthermore, the Corporation continued to enhance human resource management through short and long term training, career development and providing conducive working environment. Additionally, the Corporation became QMS Certified based on ISO 9001:2015 standard requirements in June 2022 which focus on customer satisfaction while observing statutory and regulatory requirements.

Furthermore, the corporate governance was enhanced by preparation and implementation of instruments for internal control and governance structure. These included finalization of TASAC Financial Regulations, Risk Management Policy and Framework and procedure manual, Client Service Charter, HIV/AIDS Policy at Workplace, ICT Steering Committee Charter; Risk Based Internal Audit Manual; and other ICT documentations. In addition, the Corporation implemented National Anti-Corruption Strategy as one of the key strategic objectives. In this undertaking, the Corporation continued to facilitate planned activities of its Ethics Committee which included capacity building to its members to ensure employees ethical values are advanced with high level of integrity.

The Corporation continued to register an increase in recognized revenue during the first year of implementation of its Second Corporate Strategic Plan (2021/22 – 2025/26) to TZS 102.17 billion from TZS 47.39 billion in 2018/19, TZS 70.87 billion in 2019/20 to TZS 84.51 billion in 2020/21 realized in the three years of the first Strategic Plan. The Corporation contribution to the Government Consolidated Fund increased from TZS 10.16 billion in 2018/19, TZS 20.11 billion in 2019/20, TZS 31.83 billion in 2020/21 to TZS 43.49 billion in 2021/22. These achievements were possible as a result of staff teamwork, cooperation received from regulated service providers, customers and support provided by our mother Ministry, Government agencies and our key stakeholders.



STATEMENT OF THE DIRECTOR GENERAL (CONTINUED)

The major sources of revenue during the year under review were service providers levy at TZS 20.63 billion (30 June 2021: TZS 17.09 billion), fees, licenses and penalties at TZS 42.14 billion (30 June 2021: TZS 37.93 billion), shipping business services revenue at TZS 39.13 billion (30 June 2021: TZS 29.33 billion), other income at TZS 66.17 million (30 June 2021: TZS 135.58 million), and gain/(loss) on foreign currency translation at TZS 344.22 million (30 June 2021: TZS 24.02 million). All collections were facilitated using the GePG System and remitted directly to the Corporation's revenue collections accounts maintained at commercial banks and BoT.

The Corporation's expenses for the year were recorded at TZS 100.80 billion (30 June 2021: TZS 70.93 billion). The major components of expenditure were wages, salaries and employees' benefits at TZS 24.04 billion (30 June 2021: TZS 20.47 billion), contribution to the Government Consolidated Fund at TZS 43.50 billion (30 June 2021: TZS 31.83 billion), travelling and other facilitation expenses at TZS 13.03 billion (30 June 2021: TZS 9.20 billion), services, supplies and other consumables expenses at TZS 5.14 billion (30 June 2021: TZS 5.33 billion), Directors fees and other Board members expenses at TZS 160.91 million (30 June 2021: TZS 110.53 million), and tax expenses on undertaking exclusive mandate in shipping business at TZS 10.59 billion (30 June 2021: TZS 310.99 million). These expenditures were incurred based on approved budget and upon receipt of approval from Permanent Secretary Treasury (PST) for utilization of funds.

The Management is optimistic that the Corporation's future performance will keep on improving under the spirit of current support of the Government, proper guidance of the Board of Directors which is composed of competent and experienced team, support and cooperation from key stakeholders, enhanced Management team and staff teamwork. Some operational challenges experienced during the period under review will be taken up and changed to opportunities in the years ahead. Of importance, the Management will strive to ensure the Government's purpose of establishing the Corporation, in terms of enhancing maritime sector services, is achieved.

In conclusion, I wish to extend my heartfelt and sincere gratitude to the Board of Directors for guidance, the Management team for support and all staff for being loyal, dedicated and trustworthy in their areas of responsibilities. Furthermore, I wish to convey my sincere gratitude to the Minister of Works and Transport, Hon. Prof. Makame Mnyaa Mbawara (MP) and the 6th Government of the United Republic of Tanzania under the good leadership of H.E. Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania for the trust bestowed upon us and providing us with all necessary guidance and support that accelerated these achievements.

We are dedicated to achieve our vision of being a *leading Corporation in maritime administration and shipping business transforming Tanzania into global maritime transport hub* while implementing our daily duties.

Kaimu Abdi Mkeyenge

DIRECTOR GENERAL

March, 2023

BOARD OF DIRECTORS



Capt. Mussa H.Mandia
Chairman



Mrs. Rukia Diwani Shamte
Vice



Mr. Kaimu Abdi Mkeyenge
Secretary



Capt. King Kwirujila Chiragi
Director



Mr. Said A. Nzori
Director



Mr. Cassian H. Ng'amilo
Director



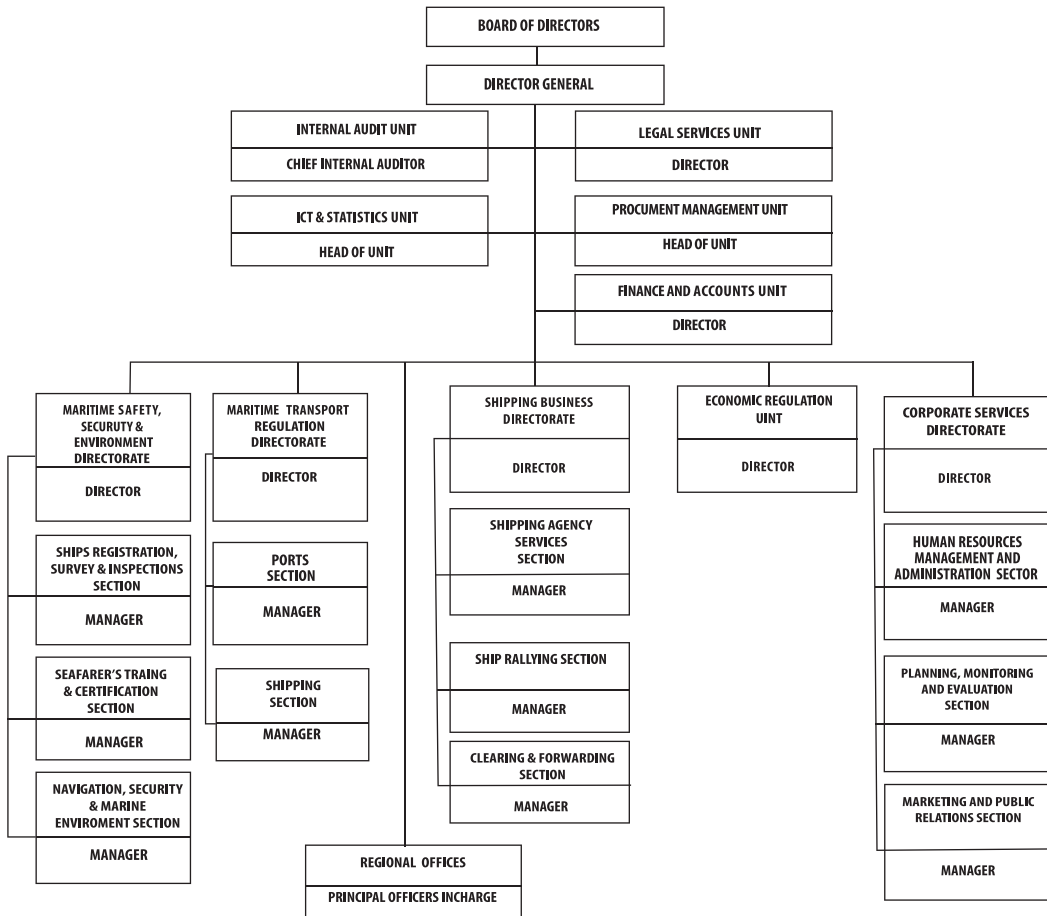
Mr Said Athumani Kiondo
Director



Eng. Aron Johnson Kisaka
Director



ORGANISATION STRUCTURE



SENIOR MANAGEMENT



Mr. Kaimu Abdi Mkeyenge
Director General



Adv. Rajab M. Mabamba
Director, Corporate Services



Mr. Degratias B. Mukasa
**Director, Maritime Transport
Regulation**



Mr. Nahson I. Sigalla
Director, Economic Regulation



Late Eng. Alfred W.
Missana **Director,
Maritime Safety, Security
& Environment**



Mr. Nelson C. Mlali
**Ag. Director, Shipping
Business**



Adv. Judith M. Kakongwe
**Ag. Director, Legal
Services**



CPA. Habibu J.S. Suluo
**Director, Finance &
Accounts**



CPA. Ahadi M. Chacha
Chief Internal Auditor



Eng. Mossy Mudonko
Head, ICT & Statistics



Ms. Rukia M. Kimario
**Ag. Head, Procurement
Management Unit**



CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS:	Head Office, PSSSF Tower House, Ohio Street/Garden Avenue, P. O. Box 989, Dar es Salaam, Tanzania.
BANKERS:	National Bank of Commerce (NBC) Limited, Samora Branch, P. O. Box 9002, Dar es Salaam, Tanzania. National Microfinance Bank (NMB) Limited, Bank House, P. O. Box 9031, Dar es Salaam, Tanzania. Bank of Tanzania, 2 Mirambo Street 1184, P. O. Box 2939, Dar es Salaam, Tanzania. CRDB Bank Plc, Tower Branch, P. O. Box 2302, Dar es Salaam, Tanzania.
SECRETARY TO THE BOARD:	Director General, Tanzania Shipping Agencies Corporation, PSSSF Tower House, Ohio Street/Garden Avenue, P. O. Box 989, Dar es Salaam, Tanzania.
AUDITORS:	Controller and Auditor General, National Audit Office of Tanzania, 4 Ukaguzi House, 41104 Tambukareli, P. O. Box 950, Dodoma, Tanzania.

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairman of the Board,
Tanzania Shipping Agencies Corporation,
P.O. Box 989,
Dar es Salaam.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Tanzania Shipping Agencies Corporation (TASAC), which comprise the statement of financial position as at 30 June 2022, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of TASAC as at 30 June 2022, 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 Tanzania Shipping Agencies Corporation (TASAC) 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.



1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL (CONTINUED)

Other Information

Management is responsible for the other information. The other information comprises the Report of those charged with governance, statement of management responsibility and Declaration by the Acting Director of Finance and Accounts 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:

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL (CONTINUED)

- 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, 2011 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 procurement of works, goods and services in the Tanzania Shipping Agencies Corporation (TASAC) for the financial year 2021/22 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that, procurement of goods, works and services of Tanzania Shipping Agencies Corporation (TASAC) is generally in compliance with the requirements of the Public Procurement laws.

1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in the Tanzania Shipping Agencies Corporation (TASAC) for the financial year 2021/22 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that Budget formulation and execution of Tanzania Shipping Agencies Corporation (TASAC) is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

A handwritten signature in green ink, appearing to read 'Charles E. Kichere', is written over a horizontal line.

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



1. INTRODUCTION

Those Charged with Governance (TCWG) present this report together with the audited financial statements for the year ended 30 June 2022, which provides the results of TASAC operations and its state of affairs. TCWG prepared this report in compliance with TFRS 1 – The report by those charged with governance issued by NBAA and became effective on 1 January 2021.

The report is addressed to Primary Users and Other Stakeholders by setting out analysis of the Corporation’s operations and financial review, with a forward-looking orientation. The report will assist primary users and other stakeholders in assessing the strategies adopted by the Corporation and the potential for those strategies to succeed toward creating value over the short-term, medium-term and long-term periods.

2. THE CORPORATION CULTURE

TASAC’s culture consists of the shared vision, mission, core values and the culture statement as provided hereunder.

2.1. Vision

TASAC vision statement provides the outlook and direction of the Corporation to enable employees to undertake their responsibilities with a common purpose. The Corporation’s vision is: *“A leading Corporation in maritime administration and shipping business transforming Tanzania into global maritime transport hub”*.

2.2. Mission

TASAC mission statement summarizes the Corporation’s purpose of existence and how customers’ expectations will be met. The Corporation’s mission is: *“To ensure efficient provision of safe, secure, reliable and environmentally friendly maritime transport and shipping business services in order to contribute to socio-economic development”*.

2.3. Core Values

TASAC core values represent moral boundaries within which the Corporation operates. They define personality and are ethical standards by which the Corporation’s employees would be measured. The values are TASAC commitment to its stakeholders. Therefore, in day to day operations, the Corporation’s employees are guided by the following core values: -



2. THE CORPORATION CULTURE(CONTINUED)

- i. Professionalism:* Adopting an approach that demonstrates professionalism in competency, character, attitude and conduct;
- ii. Accountability:* Being accountable to our stakeholders and to the Nation in the execution of the functions and mandate bestowed upon the Corporation;
- iii. Fairness:* Being fair in all dealings with consumers, service providers and the other stakeholders and discharge our duties with neutrality and impartiality, without fear or favour;
- iv. Integrity:* Being exemplary in our behaviour and acting with honesty and integrity in all our transactions;
- v. Transparency:* Being transparent in all our activities and dealings and ready for public scrutiny; and
- vi. Innovation:* Always striving to reach out and embrace new technologies and innovative methods of executing our mandate and contributing to national development

2. 4. The Culture Statement

The Corporation culture is customer-focused with the view of delighting all customers by meeting and/or exceeding their expectations through competent and highly motivated employees who work collaboratively as a team, support one another and fetch the best results in all undertakings on services delivery while observing applicable legislation and established procedures. This culture brings every TASAC employees to a common ground.

3. NATURE OF OPERATIONS

3. 1. Descriptions of the nature of the operations

3.1.1. Industry in which the entity operates

TASAC was established under Section 4 of the Tanzania Shipping Agencies Act, Cap. 415 as a body corporate to carry out shipping business and enhance maritime administration to regulate ports, shipping services, maritime environment, safety and security and related matters in Mainland Tanzania. TASAC is under the Ministry of Works and Transport, (Transport Sector). The Corporation became operational on 23 February 2018. The Corporation has exclusive mandate to carry out clearing and forwarding of specific goods, ship tallying, shipping agency and document control in accordance with section 7 of the Tanzania Shipping Agencies Act, Cap. 415.

3. NATURE OF OPERATIONS (CONTINUED)

3.1.2. Services, customers, business processes and distribution methods

The corporation operates both, as a regulator in maritime industry and a player in shipping business. As a regulator, the Corporation provides licence to Regulated services providers, regulates maritime transportation, maintains register of seafarers, maintains register of ships and small vessels and regulates maritime safety and security. On the other hand, as a player in Shipping business, the Corporation provides Shipping Agency, Ship tallying, Document control and Clearing and Forwarding services.

The Corporation's customers include, Regulated Services providers, vessels owners, importers, and exporters.

The Corporation's business processes transform inputs through its operating activities into outputs and outcomes that aim to fulfil TASAC's strategic purposes and create value over the short term, medium and long term. Corporation's service is provided to customers online and through face-to-face interactions.

3.1.3. Structure of the entity's operation, and its economic model, including an overview of the main operating facilities and their location.

TASAC is governed by the Board of Directors established under Section 21 of the Tanzania Shipping Agencies Act Cap. 415. The Board is responsible for overseeing management of business and affairs of the Corporation. TASAC's Head Office is located in Dar es Salaam and it has offices in eight (8) regions of Geita, Mara, Mwanza, Kagera, Kigoma, Mtwara, Rukwa and Tanga; and two (2) districts of Kyela and Ukerewe in Mainland Tanzania.

Furthermore, the Corporation operates at the Mineral Markets of Arusha, Kahama, Chunya and Mirerani; the border posts of Holili, Horohoro, Kabwe, Kasumulu, Mutukula, Murongo, Namanga, Tunduma and Sirari. In addition, the Corporation has offices at Julius Nyerere International Airport (JNIA) in Dar es Salaam, Kilimanjaro International Airport (KIA) and Mwanza Airport.

3.1.4. Effectiveness and efficient utilization of resources

The Corporation utilizes tangible and intangible resources including intellectual resources, human resources, social and relationship resources, natural resources, financial resources and others. Efficient and effective utilization of Corporation's resources is governed by a well-composed Board of Directors, effective Management, competent human resources, deployed ICT infrastructure and documented internal operating procedures.



3. NATURE OF OPERATIONS (CONTINUED)

3.2. External Environment

Analysis of Corporation's External Environment

Every organization is impacted by its surrounding environment. The following is a summary of the analysis of external environment issues that could have an impact on the operations of the Corporation:

a. Market and Competitive Position

The Corporation is the regulator for the maritime sector and has an exclusive mandate to undertake shipping business. This was a new phenomenon and practice in the Country which took time for stakeholders to understand and cope. In addition, with passage of time and education campaigns made to the public, the Corporation increased awareness of its functions and improved provision of service in the industry.

b. Legislative and Regulatory Environment

The TASAC's operations are guided by the Tanzania Shipping Agencies Act, regulations and guidelines and the IMO international conventions, protocols and agreements ratified by the United Republic of Tanzania as a member state. In discharging its responsibilities, the Corporation is cautious of what is legally permissible. Nevertheless, the existence of two maritime legislation (Merchant Shipping Act of 2003 and Zanzibar Maritime Transport Act of 2006) and presence of two maritime authorities (TASAC and ZMA) and different laws and regulations that govern maritime affairs in the country remain challenge that require intervention.

c. The legitimate needs and interests of key stakeholders

The Corporation takes into consideration the needs and interests of key stakeholders in its decision making. In this regard, the Corporation has identified eight (8) categories of stakeholders namely: the Government, employees, regulated service providers, shipping business customers, suppliers, business partners, society and regulators and policy-makers. The needs and interests of each category of stakeholders have been identified under Note. 10, of the Report by TCWG.

d. Macro and Micro Economic Conditions

Macro and micro economic conditions determine an economy's performance impacting the Corporation's operational capabilities as well as its sustainability. The macro and micro economic conditions which influence the Corporation to perform its mandated function comprise of interest rates, exchange rate and the rate of inflation which has remained single digit.

3. NATURE OF OPERATIONS (CONTINUED)

The Corporation's operations were impacted the rise in global oil demand and prices following recovery of the global economy from the impact of COVID-19 pandemic which led to the increase in the operational costs that affected implementation of the annual plan and budget, competition with neighbouring maritime nations to become the maritime gateway of a choice in the region, tariff and non-tariff barriers on trade, imbalance of trade due to low level of export cargo as well as poor infrastructure at port terminals which caused ship delays.

e. Market Forces

TASAC operates as a player in shipping business with exclusive mandate on items as stated on establishing Act Cap.415. There is no competition with internal players in the industry but our performance in the area of shipping business is key to the Nation in ensuring business sustainability and economic growth. The Corporation strives to provide better regulatory services in order to stimulate demand for services in export and import of products under regulated service providers.

f. The speed and effect of technological Change

The Corporation strives to keep up with rapid technological changes in effective delivery services both, as a regulator and a player in the Shipping business. The Corporations leverages on the latest development in information technology and improvements in technology related to the industry to improve service delivery to key stakeholders. To address shipping business operational issues, the Corporation in collaboration with eGA, developed an integrated Shipping Business Management System (SBMS).

During the financial year 2021/22 the Corporation tested integration of SBMS with Tanzania electronic Single Window System (TeSWS). In order to improve its regulatory services, the Corporation improved Manifest Billing System (M-Bill) to accommodate customer Online Self services and enhanced border post module which in turn, has resulted into increased efficiency in revenue collection.

g. Societal Issues

The Corporation operates in the areas that involve shared culture and attitudes of the population. In this regard, the Corporation has been participating and supporting the societal programs as part of its corporate social responsibilities. However, despite continuous participation and support, demands from societies are higher than approved annual budgets. Going forward, the Corporation will consider increasing its budget allocation and focus its contribution to the welfare of society.



3. NATURE OF OPERATIONS (CONTINUED)

h. Environmental Challenges

Pollution of the maritime environment has been a major challenge in the industry. This includes pollution in waters, ports and maritime vessels. The Corporation oversees compliance with ratified IMO conventions (MARPOL convention with its annexes) by collaborating with other public institutions such as Tanzania Meteorological Authority (TMA) to strengthen its capacity to implement its mandated functions. The Corporation continued with its efforts to educate the public on this area and held a number of stakeholder's meetings during monitoring visits conducted quarterly at the maritime regions and stations.

i. Political Environment

The political environment in the country is calm for the Corporation to perform its functions. The Corporation annual plans and budgets are prepared and implemented while observing the ruling party's (Chama cha Mapinduzi) manifesto. As well, there was no political interference to the Corporation in exercising its mandate.

4 OBJECTIVE AND STRATEGIES

4.1 Objective of the Corporation

The objective of the Corporation in carrying out its functions and exercising its powers as provided in the establishing Act, is to enhance the benefits of maritime transport in Mainland Tanzania by: -

- a. promoting effective management and operations of shipping agencies;
- b. promoting effective operations of ports and shipping services;
- c. maintaining cargo safety and security;
- d. promoting and maintaining maritime environment, safety and security;
- e. promoting efficiency, economy and reliability;
- f. fostering the development and expansion of the maritime transport sector;
- g. promoting competition in the maritime transport services; and
- h. entering into contractual obligations with other persons or body of persons to secure the provision of quality and efficient shipping services and maritime environment, safety and security, whether by means of concession, joint venture, public private partnership or other means and to delegate its own functions of providing shipping services and maritime environment, safety and security to one or more parties.

4 OBJECTIVE AND STRATEGIES (CONTINUED)

4.2 Strategies for Achieving Objective

The Corporation has started implementation of its 2nd Strategic Plan (2021/22-2025/26) when executing Work Plan and Budget for the financial year 2021/22. The Strategic Plan is the leading instrument for planning, priority setting and decision making. It facilitates discharging of the role and functions of the Corporation for the period of five (5) years. Specifically, the Plan places emphasis on strategies to be executed to achieve the strategic objectives.

The Strategic Plan has the following six (6) strategic Objectives whose implementation are summarized into short-term, medium-term and long-term periods: -

i. Health Services improved, and HIV/AIDS infections reduced

a. Short- Term

- Care and support services to People Living with HIV (PLWHIV) increased;
- Program on health, nutrition and fitness approved and implemented.

b. Medium- Term

Audit on implementation of HIV AIDS programs conducted and assurance reports issued.

c. Long-Term

Programs to fight HIV/AIDS and Non-Communicable Diseases (NCDs) at work place conducted.

ii. Effective implementation of National Anti-Corruption Strategy enhanced and sustained

a. Short- Term

- Zero tolerance level on corruption practices and malpractice maintained.

b. Medium- Term

- Anti-corruption programs prepared and implemented.

c. Long-Term

- Risk assessments and fraud related audits performed.

iii. Maritime transport regulatory services enhanced

a. Short- Term

- Compliance to port and shipping services regulations attained;
- Compliance of regulated port and shipping services' benchmarks as per checklist attained;



4 OBJECTIVE AND STRATEGIES (CONTINUED)

- Timely issuance of Licenses/Registration Certificates to regulated Service Providers in compliance with prescribed time; and
- Draft legislation in relation to maritime transport regulatory services prepared.

b. Medium- Term

- Culture and Practice of Cargo Safety and Security in terminals enhanced;
- Understanding of contemporary regulatory issues enhanced;
- Effective competition in the regulated services promoted; and
- Complaints and litigation for or against Corporation handled/resolved/defended.

c. Long-Term

- Coverage/Scope of monitored regulated services providers widened;
- Institutional relationship with National, Regional or International Maritime Regulatory organizations strengthened;
- Terms and conditions of supply of regulated services streamlined and harmonized;
- Involvement of importers and exporters in maritime transport sector effectively and efficiently promoted;
- Economic Efficiency Promoted; and
- Audits on services providers licensing, monitoring activities and manifest billing system conducted.

iv. Maritime safety, security and pollution prevention improved

a. Short- Term

- Staff with recognized professional Certificates are registered under their respective professional boards;
- Maritime officers attend specialized trainings and upgraded to professional certificates;
- Seafarers' Certificates issued in accordance with STCW-1978 as amended;
- Low level of maritime accidents attained;
- All aids to navigation are inspected and monitored; and
- Draft Regulations in relation to Maritime Safety, Security and pollution prevention prepared.

b. Medium- Term

- Pollution incidents resulting from maritime transport activities maintained/sustained at zero;

4 OBJECTIVE AND STRATEGIES (CONTINUED)

- Audits of compliance with domesticated international conventions, maritime rescue & coordination, and effectiveness of maritime safety & security ICT systems; and
- Maritime incidents and accidents are timely relayed for activation of SAR operations.

c. Long-Term

- IMO instruments ratified;
- All ISPS Ports Facilities Compliance maintained to IMO White list;
- Low level of maritime accidents attained;
- Compliance with domesticated international conventions, Maritime Rescue and Coordination and Maritime Safety and Security ICT systems audited;
- Regional and International meetings/trainings attended;
- Maritime accidents death toll reduced;
- Zero accidents on ships of 50 GT or above;
- Ship Registered or Unregistered/De-Registered for license and mortgages;
- Audits on compliance with domesticated International Conventions, Maritime Rescue and Coordination and effectiveness of maritime safety and security ICT systems conducted; and Regulations on Seafarer matter established and capacity building on related matters enhanced.

v. Shipping business services improved

a. Short- Term

- Average time to clear cargo reduced;
- Tallying Services conducted as per exclusive mandate;
- Duration for closing Voyage Disbursement Accounts after ship departure reduced.
- Cargo Forwarding Services performed;
- Level of Customer Satisfaction to all shipping services (clearing and forwarding, tallying and agency services) increased; and
- Draft Regulations in relation to Shipping Business Services prepared/reviewed/amended for publication.

b. Medium- Term

- Shipping Business Management System Developed/Upgraded/Customized and Operationalized;
- Level of Customer Satisfaction to all shipping services (clearing and forwarding, tallying and agency services) increased; and
- Operationalization of shipping agency function to ship categories under TASAC exclusive mandate increased.



4. OBJECTIVE AND STRATEGIES (CONTINUED)

c. Long-Term

- All Ships under TASAC Ship agency handled (Agency services performed to all ship under TASAC mandate);
- Automation of Shipping Business system;
- Capacity building to Staff on compliance to East African Customs Management Act conducted;
- Long-term business relationship with national, regional and international organizations established/maintained; and
- Audits of ICT controls over shipping business applications (CFA, Ship Tallying, and Document control) systems, operations and revenues conducted.

vi. Institutional capacity for service provision strengthened

a. Short- Term

- Increased average of annual revenue collection;
- Timely release of revenue and expenditure performance reports;
- MTEF and Performance Reports prepared and documented;
- Lesson learnt, meeting resolution and recommendations made to TASAC by key stakeholders implemented through planned activities;
- Timely contribution to Government Consolidated Fund, National and International bodies, taxes and other statutory payments;
- Audits of draft financial statements conducted, and assurance reports issued; and
- Draft Legislation on maritime safety, security, environment protection, regulated transport services and shipping business prepared for vetting and approval.

b. Medium- Term

- Performance contract with Ministry responsible for transport and Treasurer Registrar signed;
- ISO 9001:2015 Standards on Quality Management System Developed and Implemented;
- Timely availability of working tools and equipment;
- TASAC Offices (Head office, Regions and Stations) established and furnished; and
- Regional benchmarking of tariffs and quality of services conducted.

c. Long-Term

- Statistical Management System established and operationalized;
- Customer self- service online portal developed and operationalized;

4. OBJECTIVE AND STRATEGIES (CONTINUED)

- Tarif regulations improved (Period/Time between tariff reviews for Maritime transport services/Operations increased);
- Effective competition in the regulated services promoted; and
- Complaints and litigation for or against Corporation handled/resolved/defended.

To realize the strategic goals, the Corporation prepares annual plan and budget with a result-based management orientation as envisioned in the five (5) years strategic plan. Also the Corporation employ its resources such as Financial resources, Intellectual resources, human resources, social and relationship resources, natural resources and other resources in achieving its objectives.

4.3. Managing Operations of the Corporation

The overall management of the Corporation is conferred to the Board of Directors which is required to ensure adherence to the governing laws and procedures. The Board delegates the day to day management of the Corporation to the Director General who is assisted by senior management. Senior Management was being invited to attend Board meetings and facilitates effective control of all operational activities, acting as a medium of communication and coordination between various operational areas.

In managing the external environment of the Corporation, the Board has established the system where the Management engages key stakeholders by holding consultative meetings with them and receive their comments or views on the Corporation's performance and other issues relevant for effective regulation of the maritime transport sector. In addition, the Board had established a Risk Management Policy & Framework, 2019 which guides Management on risk management process including monitoring of external environment which may impact the business process of the Corporation.

5. STATEMENT OF SERVICE PERFORMANCE INFORMATION

The Corporation's Service Performance Information discloses information needed for accountability and decision-making purpose, primarily to help users of the report by Those Charged with Governance to understand what the Corporation set out to achieve (target) and what it has achieved (results). The service performance information is generally a mix of qualitative and quantitative reporting. The reporting of service performance information is based on two elements:

- Outcomes:** What the Corporation seeks to achieve in terms of its impact on society; and



5. STATEMENT OF SERVICE PERFORMANCE INFORMATION (CONTINUED)

- ii. **Outputs:** The goods or services that the Corporation delivers during the financial year.

The Corporation reporting of service performance information is provided in this report under Para 14: Key Performance Indicators.

6. TASAC OPERATING MODEL

The Corporation's operating model is the system of transforming inputs, through its operating activities, into outputs and outcomes that aim to fulfil TASAC's strategic purposes and create value over the short, medium and long term. Thus, TASAC Operating Model is explained below:

6.1. Inputs

These are the Corporation's capital/resources being used in delivering value to customers. These capital/resources have been further elaborated in Note 8 of the Report by TCWG.

a. Human Capital

The Corporation has staff with adequate skills and competence to ensure delivery of quality services. Employees are well motivated and they perform their duties responsibly and in an ethical manner.

b. Financial Capital

Financial capital is composed of financial resources obtained from regulatory and shipping business activities. The Corporation as a maritime transport regulator collects fees from services provided in areas of maritime transport, maritime safety, security and environment. In the context of shipping business, the Corporation earns agency fees and commissions from clearing and forwarding, ship tallying, document control and shipping agency services.

c. Social and Relationship Capital

In executing its functions, TASAC has established an ethical and transparent relationship with employees, government institutions, customers, suppliers, policy makers and the society in general. The Corporation conduct stakeholders' meetings to promote awareness and receive feedback on various corporate issues. TASAC engaged actively on Corporate Social Responsibilities. Each year, the Corporation set aside funds directed to contribute to the society well-being.

d. Intellectual Capital

The Corporation has developed Shipping Business Management System, Seafarers Management System and M-bill systems to ensure effective and efficient services delivery.

6. TASAC OPERATING MODEL (CONTINUED)

e. Natural Capital

The Corporation has been actively engaged in ensuring maritime safety by conducting seminars and drills on Oil spill along the Indian Ocean.

f. Other Capital

These are Legislations which assist the Corporation discharging its functions judiciously and fairly.

6.2 Operating/Business Activities

The Corporation implements a number of activities in converting inputs into quality service delivery. The operating activities are divided into two major groups;

a. Maritime sector regulatory functions

- Inspection of marine vessels;
- Monitoring visits to border posts;
- Management of regulated services providers;
- Licencing of marine vessels and regulated service providers; and
- Survey of marine vessels.

b. Shipping business functions

- Tallying of cargo at sea ports;
- Clearing and forwarding of specified items;
- Document control for imports and exports; and
- Shipping agency for specified ships.

The Corporation continues to be innovative in service delivery by incorporating the use of modern technology in executing its regulatory and shipping business functions. Currently, the Corporation has deployed POS machines for smooth revenue collection in remote areas as well as online services for regulated service providers through M-Bill system. The Corporation future plans involve acquisition and use of drones and speed boats in survey of small vessels.



6. TASAC OPERATING MODEL (CONTINUED)

6.3 Outputs

a. Maritime sector regulatory functions

In its regulatory role, the Corporation had the following outputs:

- 110 monitoring visits and 24 inspections to dry ports;
- 8 visits to sea ports were conducted;
- 28 monitoring visits to Inland waterways ports;
- 40 inspection and sixty-eight (68) monitoring visit was made to Gross Mass Verifiers' (GMVs');
- 21 Inspections visits and 48 Monitoring visits to Miscellaneous Ports Services providers;
- 24 visits for ports formalization purpose on compliance with Tanzania Shipping Agencies (Port Terminal Operators) Regulations, 2020;
- 1278 licences were issued to Shipping Agent, Cargo Consolidator, Dry Ports, Clearing and Forwarding Agents, Miscellaneous Port Service and Port Terminal Operator;
- The Corporation conducted quarterly monitoring visits to seven border posts of Holili, Horohoro, Murongo, Mutukula, Mwanza, Namanga and Sirari;
- 154 surveys and inspections on ships of 50 GT and above;
- 6,206 surveys and inspections on vessels below 50 GT (boats)
- 17,689 Seafarers' Certificates in accordance with STCW-1978 were issued;
- 309 Maritime safety awareness programmes conducted; and

b. Shipping business functions

In its shipping business functions, the Corporation had the following outputs:

- Cargo clearance averaged seven days;
- 6 ship categories were handled under shipping Agency services; and
- 448 Ships were handled under TASAC agency

6.4 Outcomes

Key outcomes, including

a. Internal Outcomes, both positive and negative:

- Increased compliance with ports legislation;
- Decreased number of maritime accidents
- Increased volume of tonnage tallied on break bulk cargo;
- Increased operational efficiency of shipping agencies services.

6. TASAC OPERATING MODEL (CONTINUED)

- Low level of labour turnover; and
 - Increase number of competent staff.
- b. External Outcomes, both positive and negative
- Increased compliance with ports legislation;
 - Increased customers satisfaction;
 - Decreased number of maritime accidents
 - Increased compliance among shipping agents; and
 - Improved maritime safety standards;

7. CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

The Corporation's current and future development and performance are explained below:

7.1 Corporate Strategic Plan

The Corporation is in implementation of its Second 5-Year Corporate Strategic Plan (2021/22 – 2025/26). The Corporation's future development plan includes constructions of the office at the Headquarters and in the regions. The Corporation also plans to modernize its operations by enhancing the ICT application systems, enhancing staff performance on service delivery through short and long-term training, implementing QMS based on ISO 9001:2015 focused on customer satisfaction, and increase levels of engagements with key stakeholders in regulated services and shipping business services.

The Corporation achieved milestones of its First 3-Year Corporate Strategic Plan (2018/19 – 2020/21) as at 30 June 2021. Among the registered milestones are operationalization of TASAC regulatory roles and shipping business functions, which involved regulation of maritime transport services, regulation of maritime environment, safety and security services, and undertaking shipping business services in relation to shipping agency, clearing and forwarding, ship tallying and document control. Furthermore, the Corporation acquired and implemented ICT application systems to enhance its operations and service delivery. In addition, the Corporation continued to register an increase in recognized revenue during the first year of implementation of its Second Corporate Strategic Plan (2021/22 – 2025/26) to TZS 102.17 billion from TZS 47.39 billion in 2018/19, TZS 70.87 billion in 2019/20 to TZS 84.51 billion in 2020/21 realized in the three years of the first Strategic Plan.



7. CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE (CONTINUED)

However, the major challenge encountered by the Corporation was the dispute by some mining companies on TASAC clearing and forwarding fees charged 1% of customs values on minerals, mining equipment and spare parts. The dispute was tendered to the Minister of Works and Transport in accordance with section 59 of the Act, Cap 415. Until the date of authorization of this report, the Corporation recorded 5,993 files (6,142 files recorded June 2021) from 72 customers with contingent revenue of TZS 147.95 billion and VAT of TZS 26.63 billion, making a total of TZS 174.58 billion. The dispute is unresolved by the Ministry of Works and Transport until the end of the financial year.

7.2. Development Plans and Performance

The Corporation planned and opened its offices in maritime regions and stations in Mainland Tanzania during the financial year 2021/22 while carefully managing both costs and associated risks. These initiatives were focused on improving productivity and enhancing efficiency in delivery of services to regulated service providers and shipping business customers and ultimately, contributing to the national and international activities related to maritime transport services and environmental protection. In addition, the Corporation continued with automation and modernization of its business operations to ensure its services satisfy and meet expectations of regulated service providers and shipping business customers in particular and all stakeholders in general.

Process automation involved enhancing the ICT systems in use to address existing and future operational requirements that provide quality services to our customers, stakeholders and the general public.

Furthermore, the Corporation coordinated implementation of activities set out in the corrective action plan for implementation of audit findings and observations from the audit conducted under IMO Member State Audit Scheme (IMSAS). Initially, the United Republic of Tanzania (URT) signed Memorandum of Cooperation (MoC) with IMO in March 2019 to undergo mandatory audit under IMSAS. The audit for URT was conducted from 8 to 18 March 2019 and the audit report was issued on 24 May 2020 with twenty (20) findings and three (3) observations. According to IMO guidelines, URT is required to take corrective actions within three (3) years from the date when audit report was issued. The Scheme aims to promote the consistent and effective implementation of applicable IMO instruments and to assist Member States to improve their capabilities, whilst contributing to the enhancement of global and individual Member State's overall performance in compliance with the requirements of IMO instruments.

7. CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE (CONTINUED)

7.3. Significant Aspects of the Statement of Financial Performance

a. Revenue

The Corporation's total recognized revenue during the year ended 30 June 2022 was TZS 102.32 billion (30 June 2021: TZS 84.51 billion), which is an increase of annual recognized revenue by TZS 17.81 billion (30 June 2021: TZS 13.64 billion), equivalent to an increase of 21.08% (30 June 2021: 19.24%). The increase was attributed to:

- i. Increased clearing & forwarding, Ship Tallying and Shipping agency activities following publication of GN no 181 on 5 February 2021. These activities included clearing of additional items under exclusive mandate including fertilizers, industrial sugar, domestic sugar and gas liquefied;
- ii. Increased Service Provider Levy as result of close monitoring of the final levy return;
- iii. Increased licensing and registration of small vessels and Boats; and
- iv. Increased billing of General Cargo (import fee) as result of effective use of M-Bill system and close monitoring of Border post revenue.

b. Expenses

The Corporation's expenses for the financial year ended 30 June 2022 amounted to TZS 100.80 billion (30 June 2021: TZS 70.93 billion). The major components of expenditure during the year ended 30th June 2022 were:

- i. Wages, salaries and employees benefit at TZS 24.04 billion (30 June 2021: TZS 20.47 billion), this increase was attributed by the additional 40 staff transferred from other government organisation and staff salary adjustments as a result of performance appraisal for the financial year ended 30th June 2021;
- ii. Contribution to the Government Consolidated Fund at TZS 43.49 billion (30 June 2021: TZS 31.83 billion), which comprise 15% of gross revenue TZS 13.78 billion (30 June 2021: TZS 12.68 billion) and redemption of excess capital TZS 29.71 billion (30 June 2021: TZS 19.15 billion), Thus, leading to an increase of TZS 11.66 billion;



7. CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE (CONTINUED)

- iii. Travelling and other facilitation expenses at TZS 13.03 billion (30 June 2021: TZS 9.20 billion). This increase by 3.83 billion was attributed by increase in clearing and forwarding, Shipping Agency and Ship Tallying activities in the financial 2021/22. Also, monitoring on regulated shipping service providers and inspections of small vessels and boats was increased during the year 2021/22. Thus, in turn lead to the increase of revenue by 17.28%;
- iv. Services, supplies and other consumables expenses at TZS 5.14 billion (30 June 2021: TZS 5.33 billion). Decrease of 0.19 billion attributed by control employed by the corporation to reduce consumption of office supplies and there were no arrears payments for Office rent charges as compared to the year 2020/21.
- v. Directors fees and other Board expenses at TZS 407.29 million (30 June 2021: TZS 252.86 million), Board Secretariat, Management and supporting staff expenses for facilitating Board programs and related activities at TZS 246.38 million (30 June 2021: TZS 142.33 million). The increase was attributed by full implementation of planned activities during financial year 2021/22 as compared to the previous period where Board activities were undertaken for a period of nine (9) months.
- vi. Tax expenses on undertaking exclusive mandate in shipping business at TZS 10.59 billion (30 June 2021: TZS 310.99 million). The increase of TZS 10.28 billion was caused by payment of tax arrears for the year 2018/19, 2019/20 and 2020/21 as result of Tax audit conducted by TRA in December 2021. During the audit, TRA guided the Corporation to treat payments made by the Corporation to the Government Consolidated Fund as non-allowable expenses in arriving to the taxable income which lead to additional tax of TZS 5.31 billion. Furthermore, increase of Shipping Business Revenue in the year 2021/22 from TZS 29.34 to 39.45 billion contribute to the increase of taxable profit as well as Corporate tax.

c. Surplus

Surplus fund during the year was TZS 1.52 billion (30 June 2021 TZS 13.58 billion). This decrease of 12.06 billion was attributed by payments for redemption of excess capital to the Government Consolidated fund TZS 22.5 billion, 70% of projected surplus for the year 2021/22 TZS 7.21 billion and Tax arrears TZS 5.31 billion. Unlike previous years, during the year 2021/22, 70% of surplus for the year 2021/22 was paid to Government consolidated fund in advance using projected surplus.

7. CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE (CONTINUED)

7.4. Significant Aspects of Statement of Financial Position

a. Cash and Cash Equivalents

The Corporation's cash and cash equivalents as at 30 June 2022 was TZS 36.20 billion (30 June 2021: TZS 17.24 billion), which is an increase of TZS 18.96 billion, equivalent to 110 %. This increase was mainly attributed by the effort of the Corporation to collect long outstanding receivables included unpaid service Provider levy from Tanzania Port Authority (TPA). During the year TPA paid TZS 22.5 billion out of its long unpaid Receivables of TZS 30 billion.

b. Receivables and Prepayments

Receivables and Prepayment as at 30 June 2022 was TZS 36.61 billion (30 June 2021: TZS 58.17 billion), a decrease of TZS 21.55 billion equivalent to 37.05%. Reduction of Receivables was mainly caused by the effort of the Corporation to collect long outstanding receivables which include long unpaid Service Provider Levy from TPA amounting to TZS 30 billion in which TZS 22.5 billion was paid during the year. Furthermore, advance payment recorded as at 30 June 2022 was reduced to TZS 1.53 billion (30 June 2021: TZS 5.13 billion) following arrival of 27 Motor Vehicles that was paid in advance. Components of receivable and prepayment during the year ended 30 June 2022 were:

- i. Receivables from non-exchange transactions at TZS 27.68 billion (30 June 2021: TZS 45.83 billion). A decrease of TZS 18.15 billion was mainly caused by the effort of the Corporation to collect long outstanding receivables which include long unpaid Service Provider Levy from TPA amounting to TZS 30 billion in which TZS 22.5 billion was paid during the year;
- ii. Receivables from exchange transactions at TZS 6.90 billion (30 June 2021: 6.93 billion). The decrease was attributed by the effort to collect clearing and forwarding fees.
- iii. Other receivables from non – exchange transactions (LATRA and MLVMCT Project) TZS 896.81 million (30 June 2021: TZS 747.08 million). Increase of TZS 149.73 million was caused by payments made by the Corporation during the year on behalf of the MLVMCT Project. This amount will be refunded by the project after receiving fund from the bank (AfDB).



7. CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE (CONTINUED)

- iv. Advances to suppliers and Prepayment at TZS 1.79 billion (30 June 2021: TZS 5.31 billion), record a decrease of 3.52 billion. This decrease was a result of receipt of 27 motor vehicles from GPSA which were paid in advance.
- v. Staff advances and imprest at TZS 49.26 million (30 June 2021: TZS 36.61 million), the increase was attributed by increase of cash retirements that were banked after the year.

c. Property and Equipment

The property and equipment during the year ended 30 June 2022 stood at TZS 16.35 billion (30 June 2021: TZS 7.83 billion) the difference was attributed by transfer of Office Building (5 floors at SUMATRA House) from Capital WIP to Office Building, received 27 motor vehicles from GPSA and procured office and ICT equipment.

d. Intangible Assets

The intangible assets as at 30 June 2022 was TZS 1.43 billion (30 June 2021: TZS 1.09 billion) the difference was attributed by purchase of server software licenses and improvement made to some of existing system. There was also a Work-In Progress for development of Shipping Business Management System (SBMS) whose cost was recorded at TZS 942.25 million (30 June 2021: TZS 760.69 million). The increase of TZS 181.56 was attributed by additional cost on development of Ship Tallying and Shipping agency models.

Summary of the expenses incurred to develop SBMS by category is as shown below.

Items	Balance 30.06.2021	Additional 2021-2022	Balance 30.06.2022
	TZS'000	TZS'000	TZS'000
Subsistence Allowances	618,847	147,690	766,537
Sitting allowances	52,810	-	52,810
Ground Travel Expenses	23,240	5,200	28,440
Fuel expenses	530	-	530
Conference, Food & Refreshment	64,527	28,670	93,197
Data Line & Internet Services	609	-	609
Bank charges	127	-	127
Total	760,690	181,560	942,250

7. CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE (CONTINUED)

e. Payables and Accrued Expenses

The payables and accrued expenses as at 30 June 2022 were TZS 5.44 billion (30 June 2021: TZS 7.58 billion), a decrease was mainly caused by reduction of advance fund received from customers to facilitate various payments for Ship handling expenses.

f. Overall Performance

The Corporation's Statement of Financial Position as at 30 June 2022 reported Net Assets amounting to TZS 84.05 billion (30 June 2021: TZS 82.54 billion) which is composed of Capital Fund worth TZS 24.26 billion (30 June 2021: TZS 24.26 billion) and Accumulated Surplus of TZS 59.79 billion (30 June 2021: TZS 58.27 billion).

The general financial performance indicates that the Corporation's existing sources of revenue can sustain execution of the Corporation's functions. However, the Corporation shall continue to closely monitor its current sources of revenue, explore other sources of revenue to enable it to sustain its operations services to the public, monitor expenditure operations and control expenses within approved budgets.

7.5. Level of Capital Expenditure

During the financial year, the Corporation spent TZS 1.20 billion for procurement of office equipment, plots, ICT equipment, System software and improvement of existing system. Moreover 27 motor vehicle that was paid in financial year 2020/21 was delivered by GPSA in this financial year 2021/22 that enhance the Corporation transport services.

Further, the Corporation in its approved budget for the year 2022/23 had set aside funds for procurement of furniture, office and ICT equipment (TZS 2.22 billion), intangible asset and support for existing systems (TZS 1.32 billion).

Moreover, through MLVMCT project, the corporation is expected to procure three speed boats (TZS 6.51 billion), one with medical facilities, improve network coverage by constructing three (3) Network Towers (TZS 1.6 billion) and construct three Search & Rescue centres (TZS 2.75 billion) along Lake Victoria. These initiatives are expected to improve search and rescue operations on Lake Victoria.

7.6. Implementation of QMS based on ISO 9001:2015

The Corporation planned to implement QMS based on ISO 9001:2015. During the financial year, the corporation conducted QMS Certification Audit. The audit was successful, resulting into the Corporation being ISO 9001:2015 Certified.



7. CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE (CONTINUED)

QMS is aimed at improving the Corporation's service delivery through competent and motivated employees while focusing on value-added customer services.

7.7. Integrated Financial Management Information System

During the financial year the Corporation continued using, an Integrated Financial Management Information System (IFMIS) based on EPICOR 10.2. In the ongoing initiatives of automation and modernization of TASAC operations, Management plans to implement the Government Accounting System commonly known as 'Mfumo wa Uhasibu Serikalini' (MUSE) during the financial year 2023/24.

7.8. Description of Budget Information

The Corporation's final revenue budget for the financial year ended 30 June 2022 was TZS 92.57 billion (30 June 2021: TZS 81.89 billion) and the recognized revenues for the year was TZS 102.32 billion (30 June 2021: TZS 84.51 billion) which is TZS 9.74 billion (30 June 2021: TZS 2.62 billion) above the final budget, equivalent to over-performance by 10.53% (30 June 2021: 3.20%). This performance is mainly attributed by the increased revenue in Service Provider Levy, Shipping Fees and Shipping Business revenue as result of close monitoring made by Corporation on its revenue sources.

The final approved expenditure budget of the Corporation for the financial year ended 30 June 2022 was TZS 83.61 billion (30 June 2021: TZS 66.80 billion) and the actual expenditure was TZS 100.80 billion (30 June 2021: TZS 70.93 billion), which was above the final budget by TZS 17.20 billion (30 June 2021: TZS 4.13 billion). The over-spending is attributed to the payment of redemption excess fund to the Government consolidated fund (TZS 29.71 billion) and payment of Tax arrears for the year 2019/20 and 2020/21 (TZS 5.31 billion).

8. RESOURCES

The Corporation's key strengths which assist in the performance of its functions to achieve its objectives are a well-composed Board of Directors, effective Management, competent human resources, deployed ICT systems and documented internal operating procedures (IoPs). These strengths continuously create value to the Corporation. In terms of resources, the Corporation has tangibles and intangibles, which include intellectual resources, human resources, social and relationship resources, natural resources, financial resources and other resources as explained here under: -

a. Intellectual Resources

The Corporation intellectual resources include ICT application systems which has automated and modernized operations, thus, improved provision of maritime transport regulatory services and shipping business operations. The Corporation's ICT infrastructure in operations include the following: -

8. RESOURCES (CONTINUED)

- Shipping Business Management System (SBMS);
- Maritime Safety and Seafarers System;
- Global Maritime Distress and Safety System (GMDSS);
- Long Range Identification and Tracking of Ships (LRIT);
- Cargo Manifest Billings (M-Bill) System;
- IFMIS based on Epicor 10.2;
- Aruti Integrated Payroll & Human Resource Management System;
- E-Revenue Collection System (GePG system and POS Software);
- Electronic Document Management System (EDMS); and
- Time Attendance (Biometric) System.

In general, implementation of ICT application systems improves the Corporation's service delivery process and enhances efficiency. The Corporation 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 Corporation is organized to cope with future changes and expects intellectual resources will continuously be available to meet future demand.

b. Human Resources

The Corporation has skilled, ethical, 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 Corporation has continually invested on human resource development focusing on training, staff wellness, staff recognition, competitive remuneration and career growth.

By 30 June 2022, the Corporation had offices in various Regions of Tanzania Mainland and a total of employees 331 (30 June 2021: 302 employees). Factors that affected the Corporation in ensuring availability of competent human resources at an approved establishment includes; absence of employees' incentive package, low level of support to staff careers development, and budgetary limitations and control processes. Nevertheless, the Corporation is taking close care of its human resources to ensure they are highly motivated to continuously working with the Corporation and meet future demand.



8. RESOURCES (CONTINUED)

c. Social and Relationship Resources

The Corporation maintains ethical and transparent relationship with its internal and external stakeholders by establishing a processes to ensure stakeholders' views and timely collected and addressed.

The Corporation's has created 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. The Corporation participates and contributes to local and international communities' activities through financial contributions and subscriptions.

During the financial year, stakeholders from both the regulated maritime sector and the shipping business areas extended required cooperation and support to the Corporation's activities. In addition, the Corporation had established and maintained good working relationships with local entities both public and private within the country such as DMI, TPA, TRA and TICTS and maintained international networking with relevant organs including IMO, IOMOU, ISCOS and PMAESA.

d. Natural Resources

The Corporation's major natural resources are water and solar power with the view of environmental protection. Various initiatives have been taken by the Corporation to promote environment sustainability through internal engagements and external partnerships and commitments. The National Marine Oil Spill Contingency Plan (NMOSCP) is a good example of the Corporation's commitment to conserve the environment.

NMOSCP establishes a national framework and strategy to coordinate marine pollution preparedness and response. The framework addresses all oil and chemical pollution originating from marine vessels, harbours, offshore units and chemical handling facilities.

During the financial year 2021/22 the Corporation conducted awareness program and drill on Oil spill at Tanga Region along the Indian Ocean.

In addition, the Corporation 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. Furthermore, the use of solar power at TASAC offices is encouraged to substitute hydropower, where possible.

8. RESOURCES (CONTINUED)

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 Corporation values natural resources and will continuously take necessary steps to ensure protection and availability of such resources to meet the Corporation's future demand.

e. Financial Resources

The Corporation 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.

The Corporation Sources of finance is derived from the mandate it has been given through Sect. 35(1) of the establishment Act "The Tanzania Shipping Agencies Act, Cap. 415 which consists:

- Moneys appropriated by the Parliament;
- Fees, charges, or commissions that shall be prescribed;
- All other payments or property due to the Corporation in respect of any matter incidental to its functions;
- Service Provider Levy not exceeding 1.5 percent of turnover;
- Such sums of money or property which may become payable to or vested in the Corporation under the Act establishing TASAC or any other written laws; and
- Any grants, donations, bequests, money derived from loans and other payment or property due to the Corporation in respect of any matter incidental to its functions.

Factors that may affect availability of financial resources include natural economic recession which lead to low level of international business, reduced scope of the Corporation's exclusive mandate, ineffective debt collection strategies, and legislation loopholes which provides 30-days credit period for settlement of fees notes and tax invoices issued for the rendered Corporation's services. Nevertheless, the Corporation will take administrative and legislative measures to ensure financial resources are available to finance existing and future programs of the Corporation.



8. RESOURCES (CONTINUED)

f. Other Resources

In the discharge of its functions, the Corporation is guided by the Tanzania Shipping Agencies Act, Cap. 415, Merchant Shipping Act, Cap. 165, and their respective Regulations, staff regulations, financial regulations, Standing Orders for the Public Service, sector legislations on shipping business, maritime transport services, maritime safety, maritime security and prevention of pollution from ships and maritime activities. These instruments were key in discharging its functions judiciously and fairly during the financial year.

Factors that may affect availability of other resources mentioned above include length of process to come with the relevant legislation for implementation, amendment by the Parliament of the legislation applicable to the Corporation, and amendment or issuance of new Regulations by the Minister responsible for maritime transport. The Corporation will collaborate with the key stakeholders, including the Ministry of Works and Transport, to ensure availability and timely amendments, where necessary, of legislation for implementation to address the current and future needs of the Corporation.

9. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

9.1. Principal Risks and Uncertainties

The Corporation's risk analysis is based on TASAC risk management framework/guidelines and TASAC risk management policy. The principal risks and uncertainties with their impacts and mitigation are summarized under Table 1 below:

Table 1: The Corporation Risks, Impacts and Mitigation

No	Strategic objective	Risk and impact	Risks Mitigation
1	HIV/AIDS infections and non-communicable disease reduced, and supportive services improved.	Prevalence of HIV/AIDS infections and NCCDs among staff: Possible increase of HIV/AIDS infection and NCCDs due to failure by the Corporation to develop and implement anti- HIV/AIDS and NCCDs interventions/ mechanisms and to provide supportive services. Likelihood of risk occurrence: Low	<ul style="list-style-type: none"> HIV/AIDS and NCCDs Policy developed and implemented. HIV/AIDS and NCCDs Committee which oversee the implementation of the HIV/AIDS and NCCDs Policy established. HIV/AIDS and NCCDs awareness program established and implemented. HIV/AIDS and NCCDs Focal Person (Coordinator) appointed. Healthily supportive working tools (Chairs, Tables etc) acquired. The Corporation Sports Club established and operationalize
2	National Anti-Corruption strategy and Action Plan (NACSAP) implemented.	Unethical practices and fraud incidence: Possible increase in unethical and fraudulent incidences by the failure of the Corporation to institute and enforce corruption (fraud) control mechanisms leading to jeopardized reputation and credibility of the Corporation. Likelihood of risk occurrence:	<ul style="list-style-type: none"> Whistle blowing policy developed. Corporations activities in executing its mandated operations Automated. The corporations foster compliance to internal controls e.g. segregation of duties Compliance to Legislations requirements and other documents i.e. Financial Regulations, Staff Rules and Regulations, QMS and Client Service Charter. Ant-corruption posters and flyers prepared and placed in corporations' offices. Ethics, fraud and corruption education and awareness programs prepared and implemented. TASAC Anti-corruption action plan implemented. Audit on risk assessment related to the implementation of NACSAP Assessment of corruption incidences - zero tolerance



No	Strategic objective	Risk and impact	Risks Mitigation
3	Maritime transport regulatory services enhanced.	Failure to enforce maritime transport services regulatory and operating standards (requirements): TASAC may fail to enforce Maritime legislation (performance benchmarks and operating standards) due to inadequate skills and staff capacity, etc. which may affect maritime transport services negatively, increased complaints and tarnished credibility. Likelihood of risk occurrence: Low	<ul style="list-style-type: none"> • Checking Compliance to rules, regulations, performance standards and benchmark. • Licensing and registration of Qualified Port terminal Operators and Shipping services issued timely. • Institutional relationship with national, regional or international maritime port organizations • Assessment report on the extent of competition in regulated services • Monitoring assignments for anticompetitive behaviours conducted in the regulated services • Review of maritime transport regulatory services legislations. • Set of terms and conditions for port and shipping services streamlined and harmonised. • Cost of services for regulated services established and monitored. • Audits of Ports, shipping regulatory services and Manifest Billing • Maritime monitoring plan developed and implemented. • Survey/surveillance plan prepared and implemented. • Tariff application determined within prescribed period. • Skills upgrading program for staff prepared and implemented. • Online System for handling service providers and customers developed and implemented.

No	Strategic objective	Risk and impact	Risks Mitigation
4	Maritime safety, security and pollution prevention improved.	<p>Prevalence of accidents, insecurity incidences and marine environment pollution</p> <p>The possible increase of maritime accidents, insecurity incidences and marine environment pollution due to failure by the Corporation to develop and implement effective maritime, safety, security and marine environment protection mechanisms (e.g. inadequate surveillances, surveys) may jeopardize the image of the Corporation.</p> <p>Likelihood of risk occurrence: Moderate</p>	<ul style="list-style-type: none"> • The National Maritime Security Oversight meetings plans were developed and implemented. • Review of Seafarers regulations. • Institutional Strategy for implementing the IMO instruments customized and developed • Awareness and education program on safety, security and marine environment protection conducted. • Marine environment protection plan implemented. • Maritime incidents and accidents are timely relayed for activation of SAR operations. • Modern surveillance and survey equipment and facilities were acquired i.e. Binoculars • Aids to navigation inspected and monitored • Memorandum of Understanding with other Institutions (e.g. NEMC, National Bureau of Statistics, ZMA, Police Marine, LGAs, Navy etc) were enforced. • Marine surveillance and survey were conducted. • Audits of compliance with domesticated international conventions, Maritime Rescue and Coordination, and Maritime Safety were conducted. • Issuance of certificates to qualified Seafarers. • Professional development for DMSE Staff. • Attended regional and International meetings/ trainings



No	Strategic objective	Risk and impact	Risks Mitigation
5	Shipping business services improved	<p>Inappropriate registration and certification (Vessels and Seafarers) The Corporation may fail to register and certify appropriate vessels and seafarers due to ineffective surveys, assessment, and registration process as well as determination of eligibility, examination and certification. This may affect the country's standing on maritime matters and jeopardized image of the Corporation. Likelihood of risk occurrence: Low</p>	<ul style="list-style-type: none"> • Online Registration, Certification and Licensing System (ORCLSS) was implemented. • Compliance with registration and certification procedures. • Staff training plan on registration and certification, prepared and implemented. • Communication between TASAC and Maritime Institute on qualified seafarers before certification was strengthened. • Audit Plan for marine training institutes prepared and implemented.
		<p>Ineffective execution of exclusive mandates (Clearing and forwarding, ship tallying, control of key shipping documents and shipping agency) The Corporation may fail to effectively execute clearing and forwarding, ship tallying, document control and shipping agency activities due to inadequate skills, poor customer care, delays, loss of shipments, ineffective systems etc. thereby leading to customer dissatisfaction, revenue loss and distorted image and credibility. Likelihood of risk occurrence: Moderate</p>	<ul style="list-style-type: none"> • Final Disbursement Account prepared and communicated timely. • Number of ships attended under Shipping agency services increased. • Training on Customs laws for Shipping business staff conducted. • Implementation plan for all exclusive mandates continued to implemented. • Regional and International meetings attended. • Automation of data capture for ship tallying services. • Efficiency in Cargo clearance increased. • Audit Plan for shipping business services prepared and implemented • Shipping Business Marketing Strategy and Plan developed • Shipping Business Advocacy and promotion program developed. • Shipping Business Management System (SBMS) developed, implemented and integrated with GePC. • Customer care training program developed and implemented. • Safety protocols and awareness programs in handling dangerous goods were prepared and implemented. • Online customers' complaints handling mechanism developed.

No	Strategic objective	Risk and impact	Risks Mitigation
6	<p>Institutional capacity for service provision strengthened</p>	<p>Failure to create and maintain right perception and visibility Possible failure by the Corporation to create right perception and visibility to stakeholders due to lack of communication strategy, inappropriate engagement with media, inadequate awareness creation programs, consequently affecting its public image. Likelihood of risk occurrence: Moderate</p>	<ul style="list-style-type: none"> • Relevant and skilled staff for the Marketing and Public relation section recruited. • Marketing Strategy developed. • Social media policy developed. • Annual advocacy (media engagement) plan developed • Collaboration of MPR Section with directorate and other Unit enhanced. • Proper branding of the Corporation prepared
7	<p>Institutional capacity for service provision strengthened.</p>	<p>ICT systems failure Possible failure of ICT systems due to power outage, cyber-attack, virus infection, internet connectivity etc., which may lead to disruption of the Corporation's operations and activities, increased customers complaints, jeopardize marine safety and security and impair institution image and credibility. Likelihood of risk occurrence: Moderate</p>	<ul style="list-style-type: none"> • Developed and Implemented ICT Policy, ICT Security policy and strategy, ICT maintenance and replacement policy and ICT Disaster recovery Plan. • Established Data Recovery Site (Centre) and maintained data centralization back- up system. • ICT Audits on Governance, ICT Security and data management conducted. • Awareness programs on effective and safe use of ICT services to staff Conducted. • Statistical guideline developed and implemented. • ICT Support (Help) Desk established. • Server power backup facility for critical ICT systems acquired. • Business Continuity Plan (BCP) developed. • Service Level Agreements for ICT service providers and stakeholders established, communicated and enforced.



No	Strategic objective	Risk and impact	Risks Mitigation
8	<p>Institutional capacity for service provision strengthened.</p>	<p>Employees perform less than expected: Employees may perform less than expected due to low morale, wrong placement, and lack of appropriate guidelines etc. leading into ineffective and inefficient operations. Likelihood of risk occurrence: Low</p>	<ul style="list-style-type: none"> • Quality Management System (QMS)-ISO 9001 Certification for the entire Corporation acquired. • Staff and management trained on leadership and soft skills. • Results and evidence-based performance appraisal system enforced. • Human Resources Development Plan (HRDP) implemented. • Corporation staff meetings prepared and executed. • Regional and International conferences attended. • Guidelines and policies governing staff matters developed and implemented. • Staff engagement enhanced. • Administrative expenses covered. • Institutional relationship with National, Regional and International organization attained. • Provision of statutory benefits to employees attained. • MTEF and performance reports prepared and documented. • QMS audit implemented.
9	<p>Institutional capacity for service provision strengthened</p>	<p>Failure to embed risk management and QMS practices into the Corporation's processes, operations and decisions Possible failure to embed risk management and QMS practices into the Corporation's operations and processes which may affect its ability to achieve strategic and operational objectives. Likelihood of risk occurrence: Moderate</p>	<ul style="list-style-type: none"> • Risk Management Manual implemented. • QMS Implementation Plan implemented. • Risk Management Implementation Plan (RMIP) prepared and implemented. • QMS and Risk management training programs prepared and implemented. • Preparation of institutional/Principal Risk Register and Risk Treatment Actin Plan finalized. • QMS Procedures enforcement plan prepared and implemented. • ISO 9001:2015 certification for the entire Corporation acquired. • Risk management and QMS reports prepared and reported Quarterly. • Risk Management Framework continuously reviewed and improved.

No	Strategic objective	Risk and impact	Risks Mitigation
10	Institutional capacity for service provision strengthened	<p>Ineffective management of legal issues. Untimely management of legal issues may have financial implications and affect negatively the image of the Corporation.</p> <p>Likelihood of risk occurrence: Low</p>	<ul style="list-style-type: none"> • Handling of complaints or litigation for or against the Corporation handled, settled, resolved, defended or instituted. • Legal awareness programs on new enacted, existing and amended legislation conducted. • Capacity building sessions on legal matters facilitated. • Legislation on maritime safety, security and pollution prevention facilitated for enactment, amendment or publication. • National, regional or international agreements, services contracts and lease agreements vetted. • Board and committee meetings conducted and facilitated.
11	Institutional capacity for service provision strengthened	<p>Ineffective financial management practices (Revenue collection, management and reporting) The Corporation may fail to develop and implement effective and proper revenue collection, financial management and reporting mechanisms due to inadequate capacity and skills, inadequate automation, bribery and corruption leading to revenue loss, qualified opinion and tarnished Corporation image.</p> <p>Likelihood of risk occurrence: Low</p>	<ul style="list-style-type: none"> • Compliance to Legislations requirements and other documents i.e. Financial Regulations, Staff Rules and Regulations, QMS procedures, IPSAS, TFRS 1, Government Asset Management Guidelines etc. • Revenue collection automated. • Integration of IFMIS with Revenue billing system, payroll management system and bank accounts. • Timely reporting of Revenue collections and expenditure attained. • Timely preparation and submission of draft annual financial statements to internal and external auditors(CAG) attained. • Professional Codes of conduct adhered. • Collaboration of Finance and Accounts Unit with directorate and other unit enhanced. • Continues Professional Education programs to accounting staff prepared and implemented.



No	Strategic objective	Risk and impact	Risks Mitigation
12	Institutional capacity for service provision strengthened	Financial Risk (Foreign exchange risk, interest rate risk, credit risk and liquidity risk) The Corporation may suffer financial loss or fail to meet its long-term and short-term financial obligations. Likelihood of risk occurrence: Low	<ul style="list-style-type: none"> • Expenditure controlled by strict adherence to budget. • Revenue collection enforced. • Monthly preparation of cash flows projections.
13	Institutional capacity for service provision strengthened	Inability to effectively implement annual procurement plan This may lead to delay in execution of Corporation's activities on time. Ineffective stock control/management.	<ul style="list-style-type: none"> • Timely submission of tender requirements by User department. • Establishment of reorder level. • Stock taking and codification of Assets conducted. • Capacity building training conducted.

9.2. Opportunities

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

- i. Technological advancement and avenues for digitisation of processes and operations are opportunities for improving the Corporation's performance. This is possible through the use of cargo and vessels tracking and internet of things. The Corporation has potential of enhancing quality service delivery and increase revenue generation by taking advantage of new technology in making transformative changes in its operations and processes.
- ii. Favourable legal setup and exclusive mandate on shipping business is another key opportunity. The Corporation has potential to command large market share thereby increasing revenue generation due to existence of favourable legal setup being the public institution guaranteed by the Government in its undertaking, which is seemingly commanding public trust and good reputation. Furthermore, increase in size of population, economic growth level within Eastern and Southern Africa countries and presence of neighbouring land-linked countries, TASAC has opportunity of increasing its revenue and build financial sustainability by taking advantage of available demand for maritime transport services from land-linked countries like Republic of Uganda, Republic of Burundi, Democratic Republic of Congo and Republic of Rwanda, as well as demand derived from increased population size and income levels (economic growth) within the region.
- iii. Existence of international and regional collaboration and agreements to promote maritime matters and increased regional agreements and policies on maritime and related developments.

9.3. Assumptions on Risks, Uncertainties and Opportunities

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

- i. macro- economic factors or conditions like Inflation, Interest rates, Gross Domestic Product, per capital income, economic growth rate, and terms of international trade exchange rate will continue to perform well and remain fairly stable;
- ii. political environment will remain stable and political support to the maritime transport sub-sector prevail during the implementation of the Corporation's functions;



- iii. stable and predictable regulatory environment like Policies, Laws and Regulations will exist during the implementation of TASAC functions;
- iv. competent, skilled and motivated staff will be available during the Strategic Plan implementation period;
- v. good or stable relationship with key stakeholders like IMO, PMAESA, IOMOU and ISCOS will be maintained during the implementation of the Corporate Strategic Plan; and
- vi. availability of sufficient financial and physical resources like buildings, working tools, and SOPs for the implementation of the Corporate Strategic Plan;

10. STAKEHOLDERS' RELATIONSHIP

The Corporation believes that the stakeholders are what make its existence. In this regard, the Corporation has identified eight (8) categories of stakeholders; the Government, employees, regulated service providers, shipping business customers, suppliers, business partners, society and regulators and policy-makers. Before making its decisions, the Board considers the interests of all stakeholders and ensures that engagement with stakeholders is deliberate and planned and that communication is always transparent and effective. Several measures have been taken to institute a responsible behaviour to employees of the Corporation's and other stakeholders.

These measures include, but are not limited to, holding interactive stakeholders' meetings or engagements, staff meetings, seminars and workshops; provide education through media and improving customer services at our offices throughout the country.

10.1. The Government

The Government established the Corporation with the set of objectives and functions for maritime administration, maritime transport regulation and shipping business. The motive behind establishment of TASAC is to enhance maritime transport sector, revenue collection and development of the national economy.

10. STAKEHOLDERS' RELATIONSHIP (CONTINUED)

a. Key concerns

The Government's concerns to the Corporation includes the following:

- Receive 15% of gross revenue contribution quarterly and 70% of surplus funds at year ends for remittance to the Government Consolidated Fund;
- Existence of maritime safety, security and protection of environment in Tanzania waters;
- Effective regulation of maritime transport sector; and
- Proper undertaking of shipping business functions on items under exclusive mandate.

Source: The Treasury Registrar (Powers and Functions) Act, Cap 370 and the Tanzania Shipping Agencies Act, Cap. 415

b. Value we create

- Remittance of 15% gross revenue contribution within every quarter and 70% of surplus funds to the Government Consolidated Fund with the view of future growth. During the financial year the Corporation contributed TZS 43.49 billion to the government consolidated fund;
- Enhanced maritime safety, security and marine environmental protection;
- Effective regulation of services and timely issuance of service providers licenses; and
- Providing quality services on specified areas of clearing and forwarding, shipping agency, ship tallying and document control under the exclusive mandate.

10.2. Employees

Employees are key to make the Corporation the great place to work. They should find working for TASAC an inspiring and a place for elevating personal experience and consequently accepts

co-responsibility for the development of each employee to the full potential. Together with efficient and value-creating solutions, services and operations offer value to our customers. Career progress is based on the individual initiative towards the fulfilment of their responsibilities complemented by the Corporation. The Corporation's commitment to maintain competent and motivated staff evidenced in Note 20 of the Report by TCWG.



10. STAKEHOLDERS' RELATIONSHIP (CONTINUED)

a. Key concerns

Employees want a friendly, safe and conducive working environment, defined career progression, better salary and benefits, motivation and recognition, opportunities to contribute to the society.

Source: TASAC Staff meetings and the Workers Council meetings.

b. Value we create

- Transforming into an inclusive society through employment equity and gender equality;
- We focus on developing our employees through targeted training programs and skills upgrading to further their career and improve our services;
- Rewarding employees for the value they add;
- Motivating and energizing our work force; and
- Timely payments of employees' entitlements.

10.3. Regulated Service Providers

Regulated service providers include Port terminal Operators, miscellaneous port service providers, gross mass verifiers, dry ports, TPA, Clearing and forwarding agents, shipping agents and cargo Consolidators/De-consolidators. Regulated service providers have important roles in the social economic development specifically on the provision of the regulated services.

a. Key concerns

The regulated service providers' key concerns to the Corporation include the following:

- Timely receiving of their licenses upon submission of genuine applications;
- Existence of fair practices in the sector when delivering regulated services;
- Fees Notes issued timely by the Corporation and their monthly statements; and
- Frequent engagement with the Corporation to discuss emerging issues.

Source: Stakeholders consultative meetings conducted in Dar es Salaam, Tanga, Mtwara and Mwanza regions. Other concerns were received through monitoring visits conducted by TASAC staff and communication made by letters and emails.

10. STAKEHOLDERS' RELATIONSHIP (CONTINUED)

b. Value we create

- Issuance of licenses to regulated service providers within statutory periods;
- Handling complaints once received and resolving within the shortest possible time;
- Online distribution of fees notes and self-assessment system through M-Bills; and
- Conduct stakeholders' meetings for awareness and conduct periodic seminars.

10.4. Shipping Business Customers

Meeting shipping business and other customer needs with innovative solutions and superior experience is critical to maintaining high-quality relationship with our customers.

a. Key Concerns

Timely delivery of excellent service to customers and ensure confidentiality of customers' and business data and information. They come to us because of our exclusive mandate on the areas of their needs. Providing excellent customer services and getting it right, first time and every time, is their key concern.

Source: Stakeholders consultative meetings conducted at Head Office with TAFFA, TASAA, TPSF and TCM. Other concerns were communicated by official letters and emails.

b. Value we create

- Providing excellent services to meet and exceed customers' expectations;
- Monitoring changes in customer requirements, technologies and continuously improving customer experience by developing innovative solution that meet their specific needs;
- Providing periodic customers' statements on settled and outstanding liabilities; and
- Engaging customers through consultative meetings for education and advisory matters.



10. STAKEHOLDERS' RELATIONSHIP (CONTINUED)

10.5. Suppliers

Suppliers are stakeholders who provides goods and services to the Corporation and they are closely monitored to ensure they deliver required or ordered goods and services in time.

a. Key Concerns

- Transparent and fair procurement process of goods and services;
- Receiving feedback on delivered goods and rendered services; and
- Timely settlement of suppliers' invoices.

Source: Suppliers visits to TASAC Offices and received official letters and emails.

b. Value we create

- Effective use of online procurement system (TANePS);
- Inclusion of fair terms and proper vetting of procurement contracts; and
- Settle genuine suppliers' invoices within 14 days.

10.6. Business Partners

The business partners are private sector and public sector entities who have direct or indirect working relationship with the Corporation when performing its statutory functions. These include DMI, EWURA, PBPA, PPRA, TBS, TCAA, TCRA, TICTS, TPA, TRA, TPSF and WMA.

a. Key Concerns

- Cooperation on areas of common interest in serving the public;
- Sharing business data and information; and
- Honouring business relationship.

Source: Stakeholder's forums, official communication by letters and emails,

b. Value we create

- Participating in meetings and events related to areas of common interest;
- Providing necessary data and information requested by business partners;
- Strengthening long-lasting business relation with a focus to customers' satisfaction.

10. STAKEHOLDERS' RELATIONSHIP (CONTINUED)

10.7. Society

The Corporation acknowledges its responsibility to respond to community social needs. The Corporate Social Responsibility (CSR) interventions included commitment to active participation in environment protection and promotion of socio-economic development of our society through extension of financial support to implementation of community activities.

a. Key Concerns

- Supporting social development programs organized by the communities for socio-economic development where TASAC has offices;
- Awareness on TASAC business functions and applicable legislation; and
- Compliance with environmental, social and governance matters.

Source: Stakeholders meetings held in Dar es salaam, Tanga, Mtwara and Mwanza regions.

b. Value we create

- Supporting social community programs using donation and other sources of funds;
- Providing awareness on TASAC business functions and environmental protection;
- Undertake Environmental and Social Impact Assessments periodically.

10.8. Regulators, Legislators and Policymakers

The Corporation complies with a wide spectrum of legislation, conventions, protocols, resolutions, directives and guidelines which are issued from time to time by the International Maritime Organization (IMO) as well as the Government entities including NEMC, MoWT, MoFP, OTR, Office of Attorney General (OAG), and Tanzania Parliamentary Committees (Infrastructure Committee, Budget Committee and Parliamentary Accounts Committee).

a. Key Concerns

- Ratification and/or domestication and compliance with the IMO instruments including Conventions, Protocols and Resolutions for safety of life on seas;
- Protecting environment from pollution including marine environmental pollution;



10. STAKEHOLDERS' RELATIONSHIP (CONTINUED)

- Corporation complies with the relevant legislation, guidelines and supporting employees on fulfilling their professional membership obligations.

Source: Stakeholders consultative meetings, official letters and emails.

b. Value we create

- Facilitation ratification of IMO instruments for domestic application;
- Protecting marine environment in compliance with the MARPOL 73/78 Convention;
- Operating within the scope of the legislation, directives and guidelines; and
- Complying by paying membership fees and be active members.

11. CAPITAL STRUCTURE AND TREASURY POLICIES

11.1. Analysis of financial Position

Total assets has slightly decreased during the year, the main reasons being significant decrease of receivables and prepayments compared to previous, the reduction of Receivables was mainly caused by the effort of the Corporation to collect long outstanding receivables which include long unpaid Service Provider Levy from TPA.

Detailed analysis of the Corporation financial position and events that impacted it during the financial year have been elaborated in Note 7.4 of the Report by TCWG.

Future financial Position of the Corporation is likely to be affected by the amendment of Section 7 (1) of the Tanzania Shipping Act, Cap. 415 through Finance Act No. 5 of 2022 to the following aspects:

a. Cash and Cash Equivalents

This will decrease as the corporation activities has been narrowed, hence the expected revenue which were projected for collection will no longer be realised.

b. Inventory consumed in executing shipping business functions, for instance container seals may no longer be purchased by the Corporation and therefore be removed altogether as an item of inventory in the Statement of Financial position

c. Property Plant and Equipment: the corporation may not need to procure items used in daily operations as its activities has been narrowed

11. CAPITAL STRUCTURE AND TREASURY POLICIES (CONTINUED)

- d. Intangible asset – SBMS Modules on Tallying, Document Control and Shipping Agency may not be in use hence need for impairment

11.2. Capital Structure

The Corporation's capital structure for the year ended 30 June 2022 consists of Capital Fund of TZS 24.26 billion (30 June 2021: TZS 24.26 billion) and Accumulated Surplus of TZS 59.64 billion (30 June 2021: TZS 58.27 billion). The Capital Fund was established from the Certificate of Transfer of assets and liabilities from the then Surface and Marine Transport Regulatory Authority (SUMATRA) to TASAC effective from 1 July 2018.

The structure had capital fund originally established at TZS 22.09 billion and during the financial year ended 30 June 2020, additional capital of TZS 2.18 billion was received from the funds set aside at SUMATRA for completion of construction of jointly owned office building at Plot No. 454/160 along Nkrumah Street, Dar es Salaam, thus making the Corporation capital fund of TZS 24.26 billion. Therefore, the Corporation's capital structure for the financial year ended 30 June 2022 and 30 June 2021 are summarized below:

	2021/22	2020/21
	TZS '000	TZS '000
ASSETS:		
Current assets	73,477,481	76,732,047
Non-current assets	18,718,823	15,791,303
TOTAL ASSETS	92,196,303	92,523,350
LIABILITIES:		
Current liabilities	7,798,577	9,626,939
Non-current liabilities	344,385	359,455
TOTAL LIABILITIES	8,142,962	9,986,394
NET ASSETS	84,053,342	82,536,956
NET ASSETS:		
Capital Fund	24,264,567	24,264,567
Accumulated Surplus	59,788,775	58,272,389
TOTAL NET ASSETS	84,053,342	82,536,956



11. CAPITAL STRUCTURE AND TREASURY POLICIES (CONTINUED)

11.3. Treasury Policies and Objectives

TASAC treasury policies involve mechanisms established by the board, which delegates financial decisions to Management in a controlled manner. The control instruments in place include legislation (i.e. Public Finance Act Cap. 348), Government Circulars (Treasury circulars and Accountant general Circulars), Guidelines (TASAC Financial Regulations 2021).

12. CASH FLOWS

The Corporation's cash flows can be analysed from the cashflows statement under three areas of cashflows from operating activities, cashflows from investing activities and cashflows from financing activities. It should be noted that cash flow analysis does not consider any growth in the cash flow statement because the cash flow statement always shows what happened in the past. Therefore, the Corporation's cash flows analysis is summarized below:

a. Cash Flows from Operating Activities

The net cash flows from operating activities of TZS 19.88 billion (30 June 2021: TZS 1.52 billion), was derived as the difference between cash receipts amounting to TZS 117.97 billion (30 June 2021: TZS 69.17 Billion) from Service Providers Levy, Fees, Licenses and Penalties, Other income and Shipping Business Services revenue; and payments amounting to TZS 98.09 billion (30 June 2021: TZS 67.65 Billion) for wages, salaries and employee benefits; Directors fees and other Board expenses; travelling, training and other facilitation expenses; services, supplies and consumable expenses; repairs and maintenance expenses; contribution to the Consolidated Fund; contribution and subscription to other bodies; bank charges; corporation tax and payment made for MLVMCTP.

b. Cash Flows from Investing Activities

The net cash flows from investing activities of TZS 1.20 billion (30 June 2021: TZS 6.29 billion), was derived from cash capital expenditures including acquisition of property and equipment amounting to TZS 536.77 million (30 June 2021: TZS 5.76 billion) and acquisition of intangible assets amounting to TZS 664.87 million (30 June 2021: TZS 530.37 million).

Through investment committee established, the Corporation has a plan of using the excess cash for acquisition of land and construction of office buildings at HQ, regional Offices and stations.

c. Cash Flows from Financing Activities

There were no net cash flows from financing activities during the financial year ended 30 June 2022 as well as on 30 June 2021.

13. LIQUIDITY

During the financial year ended 30 June 2022, the Corporation managed its liquidity level to ensure there is sufficient funds to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Corporation's reputation. This was achieved through prudent liquidity management which includes maintaining sufficient cash and cash equivalents and striving to ensure that receivables are settled within grace period of 30 days. The Corporation current ratio for the financial year ended 30 June 2022, which measures the ability of current assets to meet short term obligations (current liabilities) was 9.42 times (30 June 2021: 7.97 times). Moreover, the acid (quick) test ratio which also measure the ability of current assets, without inventories, to meet short-term obligations (current liabilities) was 9.34 times (30 June 2021: 7.95 times).

Thus, the Corporation's Liquidity gap which is the excess of current assets (excluding advances, prepayments and inventory) over current liabilities (excluding provisions) for the financial year ended 30 June 2022 was TZS 63.88 billion (30 June 2021: TZS 64.27 billion). All the above ratios, current ratio, acid test ratio and liquidity gap reveal that the Corporation was able to fund its current liabilities when due.

14. KEY PERFORMANCE INDICATORS

14.1. Key Performance Indicators Matrix

The Corporation's Key Performance Indicators (KPIs) are reported based on the implementation of the corporation's annual Plan and Budget derived from the Corporate Strategic Plan (2021/22-2025/26). The KPIs for the year ended 30 June 2022 are given under Table 2 below:



Table 2: Key Performance Indicators for the Year 2021/22

Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
A: Health Services improved, and HIV/AIDS infections reduced	Three (3) programs to fight HIV/AIDS, Communicable Diseases at workplace conducted in June, 2022	Number of programs Expected Outcome: Awareness of HIV/AIDS and communicable diseases to staff	<ul style="list-style-type: none"> Three (3) programmes were conducted to staff for awareness of HIV/AIDS and communicable diseases 	185,800	113,235
	Three (3) programs on health, nutrition and fitness will be implemented by June, 2022	Number of programs Expected Outcome: Awareness of health, nutrition and fitness to staff	<ul style="list-style-type: none"> Two (2) programmes were conducted to staff for awareness of health, nutrition and fitness 	117,780	54,276
	Care and support to recognised employees with HIV/AIDS and Communicable and Non-Communicable provided by June, 2022	Number of programs Expected Outcome: Provision of Care and support to Employees recognised with HIV/AIDS and Communicable and Non-Communicable	<ul style="list-style-type: none"> Two (2) has been done 	69,200	15,499
	One audit report on HIV/AIDS and CDNCD implementation processes produced by June, 2022	Number of Audits Expected Outcome: Audit Report on HIV/AIDS and CDNCD	<ul style="list-style-type: none"> 1 Audit was conducted on HIV/AIDS and CDNCD implementation processes. 	3,820	0
B: Effective implementation of National Ant-Corruption Strategy enhanced and sustained	Four (4) programs to be prepared and implemented by June, 2022	Number of programs Expected Outcome: Awareness and reduction of Corruption	<ul style="list-style-type: none"> Three (3) programs were implemented. 	339,250	101,767

Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	Four (4) corruption incidences assessed by June, 2022	Number of Incidence of corruption and malpractice incidences Expected Outcome: Identification of Corruption and malpractice	<ul style="list-style-type: none"> Three (3) cases were assessed. 	133,919	60,770
	Two (2) Risk Assessment related to the implementation of NACSAP performed by June 2022	Number of risks assessments and audit Expected Outcome: Audit report on Risk Assessment related to the implementation of NACSAP	<ul style="list-style-type: none"> Two (2) Audits on Risk Assessment related to the implementation of NACSAP were conducted. 	36,400	0.00
C: Maritime transport regulatory services enhanced	85% compliance to performance standards and benchmarks of regulated port services as per checklist attained by June, 2022	% of Compliance as per checklist Expected Outcome: Compliance to performance standard of regulated port services	<ul style="list-style-type: none"> 85% Compliance to performance standard and benchmark of regulated ports services attained 	89,400	62,348
	Coverage of monitored port terminals increased from 18 to 30 by June, 2022	Number of monitored port terminal Expected Outcome: Increase in number of Port terminals monitored	<ul style="list-style-type: none"> Coverage of Monitoring of Port terminals increased by Twelve (12) Port terminals, from 18 to 30. 	150,260	141,779



Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	75% of qualified applicants for licence or registration in port services issued with licences or registration certificate within prescribed time by June, 2022	% of port services licences or registration certificate issued within time Expected Outcome: Licences or Registration certificates issued on time	<ul style="list-style-type: none"> 75% of qualified applicants for licence or registration in port services were timely issued with licences or registration certificate 	126,260	115,645
	Institutional relationship with three (3) national, regional or international maritime (port) organisations maintained by June, 2022	Number of institutions Expected Outcome: Institutional Relationship maintained	<ul style="list-style-type: none"> Institutional relationship with three (3) national, regional or international maritime port organisations were maintained. 	61,580	36,261
	80% compliance with port services regulations as per checklist attained June, 2022	% of compliance as per checklist Expected Outcome: Compliance with port services regulations attained	<ul style="list-style-type: none"> 80% compliance with port services regulations were attained by Port terminals as per checklist 	62,980	51,347
	40% of maritime transport terminals (ports and dry ports) observe cargo safety and security rules and standards by June, 2022	% of maritime transport terminals Expected Outcome: Maritime transport terminals observe cargo safety and security rules and standards	<ul style="list-style-type: none"> 40% of maritime transport terminals (ports and dry ports) observed cargo safety and security rules and standards 	24,000	13,980

Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	One (01) set of terms and conditions for port services streamlined and harmonized by June, 2022	Number of sets of terms and conditions for port services Expected Outcome: sets of terms and conditions for port services streamlined and harmonized	<ul style="list-style-type: none"> One (1) set of terms and conditions for port services were streamlined and harmonized 	9,600	3,513
	84% compliance to Performance standards and benchmarks for regulated shipping services as per checklist attained by June, 2022	Compliance level with performance standards and benchmarks as per checklist Expected Outcome: Compliance to Performance standards and benchmarks for regulated shipping services.	<ul style="list-style-type: none"> 85% compliance to Performance standards and benchmarks for regulated shipping services as per checklist were attained. It was above target due to an increase of an enforcement on compliance. 	40,270	26,011
	Coverage of monitored shipping service providers increased from 350 to 500 by June, 2022	Number of Monitored shipping services providers Expected Outcome: Increase of Number of Monitored shipping services providers	<ul style="list-style-type: none"> 567 of shipping services providers were monitored, which is an increase of 67 beyond target. 	128,350	157,442



Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	75% of qualified applicants for licence or registration in shipping services issued with licences or registration certificate within prescribed time by June, 2022	% of shipping services licences or registration certificates issued within time Expected Outcome: Issued shipping services licences or registration certificates to qualified applicants within time	<ul style="list-style-type: none"> 84% of qualified applicants for licence or registration in shipping services were issued with licences or registration certificate. 	101,775	59,968
	Institutional relationship with three (3) national, region or international maritime (shipping organisations maintained by June, 2022	Number of institutions Expected Outcome: Institutional Relationship maintained	<ul style="list-style-type: none"> Institutional relationship with three (3) national, region or international maritime shipping organisations were maintained 	1,151,465	1,083,151
	84% compliance with shipping services regulations as per checklist attained by June, 2022	Compliance level with shipping services regulations Expected Outcome: Shipping Services Operators to comply with regulations.	<ul style="list-style-type: none"> 85% of Shipping Services Operators complied with regulations as per checklist 	151,620	101,215
	One (01) set of terms and conditions for shipping services streamlined and harmonized by June 2022.	Number of sets of terms and conditions Expected Outcome: sets of terms and conditions for port services streamlined and harmonized	<ul style="list-style-type: none"> Draft set of terms and conditions for shipping services was done by 50%, waiting for involvement of internal and external stakeholders for its accomplishment. 	94,860	68,469

Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	40% of regular importer and exporters involved in maritime cargo traffic related matters by June, 2022	% of importers and exporters Expected Outcome: Regular importer and exporters involved in maritime cargo traffic related matters	<ul style="list-style-type: none"> 40% of regular importer and exporters were involved in maritime cargo traffic related matters 	60,660	28,194
	Detailed cost of services for one (1) regulated services established and monitored by June 2022.	Number of regulated services whose costs of services have been established and monitored Expected Outcome: One (1) regulated services established and monitored	<ul style="list-style-type: none"> Detailed Cost of services of One (1) regulated services was established and monitored 	52,620	24,030
	Two (2) reports on compliance of regulated service providers with regulatory benchmarks disseminated by June, 2022	Number of reports on compliance with regulatory benchmarks disseminated Expected Outcome: Reports on compliance of regulated service providers with regulatory benchmarks disseminated	<ul style="list-style-type: none"> Two (2) reports on compliance of regulated service providers with regulatory benchmarks were disseminated 	123,600	105,901



Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	Received tariff application determined within 60 days by June, 2022.	Number of days taken to determine submitted tariff application Expected Outcome: Received tariff application determined within prescribed time.	<ul style="list-style-type: none"> Received tariff application were determined within 60 days. 	214,440	173,357
	One (1) survey conducted by June, 2022	Number of survey reports on contemporary regulatory issues Expected Outcome: surveyed reports on contemporary regulatory issues	<ul style="list-style-type: none"> The survey was complemented by 50% (ie Phase I), Phase II of this target was not covered due to work exigency. 	67,693	26,855
	Two (2) regulated services subjected to regional tariff benchmarking by June, 2022	Number of regulated services subjected to regional tariff benchmarking Expected Outcome: Two (2) regulated services subjected to regional tariff benchmarking	<ul style="list-style-type: none"> Two (2) regulated services were subjected to regional tariff benchmarking 	32,551	18,105

Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	Four (4) national, regional or international meetings/activities participated by June, 2022	Number of national, regional or international meetings/ activities on economic regulation participated Expected Outcome: Participation in national, regional or international meetings/activities	<ul style="list-style-type: none"> Four (4) national, regional or international meetings/activities were participated 	17,156	9,007
	One (1) report on assessment of extent of competition in regulated services by June, 2022	Number of reports on assessment of extent of competition in the regulated services prepared and recommendations implemented Expected Outcome: Report on assessment of extent of competition in regulated	<ul style="list-style-type: none"> Only 60% of report was completed 	90,450	34,738
	1 monitoring assignment for anti-competitive behaviour conducted by June, 2022	Number of monitoring assignments for anticompetitive behaviours conducted in the regulated services Expected Outcome: monitoring assignments for anticompetitive behaviours conducted in the regulated services	<ul style="list-style-type: none"> One (1) monitoring assignment for anti-competitive behaviour was conducted 	28,450	19,185



Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	Four (4) legislation on maritime transport regulatory services facilitated for enactment, amendment or publication annually by June 2022	Number of drafted or reviewed regulations Expected Outcome: Drafted or reviewed legislation	<ul style="list-style-type: none"> 10 draft was done, due to Increased demand to make Regulations and amendment of Cap. 417 to address international obligations to domesticate them and a need to address legal challenge of exclusive mandate of TASAC to provide shipping business services. 	595,590	480,391
	Three (3) audits of Ports, shipping regulatory services and Manifest Billing by June 2022	Number of audits. Expected Outcome: Audit Reports of Ports, shipping regulatory services and Manifest Billing	<ul style="list-style-type: none"> Two (2) audits were conducted. One audit was not conducted due to exigency of duties arising from un planned activities during quarter 4. 	48,790	28,080
D: Maritime safety, security and marine environment improved	Maritime accidents for vessels less than 50 GT maintained below 9 by June 2022	Number of maritime accidents for vessels less than 50 GT Expected Outcome: Reduction of accidents for vessels less than 50 GT maintained	<ul style="list-style-type: none"> Maritime accidents for vessels less than 50 GT were maintained below 9 accidents. 	448,928	411,104
	Zero accidents on ships of 50 GT or above maintained by June 2022	Number of accidents on ships of 50 GT Expected Outcome: Zero Accidents on ships of 50 GT or above maintained	<ul style="list-style-type: none"> There were no reported accidents on ships of 50 GT or above 	295,312	132,297

Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	Ratified Mandatory IMO instruments given fully and complete effect for 20% by June 2022	Percentage of Compliance with IMSAS report Expected Outcome: Ratified Mandatory IMO instruments given fully and complete effect for 20%	<ul style="list-style-type: none"> Ratified Mandatory IMO instruments given fully and complete effect for 20% 	514,980	370,138
	Six (06) regional and International meetings/trainings attended by June 2022	Number of Regional and International meetings Expected Outcome: Attendance in regional and International meetings/trainings	<ul style="list-style-type: none"> Seven (7) regional and International meetings/trainings were attended 	320,437	348,202
	1,000 Seafarers' Certificates issued annually in accordance with STCW-1978 as amended by June 2022	Number of Seafarers' Certificates Expected Outcome: Certificate Issued in accordance with STCW-1978 as amended	<ul style="list-style-type: none"> 17,689 Certificates were Issued in accordance with STCW-1978 as amended 	635,024	333,953
	68% of DMSE staff with recognized professional to be registered to their respective professional boards by June 2022	Percentage of DMSE staff registered in professional Board Expected Outcome: Membership registration	<ul style="list-style-type: none"> 68% of DMSE staff were registered in professional Board 	173,652	108,744



Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	Six (06) Maritime officers upgraded and awarded with professional or specialized training certificates annually by June 2022	Number of trained Maritime officers Expected Outcome: Trained Maritime Officers	<ul style="list-style-type: none"> 5 Maritime officers were upgraded and awarded with professional or specialized training certificates 	142,840	34,834
	One (01) draft of regulations on seafarer matters developed/ amended/reviewed annually by June 2022	Number of draft Regulations on seafarer developed, amended, reviewed Expected Outcome: Draft of regulations on seafarer matters	<ul style="list-style-type: none"> Two (2) draft of regulations on seafarer matters were produced. 	207,502	103,698
	Eight (08) ISPS Ports Facilities Compliance to IMO Whitelist maintained annually by June 2022	Number of ISPS Port Facilities Expected Outcome: ISPS Ports Facilities Compliance to IMO	<ul style="list-style-type: none"> Eight (8) ISPS Ports Facilities Compliance to IMO Whitelist were maintained. 	67,872	30,271
	Maritime accidents death toll reduced from 17% to 16% by June 2022	Percentage of death toll from Maritime accidents Expected Outcome: Reduction of Maritime accidents death toll from 17% to 16%	<ul style="list-style-type: none"> Reduced to 15% due to Effective SAR awareness programmes 	45,380	14,863
	Incidents related to Maritime Security sustained at zero by June 2022	Number of incidents Expected Outcome: Zero incidents related to maritime security sustained	<ul style="list-style-type: none"> No incidents related to maritime security 	236,262	114,621

Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	Major Pollution incidents resulting from maritime transport activities maintained/ sustained at zero by June 2022	Number of incidents Expected Outcome: Zero incidents of pollution related to maritime transport activities sustained	<ul style="list-style-type: none"> No incidents of pollution related to maritime transport activities 	225,690	133,986
	84% of aids to navigation inspected and monitored by June 2022	Percentage of aids to navigation Expected Outcome: Aids to navigation are inspected and monitored	<ul style="list-style-type: none"> 84% of aids to navigation were inspected and monitored 	61,128	18,589
	100% of Maritime incidents and accidents are timely relayed for activation of SAR operations by June 2022	Number of incidents and accidents received against the ones which are timely reported for SAR operations Expected Outcome: Maritime incidents and accidents are timely relayed for activation of SAR operations	<ul style="list-style-type: none"> 100% of Maritime incidents and accidents were timely relayed for activation of SAR operations 	35,304	11,668
	Four (4) audits of compliance with domesticated international conventions, Maritime Rescue and Coordination, and Maritime Safety by June, 2022	Number of audits conducted Expected Outcome: Audit Reports	<ul style="list-style-type: none"> Three (3) audits were done, due to exigency of duties arising from unplanned activities during quarter 4 	60,930	10,460



Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
E: Shipping business services improved	Days to close Voyage Disbursement Accounts decreased from 30 to 15 after ship departure by June 2022	Number of days to close Voyage Disbursement Accounts Expected Outcome: Decrease in number of days to close Voyage Disbursement Accounts from 30 to 15 days	<ul style="list-style-type: none"> 20 days used to close Voyage disbursement Account; it is below target due to Delays in receiving final bills from other government agencies 	44,300	35,862
	340 Ships handled under TASAC Agency by June, 2022	Number of ships Expected Outcome: Increase in number of ships handled under TASAC	<ul style="list-style-type: none"> 448 ships were handled under TASAC Agency, it was above the target due to Substantial increase of ship calls at Mtwara, Tanga and Songosongo 	300,100	267,052
	16 Staff attended course on EACCMA, 2004 by June, 2022	Number of Shipping agency staff Expected Outcome: Shipping agency staff attended EACCMA, 2004	<ul style="list-style-type: none"> Seventeen (17) staff attended EACCMA, 2004 Course 	50,824	47,432
	7 Categories of ships handled for shipping agency services annually by June 2022	Number of ship categories Expected Outcome: Seven (7) categories handled under shipping agencies services	<ul style="list-style-type: none"> Six (6) Categories of vessels where handled, due to Non-commencement of operation of pure car carrier vessels under TASAC Ship Agency due to shortage of manpower. 	162,860	155,628

Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	2 regional and international meetings related to shipping agency attended by June 2022	Number meetings Expected Outcome: Attendance of meeting related to shipping agency	<ul style="list-style-type: none"> Two (2) regional and international meetings related to shipping agency were attended 	47,940	12,594
	2 SBMS modules on shipping agency and document control fully implemented by June, 2022	Number of SBMS modules Expected Outcome: Two (2) SBMS modules on shipping agency and document control fully implemented	<ul style="list-style-type: none"> Two (2) SBMS modules on shipping agency and document control were fully implemented 	52,640	32,005
	Tallying services increased to import and export cargo through Tanzania mainland from 62% to 80% by June 2022	% of cargo imported and exported through Tanzanian ports Expected Outcome: 22% increase of tallying services in Tanzania mainland	<ul style="list-style-type: none"> Increased by 15.8%, due to shortage of staff on implementation of stuffing and de-stuffing areas. 	540,216	326,382
	Ship tallying customers satisfaction increased from 40% to 50% by June, 2022	% of satisfied customers of ship tallying service Expected Outcome: Satisfaction of ship tallying customers	<ul style="list-style-type: none"> Ship Tallying customers satisfaction increased to 50% 	85,755	58,187
	10% of tallying data/information capturing and reporting automated by June, 2022	Percentage of ship tallying data/information Expected Outcome: Tallying data/information capturing, and reporting are automated	<ul style="list-style-type: none"> 10% of tallying data/information capturing and reporting were automated 	19,845	17,778



Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	Four (4) National, one (1) Regional and One (1) International meetings attended Annually by June, 2022	Number of meetings Expected Outcome: Attendance of meeting	<ul style="list-style-type: none"> One (1) person was invited to participate in one national meeting this is because Participation on National, regional and International meeting depend on invitation, therefore no invitation received under the period of review. 	42,384	1,265
	Four (4) stages of SBMS module on ship tallying implemented by June, 2022	Number of Stages in SBMS modules Expected Outcome: Four (4) stages of SBMS module on ship tallying implemented	<ul style="list-style-type: none"> Three (3) stages developed, because of Change of the design requirements of the Ship tallying module affected its final execution stage. 	111,800	73,377
	Average cargo clearance time to be 7days after receiving full set of documents from clients by June, 2022	Average time (number of days) to clear cargo Expected Outcome: Cargo clearance time to be within 7days after receiving full set of documents from clients	<ul style="list-style-type: none"> Average cargo clearance time were within 7days after receiving full set of documents from clients 	595,553	486,275
	40% of responsibilities of freight forwarding services performed by June, 2022	% of responsibilities of freight forwarding services Expected Outcome: 40% of responsibilities of freight forwarding services	<ul style="list-style-type: none"> 30% of responsibilities of freight forwarding services were performed as other Procedures for forwarding function were not finalized. 	304,540	197,701

Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	30 CFA staff to attend courses on EACCMA, 2004 by June, 2022	Number of trained CFA staff in EACCMA Expected Outcome: CFA staff attended EACCMA,2004	<ul style="list-style-type: none"> One hundred and fourteen (114) CFA staff attended courses on EACCMA,2004 	131,500	80,555
	50% of Clearing and forwarding services automated by June 2022	% Of automation of Clearing and forwarding agency services Expected Outcome: Automation of Clearing & Forwarding services by 50%	<ul style="list-style-type: none"> 50% of Clearing and forwarding services were automated 	71,755	70,333
	Two (2) regional and international meetings in relation to CFA attended annually by June, 2022	Number of regional and international meetings in relation to CFA Expected Outcome: Attendance of meeting	<ul style="list-style-type: none"> Two (2) Regional and international meetings in relation to CFA were attended 	34,317	25,821
	Five (5) audits of shipping business activities by 2022	Number of audits conducted Expected Outcome: Audit Reports	<ul style="list-style-type: none"> Four (4) audits of shipping business were conducted, one audit was not done as it was overtaken by event - (change in legislation) 	75,550	18,526
F: Institutional capacity for service provision strengthened	DG's self-assessment as per performance contract rating at level 1 (Excellent) by June, 2022	Performance Contract Rating Level Expected Outcome: Level one performance contract of DG's self-assessment	<ul style="list-style-type: none"> DG's self-assessment as per performance contract were rated at level 1 (Excellent) 	687,540	540,890



Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	Four (4) reports on the implementation of risk Management Framework produced by June, 2022	Number of risk management reports Expected Outcome: Four (4) reports on the implementation of risk Management Framework	<ul style="list-style-type: none"> Four (4) reports on the implementation of risk Management Framework were produced 	548,225	433,794
	Four (4) reports on the implementation of Quality Management System (QMS) prepared by June, 2022	Number of Reports on implementation of QMS Expected Outcome: Four (4) reports on the implementation of Quality Management System (QMS)	<ul style="list-style-type: none"> Four (4) reports on the implementation of Quality Management System (QMS) were prepared 	790,710	379,786
	Five (5) process of recruitment activities to be achieved as per establishment by June, 2022	Number of processes for recruitment activities achieved Expected Outcome: Five (5) process of recruitment activities to be achieved	<ul style="list-style-type: none"> Five (5) process of recruitment activities were achieved 	288,700	112,770
	Ten (10) statutory meetings implemented by June, 2022	Number of statutory meetings Expected Outcome: Implementation of ten (10) statutory meetings	<ul style="list-style-type: none"> Nine (9) statutory meeting were implemented. 1 Loan Committee meetings as part of statutory meetings was not conducted due to non-Disbursement of funds intended for staff loan. 	693,600	388,263

Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	Three (3) Regional and One (1) International Conferences participated by June, 2022	Number of Conference participated Expected Outcome: Participation in three (3) Regional and One (1) International Conferences	<ul style="list-style-type: none"> Three (3) Conferences were participated 	138,414	107,238
	Two (2) performance assessment conducted by June, 2022	Number of stages of performance management Expected Outcome: Two (2) performance assessment conducted	<ul style="list-style-type: none"> Two (2) performance assessment were conducted 	95,025	58,459
	Three (3) activities established and operationalized by June, 2022	Number of activities established Expected Outcome: Establishment and operationalization of Three (3) activities	<ul style="list-style-type: none"> Three (3) activities were established and operationalized 	79,870	19,434
	Two (2) guidelines developed and implemented by June, 2022	Number of guidelines developed and implemented Expected Outcome: Implementation and development of two (2) guidelines	<ul style="list-style-type: none"> Two (2) guidelines were developed and implemented 	56,100	50,283
	Three (3) programs prepared and implemented by June 2022	Number of programs prepared and implemented Expected Outcome: Preparation and Implementation of three (3) programs	<ul style="list-style-type: none"> Two (2) programs were implemented due to exigency of Duties Retention Initiative Manual was not conducted. 	101,520	40,741



Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	390 staffs engaged by June, 2022	Number of staffs engaged Expected Outcome: Engagement of 390 staff	<ul style="list-style-type: none"> 331 staff were engaged due to inadequate office space. 	1,320,240	1,755,983
	Nine (9) human resources development policies and programs implemented by June, 2022	Number of policies and programs implemented Expected Outcome: Implementation of nine (9) human resources development policies and programs	<ul style="list-style-type: none"> Seven (7) human resources development policies and programs were implemented, due to extended approving procedures on the reviewed organisation structure and scheme of services by Utumishi affected attainment of the target 	328,225	117,469
	Three (3) training programs implemented by June, 2022	Number of training programs implemented Expected Outcome: Implementation of three training programs	<ul style="list-style-type: none"> Three (3) training programs were implemented 	80,400	60,199
	Eleven (11) administrative expenses covered	Number Administrative expenses covered Expected Outcome: Eleven (11) administrative expenses covered	<ul style="list-style-type: none"> Ten (10) administrative expenses were covered 	7,992,530	2,721,015
	Four (4) statutory benefits attained by all staff by June, 2022	Number of statutory benefits attained Expected Outcome: Attainment of four (4) statutory benefits	<ul style="list-style-type: none"> Four (4) statutory benefits attained 	1,885,420	751,088

Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	MTEF and sixteen (16) Performance Reports prepared and documented by June, 2022	Number of MTEF and Performance Reports Expected Outcome: MTEF and sixteen (16) performance reports	<ul style="list-style-type: none"> Eighteen (18) Performance Reports and MTEF were prepared and documented 	774,132	682,266
	Institutional relationship with one National, Regional and International Organization sustained by June, 2022	Number of national, regional/international organisation Expected Outcome: Institutional relationship with one National, Regional and International Organization sustained	<ul style="list-style-type: none"> One (1) Meeting was attended, There Number of national, regional/international orgs e was no invitation to attend planned regional and international meetings. 	125,520	30
	Two hundred and sixty (260) programs contained in the information, education and communication strategy implemented by June, 2022	Number of information and education programs Expected Outcome: Implementation of two hundred and sixty (260) programs contained in the information, education, and communication	<ul style="list-style-type: none"> Two hundred and fifty-seven (257) programs conducted as there were delays in procurement of the service provider to produce TV and Radio programs 	871,755	599,984
	Twenty-four (24) awareness programs conducted and facilitated by June 2022	Number of awareness program Expected Outcome: Twenty-four (24) awareness programs conducted and facilitated	<ul style="list-style-type: none"> Twenty-four (24) awareness programs were conducted and facilitated 	461,625	337,304



Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	Corporate Marketing Strategy for the Corporation developed and implemented by 40% by June, 2022	% of implementation of the Corporate Marketing Strategy Expected Outcome: 40% implementation of corporate marketing strategy for corporate development	<ul style="list-style-type: none"> 35% of Corporate Marketing Strategy for the Corporation were developed and implemented due to exigency of work Corporate Marketing Strategy was not finalised as planned. 	116,620	88,317
	15% Contribution to the Government Consolidated Fund, National and International bodies, taxes, statutory payments and other charge effected by June 2022	(15% of gross and 70% of surplus fund) Expected Outcome: 15% Contribution to the Government Consolidated Fund, National and International bodies, taxes, statutory payments, and other charge effected	<ul style="list-style-type: none"> 15% Contribution to the Government Consolidated Fund, National and International bodies, taxes, statutory payments and other charge effected were paid 	13,886,284	43,490,222
	Customers' Online Self-service Portal developed for three (3) revenue billing systems by June 2022	Number of Customers' Online Self-service Portal Expected Outcome: Development of three (3) revenue billing system for customer online service portal	<ul style="list-style-type: none"> Two (2) Customers' Online Self-service Portal were developed, there were Delay in accomplishment of Maritime Safety System due to change of user design requirements affected development of online self-service portal. 	11,500	7,500

Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	Revenue collection increased annually by 20% to achieve 100% increase by June, 2022	% Increase in annual revenue collection Expected Outcome: Revenue collection increased annually by 20%	<ul style="list-style-type: none"> There were 10% increase only, due to Change in tariff for collection of clearing and forwarding agency fee from TZS 3 per litre to TZS 20 Million per vessel triggers underperformance in revenue collection. 	313,910	178,336
	Integrated Financial Management Information System (IFMIS) linked with the three (3) revenue billing systems and payroll management system by June, 2022	Number of billing/payroll systems integrated with IFMIS Expected Outcome: Integrated Financial Management Information System (IFMIS) linked with the three (3) revenue billing systems and payroll management system	<ul style="list-style-type: none"> There were no Integration as the Corporation is in the process of shifting to IFMIS based MUSE following Government directives 	147,280	111,406
	Reconciliation process for eleven (11) bank accounts automated by June 2022	Number of bank accounts linked with IFMIS Expected Outcome: Automation of eleven (11) bank account for reconciliation process	<ul style="list-style-type: none"> There was no automation of reconciliation as the Corporation is in the process of shifting to IFMIS based MUSE following Government directives 	200	200



Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	Monthly, quarterly and semi-annual reports prepared (8) for revenue and expenditure performance by June, 2022	Number of days taken to prepare quarter end report Expected Outcome: Monthly, quarterly, and semi-annual reports	<ul style="list-style-type: none"> Six (6) Monthly, quarterly and semi-annual reports were prepared 	220,100	165,172
	Draft annual financial statements prepared and submitted to Internal Audit Unit (IAU) for review before 31 st August by June 2022	Date of submission Expected Outcome: Submission of draft financial statements to (IAU) before 31 st August, 2022	<ul style="list-style-type: none"> 31st August 2021 on progress 	429,200	273,534
	Draft annual financial statements submitted and audited by the Controller and Auditor General (CAG) for auditing before 30 th September by June 2022	Date of submission Expected Outcome: Submission of draft financial statements to CAG before 30 th September, 2022	<ul style="list-style-type: none"> 30th September 2022, on progress 	330,054	201,414
	Fifty (50) complaints or litigation for or against the Corporation handled, settled resolved, defended, or instituted by June 2022	Number of Complaints/ litigations handled, settled resolved, defended, or instituted Expected Outcome: Fifty (50) complaints or litigation for or against the Corporation handled, settled resolved, defended, or instituted	<ul style="list-style-type: none"> Forty-one (41) Complaints Lodged to the Corporation for resolutions. The decreased is due to intensifying on legal awareness and working on stakeholders' complaints timely. 	203,960	113,064

Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	Fifty-Two (52) Management meetings conducted and facilitated by June 2022	Number of management meetings conducted and facilitated Expected Outcome: Fifty-Two (52) Management meetings	<ul style="list-style-type: none"> Forty-one (41) Management meetings were conducted 	38,280	12,327
	Ten (10) legal awareness programs on new enacted, existing and amended legislation conducted by June 2022	Number of legal awareness programs conducted Expected Outcome: Ten (10) legal awareness programs on new enacted, existing, and amended legislation	<ul style="list-style-type: none"> Ten (10) legal awareness programs on new enacted, existing and amended legislation were conducted 	182,305	75,114
	Capacity building sessions on legal related matters facilitated to 10 legal staff by June, 2022	Number of legal staffs trained Expected Outcome: Capacity building sessions on legal related matters facilitated to 10 legal staff	<ul style="list-style-type: none"> Capacity building sessions on legal related matters facilitated were conducted to 07 legal staff 	112,380	62,179
	Ten (10) legislation on maritime safety, security and pollution prevention facilitated for enactment, amendment or publication by June 2022	Number of Legislation on Maritime Safety, Security and Pollution Prevention facilitated Expected Outcome: Ten (10) legislation on maritime safety, security and pollution prevention facilitated for enactment, amendment	<ul style="list-style-type: none"> Fifty-four (54) legislation on maritime safety, security and pollution prevention facilitated for enactment was amendment 	595,590	480,392



Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	Two (2) national, regional, or international agreements, 50 service provision contracts, and 12 lease agreements attended and vetted by June 2022	<ul style="list-style-type: none"> Number of agreements negotiation attended or vetted Number of service provisional contracts vetted Number of lease agreements vetted Expected Outcome: Two (2) national, regional, or international agreements, 50 service provision contracts, and 12 lease agreements attended and vetted	<ul style="list-style-type: none"> Sixty-four (64), two (2) national, regional, or international agreements, 50 service provision contracts, and 12 lease agreements were attended and vetted 	70,294	35,909
	Forty-eight (48) Board of Directors and Committees' meetings conducted and facilitated by June 2022	Number of Board and Committee Meetings conducted and facilitated Expected Outcome: Forty-eight (48) Board of Directors and Committees' meetings conducted and facilitated	<ul style="list-style-type: none"> Forty-one (41) Board of Directors and Committees' meetings were conducted and facilitated 	1,048,461	426,839
	Eight reports (4 quarterly follow up audits and 4 (quarterly IAU performance reports)	Number of Audit reports Expected Outcome: Audit reports	<ul style="list-style-type: none"> Eight reports (4 quarterly follow up audits and 4 (quarterly IAU performance reports) were conducted 	31,920	14,431

Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	Four (4) Auditors to attain professional certifications and attending three (3) international meetings by June 2022.	Number of Auditors Expected Outcome: Four (4) Auditors to attain professional certifications and attending three (3) international meetings	<ul style="list-style-type: none"> Four (4) Auditors attained professional certifications and three (3) international meetings 	148,950	148,381
	Three (3) Reports (Departmental meeting, Annual plan, and monitoring report on implementation of annual plan)	Number Reports Expected Outcome: Three (3) Reports	<ul style="list-style-type: none"> Three (3) Reports (Departmental meeting, Annual plan, and monitoring report on implementation of annual plan) were conducted 	45,350	26,866
	Three Audit Reports (Financial Statement, Revenue & Expenditure) conducted by June, 2022	Number of Audit reports Expected Outcome: Audit Reports	<ul style="list-style-type: none"> Three Audit Reports (Financial Statement, Revenue & Expenditure) were conducted 	35,980	28,473
	Two Audit Software's (Audit Management System (AMS) and Data Analytics maintained and utilized June 2022	Number of audit software maintained and utilized Expected Outcome: Audit Reports	<ul style="list-style-type: none"> Two Audit Software's (Audit Management System (AMS) and Data Analytics) were conducted 	48,800	18,802
	Two (2) audit to assess implementation and effectiveness of RMPF and QMS processes by June 2022	Number of Audits Expected Outcome: Audit Reports	<ul style="list-style-type: none"> Two (2) audit to assess implementation and effectiveness of RMPF and QMS processes were conducted 	16,460	3,195
	Four (4) procurement audits performed by June 2022	Number of Procurement Audits Expected Outcome: Audit Reports	<ul style="list-style-type: none"> Two (2) procurement audit report were conducted 	28,060	14,720



Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	Three (3) ICT Audits on Governance, ICT Security & Data Management conducted by June, 2022	Number of ICT Audits Expected Outcome: Audit Reports	<ul style="list-style-type: none"> Three (3) ICT Audits on Governance, ICT Security & Data Management were conducted 	37,250	12,279
	Eight (8) Audits on Regional and Border post-operation and Regional and operations conducted by June, 2022	Number of Regional/ Border Audits Expected Outcome: Audit Reports	<ul style="list-style-type: none"> Eight (8) Audits on Regional and Border post-operation were conducted 	165,860	106,826
	Three (3) audits on support services by June 2022	Number of Audits on Support Services Expected Outcome: Audit Report	<ul style="list-style-type: none"> Three (3) audits on support services were conducted 	46,450	12,051
	60% compliance to e-Government technical standards and guidelines attained by June, 2022	% of Compliance to e-Government technical standards and guidelines Expected Outcome: 60% compliance to e-Government technical standards and guidelines	<ul style="list-style-type: none"> 68% compliance to e-Government technical standards and guidelines were conducted 	243,650	121,119
	Seventy percent (70%) of User's satisfaction on ICT service delivery attained by June, 2022	% of users' satisfaction on ICT service delivery Expected Outcome: (70%) of User's satisfaction on ICT service delivery	<ul style="list-style-type: none"> (70%) of User's satisfaction on ICT service delivery were attained 	292,004	220,400

Objectives	Target for 2021/22	Key Performance Indicator	Implementation Status as at 30 June 2022	Budget (TZS '000)	Actual (TZS '000)
	Four (4) Statistical reports and Bulletin produced by June, 2022	Number of statistical Reports Expected Outcome: Four (4) Statistical reports	<ul style="list-style-type: none"> Four (4) Statistical reports and Bulletin were produced 	200,370	155,769
	Four (4) stages of developing TASAC Statistical Management System accomplished by June, 2022	Number of development stages of TASAC Statistical Management System Expected Outcome: Four (4) stages of developing TASAC Statistical Management System	<ul style="list-style-type: none"> Three (3) stages of developing TASAC Statistical Management System were accomplished 	113,976	76,567
	Fifty-two (52) Tenders published by June, 2022	Number of tenders published Expected Outcome: Fifty-two (52) Tenders	Forty-four (44) Tenders were published	351,200	261,744
	Quarterly replacement of Stock by June, 2022	Number of quarters Expected Outcome: Quarterly replacement of Stock	<ul style="list-style-type: none"> 100% Quarterly replacement of Stock 	245,867	200,717
	Four (4) stock taking and codifications conducted by June, 2022	Number of stocks taking conducted Expected Outcome: Four (4) stock taking and codifications	<ul style="list-style-type: none"> Four (4) stock taking and codifications were conducted 	207,870	87,497
	Four (4) training sessions conducted by June, 2022	Number of training sessions Expected Outcome: Four (4) training sessions	<ul style="list-style-type: none"> Four (4) training sessions were conducted 	177,596	100,690
TOTAL				48,281,428.148	114,781,799.498

Source: TASAC Corporate Strategic Plan (2021/22-2025/26) and the Annual Plan and Budget 2021/22



Table 3: Key Performance Indicators for the Year 2020/21

Objectives	Target for 2020/21	Key Performance Indicator	Implementation Status as at 30 June 2021	Budget (TZS '000)	Actual (TZS '000)
A: Maritime transport services regulatory role enhanced	Forty-five (45) Dry Port Visits for Monitoring Compliance with Port Regulations undertaken quarterly by June 2021	Number of visits Expected outcome: Compliance with Port regulations	<ul style="list-style-type: none"> 180 visits were conducted to dry ports to ascertain compliance with Port regulations. 	500	0
	Four (04) Sea Ports Monitored for Compliance with Port Regulations (semi-annually) by June 2021	Number of Sea Ports Expected outcome: Compliance with Port regulations	<ul style="list-style-type: none"> Four (04) Sea Ports were visited as planned for checking compliance with the requirements of the Tanzania Shipping Agencies (Port Terminal Operators) Regulations, 2020. Port Terminals visited were found to be reasonably compliant to regulatory requirements of the Tanzania Shipping Agencies Corporation but a few observed anomalies were analyzed and addressed to Tanzania Ports Authority for rectification 	80,350	66,419
	Fourteen (14) Inland Ports Monitored (semiannually) for compliance with Port regulations by June 2021	Number of Inland Ports Expected outcome: Enhanced compliance with Port regulations	<ul style="list-style-type: none"> Fourteen (14) Inland Water Way Ports were visited as planned for checking compliance with regulatory requirements of the Tanzania Shipping Agencies (Port Terminal Operators) Regulations, 2020 	80,350	66,419
	Thirty (30) Miscellaneous Port Services Providers (MPS) Visits for Monitoring Compliance with Port Regulations undertaken semi-annually by June 2021	Number of visits to Miscellaneous Port Service Providers. Expected outcome: Enhanced compliance with Port regulations.	<ul style="list-style-type: none"> Sixty (60) visits were made to MPS providers premises in Dar es Salaam, Tanga and Mtwara for checking compliance with the requirements of the Tanzania Shipping Agencies (Miscellaneous Port Services) Regulations, 2020 Results: All were found to be compliant to the requirements of the Tanzania Shipping Agencies (Miscellaneous Port Services) Regulation, 2018. 	13,160	12,748

Objectives	Target for 2020/21	Key Performance Indicator	Implementation Status as at 30 June 2021	Budget (TZS '000)	Actual (TZS '000)
	Sixty (60) Gross Mass Verifiers (GMV) Visits for Monitoring Compliance with Port Regulations undertaken semi-annually by June 2021	Number of visits to Gross Mass Verifiers Expected Outcome: Compliance with Port regulations and increase efficiency in Port Operations	<ul style="list-style-type: none"> Sixty (60) visits were made to Gross Mass Verifiers' (GMVs') premises in Dar es Salaam for checking compliance with regulatory requirements of the Merchant Shipping (Verified Gross Mass of a Container carrying cargo) Regulations, 2016 Results: All were found to be compliant with regulatory requirements of the Merchant Shipping (Verified Gross Mass of a Container Carrying Cargo) Regulation, 2016. 	18,350	5,422
	Thirty (30) engagements conducted with Port service providers for resolving complaints by June 2021	Number of engagements conducted Expected outcome: Enhanced customer satisfaction.	<ul style="list-style-type: none"> 18 engagements were conducted during the period under review with Port service providers for resolving complaints. The lodged complaints were lodged below the expectations of the Corporation. 	16,000	9,920
	Fifteen (15) Dry Port issued with licenses by June 2021	Number of dry ports licensed. Expected outcome: Enhance level of compliance among dry ports service providers.	<ul style="list-style-type: none"> No license was issued to the existing licensees due to extension of license validity period to 19 January 2022. Only one new applicant was issued with license. 	7,800	4,098
	Twenty-five (25) Shipping agents issued with licenses by June 2021	Number of shipping agents licensed Expected Outcome: Increased compliance among shipping agents	<ul style="list-style-type: none"> Twenty-three (23) shipping agents were issued with licenses. The remaining two (2) shipping agents were not issued with licence because they did not pay licensing fee 	14,800	12,257
	Fifteen (15) Shipping agents inspected for Monitoring Compliance with Single Installment Tax by June 2021	Number of shipping agents inspected Expected Outcome: Compliance with single installment tax	<ul style="list-style-type: none"> No shipping agent was inspected for compliance with single installment tax as the MOU between TASAC and TRA on single Installment Tax signed on 9 September 2019 had implementation challenges and expired on 8 September 2020. 	17,050	11,608



Objectives	Target for 2020/21	Key Performance Indicator	Implementation Status as at 30 June 2021	Budget (TZS '000)	Actual (TZS '000)
	Three hundred (300) Shipping Service Providers inspected for licensing/registration by June 2021	Number of shipping service providers inspected Expected Outcome: Increase compliance with licensing regulations	<ul style="list-style-type: none"> 348 shipping service providers were inspected for licensing/registration by June 2021. More shipping service providers were inspected due to increased number of new applicants. 	14,400	13,568
	Collating of eight hundred and sixty (860) Shipping Service Providers applications for licensing/ registration undertaken by June 2021	Number of shipping service providers' applications Expected Outcome: Compliance with licensing requirements and therefore increase efficiency in service provision	<ul style="list-style-type: none"> 1,042 shipping service provider's application for licensing/registration were collated by June 2021. More shipping services provider were collated due to increased number of applications. 	3,750	280
	Fifty (50) visits conducted to monitor Shipping Agents' compliance with regulations by June 2021	Number of visits conducted Expected outcome: Increased compliance and enhance effectiveness in service delivery among shipping agents	<ul style="list-style-type: none"> Fifty (50) visits conducted to monitor Shipping Agents' compliance with regulatory requirements. 	25,950	22,891
	Forty (40) monitoring visits conducted to Consolidators/ de-consolidators to observe compliance with regulations by June 2021	Number of monitoring visits Expected outcome: increased compliance with regulations among consolidators and de-consolidators	<ul style="list-style-type: none"> Forty (40) monitoring visits were conducted to Consolidators/ De-consolidators to observe compliance with regulatory requirements. 	4,000	0
	300 Clearing and Forwarding agents monitored to check compliance with regulations by June 2021	Number of clearing and forwarding agents monitored Expected Outcome: Enhance compliance among clearing and forwarding agents	<ul style="list-style-type: none"> Three Hundred (300) Clearing and Forwarding agents monitored to check compliance with regulatory requirements. 	10,000	920
	Seven (7) border posts monitored quarterly and complied with regulations by June 2021	Number of border posts monitored Expected Outcome: Increased compliance with regulations	<ul style="list-style-type: none"> Seven (7) border posts monitored quarterly on compliance with regulatory requirements 	86,000	75,690
	Twenty-five (25) Shipping Agents monitored to check compliance with Performance Standards and Benchmarks by June 2021	Number of shipping agents monitored Expected Outcome: Increased compliance with performance standards and benchmarks	<ul style="list-style-type: none"> Twenty-five (25) Shipping Agents monitored to check compliance with regulatory Performance Standards and Benchmarks 	8,100	3,000

Objectives	Target for 2020/21	Key Performance Indicator	Implementation Status as at 30 June 2021	Budget (TZS '000)	Actual (TZS '000)
B: Maritime safety, security and marine environment improved	100 Clearing and Forwarding agents monitored to check compliance with Standards and Benchmarks by June 2021	Number of clearing and forwarding agents monitored Expected Outcome: Enhanced compliance with standards and benchmarks	<ul style="list-style-type: none"> No Clearing and Forwarding agent was monitored to check compliance with Performance Standards and Benchmarks because there were no approved regulations in place. However, fifteen (15) CFAs were visited as a pilot for performance Standards and Benchmarks while awaiting regulations to be approved 	10,000	4,000
	Four (4) IMO meeting attended by June 2021	Number of meetings attended Expected Outcome: Enhanced Country presence International in Policy Issues	<ul style="list-style-type: none"> Outbreak of COVID 19 resulted into foreign travel restriction therefor no IMO meeting was attended for the period under review 	21,648	6,038
	Four (04) ISCOS International Activities attended by June 2021	Number of activities attended Expected Outcome: Enhanced Country presence in International Policy Issues	<ul style="list-style-type: none"> Seven (07) ISCOS International Activities were attended by June 2021 as more invitations were received which resulting into increased number of attended meetings. 	74,590	47,230
	6,000 Vessels inspection and surveys conducted by June 2021	Number of vessels inspected Expected outcome: Improved maritime safety, security and marine environment awareness among service providers.	<ul style="list-style-type: none"> 9,184 Vessels inspection and surveys were conducted by June 2021 due to Increased response from fishing boats owners resulting from enforcement of Fisheries Act, 2003 which requires vessels to have Local Safety Certificate before issuance of with fishing license; together with the requirement of inspecting Government ferries under TEMESA. 	659,860	441,584
	200 maritime safety awareness programs conducted by June 2021	Number of awareness programs Expected outcome: Improved maritime safety standards compliance.	<ul style="list-style-type: none"> 589 Maritime safety awareness programs conducted by June 2021. More awareness programs were conducted due to increased number of vessels requiring inspections and survey of vessels. 	18,080	4,452
	Four (4) stages to improve vessel, seafarer's registration and certification system implemented by June 2021.	Number of stages implemented Expected Outcome: Enhance vessel safety and a reliable maritime transport	<ul style="list-style-type: none"> Four (4) stages to improve vessel, seafarer's registration and certification system were implemented as planned. 	38,100	12,547



Objectives	Target for 2020/21	Key Performance Indicator	Implementation Status as at 30 June 2021	Budget (TZS '000)	Actual (TZS '000)
	2000 seafarer certificates issued in accordance with the STCW Conventions by June 2021	Number of Seafarers Certificates issued Expected Outcome: Enhanced compliance with International standards in accordance with the STCW conventions	<ul style="list-style-type: none"> 6,812 seafarer certificates issued in accordance with the STCW Conventions by June 2021. The increase was due to: 1) Revalidation of seafarers' certificates 2) Suspension of issuance of seafarer certificates during COVID_19 Pandemic since previous financial year 2019/20. 	588,010	244,520
	Eighteen (18) Port facility Audit/impromptu inspections conducted to ensure compliance of the ISPS Code by June 2021	Number of inspections for Port Facility Expected Outcome: Enhanced trustworthiness of national ports to international ships.	<ul style="list-style-type: none"> Eighteen (18) Port facility Audit/impromptu inspections conducted to ensure compliance of the ISPS Code by June 2021. The audits were conducted at Kurasini Oil Jetty (KOOJ)-TPA; Single Point Mooring (SPM), General Cargo-TPA; and TICTS, Mtwara, Kilwa and Tanga Port, as well as Malindi port facility in Zanzibar. 	48,660	34,298
	Four (4) National Maritime Security Committee meetings conducted by June 2021	Number of Meetings conducted Expected outcome: Increased sensitivity on maritime security issues.	<ul style="list-style-type: none"> Four (4) National Maritime Security Committee meetings conducted by June 2021. One (1) NMSC meeting was conducted at Dodoma from 29.09.2020 to 30.09.2020. The 5 National Maritime Security Committee (NMSC) Ordinary Meeting held from 02 to 03 December 2020 at MoWT Conference Room-Dodoma. The 6 National Maritime Security Committee (NMSC) Ordinary Meeting held on 31 March 2021 at DMI-Dar es Salaam. The 7 National Maritime Security Committee (NMSC) Ordinary Meeting held on 30 June 2021, Dodoma. 	119,280	85,126
	Number of accidents reduced from 6 to 5 by June 2021	Number of accidents reduced Expected Outcome: Reduced casualties from marine accidents	<ul style="list-style-type: none"> Number of accidents reduced from 6 to 4 by June 2021. This was due to: -1) Increased number of awareness programs to vessel operators. 2) Improved Regulations. 	174,320	103,326

Objectives	Target for 2020/21	Key Performance Indicator	Implementation Status as at 30 June 2021	Budget (TZS '000)	Actual (TZS '000)
C: Shipping business services improved	Four (4) stages for review and implementation of Operation manual for SAS completed by June 2021	Number of stages completed Expected outcome: Enhance operational efficiency of shipping agencies services.	<ul style="list-style-type: none"> Three (3) stages for review and implementation of Operation manual for SAS were completed by June 2021. The fourth stage was not achieved due to pending SBMS issues on generation of delivery order and profoma disbursement account. 	63,200	40,013
	Seven (7) ship categories covered by Shipping agency services by June 2021	Number of ship categories handled. Expected outcome: Enhanced capacity to serve various ship categories.	<ul style="list-style-type: none"> Six (6) ship categories were covered by Shipping agency services by June 2021. Operationalization of the seventh category (pure car carrier ships) has not implemented due to un favorable cost benefit analysis results which was done by the Corporation before the start of its operation 	278,200	258,378
	300 ships handled under TASAC agency by June 2021	Number of ships handled Expected Outcome: Increased volume of ships handled under the Corporation's shipping agency services	<ul style="list-style-type: none"> 401 ships were handled under TASAC agency by June 2021. Increase in number of ship calls was due to Nations selecting our Port for crew change following the outbreak of COVID-19 and consequent lockdown in other Ports around the world. 	278,200	258,378
	Ship Tallying Services Increased from 311,472 Container Cargo to 493,332 Containers by June 2021	Number of TEUs tallied Expected Outcome: Increased capacity to tally container cargo	<ul style="list-style-type: none"> Ship Tallying Services Increased from 311,472 Container Cargo to 512,611 Containers by June 2021. This was due to the Commencement of ship tallying services at Tanga Port. -Opening up of rehabilitated berth number 5, 6 and 7 at Dar es Salaam Port has increased cargo volume for tallying purposes. 	242,040	114,396
	Ship Tallying Services increased from 71,520 Units to 113,652 Units of Vehicles by June 2021	Number of Units Expected Outcome: Increased number of motor vehicles units tallied by under tallying services	<ul style="list-style-type: none"> Ship Tallying Services increased from 71,520 Units to 134,568 Units of Vehicles by June 2021. Ship Tallying Services increased due to opening up of the newly developed berth zero for handling pure car carrier vessels. 	242,040	114,396



Objectives	Target for 2020/21	Key Performance Indicator	Implementation Status as at 30 June 2021	Budget (TZS '000)	Actual (TZS '000)
	Ship Tallying Services Performed on 1,044 un-manifested Packages by June 2021	Number of tally services performed Expected Outcomes: Enhanced control of tallying services on un-manifested items and thus increased revenue collections	<ul style="list-style-type: none"> Ship Tallying Services Performed on 4,255 un-manifested Packages by June 2021. Ship Tallying Services Performed on manifested packages increased due to extension of tallying services to cover additional packages which were not declared in the cargo manifest. 	242,040	114,396
	Ship Tallying Services Increased from 1,699,920 Tons to 2,711,872.80 Tons of Dry Bulk by June 2021	Tonnage tallied Expected Outcome: Increased volume of tonnages tallied on dry bulk cargo	<ul style="list-style-type: none"> Ship Tallying Services Increased from 1,699,920 Tons to 2,441,837 Tons of Dry Bulk by June 2021. Ship Tallying Services decreased due short fall in the number of ship calls thus, affecting the volume of cargo available for tallying. 	242,040	114,396
	Ship Tallying Services Increased from 345,312 Tons to 615,062 Tons of Break Bulk by June 2021	Tonnage tallied Expected Outcome: Increased volume of tonnages tallied on break bulk cargo	<ul style="list-style-type: none"> Ship Tallying Services Increased from 345,312 Tons to 817,277 Tons of Break Bulk by June 2021. Ship Tallying Services Increased due to: -1. Opening up of the rehabilitated berths number (five, six and seven) has increased number of vessels and volume of break bulk cargo for tallying. 2. increased importation of projects cargo specifically for SGR and Nyerere hydroelectric power projects. 	242,040	114,396
	Clearance of cargo to be within seven (7) days after receiving full shipping documents from the client by June 2021	Number of days taken for cargo clearance Expected outcome: Enhanced customer satisfaction and reduced cost of doing business	<ul style="list-style-type: none"> Clearance of cargo to averaged seven (7) days after receiving full shipping documents from the client by June 2021. This was achieved due to Twelve monitoring visits conducted on cargo clearance areas and increasing efficiency by reducing clearance time. 	235,730	198,084

Objectives	Target for 2020/21	Key Performance Indicator	Implementation Status as at 30 June 2021	Budget (TZS '000)	Actual (TZS '000)
	Fourteen (14) items under corporate exclusive mandate fully operationalized by June 2021	Number of items operationalized Expected Outcome: Increased scope on the mandated functions	<ul style="list-style-type: none"> Fourteen (14) items under corporate exclusive mandate were fully operationalized by June 2021. This was made possible by conducting: <ol style="list-style-type: none"> quarterly awareness sessions to all CFA officers at all customs clearing points dealing with exclusive mandate items (Ports, ICDS, Customs borders i.e Tunduma, Sirari, Namanga and Mutukula), monthly shipping business directorate Meetings to facilitate improvement of shipping business services semi-annually meetings with Shipping Business stakeholders 	441,964	215,873
D: Capacity for the Corporation to discharge mandated functions enhanced	One hundred and twenty-one (121) staff recruited by June 2021	Number of staff recruited Expected outcome: Enhance Corporation capacity to discharge its mandated functions.	<ul style="list-style-type: none"> A total number of 61 staff were recruited as per recruitment permit. 	191,000	80,410
	Enhance statutory benefits to 302 staff by June 2021.	Number of staff attended Expected Outcome: Motivated and creative staff	<ul style="list-style-type: none"> Salaries and Other benefits like acting allowance, extra duties, leave passage and others were paid to 301 staff up to June 2021. In the first quarter the Corporation paid Salaries and Other benefits 246 staffs, in the second quarter paid Salaries and Other benefits 300 staffs, in the third quarter 302 staffs were paid salaries and other benefits and in the last quarter the Corporation paid salaries and other benefits to 301 staffs 	24,314,414	19,565,966
	16% increase of annual revenue by June 2021	Percentage increase of revenue Expected outcome: Improved Level of Corporation's financial independency to finance its mandated functions.	<ul style="list-style-type: none"> A total of 84.51 billion was recognized, which is TZS 2.62 billion above the final revised target of TZS 81.89 billion, equivalent to 3.70% of actual recognized revenue of 2019/20 of TZS 70.87 billion. 	15,768,582	13,440,457



Objectives	Target for 2020/21	Key Performance Indicator	Implementation Status as at 30 June 2021	Budget (TZS '000)	Actual (TZS '000)
	Fifty-six (56) Tenders published by June 2021.	Number of tenders implemented Expected outcome: Enhanced Capacity of the Corporation to discharge its functions.	<ul style="list-style-type: none"> A total of 39 out of 56 tenders were implemented, that is 70% of the tenders planned in the annual procurement Plan were implemented. 	464,800	292,557
	Four (4) ICT Management Technical Guidelines developed and implemented by June 2021	Number of ICT Technical guidelines developed Expected outcome: Enhanced efficiency of Corporation operations	<ul style="list-style-type: none"> Four (4) ICT Management Technical Guidelines developed and implemented. These are: - Draft ICT Project Management Guideline developed Draft Three (3) Internal Operating Procedures developed (Access Control Management, User Access Management and Backup and Restoration Procedures) 	109,920	25,636
E: HIV/AIDS, infection reduced and supportive services improved	Draft HIV/AIDS Policy submitted to the Board Committee by June 2021.	Draft HIV/AIDS Policy developed Expected outcome: Enhanced awareness among staff resulting into reduced reported cases of HIV/AIDS at Workplace.	<ul style="list-style-type: none"> The Draft HIV/AIDS Policy has been prepared and submitted to the Board Committee for discussion and deliberations 	13,850	13,850
F: Effective implementation of National Anti-Corruption Strategy enhanced and sustained	Anti - Corruption awareness to 364 employees by June 2021	Stakeholders' perception on corruption at TASAC. Expected outcome: Enhanced Corporation culture with ethical values on high level of Integrity.	<ul style="list-style-type: none"> The anti-Corruption awareness to the entire Corporation employees was implemented as planned. 	94,678	48,823
TOTAL				45,617,846	36,298,766

Source: TASAC Corporate Strategic Plan (2018/19-2020/21) and the Annual Plan and Budget

14 KEY PERFORMANCE INDICATORS (CONTINUED)

14.2. Implementation Status of the Corporate Strategic Plan

The Corporation implemented most of the planned activities under the Five Years Corporate Strategic Plan (2021/22-2025/26). Some of the key results/major activities and developments which took place during the financial year ended 30 June 2022 included the following: -

i. Health Services improved and HIV/AIDS infections reduced

The Corporation organised HIV/AIDS and NCCDs awareness program which was implemented as planned and also Care and support was provided to employees recognised with HIV/AIDS and NCCDs.

ii. Effective implementation of National Anti-Corruption Strategy enhanced and sustained

The Corporation Ethics and Integrity Committee conducted four (4) statutory meetings to deliberate ethical matters and reports were prepared as per requirements. Additionally, the corporation conducted awareness on anti-corruption and good governance to its staff and training to appointed Complaints Handling Officers.

iii. Maritime transport regulatory services enhanced

Issuing Licenses and registration certificates to Ports and Shipping Regulated Service providers

The Corporation issued 1,278 (30 June 2021: 1,194) licenses and registration certificates to Ports and Shipping Regulated Service Providers. The number of issued licenses and registration certificates are summarized in the Table 3 below:

Table 4: Issued Licenses and certificates in the Year 2021/22

No.	Category of Regulated Service Providers	Quantity
1	Shipping Agents	29
2	Cargo Consolidators/De-consolidators	32
3	Miscellaneous Port Services Providers	102
4	Dry Ports Operators	23
5	Port Terminals	5
6	Clearing and Forwarding Agents	1,038
7	Gross Mass Verifiers	49
Total number of Licenses and certificates issued		1,278

Source: TASAC



14 KEY PERFORMANCE INDICATORS (CONTINUED)

- **Coverage of monitored shipping service providers.**

The Corporation monitored 567 of shipping services providers which is an increase of 67 beyond target.

- **Compliance with port services regulations**

Port Service Provider was visited and found to be complied with port Service regulation by 80% as per checklist.

- **Compliance with maritime transport terminals (ports and dry ports) cargo safety and security rules and standards.**

Ports and Dry Ports were visited and found to comply with maritime transport terminals cargo safety and security rules and standards by 40%.

- **Monitoring of Cargo Passing through Border Posts**

The Corporation conducted quarterly monitoring visits to seven border posts of Holili, Horohoro, Murongo, Mutukula, Mwanza Port, Namanga and Sirari to oversee maritime cargo passing through border posts and check compliance on the collection of TASAC fees. Observations from the visits were shared with the stakeholders to enforce compliance. This resulted into collection of unpaid shipping fees at Holili, Sirari and Horohoro border posts although some amount continues to be pursued for payment from clearing and forwarding agents.

iv. Maritime Safety, Security and Marine Environment Improved

- **Maritime accidents.**

Maritime accidents for vessels less than 50GT reported were Eight (8), below target of 9 accidents while there was no reported accident on ships of 50 GT and above.

- **ISPS Ports Facilities Compliance to IMO Whitelist.**

During the financial year, the corporation monitored Eight (8) ISPS Port facilities and found compliance to IMO whitelist were maintained.

14 KEY PERFORMANCE INDICATORS (CONTINUED)

- **Issuance of Seafarers Certificates as per the STCW Convention 78 as amended**

The Corporation continued discharging its responsibilities in relation to the International Convention on Standards of Training, Certification and Watch keeping for Seafarers 1978, as amended. The objective of the Convention is to ensure that ships are manned with competent and qualified seafarers. During the financial year ended 30 June 2022 the Corporation issued 17,689 (30 June 2021: 6,812) certificates of Competency (COC) for Deck and Engine Officers, Certificates of Proficiency (COP); and Seafarers' Continuous Discharge Certificates (CDC).

- v. **Shipping Business Services Improved**

- **Ships handled under TASAC Agency**

During the year, the Corporation managed to handle 448 ships under TASAC Agency, which was above the target due to substantial increase of ship calls at Mtwara, Tanga and Songosongo.

- **Average cargo clearance time.**

The Corporation managed to maintain average cargo clearance time within 7days after receiving full set of documents from clients.

- vi. **Institutional capacity for service provision strengthened**

- **Reports on the implementation of Quality Management System (QMS)**

The corporation was audited on QMS by Bureau Veritas of Kenya and become ISO 9001:2015 Certified. This enabled the Corporation to deliver its services more efficiently and effectively.

- **Preparation of Internal Rules and Regulations:**

The Corporation received approved TASAC Financial Regulations, 2021 from President Office, Public Service Management and Good Governance. The Financial Regulations ensures effective financial administration of the Corporation's financial affairs. In addition, TASAC Staff Rules and Regulations, were finalised and submitted for approval.

- **Publication of Order**

The Government published the Tanzania Shipping Agencies (Adjusted Marine Passenger Fares) Order, G. N No. 457 of 24th June 2022, the Tanzania Shipping Agencies (Marine Passenger Fares) Order, G. N No. 458 published of 24th June 2022 and the Tanzania Shipping Agencies (Inland Clearance Depot Tariff) Order G.N No. 459 of 24th June 2022. The Orders became effective for implementation from the date of their publication in the Government Gazette.



14. KEY PERFORMANCE INDICATORS (CONTINUED)

- **Drafting Sector Regulations.**

The Ministry of Works and Transport in consultation with the Corporation participated in preparing draft and amendments of the Tanzania Shipping Agencies (Shipping Agents) Regulation, 2018, the Tanzania Shipping Agencies (Safety and Security of Cargo and Terminal Operations) Regulations, 2022, the Tanzania Shipping Agencies (Shippers Registrations) Regulations, 2022, the Tanzania Shipping Agencies (Dry Port) Regulation, 2018, Merchant Shipping (Verified Gross Mass of Container Carrying Cargo) Regulation, 2016, Tanzania Shipping Agencies (Clearing and Forwarding Agents), 2018 and the Tanzania Shipping Agencies (Facilitation of International Maritime Traffic) Regulations.

- **ICT Projects and its Application**

The Corporation embarked on ICT scale up programs on the following aspects,

- Re-design of TASAC website www.tasac.go.tz with support of eGA;
- Enhance ICT infrastructure by connecting regional offices to National ICT Backbone and access of ICT equipment to staff;
- Installation of data links at border stations and MINERAL Markets TASAC offices
- Implementing developed modules for Shipping Business Management System (SBMS).
- Configuration, customization and deployment of TASAC ServiceDesk (Helpdesk) System
- Preparation of Maritime Administration Management System (MAMS) design, system requirement specifications and process documentations
- Improvement of EDMS by introducing Acting Roles assignments. Delegating and removing delegation, capturing of recurrent and development budget for commitment.
- Installation of Government Network (GovNet) for access all government shared systems
- **Payments for 15% Contribution to the Government Consolidated Fund, National and International bodies, taxes, statutory payments**
During the year the Corporation managed to pay contribution to the Government fund TZS 43.49 billion (30 June 2021: TZS 31.83 billion), National international bodies TZS 1.13 billion (30 June 2021: TZS 1.09 billion), Taxes TZS 10.59 billion (30 June 2021: TZS 310.99 million) and Statutory payments TZS 3.26 billion (30 June 2021: TZS 2.78 billion).

15. CORPORATE GOVERNANCE MATTERS

15.1 Corporate Governance Statement

Corporate Governance is the backbone to any entity's strategy and success as it provides a framework within which corporate objectives are set and performance is monitored. Good corporate governance is critical in the public sector entities, and the Corporation in particular, because with good corporate governance, the institutional risks that would lead to failure of the Corporation to perform its regulatory functions on maritime sector and its exclusive mandate in shipping business are mitigated.

The Corporation is committed to the principles of good corporate governance. The Board recognizes the importance of integrity, transparency and accountability. In addition, the Board has an overall responsibility for identifying key risk areas, considering and monitoring investment decisions, significant financial matters and reviewing performance of the Corporation's plans and budgets. Furthermore, the Board is also responsible for ensuring that a comprehensive system of internal control and procedures is operative in compliance with sound corporate governance principles.

Therefore, during the financial year, the Corporation complied with all aspects of good corporate governance principles which include Board operations and control; rights of the Government and general public; stakeholder relations; ethics and social responsibility; accountability, risk management and internal control; and transparency and disclosure. These are briefly explained below:

15.2 Membership of Those Charged with Governance

The Board of Directors, which consists of the Chairman and six other members, is established under Section 21 of the Tanzania Shipping Agencies Act, Cap. 415. The Chairman is appointed by the Hon. President of the URT and the Board Members are appointed by the Minister responsible for Maritime. The Board Chairman was appointed on 19th June 2021 by the Hon. President of the URT and Board Members were appointed on 7th July 2021 by the Minister responsible for Maritime. The Board had a Vice Chairman who was appointed by the Board during its 1st Ordinary Meeting. The Director General is the Secretary of the Board of Directors.

During the year, there were no resignation or new appointment to TASAC Board members. Table 5 below shows the Board Members who served the Corporation during the financial year.



Table 5: Board Members and Board Secretary for the Year 2021/22

Name	Gender	Position	Nationality	Qualification	Age	Appointment
Capt. Mussa Hamza Mandia	Male	Chairman	Tanzanian	Master of Science in Maritime Education & Training, World Maritime University, Malmö, Sweden, 2000; Master Class One Certificate of Competency, Australian Maritime Safety Authority, 1997; Chief Mate Course (Certificate), Arab Maritime Transport Academy, Alexandria, Egypt, 1988.	65	19 June 2021
Ms. Rukia D. Shamte	Female	Member/ Vice-Chairman	Tanzanian	Fellow-Member of the Chartered Institute of Logistics (UK), 2013; Master of Science in Transport Studies (Business Logistics Management), Cranfield Institute of Technology (UK), 1988; Postgraduate Diploma in Transport Planning and Development, Polytechnic of Central London (UK), 1983; Advanced Diploma in Transport Management, National Institute of Transport (NIT), 1979.	72	7 July 2021
Mr. Said Ally Nzori	Male	Member	Tanzanian	Master Degree (LLM)(Hons) in Commercial Laws (International Trade), the Russian People's Friendship University, Moscow Russia (1995); Bachelor Degree in Law (LLB), the Peoples Friendship University, Moscow Russia (1993); Diploma in Translation, the Russian People's Friendship University, Moscow Russia (April 1995).	59	7 July 2021
Mr Said Athumani Kiondo	Male	Member	Tanzania	Masters of Customs Administration Law and Policy, Wilhelm University of Muenster, Germany, 2006; Master of Business Administration (MBA), University of Dar es Salaam, 2003; Bachelor of Commerce (Marketing), University of Dar es Salaam, 1998.	53	7 July 2021
Eng. Aron Johnson Kisaka	Male	Member	Tanzania	Registered Mechanical Engineer (T) No. 0141, Engineers Registration Board (ERB); Member of Chartered Institute of Transport and Logistics (CILT); Master of Science in Automobile and Automobile Services, Moscow State Automobile & Road Construction Institute (Technical University) – Russian Country; Moscow City, 1996; Full Technician in Mechanical Engineering, Dar es Salaam Technical College, 1986;	57	7 July 2021

Name	Gender	Position	Nationality	Qualification	Age	Appointment
Capt. King Kwirujila Ngabho Chiragi	Male	Member	Tanzanian	Diploma in Marine Surveying with Accreditation in ISM Code, International Institute of Marine Surveyors and the National Sea Training Centre, 2002; Master of Science in Maritime Education and Training (Nautical). World Maritime University, Malmo, Sweden, 1997; Diploma in Applied Science (Shipmaster), Australian Maritime Academy (AMC), 1994; Diploma in Navigation, Dairen Marine Transport College, Dairen, China, 1978.	69	7 July 2021
Mr Cassian H. Ng'amilo	Male	Member	Tanzanian	Master of Science in International Shipping, University of Plymouth, UK, 1995; Diploma in Professional Shipping: Norwegian Shipping Academy, Oslo, Sweden, 1994; Advanced Diploma in Business Administration, the Institute of Development Management (IDM), Mzumbe, 1986; and Certificate in Maritime Law, Oslo, 1994.	62	7 July 2021
Mr. Kaimu Abdi Mkeyenge	Male	(Director General)	Tanzanian	Master of Business Administration, De Montfort University – UK, 2009; Postgraduate Diploma in Tax Management, the Institute of Finance Management, 2014; Bachelor of Business Administration, 2004.	42	4 April 2021

Source: Board Chairman and Members Curriculum Vitae, Appointment Letters.



15. CORPORATE GOVERNANCE MATTERS (CONTINUED)

15.3 Board Operations and Control

The principle on appointment, composition, size and qualifications of Board members was observed by the appointing authorities; the President of the United Republic of Tanzania on appointment of the Board Chairman, and the Minister of Works and Transport on appointment of Board Members. These principles were observed as follows:

a. Diversity

The Board is composed of members of different qualifications with diversity of strength and knowledge of the maritime transport sector. Diversity is observed through differentiation in the age of Directors, their gender, professional qualifications and previous experiences. In addition, members were appointed from the public institution; namely the Ministry responsible for maritime, Attorney General's Office and the Customs Department of the Tanzania Revenue Authority while others were appointed from the public and private sectors. As well, they are members of professional bodies.

b. Structure of the Board

To ensure effectiveness and value addition to the Corporation, the Board has a maximum of seven (7) members including the Chairman. The Board has four (4) established Committees including Audit and Risk Committee, Regulated Services Committee, Shipping Business and ICT Committee and Corporate Affairs Committee. The Board and its Committees have Charters which provide terms of reference and guidance on undertaking their oversight role. Thus, the Board ensures that its Committees are appropriately constituted with members who have the necessary skills and expertise to handle the responsibilities allocated to them.

c. The Functions of the Board

As per Section 22 of Tanzania Shipping Agencies Act, Cap.415, The main function of the Board is to oversee and supervise the management in the performance of the functions of the Corporation by;

- i. providing strategic guidance and formulate policies for operation and management of the Corporation;
- ii. conducting managerial oversight and review the activities and performance of management of the Corporation;
- iii. securing and ensure efficient use of resources, including approval of annual work plan annual budget and supplementary budget;
- iv. approving strategic and investment plans and operations manual;

15. CORPORATE GOVERNANCE MATTERS (CONTINUED)

- v. carrying out the appraisal of the corporation's strategic plan;
- vi. evaluating the performance of the entire management team and take necessary measures;
- vii. approving performance reports of the Corporation including reports on disciplinary matters of staff;
- viii. exercising disciplinary powers over senior management staff;
- ix. approving management reports on quarterly basis;
- (x) approving code of conduct and proceeding; and
- (xi) approving the disposal of capital items.

d. Enhancing Accountability of the Board to the Government and the General Public

To enhance accountability to the Government and the public at large, the Corporation has ensured that:

- it has distinguished the roles reserved for the Board and those delegated to the Management of the Corporation;
- the functions of the Board Chairman and the Director General of the Corporation are not exercised by the same individual;
- the Board Chairman is a non-executive director;
- the Director General is the Secretary to the Board assisted by a qualified and competent officer of good standing from the Legal Services Unit trained for such service at the Institute of Directors in Tanzania (IoDT);
- the Corporation's strategies are sustainable;
- the Corporation has clearly identified the Board's fiduciary duties; and
- it has established a Conflict of Interest Policy where during every Board or Committees meetings, there is an agenda for declaration of conflict of interest by participants.

e. The Board Independence

The Corporation assesses the independence of Board members on an annual basis, to ensure that the Board always benefits from independent and objective judgment.



15. CORPORATE GOVERNANCE MATTERS (CONTINUED)

f. The Board Instruments

The Corporation has developed the Board's Code of Ethics and Conduct, 2021 in compliance with the Treasury Registrar's Board of Directors Code of Ethics and Conduct Guidelines, 2016. The Code has been cascaded down to all employees, as well as to the established Charters of the Board and its Committees so as to guide the Board in undertaking its oversight role and planned activities. The Code and the Charters are reviewed where needs arise to cope with changes. Further, the Board develops a work plan and an evaluation toolkit annually, to ensure effectiveness.

g. Governance on Audit

The Board continues to oversee Management implementation of the Controller and Auditor General's recommendations made during the statutory audit of the financial year 2020/21. In addition, the Board continues to oversee Management implementation of recommendations made by the Office of the Treasury Registrar following Management/ Governance audit conducted in the financial year 2019/20.

h. Rights of the Government and the General Public

The Corporation recognizes, respects and protects the rights of the Government and the general public through:

- Availing information on the Corporation's performance by submission of quarterly performance reports to relevant Government authorities and publishing annual reports together with audited financial statements;
- Ensuring equitable treatment of all regulated service providers and customers in discharging the Corporation functions;
- Ensuring that Government, Ministries and Agencies hold meetings with the Corporation's Management, when required, to discuss any matter related to the Corporation's performance or service delivery; and
- Engaging the media on dissemination of important Corporation's information.

i. Stakeholder Relations

The Board has identified eight (8) categories of stakeholders; the Government, employees, regulated service providers, shipping business customers, suppliers, business partners, society and regulators and policy-makers. Before making its decisions, the Board takes the interests of all stakeholders into account to ensure that engagement with stakeholders is deliberate and planned. Furthermore, the Board wishes to ensure that communication with stakeholders is always transparent and effective.

15. CORPORATE GOVERNANCE MATTERS (CONTINUED)

j. Ethics and Social Responsibility

The Board has identified the following four ethical values, which underpin good corporate governance, to guide all its deliberations, decisions and actions:

- **Responsibility:** The Board assumes responsibility for the assets and actions of the Corporation and is willing to take corrective actions to keep the Corporation on a strategic path **that** is ethical and sustainable;
- **Accountability:** The Board justifies its decisions and actions to the Government and other stakeholders;
- **Fairness:** The Board ensures that it considers the legitimate interests and expectations of all stakeholders; and
- **Transparency:** The Board discloses information in a manner that enables stakeholders to make an informed analysis of the Corporation's performance and sustainability.

The Corporation has developed the Board's Code of Ethics and Conduct, 2021 to ensure that its business is conducted according to the highest ethical standards and in compliance with all the applicable laws and regulations governing the regulation of maritime sector and exclusive mandate on shipping business. The provisions of the Code apply to the Board, Management and all staff of the Corporation.

k. Risk Management, Internal Control and Accountability

The Corporation is committed to ensure existence of a continuous process of risk management and internal controls which ensures business continuity on service delivery so as to achieve the strategic goals while managing the risks.

An overall policy framework on risk and internal control has been developed, which includes the institutional Risk Management Framework and Policy with its related processes, guidance and tools. The Corporation is committed to identifying and managing risks to its work plans and defining and implementing efficient and effective internal controls, to strengthen its ability to meet objectives and deliver benefits and goals expected by its regulated service providers, customers and all stakeholders.



15. CORPORATE GOVERNANCE MATTERS (CONTINUED)

Good risk management identifies the potential events which could affect the achievement of goals and develops action plans for addressing these risks - allowing informed decision-making, better prioritization and improved use of resources. The Corporation's approach to risk management does not aim to eliminate or avoid risk but to be aware of it, reducing risk to an acceptable level and balancing risks and opportunities when deciding on a course of action.

The established risk management process includes the implementation of regularly updated risk analysis and mitigation plans at all levels of the Corporation, both at head office and upcountry offices. The purpose is both, to create a tool for internal management of each Directorate, Unit or Section so as to provide information to the Corporation's Management on key risks identified and how these are managed. In addition to this bottom-up review of risks, the Corporation has integrated risk management in its corporate strategic planning and results-based management processes.

Every staff of the Corporation has an important role in risk management process and controls as part of their work. In particular, all Directors, Heads of Unit and Managers are accountable for identifying and managing risks and overseeing definition and implementation of internal controls, policies and procedures within the area under their authority, including management of issues which arise.

1. Transparency and Disclosure

a. Policy on Conflict of Interest

The Board has established a Conflict of Interest Policy, in recognition that excessive activities, gratuities and access to information may lead to actual or potential conflicts of interest between the interests of the Corporation and those of its relevant persons. The Policy identifies the activities which may compete or conflict with the Corporation's interests and outlines the steps to manage conflict of interest when it arises.

b. Policy on ICT

The Board has developed various ICT policies, so as to enable the Corporation to realise its digitization agenda. The policies provide in-depth coverage and guidance on ICT-related matters such as: business continuity plan (BCP)/ disaster recovery plan (DRP), Service Level Agreement (SLA) management, project management, server room management, business partnerships, database procedures, incident management, invoice processing, quality assurance, security procedures and software design, development and testing.

15. CORPORATE GOVERNANCE MATTERS (CONTINUED)

c. Policy on Procurement

The Corporation developed the Draft Procurement Policy in line with the Public Procurement Act, Cap 410 and its Regulations as amended, so as to:

- Promote best practices, transparency and professionalism in all acquisition processes within the Corporation;
- Ensure that suppliers of goods and services are subjected to a competitive tendering process in order to achieve quality, price competitiveness and reliability;
- Ensure that all expenditures are incurred in accordance with the approved plan and budget and the annual procurement plan (APP); and
- Ensure compliance with applicable regulations and legislations.

d. Policy on Environmental Protection

Environmental protection is a social and economic necessity and an integral component of sustainable development. Similarly, sustainable development is the central concept on environmental policy. Sustainable development means achieving a quality of life that can be maintained for many generations because it is socially desirable, economically viable and environmentally sustainable.

The Corporation is committed to support the Government to ensure sustainable development is made through short, medium and long-term social and economic growth. This will be achieved by observing the following:

- Coordinate implementation of the International conventions, protocols and codes issued by IMO and ratified by the Government including International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto and by the Protocol of 1997 (MARPOL);
- Compliance with legislation on environmental protection including the guidance of the National Environmental Management Council (NEMC) issued from time to time;
- Provide education and create awareness on maritime safety, security and maritime environmental protection to the maritime transport operators, service providers, consumers and public.

15.4 Meetings of Those Charged with Governance

The Board is required to meet at least four times a year. The Board meetings are held once quarterly with additional meetings convened as and where necessary. During the financial year ended 30 June 2022, the Board held Six (6) meetings, of which four (4) were ordinary and two (2) were extra-ordinary.



15 CORPORATE GOVERNANCE MATTERS (CONTINUED)

The Board meetings, during the financial year, discussed and deliberated on the following main issues: -

- Annual Performance Report for the Financial Year 2020/2021 for adoption and approval;
- Proposal for re-naming Committee formed after merging of Corporate Affairs Committee and Finance and Planning Committee as Corporate Affairs Committee (CAC) instead of Corporate, Finance and Planning Committee (CFPC);
- Revised TASAC Board of Directors Charter (2018/19 – 2020/21) and Committee Charters in accordance to the guideline of the Office of Treasury Registrar including Charter of:
 - Regulated Services Committee (RSC);
 - Shipping Business and ICT Committee (SBIC);
 - Audit and Risk Committee; and
 - Corporate Affairs Committee (CAC).
- Staff loan policy;
- TASAC revised Clearing and Forwarding fees;
- Report on Consultancy Services to set up Standard Operating Procedures (SOPs) for Cargo Consolidators and Deconsolidators;
- Notice from Shipping Lines to introduce Fees on Exports Containers;
- Report for Board visit to Nyamisati, Mwanza, Geita and Kagera;
- Proposed amendments of Tanzania Shipping Agencies Act, Cap.415;
- Report of the Status of Cargo Clearance at the Dar es Salaam port and dry ports;
- Internal Audit Plan for the financial year 2020/2021;
- Report of Internal Audit Unit Performance for the Financial Year 2020/2021;
- Report on the status of Implementation of TASAC Management Letter for the Financial Year 2018/19 and 2019/2020;
- Proposed External Audit Plan and Audit Fees for the Financial Year 2020/21;
- Risk Management Implementation Report for the Financial year 2020/21
- Risk Based Annual Internal Audit Plan for the financial year 2021/22;

- Draft TASAC Financial Statements for the Financial Year ended June 2021;
- Draft Special Purpose Financial Statements for the Multinational Lake Victoria Maritime Communication and Transport Project for the Financial Year ended June, 2021;
- Need to Review Tariff Order No. SMTRA/3/2009ICD;
- Draft of reviewed Tanzania Shipping Agencies (Performance Benchmarks) Regulations, 2022;
- TASAC 2nd Five Year Corporate Strategic Plan (CSP), 2020/21 – 2024/25;
- ICT Policies and Plan;
- TASAC ICT Security Policy;
- TASAC Acceptable ICT use Policy;
- TASAC Disaster Recovery Plan;
- Report of Certification in Directorship Course held from 22nd – 26th November 2021;
- Report of awareness on the Shipping Business Management System (SBMS);
- Proposal for New Signatories to TASAC Bank Accounts;
- 1st Quarter Performance Review for Financial Year 2021/2022;
- TASAC Employees Supplementary Health Services Packages;
- Report on the Status of Complaints lodged against TASAC's fees and function on clearing and forwarding of minerals;
- Implementation status of the TASAC Exclusive Mandate;
- 1st Quarter Internal Auditor Unit (IAU) Performance Report for the financial year 2021/22;
- 2nd Quarter Internal Auditor Unit (IAU) Performance Report for the financial year 2021/22;
- Risk-based Annual Internal Audit Plan for the financial year 2022/23;
- Published Regulations and Rules under Merchant Shipping Act, Cap.165 for regulating Government ferries;
- 3rd Quarter Internal Auditor Unit (IAU) Performance Report for financial year 2021/22;
- Monitoring Report on the implementation of Risk Management Framework for the period ending March 2022;
- Proposed Translation of the Merchant Shipping Act, Cap. 165 into Kiswahili;
- Proposal Amendment of the Merchant Shipping Act, Cap. 165 to Address the Current Development in the Maritime Sector;
- Proposal for Establishment of the Land and Maritime Transport Consultative Council;



15 CORPORATE GOVERNANCE MATTERS (CONTINUED)

- Proposed New Regulations on Safety and Security of Cargo and Terminal Operations;
- Proposed New Regulations on Shippers Registration;
- Recommendations on submitted Inland Container Depot (ICD) Tariff Applications;
- Submission of the Draft Report on Census of Small Vessels in Mainland Tanzania;
- Recommended Performance Benchmarks for Terminal Operators at the Port of Dar es Salaam;
- Proposal for establishment of the joint consumer consultative council for land and maritime transport;
- Status of complaints lodged against TASAC's fees and function on clearing and forwarding of minerals
- Exit Meeting with CAG for the Audit of the Financial Statements for the Year 2020/21;
- Proposed Revised Annual Plan and Budget and Annual Procurement Plan for Financial Year 2021/22;
- Presentation of the Board's Activities Program for 2021/22 for approval; and
- Proposed Plan and Budget (MTEF) 2022/23-2024/25 and Annual Procurement Plan for the Financial Year 2022/2023;

15.5 Committees of Those Charged with Governance

To ensure a high standard of corporate governance throughout the Corporation, the Board formed four (4) Committees in compliance with section 24 of the Tanzania Shipping Agencies Act, Cap. 415. The formed Committees of those charged with governance are:

- i. Audit and Risk Committee;
- ii. Corporate Affairs Committee;
- iii. Shipping Business & ICT Committee; and
- iv. Regulated Services Committee.

The composition and details of the Board Committees and number of meetings attended by the Chairman and members of the committee during the financial year ended 30 June 2022 are provided hereunder:

15 CORPORATE GOVERNANCE MATTERS (CONTINUED)

a. Audit and Risk Committee

The Audit and Risk Committee (ARC) was formed by the Board on 9 July 2019 under section 24(1) of the Tanzania Shipping Agencies Act, Cap 415. The Committee is composed of a Chairman and two (2) members, who are also the Board Members.

The responsibilities of the ARC are to assist the Board in its oversight responsibility with respect to internal audit functions, internal control systems, internal and external audit reports, financial statements, risk management policy and implementation of the auditors' and Parliamentary Accounts Committee (PAC) recommendations. The ARC planned to meet once quarterly with additional meetings convened as and when necessary. During the financial year ended 30 June 2022, the Committee held five (5) meetings, of which three (3) out of four (4) statutory meetings were ordinary and two (2) were extra-ordinary. The Members of ARC who served during the financial year ended 30 June 2022 are shown in Table 6 below:

Table 6: Board's Audit and Risk Committee Members in 2021/22

Name	Position	Ordinary Meetings held and attended (3)	Extra Ordinary Meetings held and attended (2)
Ms. Rukia Diwani Shamte	Chairman	3/3	2/2
Mr. Said Athuman Kiondo	Member	2/3	2/2
Capt.King Kwirujila Chiragi	Member	3/3	2/2

Source: TASAC

The ARC meetings, during the financial year, discussed and deliberated on the following main issues: -

- 1st Quarter Internal Audit Unit (IAU) Performance report for financial year 2021/22;
- 2nd Quarter Internal Audit Unit (IAU) Performance report for the financial year 2021/22;
- Risk based Annual Internal Audit Plan for the financial year 2022/23;
- Internal Audit Plan for financial year 2020/21;
- Internal Audit Unit Performance Report for the financial year 2020/21;
- Submission by the Controller and Auditor General (CAG) of the Audit Plan and Fees for undertaking the statutory audit for the year 2020/21;



- Status of Implementation of TASAC Management Letter for financial year 2018/19 and 2019/20;
- Risk Management Policy and Framework;
- TASAC Draft Financial Statements for the financial year ended 30th June 2021 for submission to the External Auditor's (CAG) for auditing;
- Draft Financial Statements for the Multinational Lake Victoria Maritime, Communication and Transport Project for the financial year ended 20th June 2021;
- 3rd Quarter Internal Auditor Unit (IAU) Performance Report;
- Monitoring Report on the implementation of Risk Management Framework for the period ending March 2022;
- Exit Meeting with CAG for the Audit of the Financial Statements for the Year 2020/21;and
- Audited draft Financial Statements and Management Letter for the Multinational Lake Victoria Maritime Communication and Transport (MLVMCT) Project;

b. Corporate Affairs Committee

The Corporate Affairs Committee (CAC) was formed by the Board after merging of two Committees Corporate Affairs Committee (CAC) and Finance and Planning Committee (FPC) under Section 24(1) of the Tanzania Shipping Agencies Act, Cap 415. The Committee is composed of a Chairman and two (2) members, who are also the Board Members.

The responsibilities of the CAC are to assist the Board in its oversight responsibility with respect to human resource and administration, planning, investment and budgeting, procurement management, finance and accounts, marketing and public relations and quality management system. The CAC planned to meet once quarterly with additional meetings convened as and when necessary. During the financial year ended 30 June 2022, the Committee held three (3) ordinary meetings out of four (4) statutory meetings, and there was no extra-ordinary meeting. The Members of CAC who served during the financial year ended 30 June 2022 are shown in Table 7 below:

15 CORPORATE GOVERNANCE MATTERS (CONTINUED)

Table 7: Board’s Corporate Affairs Committee Members in 2021/22

Name	Position	Ordinary Meetings held and attended (3)
Eng. Aron Johnson Kisaka	Chairman	1/3
Mr. Said Ally Nzori	Member	3/3
Ms.Rukia Diwani Shamte	Member	3/3

Source: TASAC

The Committee meetings, during the financial year, discussed and deliberated on the following main issues: -

- Proposal of New Signatories to TASAC Bank Accounts to enhance banking operations;
- 1st Quarter Performance Review for financial year 2021/22;
- TASAC Employees Supplementary Health Service Package;
- Status of unpaid debts, experienced challenges and proposed mitigation strategies to collect debts;
- Performance review report for the period of Half-year (2nd Quarter) ended 31st December of financial year 2021/22;
- Annual Plan and Budget for financial year 2022/23 and annual Procurement Plan (APP) for financial year 2022/23;
- Proposal for re-naming Committee formed after merging of Corporate Affairs Committee and Finance and Planning Committee as Corporate Affairs Committee (CAC) instead of Corporate, Finance and Planning Committee (CFPC);
- 4th Quarter (Annual) Performance Review Report for the Financial Year 2020/21;
- TASAC 2nd Five Year Corporate Strategic Plan (CSP), 2020/21 – 2024/25;
- Revised Plan and Budget for Financial Year 2021/22;and
- Proposed Revised Annual Plan and Budget and Annual Procurement Plan for Financial Year 2020/21;

c. Shipping Business and ICT Committee

The Shipping Business and ICT Committee (SBIC) was formed by the Board on 9 July 2019 under Section 24(1) of the Tanzania Shipping Agencies Act, Cap 415. The Committee is composed of a chairman and two (2) members, who are also the Board Members.



15 CORPORATE GOVERNANCE MATTERS (CONTINUED)

The responsibilities of the SBIC are to assist the Board in its oversight responsibility with respect to the execution of the Corporation’s exclusive mandate on shipping business functions, which include shipping agency, document control, ship tallying and clearing and forwarding agency. It will also be responsible for ICT and Statistics. The SBIC planned to meet once quarterly with additional meetings convened as and when necessary. During the financial year ended 30 June 2022, the Committee held four (4) meetings, of which three (3) out of four (4) statutory meetings were ordinary and one (1) was extraordinary meeting. The Members of SBIC who served during the financial year ended 30 June 2022 are shown in Table 8 below:

Table 8: Board’s Shipping Business and ICT Committee Members in 2021/22

Name	Position	Ordinary Meetings held and attended (3)	Extra Ordinary Meetings held and attended (1)
Mr. Casian H.Ng’amilo	Chairman	3/3	1/1
Mr.Said Athumani Kiondo	Member	2/3	0/1
Eng. Aron Johnson Kisaka	Member	2/3	1/1

Source: TASAC

The SBIC meetings, during the financial year, discussed and deliberated on the following main issues: -

- Mitigation measures on challenges emanating from the Implementation of TASAC exclusive mandate;
- Draft TASAC ICT Policy;
- Draft TASAC Security Policy;
- Draft TASAC ICT Acceptable Use Policy;
- Draft TASAC Disaster Recovery Plan;
- delegation of TASAC exclusive mandate in shipping agency for chartered vessel engaged by private shipping agents to carry cashew-nuts exports from Mtwara Port during season of 2021/22;
- Implementation Status of the TASAC Exclusive Mandate;
- Memo on readiness to handle pure car carriers;
- Status of complaints lodged against TASAC’s fees and function on clearing and forwarding of minerals

15 CORPORATE GOVERNANCE MATTERS (CONTINUED)

- Report of the Status of Cargo Clearance at the Dar es Salaam port and dry ports;
- Proposed amendment of Tanzania Shipping Agencies Act, Cap 415 to address stakeholders' complaints;
- Report of awareness on the Shipping Business Management System (SBMS);

d. Regulated Services Committee

The Regulated Services Committee (RSC) was formed by the Board on 9 July 2019 under Section 24(1) of the Tanzania Shipping Agencies Act, Cap 415. The Committee is composed of a Chairman and two (2) members, who are also the Board Members.

The responsibilities of the RSC are to assist the Board in its oversight responsibility with respect to the regulated services under the Directorate of Maritime Transport Services and the Directorate of Maritime Safety, Security and Environment. The RSC planned to meet once quarterly with additional meetings convened as and when necessary. During the financial year ended 30 June 2022, the Committee held three (3) ordinary meetings out of four (4) statutory meetings and there was no extra-ordinary meetings. The Members of RSC who served during the financial year ended 30 June 2022 are shown in Table 9 below:

Table 9: Board's Regulated Service Committee Members in 2021/22

Name	Position	Ordinary Meetings held and attended (3)
Mr. Said Ally Nzori	Chairman	3/3
Capt. King Kwirujila Chiragi	Member	3/3
Mr. Casian H. Ng'amilo	Member	3/3

Source: TASAC

The Committee meetings, during the financial year, discussed and deliberated on the following main issues:

- Published Regulations and Rules under Merchant Shipping Act, Cap.165 for regulating Government ferries;
- Report on Consultancy Services to set up Standard Operating Procedures (SOPs) for Cargo Consolidators and Deconsolidators;



15. CORPORATE GOVERNANCE MATTERS (CONTINUED)

- Notice from Shipping Lines to introduce Fees on Exports Containers;
- Board of Directors' Visit Report held from 25th January 2021 to 2 nd February 2021 at Nyamisati, Kilwa Masoko, Kilwa Kivinje, Lindi, Mtwara, Mbamba Bay, Ndumbi, Kiwira and Itungi
- Proposed Translation of the Merchant Shipping Act, Cap. 165 into Kiswahili;
- Proposal Amendment of the Merchant Shipping Act, Cap. 165 to Address the Current Development in the Maritime Sector;
- Proposal for Establishment of the Land and Maritime Transport Consultative Council;
- Proposed New Regulations on Safety and Security of Cargo and Terminal Operations;
- Proposed New Regulations on Shippers Registration;
- Recommendations on submitted Inland Container Depot (ICD) Tariff Applications;
- Submission of the Draft Report on Census of Small Vessels in Mainland Tanzania;
- Recommended Performance Benchmarks for Terminal Operators at the Port of Dar es Salaam;
- Proposal for establishment of the joint consumer consultative council for land and maritime transport;

15.6 Management of the Corporation

The Director General, who is also the Chief Executive Officer of the Corporation and the Secretary to the Board, is responsible to the Board for the proper administration and management of the functions and affairs of the Corporation. The Corporation's Management team, which is under the supervision of the Director General is organized into four (4) Directorates and six (6) Units as follows: -

a. Directorates

Directorate of Maritime Safety, Security and Environment (DMSE), Directorate of Maritime Transport Regulation (DMTR), Directorate of Shipping Business (DSB) and Directorate of Corporate Services (DCS).

15. CORPORATE GOVERNANCE MATTERS (CONTINUED)

b. Units

Economic Regulation Unit (ERU), Finance and Accounts Unit (FAU), Legal Services Unit (LSU), ICT and Statistics Unit (ICTSU), Internal Audit Unit (IAU) and Procurement Management Unit (PMU).

16. APPOINTMENT OF AUDITOR

Article 143 of the Constitution of the United Republic of Tanzania of 1977 and section 10 of the Public Audit Act, Cap 418 (R.E. 2021) mandates the Controller and Auditor General as the statutory auditor of all public sector entities including Tanzania Shipping Agencies Corporation (TASAC). In addition, section 39 (2) of the Tanzania Shipping Agencies Corporation Act, Cap 415 earmarked the CAG as the statutory auditor of the TASAC's financial statements. Address of the Auditor for the financial year, is as below:

Controller and Auditor General,

National Audit Office,

Audit House,

4 Ukaguzi Road,

P.O. Box 950,

41101 Tambukareli,

Dodoma, Tanzania.

Tel: 255 (026) 2161200,

Fax: 255 (026) 2321245,

E-mail: ocag@nao.go.tz

Website: www.nao.go.tz

17. RESPONSIBILITY OF THE AUDITOR

The Controller and Auditor General (CAG) has a statutory responsibility to report to the stakeholders as to whether, in his opinion, the financial statements of the Corporation present fairly the financial position, financial performance and cash flows for the year ended in accordance with the International Public Sector Accounting Standards (IPSASs), the Tanzania Financial Reporting Standard (TFRS 1) and in the manner required by the Tanzania Shipping Agencies Act, Cap. 415 and the Public Finance Act, Cap. 348.



18. STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

Those Charged with Governance accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the financial statements, pursuant to section 39(1) of the Tanzania Shipping Agencies Act, Cap. 415. Furthermore, Those Charged with Governance accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Public Sector Accounting Standards (IPSAS), the Public Finance Act, Cap. 348, NBAA's Technical Pronouncements and the requirements of the Tanzania Shipping Agencies Act, Cap 415.

Therefore, Those Charged with Governance are of the opinion that the financial statements of the Corporation give a true and fair view of the Corporation's state of the financial affairs and of its operating results for the year ended 30 June 2022.

19. POLITICAL AND CHARITABLE DONATIONS

The Corporation did not make any political donations during the year ended 30 June 2022. Donations were made as part of corporate social responsibility to institutions and charitable organizations to acknowledge the Corporation's responsibility to community social needs. During the financial year ended 30 June 2022 the Corporation spent TZS 172.31 million (30 June 2021: TZS 65.90 million) to support a number of social and economic development initiatives implemented throughout the country. The list of beneficiaries on corporate social responsibilities funds for the financial year 2021/22 is provided under Table 10 below:

Table 10: Beneficiaries of Corporate Social Responsibilities Fund for 2021/22

S/N	Beneficiary's Name	Amount (TZS '000)	Purpose
1.	RAS Geita	4,000	Contribution on fourth technology and investment exhibition in the Mining Sector held in Geita from 16 th to 26 th September 2021.
2.	RAS Geita	1,000	Contribution on finalization of Uhuru Torch Race in Geita Region on 14th October 2021.
3.	Equator Communications	3,000	Contribution on journalists training held on 14th August 2021.
4.	MPANGO MAALUM WA KUITANGAZA TANZANIA	69,000	Contribution to the Government for supporting "Branding Tanzania initiatives Program" which was coordinated by President office.
5.	RAS Mwanza	3,000	Contribution to Regional commissioner Mwanza to facilitate tour of Hon.President Samia Suluhu Hassan in Mwanza Region.

19. POLITICAL AND CHARITABLE DONATIONS (CONTINUED)

S/N	Beneficiary's Name	Amount (TZS '000)	Purpose
6.	CPS MISCELLANEOUS DEPOSIT EXPENDITURE	40,000	Donation to support the drafting and validation of a national programme document of generation equality forum country's commitments.
7.	Vote 62 Ministry of Works and Transport	2,000	Contribution on sports competition in Dodoma during International Labour Day 2022.
8.	DAS Kigoma	500	Contribution to District Commissioner Kigoma for facilitating one-year anniversary of president Hon.Mama Samia Suluhu Hassan in Kigoma Region.
9.	KIGOMA ST MISC DEP EXP ELECTRO	3,000	Contribution on the second International Trade Forum (Tanganyika Business Summit) at Kigoma on 5 th May 2022.
10.	Association of Public Administrators	5,000	Contribution on human resource cadre expert forum held in Arusha from 18 th to 20 th May 2022.
11.	CPS MISCENEIOUS DEPOSIT EXPENDITURE	5,000	Contribution for facilitating preparation of working session of head of departments of Human Resource and Administrative departments held in IRDP Dodoma from 26 th to 27 th May 2022.
12.	ContributionTanzania Personal Secretaries	1,750	Contribution on annual conference of special secretaries held in Dodoma from 25 th to 28 th May 2022.
13.	WOMESA Tanzania	15,000	Sponsorship of World Women in Maritime Sector Day Celebrations held on 18 th May 2022 in Mnazi Mmoja.
14.	Smile Community for Organization	2,000	Contribution for the run of Binti Marathon.
15.	Dar es Salaam Maritime Institute	5,000	Contribution to DMI on 1 st Blue Economy Conference held from 21 st to 22 nd June 2022 in Dar es salaam.
16.	Marafiki wa Maendeleo Handeni	4,000	Contribution on a Program to provide Environmental Conservation education in Handeni District Council.
17.	WOMESA Tanzania	4,000	Contribution on Maritime Women's Association to participate in World Sailors' Day celebrations.
18.	SHIVYAWATA UBUNGO	3,060	Contribution on purchase office machines for the federation of persons with disabilities in Tanzania Ubungo Branch.
19.	Habari Development Association	2,000	Contribution on tree planting program in Dodoma City.
TOTAL		172,310	

Source: TASAC



20. EMPLOYEES' WELFARE

a. Management and Employees' Relationship

A healthy relationship existed during the financial year between Management and employees who were represented by the Workers Union, COTWU(T), TASAC Branch. There was a harmonious relationship demonstrated during the Workers Council meetings where Management transacted with COTWU (T) leaders and employees' representations. Generally, there were no unresolved complaints received from the employees during the year.

b. Working Environment

The corporations ensured that employees are provided with favourable working environment such as providing them with necessary tools for smooth running of their daily operations and office space. This encompasses individual commitment towards innovative thinking and professional expertise.

c. Opportunities and Fairness

Management ensured equal opportunities and fairness for all employees, irrespective of ethnicity, race, gender, disability or religion, should be pursued.

d. Post-employment Benefits

The Corporation pay contributions to Public Service Social Security Pension Fund (PSSSF) in respect of its employees on mandatory basis which qualifies to be a defined contribution plan. The Corporation contributes 15% of basic salary of each employee to the Fund on behalf of all permanent employees and employee contributes 5% of their basic salary. The total contribution made to PSSSF during the year was TZS 1.85 billion (30 June 2021: TZS 1.61 billion).

e. Medical Services

The Corporation operates insured (health benefit) plan for employees, their spouses and up to a maximum of four dependents. Contribution is paid to the National Health Insurance Fund (NHIF) upon successful registration of the employee to the Fund. The total contributions made by the Corporation to NHIF during the year was TZS 370.01 million (30 June 2021: TZS 397.07 million) being 6% of the employees' basic salary, whereby the contributions are shared equally, the Corporation 3% and the employee 3%. The decrease in contribution to NHIF was caused by strict compliance with regulation and therefore, the Corporation did not pay contribution arrears as experienced in the year 2020/21. During the financial year, the Corporation paid TZ 253 mill to NHIF for a supplementary scheme which extended the health benefits to be enjoyed by employees.

20. EMPLOYEES' WELFARE (CONTINUED)

f. Training

The Corporation continually develop training programs to ensure employees are adequately trained at all levels. Employees are given opportunity to attend short and long training programs both locally and outside the country to upgrade their skills and enhance career development. During the financial year ended 30 June 2022, the Corporation spent TZS 1.18 billion (30 June 2021: TZS 928.86 million). A total of nine (9) employees (30 June 2021: 3 employees) were released to attend long-term training.

g. Financial Assistance to Employees

During the year, the Board approved the TASAC Employees Loan Policy, which is expected to guide provisions of loans to employees. In addition, the Corporation provided salary advances to employees in need to cover their financial issues.

21. DISABLED PERSONS AND GENDER BALANCE

21.1 Disabled Persons

The Corporation is an equal opportunity employer and as a matter of policy, recruitment processes are transparent and competitive. In case of applications for employment by persons with disabilities will be considered bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort shall be made to ensure that their employment with the Corporation continues and appropriate training is arranged. It is the policy of the Corporation that training, career development and promotion in case of persons with disabilities should, as far as possible, be identical to that of other employees.

21.2 Gender Balance

The Corporation is an equal opportunity employer and it had 331 (30 June 2021: 302) employees during the year ended 30 June 2022. The increase in number of employees was due to transfer from other public institutions to TASAC and recruitment of new employees on permits from the President Office, Public Service Management and Good Governance. All recruitments were undertaken by the Public Service Recruitment Secretariat. Out of 331 employees, 229 (30 June 2021: 210) were male and 102 (30 June 2021: 92) were female as shown below: -



21. DISABLED PERSONS AND GENDER BALANCE (CONTINUED)

Gender	30 June 2022	%	30 June 2021	%
Male	229	69.20	210	69.5
Female	102	30.80	92	30.5
Total	331	100.0	302	100.0

Source: TASAC

The Corporation's recruitment policy is to give equal opportunity to all people on recruitment process to fill vacant employment posts. Thus, the Corporation does not discriminate between male and female applicants to the vacant posts. In this regard, great care is taken when implementing the policy in order to ensure that education/professional qualifications, competencies and key attributes which are the basic criteria for selection and appointment, is not compromised.

22. MAJOR PROCUREMENT CONTRACTS

The Corporation had major procurement contracts with persons and other entities, which were essential to its operations during the financial year ended 30 June 2022. The list of the major procurement contracts of above TZS 50 million is summarized under Table 11 below:

Table 11: Major Procurement Contracts for the years 2021/22

No.	Contract Title	Name of Supplier/ Service Provider	Type of Contract	Contract Value (TZS)
1	Supply of Promotional Materials AE/095/2021-2022/ HQ/G/08 LOT 2	M/s Imaging Africa Communication Limited	GOODS	56,002,800.00
2	Supply of Various Software and Licenses AE/095/2021-2022/ HQ/G/02 Lot 2	M/s Computer Center Tanzania	GOODS	65,610,835.30
3	Supply of Office Equipment AE/095/2021-2022/ HQ/G/06 LOT 3	M/S Kamang Investment	GOODS	72,151,100.00

22. MAJOR PROCUREMENT CONTRACTS (CONTINUED)

No.	Contract Title	Name of Supplier/ Service Provider	Type of Contract	Contract Value (TZS)
4	Supply of Food and Beverage AE/095/2021-2022/ HQ/G/17	M/s Eklink Tanzania Company Limited	GOODS	83,469,359.10
5	Supply of ICT Equipment Lot 2 AE/095/2021-2022/ HQ/G/01	M/s Cats Tanzania Limited	GOODS	86,279,483.70
6	Supply, Installation, Testing and Commissioning of Video Conference System AE/095/2021-2022/ HQ/G/22	M/s Inventions Technologies Company Limited	GOODS	94,864,920.00
7	Supply, Installation, Testing and Commissioning of Queing Management System AE/095/2021-2022/ HQ/G/24	M/s Computer Connections Ltd	GOODS	107,496,230.00
8	Supply of Computer Consumables AE/095/2021-2022/ HQ/G/10	M/s CATS Tanzania Limited	GOODS	142,000,000.00
9	Supply of PENTANA Audit MK Software. AE/095/2021-2022/ HQ/G/03	M/s Ideagen	GOODS	150,000,000.00
10	Supply of Office Uniforms AE/095/2021-2022/ HQ/G/05	M/s Marania Group Company Limited	GOODS	162,073,000.00
11	Supply of Ship Survey Kit AE/095/2021-2022/ HQ/G/28	M/s Eklink Tanzania Company Limited	GOODS	310,842,268.42



No.	Contract Title	Name of Supplier/ Service Provider	Type of Contract	Contract Value (TZS)
12	Supply of Office Equipment AE/095/2021-2022/ HQ/G/06 LOT 2	M/S Kamang Investment	GOODS	314,837,540.50
13	Supply of Network Device AE/095/2021-2022/ HQ/G/33	M/s Emerging Communications Limited	GOODS	327,134,606.89
14	Supply of Gadgets for Ship Tallying Operations AE/095/2021-2022/ HQ/G/21	M/s Global Diamond Logistics Co. Limited	GOODS	412,830,396.59
15	Supply Installation and Commissioning of X-Band Radar for TASAC-MRCC AE/095/2021-2022/ HQ/G/28	M/s Computer Connections Ltd	GOODS	423,107,242.80
16	Supply of ICT Equipment Lot 1 AE/095/2021-2022/ HQ/G/01	M/s Computer Connections Ltd	GOODS	455,414,761.89
17	Supply of ICT Equipment (Communication Equipment) AE/095/2020-2021/ HQ/G/02 LOT 4	M/s E1 Limited	GOODS	786,734,360.71
18	Provision Service for improvements & Support of Integrated Payroll & Human Resource Management System AE/095/2020-2021/ HQ/N/15	M/s. NPK TECHNOLOGIES LTD	NON-CONSULTANCY	75,927,336.00



No.	Contract Title	Name of Supplier/ Service Provider	Type of Contract	Contract Value (TZS)
19	Provision of Improvement & Support of Manifest Billing AE/095/2021-2022/ HQ/N/12	M/s Visibility Company (T) Limited	NON-CONSULTANCY	94,400,000.00
20	Provision of Insurance Services for TASAC Asset AE/095/2021-2022/ HQ/N/03	M/s. NIC/ZIC	NON-CONSULTANCY	180,000,000.00
21	Provision of Consultancy Service to conduct periodic QMS Audit AE/095/2020-2021/ HQ/C/01	M/s. BUREAU VERITAS KENYA LIMITED	CONSULTANCY	71,850,825.00
22	Provision of consultancy service to supervise the proposed partition of TASAC HQ Office AE/095/2021-2022/ HQ/C/03	ARU Built Environmental Consulting Company (ABBEC)	CONSULTANCY	383,000,000.00
23	Proposed Partitioning for TASAC HQ Offices AE/095/2021-2022/ HQ/W/05	M/s.UJENZI AND PAINTS 2000 LTD	WORKS	1,498,463,476.89
	Total			6,354,490,543.79

Source: TASAC Annual Procurement Plan



23. PREJUDICIAL ISSUES

The prejudicial issues at the end of the financial year included ongoing litigation at the temples of justice, disputed tariffs for the clearing and forwarding of minerals which were channelled to the Minister of Works and Transport by customers in compliance with section 59 of the Tanzania Shipping Agencies Act, Cap. 415.

In addition, one case has been instituted before the High Court of Mwanza by the Corporation against the service provider Kamanga Ferry Company Limited, Civil Case No. 18/2022.

24. STATEMENT OF COMPLIANCE

The Report by Those Charged with Governance is prepared in compliance with the new Tanzania Financial Reporting Standard No. 1 (TFRS No. 1) as issued by the National Board of Accountants and Auditors (NBAA) and became effective from 1 January 2021. The Corporation's financial statements have been prepared in compliance with the International Public Sector Accounting Standards (IPSASs) as issued by the International Public Sector Accounting Standards Board (IPSASB).

25. FUTURE PERFORMANCE OF THE CORPORATION

Following the amendment on section 7(1) of the Tanzania Shipping Agencies Act, Cap. 415 by the Finance Act, No. 5 2022 which has taken away exclusive mandate of TASAC to provide Shipping agency, Ship Tallying and document control management services, while limited scope on Clearing and Forwarding functions to some few items. Revenue collection process and target set from Shipping business will significantly be affected. It is likely that budgeted revenue for the financial year 2022/23 will decrease by 31.02%. This will impact implementation of plan and budget for the financial year 2022/23. Nevertheless, the Corporation shall continue to closely monitor its current sources of revenue and enforce revenue collection from the approved sources to sustain implementation of its approved plan for the financial year 2022/23.

26. APPROVAL

This Report was approved and authorized for issue by the Board of Directors on 23rd December 2022 and signed on its behalf by:

Capt. Mussa H. Mandia, Board Chairman

Signature: 

Date: 17th January, 2023

**Ms. Rukia D. Shamte, Audit and Risk
Committee Chairman**

Signature: 

Date: 17th January, 2023

27. STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE


Pursuant to Section 39(1) of the Tanzania Shipping Agencies Act, Cap. 415, the Corporation is required to keep proper books of account and maintain proper records of its operations. Those Charged with Governance accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the financial statements. Those Charged with Governance understand that the Corporation's system of internal control is effective to provide reasonable, but not absolute, assurance that the transactions recorded in the books of account, which were used to prepare these financial statements, are free from material misstatement.

Those Charged with Governance further accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Public Sector Accounting Standards (IPSAS), The Public Finance Act, No. 6 of 2001 (Revised 2004), NBAA's Pronouncements and in the manner required by the Tanzania Shipping Agencies Act, Cap 415. In addition, Those Charged with Governance are of the opinion that the financial statements give a true and fair view of the Corporation's state of the financial affairs and of its operating results for the year ended 30 June 2022.

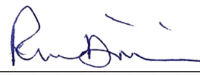
Nothing has come to the attention of Those Charged with Governance to indicate that the Government of the United Republic of Tanzania shall wind up the operations of the Corporation, thus, not to remain a going concern for at least the next twelve months from the date of this statement.

This Statement was approved and authorized for issue by the Board of Directors on 23rd December 2022 and signed on its behalf by:

Capt. Mussa H. Mandia, Board Chairman

Signature: 
Date: 17th January, 2023

**Ms. Rukia D. Shamte, Audit and Risk
Committee Chairman**

Signature: 
Date: 17th January, 2023

28. DECLARATION OF THE DIRECTOR OF FINANCE AND ACCOUNTS

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

It is the duty of a Professional Accountant to assist the Board of Directors/ Management to discharge the responsibility of preparing financial statements of the Corporation showing true and fair view of the Corporation's 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 Board of Directors under the Statement of Responsibility by Those Charged with Governance on the above page.

I, **CPA FARAJI Y. KADUMA** being the Acting Director of Finance and Accounts at **TASAC**, hereby acknowledge my responsibility of ensuring that the financial statements for the year ended **30 June 2022** 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 **TASAC** as on that date and that they have been prepared based on properly maintained financial records.

Signed by: _____ 

Position: Ag. Director of Finance and Accounts

NBAA Membership No.: ACPA2058


Date: 17th January, 2023

29.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Notes	2021/22 TZS '000	2020/21 TZS '000
ASSETS			
Current assets			
Cash and cash equivalents	22	36,204,095	17,241,637
Receivables and prepayments	23	36,613,897	58,166,199
Tax Receivable	21	-	1,099,250
Inventories	24	659,489	224,961
		73,477,481	76,732,047
Non-current assets			
Property and equipment	30	16,347,546	7,834,556
Capital WIP - Office Building	30	-	6,106,168
Intangible assets	31	1,429,027	1,089,889
Capital WIP - Shipping Business Management System	31	942,250	760,690
		18,718,823	15,791,303
TOTAL ASSETS		92,196,303	92,523,350
LIABILITIES			
Current liabilities			
Payables and accrued expenses	25	5,439,256	7,583,211
Provisions	26	900,496	2,043,728
Corporation Tax payable	21	1,458,825	-
		7,798,577	9,626,939
Non-current liabilities			
Employee benefits payable	27	-	54,863
Deferred tax liability	21	344,385	304,592
		344,385	359,455
TOTAL LIABILITIES		8,142,962	9,986,394
NET ASSETS		84,053,342	82,536,956
NET ASSETS			
Capital Fund	28	24,264,567	24,264,567
Accumulated Surplus		59,788,775	58,272,389
TOTAL NET ASSETS		84,053,342	82,536,956

These financial statements were approved and authorized for issue by the Board of Directors on 23rd December 2022 and signed on its behalf by:

Capt. Mussa H. Mandia, Board Chairman

Signature: 
Date: 17th January, 2023

Ms. Rukia D. Shamte, Audit and Risk
Committee Chairman

Signature: 
Date: 17th January, 2023



29.2 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

		2021/22	2020/21
	Notes	TZS '000	TZS '000
Revenue			
Revenue from non-exchange transactions:			
Service Providers Levy	8	20,633,907	17,088,007
Fees, Licenses & Penalties	9	42,140,687	37,931,275
Other Income	10	66,167	135,577
Gain/(loss) on foreign currency translation	11	344,216	24,020
		63,184,978	55,178,879
Revenue from exchange transactions:			
Shipping Business Services revenue	12	39,134,216	29,326,795
		102,319,194	84,505,674
Expenses			
Wages, salaries and employee benefits	13	24,043,298	20,474,483
Directors Fees & Other Board Expenses	14	407,289	252,859
Travelling, Training and Other Facilitation Expenses	15	13,032,781	9,196,049
Services, Supplies and consumable Expenses	16	5,136,407	5,326,310
Repairs and Maintenance expenses	17	1,015,118	952,294
Contribution to Government Consolidated Fund	18	43,490,922	31,825,851
Contribution and Subscription to Other Bodies	19	1,135,104	1,092,822
Bank Charges	20	73,019	49,186
Corporation Tax	21	10,592,151	310,990
Depreciation of property and equipment	30	1,721,792	1,316,879
Impairment of property and equipment	30	10,752	7,596
Amortization of intangible assets	31	144,174	121,651
		100,802,808	70,926,970
Surplus during the year		1,516,386	13,578,704



29.3 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022				
		Capital Fund	Accumulated Surplus	Total
	Notes	TZS '000	TZS '000	TZS '000
At 01 July 2021	28	24,264,567	58,272,389	82,536,956
Surplus for the year		-	1,516,386	1,516,386
At 30 June 2022		24,264,567	59,788,775	84,053,342
At 01 July 2020	28	24,264,567	44,693,685	68,958,252
Surplus for the year		-	13,578,704	13,578,704
At 30 June 2021	28	24,264,567	58,272,389	82,536,956



29.4 CASHFLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022			
		2021/22	2020/21
	Note	TZS '000	TZS '000
Cash flows from operating activities:			
<i>Receipts:</i>			
Service Providers Levy	8	38,548,510	9,059,985
Fees, Licenses and Penalties	9	42,419,336	31,732,584
Other income	10	66,167	400
Shipping Business Services revenue	12	36,935,757	28,378,976
Total Receipts		117,969,770	69,171,945
<i>Payments:</i>			
Wages, salaries and employee benefits	13	(24,135,180)	(20,294,136)
Directors Fees & Other Board Expenses	14	(407,289)	(252,859)
Travelling, Training and Other Facilitation Expenses	15	(13,045,436)	(9,130,711)
Services, Supplies and consumable Expenses	16	(5,899,945)	(3,409,472)
Repairs and Maintenance expenses	17	(1,015,118)	(952,294)
Contribution to the Consolidated Fund	18	(44,253,773)	(31,063,000)
Contribution and Subscription to Other Bodies	19	(1,116,830)	(969,301)
Bank Charges	20	(73,019)	(49,186)
Corporation Tax	21	(7,994,283)	(1,516,835)
Payment made for MLVMCTP	23	(148,906)	(11,298)
Total Payments		(98,089,779)	(67,649,092)
Net cash flows from operating activities		19,879,991	1,522,853
Cash flows from investing activities:			
Acquisition of property and equipment	33	(536,765)	(5,761,887)
Acquisition of intangibles	33	(664,872)	(530,374)
Net cash flows from investing activities		(1,201,637)	(6,292,261)
Net increase in cash and cash equivalents			
		18,678,354	(4,769,408)
Net foreign exchange difference	11	284,105	22,040
Cash and cash equivalents at beginning of period		17,241,635	21,989,005
Cash and cash equivalents at end of period	22	36,204,095	17,241,637

29.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022					
	Original Budget {A}	Adjustments {B}	Final Budget {A+B}	Actual Amount on Comparable Basis {C}	Difference: Final Budget Vs Actual
	TZS '000	TZS '000	TZS '000	TZS'000	TZS '000
REVENUE:					
Revenue from Non-exchange transactions					
Service Providers Levy	18,397,554	-	18,397,554	20,633,907	2,236,353
Fees, licenses and penalties	39,030,151	-	39,030,151	42,140,687	3,110,536
Other Income	5,962	-	5,962	66,167	60,205
Gain/(loss) on foreign currency translation	3,563	-	3,563	344,216	340,653
Revenue from exchange transactions					
Revenue from Shipping Business Services	35,137,770		35,137,770	39,134,216	3,996,446
Total	92,575,000		92,575,000	102,319,194	9,744,194
EXPENDITURES					
Wages, salaries and employee benefits	29,655,578	(359,207)	29,296,371	24,043,298	5,253,072
Directors Fees & Board Members Expenses	564,586	(35,750)	528,832	160,908	367,928
Board Secretariat, Management & Supporting Expenses	300,000		300,000	246,381	53,619
Travelling and Other Facilitation Expenses	16,265,487	4,973,094	21,238,581	13,032,781	8,205,800
Services, Supplies and consumable Expenses	10,774,966	1,397,928	12,172,894	5,136,407	7,036,487
Repair and Maintenance expenses	1,929,069	538,011	2,467,000	1,015,118	1,451,962
Contribution to Govt Consolidated Fund (15% of Gross Revenue)	13,886,284	-	13,886,284	13,780,050	106,234
Contribution to Govt Consolidated Fund (70% of Surplus)				29,710,871	(29,710,871)
Contribution to Other Bodies	2,114,675	(1,041,420)	1,073,255	1,135,104	(61,849)
Bank Charges	54,000	-	54,000	73,019	(19,019)
Corporation Tax	2,400,002	188,129	2,588,131	10,592,151	(8,004,020)
Depreciation of property and equipment	-	-	-	1,721,792	(1,721,792)
Impairment of property and equipment	-	-	-	10,752	(10,752)
Amortization of intangible assets	-	-	-	144,174	(144,174)
Total	77,944,647	5,660,784	83,605,431	100,802,808	(17,197,376)
Surplus/(deficit) during the year	14,630,353	(5,660,784)	8,969,569	1,516,386	(7,453,182)

*Explanations of variances between the budget and actual amounts are provided under **Note 38 of these financial statements***



NOTES TO THE FINANCIAL STATEMENTS

1. ESTABLISHMENT AND PRINCIPAL ACTIVITIES

i. Establishment of the Corporation

The Tanzania Shipping Agencies Corporation (TASAC) is a public entity established under Section 4 of the Tanzania Shipping Agencies Act, Cap. 415. TASAC became operational on 23 February 2018 following a Government Notice No. 53 published on 16 February 2018.

TASAC is a body corporate with perpetual succession and common seal, as such it can sue or be sued, acquiring, holding and investing in movable and immovable properties, borrowing and lending and entering into any lawful contract or other transaction.

The Head Office address of the Corporation during the year was:

Garden Avenue Tower Building, 7 & 8 Floors,
Garden Avenue/Ohio Street,
P. O. Box 989,
Dar es Salaam, Tanzania.

ii. Principal Activities of the Corporation

The Corporation regulate maritime transport services, maritime environment, safety and security matters in accordance with the provisions of the Tanzania Shipping Agencies Act, Cap. 415 (as amended).

In addition, under Section 7 of the establishing Act the Corporation is exclusively mandated to carry out functions of shipping agency and clearing and forwarding relating to import and export of minerals, mineral concentrates, machineries, equipment, products or extracts related to minerals and petroleum, firearms, Government trophies or fertilizers, industrial sugar, domestic sugar, edible cooking oil, wheat, oil product, gas, liquefied gas and chemicals or any liquid related products or any other goods as the Minister may prescribe by order. Also, it is mandated to carry out document control of shipping agency and ship tallying. The principal activities of the Corporation are disclosed in the Report by those charged with Governance.

2. AUTHORISATION OF FINANCIAL STATEMENTS

The Corporation's financial statements for the year ended 30 June 2022 were adopted and authorized for issue by the Board of Directors during its 12th Ordinary Meeting held on 07 December 2022 at TASAC, Headquarter.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**3. STATEMENT OF COMPLIANCE**

The Corporation's financial statements have been prepared in accordance with and comply with the International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board (IPSASB). The Report by Those Charged with Governance has been prepared in line with the requirements of the Tanzania Financial Reporting Standard (TFRS) No. 1 as issued by the National Board of Accountants and Auditors (NBAA).

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

TASAC financial statements are prepared and presented in compliance with accrual basis IPSASs. The significant accounting policies outlined below have been consistently applied throughout the year.

4.1. BASIS OF PREPARATION

The financial statements are prepared on an accrual basis. Items in financial statements have been reported on historical cost basis, except for buildings that have been measured at fair value. The cash flows statement is prepared using the direct method.

4.2. REPORTING PERIOD

The reporting period for these financial statements is the financial year of the Corporation which runs from 1 July 2021 to 30 June 2022.

4.3. NEW STANDARDS ON ISSUE NOT YET ADOPTED BY THE CORPORATION

There are three (3) new Standards issued by the International Public Sector Accounting Standards Board (IPSASB) but were not yet effective up to the date of issuance of the Corporation's financial statements. The new Standards are:

- a. IPSAS 41 – Financial Instruments**, which is applicable for annual periods beginning on or after 1 January 2023. This Standard replaces IPSAS 29 and it sets out requirements for classifying, recognition and measurement of financial instruments. IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:
 - i. Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Corporation is currently assessing the impact of IPSAS 41 and plans to adopt the new standard on the required effective date.

- b. **IPSAS 42 – Social Benefits**, which is applicable for annual periods beginning on or after 1 January 2023. This Standard will help users of the financial statements to assess the nature of social benefits provided by the Corporation, the features of the operation of social benefit schemes and the impact of social benefits on the Corporation's financial performance, financial position and cash flows.

The objective of this Standard is to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits as defined in this Standard. The information provided should help users of the financial statements and general-purpose financial reports assess:

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

To accomplish that, this IPSAS establishes principles and requirements for:

- i. Recognizing expenses and liabilities for social benefits;
- ii. Measuring expenses and liabilities for social benefits;
- iii. Presenting information about social benefits in the financial statements; and
- iv. Determining what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the social benefits provided by the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this standard in accounting for social benefits. This Standard applies to a transaction that meets the definition of a social benefit. This Standard does not apply to cash transfers that are accounted for in accordance with other Standards.

Earlier adoption has not been done as the Corporation do not have transaction which meet the definition of social benefit as per this standard.

- c. **IPSAS 43- Leases**, which is effective on or after January 1, 2025. This standard introduces a right-of-use model that replaces the risks and rewards incidental to ownership model in IPSAS 13, Leases. For lessors, IPSAS 43 substantially carries forward the risks and rewards incidental to ownership model in IPSAS 13. This standard will improve the transparency of lease accounting in the public sector.

The Corporation plans to adopt the new standards on the required effective date.

There are no other IPSASs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Authority.

4.4. THE OTHER APPLIED ACCOUNTING POLICIES

4.4.1 FOREIGN CURRENCY TRANSACTIONS

Functional and Presentation Currency

Items included in the financial statements of the Corporation are measured using the currency of the primary economic environment in which the Corporation operates (“the functional currency”). The financial statements are presented in Tanzanian Shillings (TZS’000), which is the Corporation’s functional and presentation currency.

Transactions and Balances

Foreign currency transactions are translated into Tanzanian Shillings using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are presented in the statement of financial performance.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4.2 REVENUE RECOGNITION

i. Revenue from exchange transactions

Exchange transactions are transactions in which the Corporation receives assets or services, or has liabilities extinguished, and directly gives approximately equal value primarily in the form of cash, goods, services, or use of its assets to another entity in exchange.

- *Rendering of services*

The Corporation recognizes revenue from rendering of services under shipping business directorate which are Clearing and Forwarding services, Shipp tallying services, Shipping Agency services and Document control services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The Corporation recognizes revenue from Clearing and forwarding services immediately after cargo clearance has been completed. The Corporation also recognizes revenue from Shipp tallying services immediately after cargo has been tallied. Revenue from Shipping Agency services is recognized when ship has completed its operation and obtained clearance. Revenue from supplementary services provided to the ship crew is recognized when service provided to the crew has been completed and crew have left the country.

ii. Revenue from non-exchange transactions

- *Fees, Levy and fines*

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

- *Transfers from other government entities*

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****• Other transfers**

Other transfers include penalties, licenses, gifts and donations (including goods-in-kind). These are recognized when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity; and the fair value of the asset can be measured reliably.

4.4.3 PROPERTY AND EQUIPMENT

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost includes expenditure that is directly attributable to the acquisition of the items.

Items of property and equipment shall be recognized as assets if, and only if, it is probable that the future economic benefits or service potential associated with the item will flow to the entity, and the cost or fair value of the item can be measured reliably.

Repairs and maintenance are recognized in the Statement of Financial Performance during the financial period in which they are incurred.

The Corporation derecognizes items of property and equipment upon disposal or when no future economic benefits or service potential is expected from its continuing use.

The gain or loss arising on derecognition of an item of property and equipment is included in the Statement of Financial Performance, unless where IPSASs requires otherwise on a sale and leaseback.

The assets' residual values and useful lives are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period.

Depreciation

Land is not depreciated; however, one of the fundamental principles of the Land Policy that has been incorporated in the Land Act, 1999 is that when one is assessing compensation of land, one of the factors to consider is the market value of the land or a real property.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation on assets is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost of asset less any estimated residual value over its remaining useful life as shown below

Description	Years
Leasehold land	Over the lease term
Buildings – Office & Residential	50
Plant and Machinery	10
Furniture, Fixture and Equipment	10
Motor vehicles	
• Heavy duty (5 tons and above)	10
• Light duty (below 5 tons)	5
Computer (Desktops and Laptops)	5
Servers	7
Uninterruptible power supplies (UPS)	7
Equipment Racks	10
Television studio, cameras and other photographic Equipment	7
Document processing equipment (Photocopies, mail handling equipment check handling equipment and shredders)	7

The assets' residual values, useful lives and depreciation method are reviewed at the end of each reporting period and adjusted prospectively, where appropriate. In addition, the Corporation stops charging depreciation on an asset when carrying amount equals its residual value.

4.4.4 INTANGIBLE ASSETS

Recognition

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Internally generated intangible assets, excluding development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with a finite useful life are assessed for impairment whenever there is an indication that the asset may be impaired.

Amortization

The intangible asset with a finite life is amortized over its useful life as follows:

Description of Intangible Asset Category	Useful Life (Years)
Application software	10

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on an intangible asset with a finite life is recognized in the Statement of Financial Performance as the expense category that is consistent with the nature of the intangible asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Financial Performance when the asset is de-recognized.

4.4.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recovered.

An impairment loss is recognized when the carrying amount of the assets exceeds its recoverable service amount. An asset's recoverable service amount is the higher of the non-cash generating asset's fair value less costs to sell and its value in use. In assessing value in use, the Corporation has adopted.

The restoration cost approach as it has determined this to be appropriate because of the nature of the assets. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment.

In determining fair value less costs to sell, the price of the assets in a binding arrangement in an arm's-length transaction, adjusted for incremental costs that would be directly attributed to the disposal of the asset is used. If there is no binding agreement, but the asset is traded on an active market, fair value less cost to sell is the asset's market price less cost of disposal. If there is no binding sale agreement or active market for an asset, the group determines fair value less cost to sell on the basis of the best available information.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment losses are recognized in the Statement of Financial Performance in the period in which they are incurred.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Corporation estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the Statement of Financial Performance unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

4.4.6 LEASES

i. The Corporation as a Lessee

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the Corporation. Operating lease payments are recognized as an operating expense in the statement of financial performance on a straight-line basis over the lease term.

ii. The Corporation as a Lessor

Leases in which the Corporation does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term.

4.4.7 FINANCIAL INSTRUMENTS

Financial Assets

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 group determines the classification of its financial assets at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the group commits to purchase or sell the asset. The Corporation's financial assets include cash and; trade and other receivables.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as described below:

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 taking into account 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.

Derecognition

The group derecognizes a financial asset, or, where applicable, a part of a financial asset or part of a group of similar financial assets, when:

- i. The rights to receive cash flows from the asset have expired or is waived.
- ii. The corporation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:
 - the Corporation has transferred substantially all the risks and rewards of the asset, or
 - the Corporation has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Impairment of financial assets

The Corporation assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a Corporation 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 Corporation of financial assets that can be reliably estimated.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Evidence of impairment may include the following indicators:

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

Financial liabilities

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 group 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.

The Corporation's financial liabilities include trade and other payables and provisions

Subsequent measurement

The measurement of financial liabilities depends on their classification as described below:

- Financial liabilities at fair value through surplus or deficit
- Financial liabilities at fair value through surplus or deficit include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through surplus or deficit.

Gains or losses on liabilities held for trading are recognized in surplus or deficit.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in surplus or deficit.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Offsetting of financial instruments Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts, and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

4.4.8 CASH AND CASH EQUIVALENT

Cash and cash equivalents comprise cash on hand and cash at bank, deposits on call and highly liquid investments with an original maturity of three (3) months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purposes of Statement of Cash flows, cash is comprised of cash on hand and deposits held at call with banks.

4.4.9 INVENTORIES

Inventories consist of stationery and other consumables. They are measured at cost upon initial recognition. To the extent that inventories were received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventories are at their fair value at the date of acquisition.

Inventories are valued at the “Lower of Cost or Current replacement Cost”. Cost is determined using the weighted average cost (WAC) method. The average cost per unit is calculated by dividing the total cost by the total number of units purchased during the year. Current replacement Cost is the cost the entity would incur to acquire the asset on the reporting date.

Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Corporation.

4.4.10 PROVISIONS, CONTIGENT LIABILITIES AND CONTIGENT ASSETS

Provisions

Provisions are recognized when the Corporation 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 Corporation expects some or all of a provision to be reimbursed, 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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contingent Liabilities

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

Contingent Asset

The Corporation does not recognise a contingent asset but discloses details of possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Corporation in the notes to the financial statements.

4.4.11 CREATION OF GENERAL RESERVE AND OTHER RESERVES

Application of revenue of the Corporation, according to Section 36(2) of the Act, Cap 415, includes setting aside the balance of the revenue of the Corporation to the creation of *General Reserve* and such *Other Reserves* as the Corporation may deem appropriate. Without prejudice to other laws and the Government directives on remission of 70% of surplus funds to the Government Consolidated Fund and redemption of excess capital, a provision of 30% of net annual surplus funds from the statement of financial performance shall be transferred to the *General Reserve* via the statement of changes in net assets.

4.4.12 TRADE RECEIVABLES

Trade receivables are recognized initially at fair value and subsequently measured at value less provision for bad and doubtful debts. Trade receivables from Shipping Business are recognised on issuance of tax invoices, from Service provider Levy are recognised on the specific quarter, and from regulatory shipping fees are recognised upon arrival of the vessel. Settlement of receivables beyond 30 days shall be subjected to penalty as per sector legislations and/or tariffs. Specific provision shall be made in the financial statements against trade receivables considered to be doubtful of recovery.

4.4.13 EMPLOYEE BENEFITS

i. Short-Term Employees Benefits

The cost of all short-term employee benefits, such as leave pay, is recognized during the period in which the employee renders the related service. The Corporation recognizes the expected cost of employee rewards only when the Corporation has a present legal or constructive obligation to make such payment, and a reliable estimate can be made.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****ii. Defined Contribution Plans**

The Corporation provides retirement benefits to its employees. Defined contribution plans are post-employment benefit plans under which the Corporation pays fixed contributions for each staff to PSSSF, and it 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 Corporation's contributions to the defined contribution scheme (PSSSF) are charged to the statement of financial performance in the year to which they relate.

iii. Other Long - Term Employment Benefits

Gratuity – This is paid to contract staff at 25% of the employees' basic salary at the end of their contract period. The current establishment has only Director General on this arrangement whose employment contract is of a maximum of five years, renewable once. The Corporation provides for the expected liability on straight line basis over the contract period. However, where the appointed Director General is under pensions scheme arrangement, the Corporation shall continue with remittance of monthly contribution to the defined contribution scheme, but not both pension and gratuity.

4.4.14 ACCOUNTS PAYABLE

Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

4.4.15 RELATED PARTIES

The Corporation regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Corporation, or vice versa. Members of key management are regarded as related parties and comprise the Board Members and Senior Management employees. Related party transactions are disclosed under Note 36.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4.4.16 BUDGET INFORMATION

The Corporation prepares its budget on an accrual basis. As such, the budget and the financial statements are already on the same basis and further adjustments are not required to align the financial statements to the budget. The Corporation has the option to present this comparison either as a separate additional financial statement or as additional budget columns in the financial statements as required by IPSAS. The Corporation has therefore chosen to present the comparison separately in the statement of comparison of budget and actual amounts. In addition, explanations for material differences are provided under Note 37 to these financial statements. The reasons for overall growth or decline in the budget are stated, followed by details of overspending or underspending on specific line items.

4.4.17 CAPITAL WORK IN PROGRESS

Capital Work in Progress (WIP), which is an asset category of property and equipment, is stated at cost and not depreciated. Recognition amount of Capital WIP is shown under property and equipment. Depreciation of WIP commences when the assets are ready for their intended use. The balance of unrecognized amount of the WIP compared to the contracted full price is disclosed as Capital Commitment.

4.4.18 TAXATION

a. Income tax

The Corporation applies IAS 12 on Income Taxes to account for Corporation Tax payable to TRA for Shipping Business Income. This is from the fact that IPSAS does not require the presentation of an income tax in the Financial Statements. Typically, many entities in the public sector are exempt from income tax. The use of IAS 12 for the formulation of the Corporation accounting policy is required by IPSAS 19.14, which is stated in relation to the hierarchy for the selection of accounting policies provided in IPSAS 3.12,13-15. This guidance stipulates that in the absence of an IPSAS that specifically applies to a transaction, other event or condition and other financial reporting frameworks, such as IFRS, may be applied in selecting the accounting policy for that specific transaction, event or circumstance.

Thus, the taxable shipping business income is calculated in accordance with the provisions of Income Tax Act, 2004. Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the shipping business net profit or loss for the period. Taxes on shipping business income are considered to be an expense incurred by the Corporation in earning income and are accrued in the same period as the revenue and expenses to which they relate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****b. Deferred tax**

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

4.4.19 SEGMENT REPORTING

These are the accounting policies adopted for preparing and presenting the financial statements of the consolidated group or entity as well as those accounting policies that relate specifically to segment reporting. A segment is a distinguishable activity or group of activities of corporation for which it is appropriate to separately report financial information for the purpose of evaluating the past performance in achieving its objectives and for making decisions about the future allocation of resources.

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the entity. The corporation prepared its segment report based on its main services which are Regulatory and Business. Information was obtained from these two sources and in case of shared transaction allocation was derived based on percentage of revenue generated by each function.

4.4.20 COMPARATIVE FIGURES

Figures for the previous financial statements have been regrouped or reclassified where necessary to conform to changes in order to make them comparable with the figures of the current financial year.

5. SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Corporation's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, 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.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including experience of future events that are believed to be reasonable under the circumstances.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**5. SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION
UNCERTAINTY (CONTINUED)*****a. Judgments***

In the process of applying the Corporation's accounting policies, Management has made judgments, which have the most significant effect on the amounts recognized in the financial statement

b. Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Corporation based its assumptions and estimates on parameters available when the financial statements were prepared.

However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Corporation. Such changes are reflected in the assumptions when they occur. Thus, the key assumptions are:

i. Useful Lives and Residual Values

Critical estimates are made by the management in determining depreciation rates for equipment and their residual values. The rates used were derived from the minimum year of useful lives as set out in the accounting policies section of these financial statements under Note 4.4.3 – 4.4.4.

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a. The condition of the asset based on the assessment of experts (professional valuers) engaged by the Corporation;
- b. The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- c. The nature of the processes in which the asset is deployed;
- d. Availability of funding to replace the asset; and
- e. Changes in the market in relation to the asset.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

ii. Impairment of financial assets

Estimates are required to be made of what would be the impact of a loss event that has occurred after the initial recognition of a financial asset and which would affect the estimated future cash flows. The Corporation assessed, at the reporting date, whether a financial asset or group of financial assets have been impaired. Only if there is objective evidence of impairment or a loss event, then the financial asset is deemed to be impaired. Refer to Note 23 of the Financial Statements on the information of impairment.

iii. Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model.

The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Corporation is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

iv. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree

of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. GOING CONCERN

The Corporation's Management has assessed the Corporation's ability to continue as a going concern and is satisfied that the Corporation has the resources to continue in business for the foreseeable future. Furthermore, Management is not aware of any material uncertainties that may cast significant doubt upon the Corporation's ability to continue as a going concern. Therefore, the financial statements are prepared on the going concern basis.

7. FINANCIAL RISK MANAGEMENT

a. Financial Risk

The Corporation's activities are potentially exposed to a variety of financial risks, including credit risk and the effects of the changes in foreign currency exchange rates. The Corporation's overall risk management programme takes account of the unpredictability of foreign exchange rate trends and seeks to minimize potential adverse effects on its financial performance.

b. Market Risk

Market risk is the risk of changes in market prices, such as foreign-exchange rates and interest rates, affecting the Corporation's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on the risk. This risk includes the following:

i. Foreign exchange risk

The Corporation has some exposure to foreign currencies as had some receivables from service providers and monetary items balances in foreign currency, especially US\$, while significant operating expenditure are incurred principally in local currency, that is TZS.

Receivables held at 30 June 2022 was US\$ 6.86 million and monetary balances were US\$ 9.85 million which are stated in the financial statements at exchange rate of TZS 2,293/US\$1 as per the Bank of Tanzania exchange rates. If Tanzania Shillings strengthened or weakened by 5% the reported gain or loss on foreign exchange would be higher or lower by TZS 1,128.90 million (30 June 2021: TZS 1,568.09 million) for monetary balances and TZS 746.18 million (30 June 2021: TZS 842.74 million) for receivables as shown below.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. FINANCIAL RISK MANAGEMENT (CONTINUED)

Description	Change (Strengthen/ Weaken)	2021/22	2020/21
		TZS'000	TZS'000
Effect on Monetary Items	5% Appreciation	1,128,901	1,568,092
	5% Depreciation	1,128,901	1,568,092
Effect on Receivables	5% Appreciation	746,177	842,743
	5% Depreciation	746,177	842,743

However, this exposure does not result in a significant risk as foreign currency assets and liabilities as are normally settled within a fairly short time.

ii. Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation does not have long-term deposits or borrowings; thus, statement of financial performance is not highly affected by changes in market interest rates.

c. Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Corporation is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. However, the Corporation does not regard there to be any significant concentration of credit risk, thus, it mitigates the credit risk by maintaining cash and cash equivalents with reputable financial institutions; and recovering staff debts, imprest or salary advance in terms of the applicable regulations directly from the employee's salary and/or pension. The Corporation's maximum exposure to Credit Risk as at 30 June 2022 is as shown below:

	2021/22	2020/21
	TZS'000	TZS'000
Financial Assets:		
Cash and Cash Equivalents	36,204,095	17,241,636
Receivables	34,478,152	53,509,646
Total Financial Assets	70,682,247	70,751,282

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. FINANCIAL RISK MANAGEMENT (CONTINUED)

The age analysis of the Corporation's receivables is as shown bellow:

Receivables as 30 June 2022

	Up to 1 month	1 to 3 months	3 to 12 months	Over 12 months	Total
2021/22	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Receivables from Exchange Transactions	1,575,463	790,111	2,642,069	1,895,665	6,903,308
Receivables from Non-Exchange Transactions (Trade Debtors, TPA & MSCL)	13,623,259	2,220,417	3,257,073	8,577,278	27,678,851
Receivable from (LATRA)	-	-	-	678,218	678,218
Receivable from MLVMCTP	149,731		-	68,866	217,773
Total	15,348,453	3,010,529	5,899,142	11,220,028	35,478,152

No collateral is held for any of the above assets and no receivables have had their terms re-negotiated.

Receivables as at 30 June 2021

	Up to 1 month	1 to 3 months	3 to 12 months	Over 12 months	Total
2021/22	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Receivables from Exchange Transactions	2,757,172	649,126	2,233,220	1,291,138	6,930,657
Receivables from Non-Exchange Transactions (Trade Debtors, TPA & MSCL)	18,739,675	2,343,927	2,152,952	22,595,351	45,831,905
Receivable from (LATRA)	-	-	-	678,218	678,218
Receivable from MLVMCTP			11,298	57,568	68,866
Total	21,496,847	2,993,053	4,397,470	24,622,276	53,509,646

No collateral is held for any of the above assets and no receivables have had their terms re-negotiated.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. FINANCIAL RISK MANAGEMENT (CONTINUED)

d. Liquidity Risk

Liquidity risk is the risk of the Corporation not being able to meet its obligations as they fall due. The Corporation's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Corporation's reputation.

The Corporation manages its liquidity risk to ensure it is able to meet estimated expenditure requirements based on approved budget and through the use of cash flow forecasts. This is achieved through prudent liquidity risk management which includes maintaining sufficient cash and cash equivalents. Furthermore, the Corporation strived to ensure that receivables were settled within 30 days after the due date. The analyses of the Corporation's financial assets and financial liabilities into relevant maturity groups is shown below;

Financial Assets/ Financial Liabilities	1 - 3 Months	4 - 12 Months	More than 12 Months	Total
	TZS '000	TZS '000	TZS '000	TZS '000
30 June 2022:				
Financial Assets:				
Receivables	18,358,982	5,003,151	11,220,028	34,582,160
Cash & Cash equivalent	36,204,095	-	-	36,204,095
Total Financial Asset	54,563,077	5,003,151	11,220,028	70,786,255
Financial Liabilities:				
Payables	5,439,256	-	-	5,439,256
Tax Payable	1,458,825	-	-	1,458,825
Total Liability	6,898,081	-	-	6,898,081
Liquidity Gap	47,664,995	5,003,151	11,220,028	63,888,174
30 June 2021:				
Financial Assets:				
Receivables	24,489,900	4,397,470	24,622,276	53,509,646
Tax Receivable	1,099,251	-	-	1,099,251
Cash & Cash equivalent	17,241,635	-	-	17,241,635
Total Financial Asset	42,830,786	4,397,470	24,622,276	71,850,532
Financial Liabilities:				
Payables	7,583,211	-	-	7,583,211
Total Liability	7,583,211	-	-	7,583,211
Liquidity Gap	35,247,575	4,397,470	24,622,276	64,267,320

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

		2021/22	2020/21
		TZS '000	TZS '000
8	SERVICE PROVIDERS LEVY		
	Levy-Port Operator - (TPA)	14,061,989	11,654,097
	Levy-Port Terminal Operators	2,960,017	2,969,884
	Levy-Maritime Transport Services	106,546	129,362
	Levy-Shipping Agency Services	1,283,314	555,254
	Levy-Cargo Consolidators & De-consolidators	83,399	94,151
	Levy- Miscellaneous Port Services	171,957	176,191
	Levy- Gross Mass Verifiers	3,520	-
	Levy-Dry Port Services- ICD	499,530	899,821
	Levy-Dry Port Services – ECD	703,793	221,394
	Levy-Dry Port Services – CFS	759,843	387,853
		20,633,907	17,088,007
	Analysis of Cash collected		
	Opening Receivable	32,316,770	24,288,788
	Revenue for the year	20,633,907	17,088,007
	Closing Receivable	(14,402,167)	(32,316,770)
	Cash amount received	38,548,510	9,059,085
9	FEES, LICENSES AND PENALTIES		
	Import fees	37,143,212	33,418,394
	Export fees	2,393,926	2,566,442
	Regulatory Shipping License/Registration fees	969,142	678,051
	Ships/Boats Survey, Registration & Licensing	642,576	466,551
	Seafarers Services	329,867	105,776
	Commission on Disbursement	31,308	17,531
	Penalties – Shipping Business	288,375	89,727
	Penalties – Regulatory Services	342,281	588,803
		42,140,687	37,931,275
	Analysis of Cash collected		
	Opening Receivable	13,515,786	7,315,786
	Revenue for the year	42,140,687	37,931,275
	Adjustment for unrealized exchange difference	39,547	1,309
	Closing Receivable	-13,276,685	-13,515,786
	Cash amount received	42,419,336	31,732,584



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

		2021/22	2020/21
		TZS '000	TZS '000
10.	OTHER INCOME		
	Other income for the year ended 30 June 2022 was TZS 66.17 million (30 June 2021: TZS 135.58 million), consisting of recognized miscellaneous income during the financial year. The summary of other income is provided below:		
	Sale of Tender Documents	-	400
	Miscellaneous Income	66,167	135,177
		66,167	135,577
	Analysis of Cash collected		
	Cash from Tender Documents and Misc. Income	66,167	400
		66,167	400

11.	GAIN/(LOSS) ON FOREIGN CURRENCY TRANSLATION		
	Exchange gain	369,067	55,314
	Exchange loss	(24,851)	(31,294)
		344,216	24,020
	Analysis of Exchange Gain/(Loss)		
	Realized exchange gain	60,110	1,980
	Unrealized exchange gain/(loss)	284,105	22,040
	Total Gain/(Loss)	344,216	24,020

12.	SHIPPING BUSINESS SERVICES REVENUE		
	Shipping Agency revenue	6,908,226	5,734,504
	Shipping Tallying revenue	8,347,715	6,975,428
	Clearing & Forwarding Agency revenue	22,675,351	15,578,459
	Shipping Document Control revenue	1,202,924	1,038,404
		39,134,216	29,326,795

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2021/22	2020/21
	TZS '000	TZS '000
Analysis of Cash collected		
Opening Receivables	6,930,006	4,101,435
Advances received from Customer b/f	(5,403,462)	(3,523,381)
Revenue for the year	39,134,216	29,326,795
Advances received from Customer c/f	3,157,742	5,403,462
Adjustment for realized foreign exchange difference	20,563	671
Closing Receivable	(6,903,308)	(6,930,006)
Cash amount collected	36,935,757	28,378,976

13. WAGES, SALARIES AND EMPLOYEE BENEFITS

Wages, salaries and benefits during the year ended 30 June 2022 was recognized at TZS 24.04 billion (30 June 2021: 20.47 billion). The major reason for this change is an increase in number of staffs during the financial year to 331 employees (30 June 2021: 302 employees). In addition, as a result of staff performance appraisals for the financial year 2020/21, basic salaries of some non-Management staff were adjusted. These resulted into increase in basic salaries for pensionable posts during the year to TZS 12.48 billion (30 June 2021: TZS 11.01 billion). The changes had equally increased employer's PSSSF contribution to TZS 1.85 billion (30 June 2021: 1.61 billion), staff housing allowance to TZS 2.47 billion (30 June 2021: 2.18 billion) and staff transport allowance to TZS 1.37 billion (TZS 1.23 billion). Furthermore, the Corporation employ interns to assist on implementation of its exclusive mandate on ship tallying and other departmental activities. The basic salaries for the year for non-pensionable posts was TZS 1.46 billion (30 June 2021: 1.01 billion). Thus, the increase of cost for basic salaries for non-pensionable post is associated with increase in scope of activities and number of engaged interns. The summary of these expenses is provided below:

Basic salaries - pensionable posts	12,477,694	11,009,397
Basic salaries - non-pensionable posts	1,457,479	1,014,324
Staff - Housing Allowance	2,477,503	2,177,865
Staff - Transport Allowance	1,373,238	1,225,210
Staff - Utility Allowance	366,466	356,025
Staff -Motor Vehicle Maintenance	61,880	38,444
Leave Passage	1,028,219	803,088
Security Allowance	604,620	513,070
Extra duty Allowance	490,458	230,759
Contribution to social security fund (PSSSF)	1,851,236	1,613,544
Medical Insurance (NHIF)	370,013	397,068
Worker Compensation Fund (WCF)	96,731	83,116
Furniture Allowances	102,000	184,000
Honoraria	347,000	116,455



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. WAGES, SALARIES AND EMPLOYEE BENEFITS (CONTINUED)

	2021/22	2020/21
	TZS '000	TZS '000
Gratuities	-	21,613
Skills Development Levy (SDL)	938,762	690,505
	24,043,298	20,474,483
Analysis of Cash paid		
Opening Staff payable	269,494	89,148
Expenses for the year	24,043,298	20,474,483
Closing Staff Payable	(177,612)	(269,495)
Cash amount paid	24,135,180	20,294,136
Note: Closing Staff payable is arrived as follows:		
Other Staff payable (Note 25)	165,245	213,746
PAYE (Note 25)	12,367	886
Employee's benefits payable (Note 27)	-	54,863
Cash amount paid	177,612	269,495

14. DIRECTORS' FEES & OTHER BOARD EXPENSES

The Directors fees and other Board expenses for the financial year ended 30 June 2022 were recognized at TZS 407.29 million (30 June 2021: TZS 252.86 million). Out of these expenses, TZS 160.91 million (30 June 2021: TZS 110.53 million) were for Board Members, including the Directors fees of TZS 71.03 million (30 June 2021: TZS 57.61 million); and TZS 246.38 million (30 June 2021: TZS 142.33 million) were for Board Secretariat, Management staff who attend Board activities and supporting staff. The increase in Board expenses was attributed by the Board undertaking its planned activities for the whole year as opposed to nine (9) months in the previous financial year. The summary of Directors fees and other Board expenses are provided below:

A: Expenses for Board Members		
Directors fees	71,032	57,605
Subsistence Allowances – Domestic	18,076	35,077
Subsistence Allowances – Foreign	10,934	-
Air Travel Tickets – Domestic	2,667	2,211
Air Travel Tickets – Foreign	2,393	-
Ground Travel Expenses	9,130	15,009
Vehicle fuel & Lubricants	21,145	
Seminar & Tuition fees	3,900	-
Conference, Food & Refreshments	21,631	628
Sub Total – Board Members Expenses	160,908	110,530

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. DIRECTORS' FEES & OTHER BOARD EXPENSES (CONTINUED)

	2021/22	2020/21
	TZS '000	TZS '000
B: Expenses for Board Secretariat, Management and Supporting Staff		
Subsistence Allowances – Domestic	163,210	56,392
Subsistence Allowances – Domestic	2,656	-
Vehicle fuel & Lubricant	7,300	7,896
Air Travel Tickets Domestic	4,322	-
Air Travel Tickets Foreign	1,196	-
Ground Travel Expenses	4,231	4,445
Sitting Allowance	31,020	-
Honoraria	-	42,600
Cartridges, Tonner, Drums & Other Consumables	-	1,922
Publicity	-	-
Conference, Food & Refreshment	32,446	29,074
Sub Total	246,381	142,329
Total Expenses for Board and Related Activities	407,289	252,859
Analysis of Cash paid		
Expenses for the year	407,289	252,859
Cash amount paid	407,289	252,859



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. TRAVELLING, TRAINING AND OTHER FACILITATION EXPENSES

Travelling, training and other facilitation expenses for the year ended 30 June 2022 were recognized at TZS 13.03 billion (30 June 2021:9.19 billion). The significant changes in expenditure were recorded on subsistence allowance (per-diem) for domestic travels, sitting allowances and foreign travels. These were necessitated by facilitation of the National Technical Committee on implementation of IMO Member State Audit Scheme (IMSAS), facilitation of Technical Committees on drafting, amending and translating legislation, monitoring visits to regional offices and border posts, and attending periodic shipping business functions on areas where TASAC staff were not stationed. The summary of travelling, training and other facilitation expenses is provided below:

	2021/22	2020/21
	TZS '000	TZS '000
Subsistence Allowances – Domestic	6,137,248	4,882,335
Subsistence Allowances – Foreign	610,770	22,637
Sitting allowances	3,815,866	2,763,665
Air Ticket Expenses – Domestic	794,460	461,138
Air Ticket Expenses – Foreign	162,514	1,638
Ground Travel Expenses	629,261	539,304
Seminar & Tuition fees	681,548	487,780
Training allowances	74,008	7,440
Outfit allowances	20,598	1,200
Disturbance Allowance	-	2,321
Passages Allowances	101,114	25,741
Visa Application Fees	5,394	850
	13,032,781	9,196,049
Analysis of Cash paid		
Staff advances & imprest b/f	(36,606)	(101,943)
Expenses for the year	13,032,781	9,196,049
Staff advances and imprest c/f	49,261	36,605
Cash amount paid	13,045,436	9,130,711

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. SERVICES, SUPPLIES AND CONSUMABLES EXPENSES

Services, supplies and consumable expenses for the year ended 30 June 2022 were recognized at TZS 5.14 billion (30 June 2021: 5.33 billion). The major changes in expenditure were recorded on conference, food and refreshments. Expenditure for conference, food and refreshments increased due to increase in volume of activities, including stakeholders' meetings, which demanded usage of conference facilities while the Corporation had no such facilities. Further, rental and service charges decrease during the year as there was no rent arrears paid as compared to the year 2020/2021. The summary of services, supplies and consumable expenses is provided below:

	2021/22	2020/21
	TZS '000	TZS '000
Postage and Couriers Expenses	79,437	80,421
Telephone & Fax expenses	20,000	46,641
Mobile Phone Top-Up	-	263,494
Data Line & Internet Services	652,892	256,844
Insurance	50,000	-
Advertising and Publication	162,178	436,650
Conference, Food & Refreshments	1,320,070	1,127,567
Rental and Service charges	342,331	1,155,787
Office supplies and services	334,278	605,670
Electricity	105,359	93,363
Water Bill and Drink water	14,239	11,621
Office Cleaning & Decoration	33,181	16,049
Funeral Expenses	125,380	74,790
Uniforms and Ceremonial Dresses	218,365	395,722
Books and other educational materials	122,013	29,411
Corporate Social Responsibility	172,610	65,899
Staff Professional Membership Fees	7,970	34,517
Security Services	24,060	57,584
Fines & Penalties	692,650	45,880
TRA-Amendment fees	36,410	
Auditing fees	145,933	138,780
Consultancy fee	169,667	355,097
Medical Expenses	307,384	34,523
	5,136,407	5,326,310
Analysis of Cash paid		
Payable b/f	1,202,267	1,171,054
Inventory b/f	(224,960)	(167,897)
Prepaid expenses b/f	(134,889)	(63,345)
Other Provisions b/f (Note 26)	1,879,056	-
Expenses for the year	5,136,407	5,326,310
Prepaid Expenses c/f	204,027	134,889
Inventory c/f	659,489	224,960
Payables c/f (Note 25)	(2,103,902)	(1,202,266)



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

		2021/22	2020/21
		TZS '000	TZS '000
	Other Provisions (Note 26)	(717,550)	(1,879,056)
	Adjustment for opening inventory from SUMA-TRA	-	(135,177)
	Cash amount paid	5,899,945	3,409,472
From Note 25: Payables c/f is arrived as follows:			
	Accrued expenses	1,207,139	937,716
	Suppliers payables	329,128	149,750
	W/Tax	90	
	VAT Returns	483,839	104,219
	Stale cheque	83,706	10,581
		2,103,902	1,202,266

17. REPAIR AND MAINTENANCE EXPENSES

Repair and maintenance for the year ended 30 June 2022 were recognized at TZS 1.02 billion (30 June 2021: 952.29 million). The major changes on expenditure were recorded on office building whereby newly opened offices required significant repair and partitioning and therefore led to significant increase in cost. Fuel and lubricant increased due to additional 27 motor vehicles received during the year. The summary of repair and maintenance is provided below;

Office Building	160,735	12,209
Vehicles and mobile equipment	224,060	295,747
Generators, machinery and fixed equipment	15,264	365
ICT Equipment and Software	64,490	191,516
Fuel and Lubricants	550,568	452,457
	1,015,118	952,294
Analysis of Cash paid		
Payable b/f	-	-
Expenses for the year	1,015,118	952,294
Cash amount paid	1,015,118	952,294

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. CONTRIBUTION TO GOVERNMENT CONSOLIDATED FUND

The contribution to the Government Consolidated Fund is made in compliance with the Public Finance Act, No. 6 of 2001 as amended by the Finance Act, No. 16 of 2015. The Act requires an executive agency, public corporation, public authority or public institution which charges or imposes and collects fees for services rendered, at the end of every quarter of a financial year, to remit fifteen per-centum (15%) of the gross revenue to the Government Consolidated Fund.

In additional, the Corporation is required by sect.10A(2) of the Treasury Registrar (Power and Functions) Act, CAP.370 to remit 70% of the surplus for the year to the Government Consolidated Fund.

Furthermore, Permanent Secretary, Ministry of Finance and Planning who is also the Paymaster General (PST) is empowered under Section 12(7) of the Budget Act, No. 11 of 2015 to conduct periodic review of revenue and expenditure of public entities. PST exercised his powers under the Budget Act and applies section 42 of the Act to direct, through the Office of Treasury Registrar, remittance of revenue collected in excess of the approved budget to the Government Consolidated Fund.

During the financial year ended 30 June 2022, the Corporation contributed TZS 43.49 billion (30 June 2021: TZS31.83 billion) to the Government, comprised of 15% of recognized gross operating revenue TZS 13.78 billion (30 June 2021: TZS 12.68 billion), 70% of surplus funds TZS 7.21 billion (30 June 2021: TZS 19.15 billion) and collection from TPA long outstanding receivables TZS 22.50 billion (30 June 2021: NIL), as summarized below:

Payment Details	2021/22 (TZS '000')	2020/21 (TZS '000')
1 Quarter Contribution	3,365,337	2,274,873
2 Quarter Contribution	3,471,571	2,947,512
3 Quarter Contribution	3,471,571	3,131,075
4 Quarter Contribution	3,471,571	3,559,540
Contribution Payable (c/f)		762,851
Sub-Total (15% of Gross Revenue)	13,780,050	12,675,851
Redemption of Excess Capital (70% of surplus funds)	7,210,871	19,150,000
Collection of Long outstanding receivables	22,500,000	-
Grand-Total	43,490,922	31,825,851



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Analysis of Contribution paid

	2021/22	2020/21
	TZS '000	TZS '000
Contribution for the year	43,490,922	31,825,851
Contribution b/f	762,851	-
Contribution c/f	-	(762,851)
Cash amount paid	44,253,773	31,063,000

19. CONTRIBUTION AND SUBSCRIPTION TO OTHER BODIES

The Corporation remitted contribution and paid subscriptions to national and international bodies related to maritime transport sector. Contributions made during the year amounted to TZS 1.14 billion (30 June 2021: TZS 1.09 billion). These contributions were made as follows:

a. Contribution and subscription to the international organizations

These were made on behalf of the Government of the United Republic of Tanzania to the following beneficiaries:

- i. the Intergovernmental Standing Committee on Shipping (ISCOS) which is a regional body based in Mombasa, Kenya, established by four Member States of Kenya, Tanzania, Uganda and Zambia in the year 1967 and a permanent Secretariat was established in the year 1974 with the legal agreement to establish the institution signed in 1987 to perform, on the behalf of Member States, various functions such as negotiation on freight rates, fighting against unjustifiable surcharge and other charges on seaborne cargo. During the year ended 30 June 2022, the contribution made to ISCOS was TZS 959.91 million (30 June 2021: TZS 959.70 million);
- ii. The International Maritime Organization (IMO) which is the United Nations specialized agency based in London, United Kingdom, with responsibility for the safety and security of shipping and the prevention of marine and atmospheric pollution by ships. During the year ended 30 June 2022, the corporation contribution made to IMO was 18.65 million (30 June 2021: TZS 20.83 million);
- iii. The Indian Ocean Memorandum of Understanding on Port State Control (IOMOU) between national maritime authorities of Australia, Bangladesh, Djibouti, Eritrea, Ethiopia, India, Iran, Kenya, Maldives, Mauritius, Mozambique, Myanmar, Oman, Seychelles, South Africa, Sri Lanka, Sudan, Tanzania and Yemen on Port State Control for the Indian Ocean Region. During the year ended 30 June 2022, the corporation contribution made to IOMOU was 18.17 million (30 June 2021: TZS 18.19 million); and

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. CONTRIBUTION AND SUBSCRIPTION TO OTHER BODIES (CONTINUED)

- iv. The subscriptions to the service provider, Fulcrum Maritime Systems Limited of London, UK for Long Range Identification and Tracking (LRIT) of ships for global identification and tracking of Tanzania registered ships. During the year ended 30 June 2022, subscription for LRIT paid was TZS 27.43 million (30 June 2020: TZS 0 million).

b. Contribution to the National body

Contribution to National body was made to the Maritime Education & Training Fund (MET Fund) Board at the rate of 0.1% of the Corporation's gross revenue in compliance with Regulation 5 of the Merchant Shipping (Maritime Education and Training Fund) Regulations, 2011 (GN. No. 184 published on 18 May 2012). During the year ended 30 June 2022, provisional contribution made to MET Fund was TZS 102.32 million (30 June 2021: TZS 94.11 million).

The summary of the total contribution and subscriptions made in the year 2021/22 is provided below;

	2021/22	2020/21
	TZS '000	TZS '000
Contribution to ISCOS Secretariat	959,912	959,702
Contribution to IMO	18,646	20,829
Contribution to MET Fund	102,173	94,105
Contribution to PMAESA	8,622	-
Contribution to IOMOU	18,174	18,186
Subscription for LRIT System	27,432	-
	1,135,104	1,092,822
Analysis of Cash paid		
Provision for IMO contribution payable b/f	61,980	41,151
Provision for IMO contribution c/f	(80,626)	(61,980)
Provision for MET Fund contribution b/f	84,506	
Provision for MET Fund contribution c/f	(102,173)	(84,506)
Provision for IOMOU contribution b/f	18,186	
Provision for IOMOU contribution c/f	-	(18,186)
Expenses for the year	1,135,104	1,092,822
Total Cash Paid	1,116,830	969,301



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

20. BANK CHARGES

	2021/22	2020/21
	TZS '000	TZS '000
Bank charges and other bank expenses	73,019	49,186
	73,019	49,186

21. CORPORATION TAX

The Corporation's exclusive mandate on shipping business functions is subject to corporation tax. The tax returns were filed during the year in compliance with section 91(1) of The Income Tax Act [CAP. 332 R.E 2019] The total tax expenses for the year ended 30 June 2022 was TZS 10.59 billion (30 June 2021: TZS 310.99 million) consisting of current tax TZS 5.25 billion (30 June 2021: TZS 154.56 million), deferred tax TZS 39.79 million (30 June 2021: TZS 156.42 million) and Tax arrears for the past years 2019/20 and 2020/21 TZS 5.31 billion as shown below;

Tax expenses		
Current tax	5,245,791	154,565
Deferred tax	39,793	156,425
Additional Tax Paid for the year 2019/2020	1,693,334	-
Final Tax paid for the year 2020-2021	2,513,983	-
Tax expenses for the year 2020-21 (Reversed Tax Receivable)	1,099,250	
	10,592,151	310,990

Computation of current tax is as provided below:

Shipping Business Revenue:		
Shipping Agency revenue	6,908,226	5,734,504
Shipping Tallying revenue	8,347,715	6,975,428
Clearing & Forwarding Agency revenue	22,675,351	15,578,459
Shipping Document Control revenue	1,202,924	1,038,404
Commission on Disbursements	319,683	17,531
Total Revenue	39,453,900	29,344,326
Shipping Business Expenses:		
Staff Salaries & other benefits	14,490,528	12,181,243
Contribution to Govt. Consolidated Fund	16,769,937	11,051,423
Other Operating Expenses	7,789,569	5,615,775
Total Expenses	39,050,034	28,848,444
Profit/(Loss) as per accounts	403,865	495,882

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Add back disallowable expenses:

	2021/22	2020/21
	TZS '000	TZS '000
Depreciation & Impairment (100%)	426,790	328,487
Amortization (100%)	5,537	8,461
Contribution to Consolidated Fund	16,769,937	
Funeral expenses (100%)	48,346	25,971
Fines & Penalties (100%)	267,083	15,550
Contribution/Donation (100%)	66,442	22,883
Internet services & Telephone Exp. (25%)	62,938	26,233
Mobile Phone Top-Up (25%)	-	22,874
Sub-Total - Disallowable Expenses	17,647,073	450,459
Less: Allowable Expenses		
Wear & Tear-Tangibles	-559,432	-422,665
Wear & Tear-Intangibles	-5,537	-8,461
Sub-Total - Allowable Expenses	-564,969	-431,126
Adjusted Profit (loss)	17,485,970	515,215
Loss b/f	-	-
Net Adjusted Profit (loss)	17,485,970	515,215
Corporate Tax thereon at 30%	5,245,791	154,565
Tax Receivable/(Payable)		
Opening balance	1,099,250	-263,020
Adjustment on Opening balance	-1,099,250	-
Current tax payable	5,245,790	154,565
Provisional Tax paid for the year 2021-2022	3,786,965	1,516,835
	-1,458,825	1,099,250
Deferred Tax Liability		
Opening balance-	304,592	148,167
Deferred tax relating to previous year		
Charge/(release)	39,793	156,425
Closing balance as 30 June 2022	344,385	304,592



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

A: Carrying value expenses

Details	Cost Balance as at 30th June 2022	Accumulated Depreciation/ Amortization-Balance as at 30 June 2022	Carrying Value (NBV)
Motor vehicles	2,118,360.12	477,750.60	1,640,609.52
Fixtures, Fittings & Furniture - Office	214,322.55	57,692.59	156,629.96
Office Equipment	252,237.84	65,574.23	186,663.62
Computers, Servers & UPS	662,597.00	310,396.05	352,200.94
Total (Carrying Value)	3,247,517.51	911,413.47	2,336,104.04

B: Written Down Value (WDV)			
	Class I	Class III	Total
WDV (PPE) as at 1st July 2021	614,766.92	376,635.15	991,402.06
Additions during the year			-
Motor vehicles	749,166.38		749,166.38
Fixtures, Fittings & Furniture - Office		3,009.00	3,009.00
Office Equipment		4,009.50	4,009.50
Total	1,363,933.30	383,653.65	1,747,586.94
Depreciable Asset Rates	37.50%	12.50%	
Less: Depreciable asset allowances	(511,474.99)	(47,956.71)	(559,431.69)
WDV as at 30th June 2022	852,458.31	335,696.94	1,188,155.25

A: Total Carrying Value (NBV)	2,336,104.04
B: Total Written Down Value (WDV)	1,188,155.25
Temporally Difference (A-B)	1,147,948.79
Tax Rate (30%)	0.30
Deferred tax liability/(asset)	344,384.64

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the financial ended 30 June 2022 had a balance of TZS 36.20 billion (30 June 2021: TZS 17.24 billion). The summary of cash and cash equivalent balances is provided below:

	2021/22	2020/21
	TZS '000	TZS '000
Cash on Hand (Petty Cash)	15,401	18,765
Cash at Banks:		
NBC - Expenditure A/c – TZS	2,647,380	1,082,024
NBC - Expenditure A/c – US\$	326,755	27,294
NBC- Revenue collection A/c – TZS	-	-
NBC- Revenue collection A/c – US\$	1,871,771	34
NMB- Revenue collection A/c – TZS	2,125	-
NMB- Revenue collection A/c - US\$	-	-
CRDB- Customers Deposit A/c – TZS	27,653	1,876
CRDB- Customers Deposit A/c – US\$	2,624,470	5,178,994
BOT- Revenue Collection A/c – TZS	10,539,072	1,646,015
BOT- Revenue Collection A/c – US\$	18,149,468	9,286,635
Total	36,204,095	17,241,637

However, the reported Cash and Cash equivalent as at 30 June 2022 include TZS 3.16 billion (30 June 2021, TZS 5.40 billion) received in advance from Shipping Business Customers for payment of Marine Bills and other Vessels handling cost as shown in Note 25.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. RECEIVABLES AND PREPAYMENTS

Receivables and prepayments during the year ended 30 June 2022 decreased to TZS 35.35 billion (30 June 2021: TZS 58.17 billion). The decrease was mainly attributed by payment of TZS 22.5 billion from TPA as settlement of part of long outstanding Service Provider Levy of TZS 30 Billion. Moreover, there was decrease in Advance to supplier following delivery of 27 motor vehicles from GPSA that was paid in advance during financial year 2020/2021. The summary of receivables and prepayments is provided below:

	2021/22	2020/21
	TZS '000	TZS '000
<i>Receivables from exchange transactions:</i>		
Shipping business services	6,903,308	6,930,006
<i>Receivables in respect of non-exchange transactions:</i>		
Service Providers Levy (TPA)	11,877,350	30,408,648
Service Providers Levy, Survey & Seafarers fees (MSCL)	553,502	524,201
Other receivables from non-exchange transactions	15,247,177	14,899,707
	27,678,028	45,832,556
<i>Other Receivables:</i>		
Staff Loans Revolving Funds (LATRA)	678,218	678,218
Facilitation of the Project (MLVMCTP)	218,597	68,866
	896,815	747,084
<i>Advances and Prepayments:</i>		
Staff advances and imprest	49,261	36,606
Advances to Suppliers	1,534,683	5,137,284
Prepayments	204,027	134,889
	1,787,971	5,308,779
	37,266,123	58,818,425
Less: Allowances for impairment of receivables	(652,226)	(652,226)
	36,613,897	58,166,199
Allowances for impairment on receivables		
Balance brought forward	652,226	652,226
Amount written – off	-	-
Amount recovered	-	-
Charge during the year	-	-
Balance carried forward	652,226	652,226
<i>Age analysis of Receivables and Prepayments is as shown below:</i>		
	TZS '000	TZS '000
==>Neither past due nor impaired 1- 30 days	15,397,714	21,668,342
==>Past due but not impaired		
<i>Not impaired & overdue 31 - 90 days</i>	3,214,556	8,130,337
<i>Not impaired & overdue 91 - 360 days</i>	5,899,142	4,397,470
<i>Not impaired & overdue above 360 days</i>	12,102,485	23,970,050
	36,613,897	58,166,199

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2021/22	2020/21
	TZS '000	TZS '000
Analysis of Receivables from LATRA:		
Opening Receivable from LATRA	678,218	678,218
Additional/(Payment) during the year	-	-
Closing Receivable from LATRA	678,218	678,218
Analysis of Receivable from MLVMCTP		
Opening Receivable	68,866	57,568
Additional /(payment) during the year	148,907	11,298
Closing Receivable	217,773	68,866

Allowance for impaired Receivables – TZS 652.22 Million

This amount which was inherited from SUMATRA remained at TZS 652.22 million despite several efforts taken by Management to collect these debts. The major amount constituted by unpaid Service Provider Levy from Marine Service Company Ltd - TZS 481.58 million and unrefunded tax expenses that was paid by SUMATRA on behalf of OGFREM - TZS 82.16 million. Others are unpaid Shipping fees from various Shipping Agencies that ceased their operation due to various reasons.

Receivable from LATRA – TZS 678.22 million

This is share of TASAC on the balance of SUMATRA loan revolving fund that was supposed to be distributed to TASAC and LATRA based on the number of SUMATRA Staffs transferred between these two new established Institutes. LATRA has agreed to transfer this fund during the financial year 2022/23.

Receivables from MLVMCT project – TZS 218.59 million

These are various payments made by TASAC on behalf of the Multinational Lake Victoria Communication and Transport (MLVMCT) project. TASAC is National Executing Agency of this project. This receivable (TZS 218.59 million) will be refunded to TASAC during financial year 2022/23. Addition information on MLVMCT project is provided under Note 46.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24. INVENTORIES

	2021/22	2019/20
	TZS '000	TZS '000
Stock of Stationery	370,192	44,348
Container Seal	104,328	48,852
Stock of Computer Consumables	159,247	99,738
Stock of Certificates	15,645	20,650
Stock of Licences	9,082	9,510
Stock of kitchen, food and beverage	996	1,863
	659,489	224,961
Less: Provision for obsolete stock	-	-
	659,489	224,961
<i>Amount of inventories recognized as expense during the year:</i>		
	293,390	537,805
	293,390	537,805

The amount of inventories recognized as an expense during the year ended 30 June 2022 was TZS 293.39 million (30 June 2021: TZS 537.81 million), which is within the Office Supplies and Services expenses of TZS 334.28 million (30 June 2021: TZS 605.67 million) provided under Note 16 of these financial statements.

No inventory items were pledged as security during the financial year ended 30 June 2022 or the financial current year.

25. PAYABLES AND ACCRUED EXPENSES

Payables are non-interest bearing and are normally settled on 30-day terms. Accrued expenses are recognized expenses on the books of account as they are already incurred before they are paid; and are recorded in the accounting period in which it is incurred. The carrying value of trade and other payables approximates their fair value.

The total payables and accrued expenses as at 30 June 2022 were TZS 5.44 billion (30 June 2021: TZS 7.58 billion). The decrease was mainly caused by reduction of advance fund balance to TZS 3.16 billion (30 June 2021: TZS 5.40). This fund was received in advance to facilitate payment for Port charges and other Ship handling expenses.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Corporation's summary of payables and accrued expenses as at 30 June 2022 were as given below:

	2021/22	2020/21
	TZS '000	TZS '000
Accrued expenses	1,207,139	937,716
Advances received from Customers	3,157,742	5,403,462
Contribution to Government Consolidated Fund	-	762,851
Other Staff payable	165,245	213,746
Supplier's payables	329,128	149,750
Stale cheque	83,706	10,581
W/Tax	90	-
VAT Returns	483,839	104,219
PAYE	12,367	886
	5,439,256	7,583,211

The balance of Advance fund received from customer as at 30 June 2022 was TZS 3.16 billion. The amount was dues from different Customers, as shown below;

NAME	AMOUNT
	TZS'000
STURROCK FLEX SHIPPING LIMITED	809,910.39
SINOWAY PROJECT INC	306,822.65
OLDENDORFF CARRIERS GMBH + CO. KG	254,708.41
NORDEN SINGAPORE	154,146.60
OCEANGOLD TANKERS INC.	130,443.96
ZODIAC MARITIME LIMITED	120,817.39
BAKHRESA FOOD PRODUCTS LIMITED	116,459.06
HAFNIA MR POOL	109,634.64
SHARAF SHIPPING AGENCY (LLC)	109,206.79
WATERCOM	61,484.39
BW EPIC KOSAN MARITIME PTE LTD	55,481.68
FRIENDS SHIPPING LOJISTIK	55,257.19
GBP TANZANIA LIMITED	51,468.58
M M INDUSTRIES LTD	46,166.73
SUBA AGRO TRADING& ENG CO	31,468.34
VOTTANZANIA LIMITED	28,542.88
SILAFRICA TANZANIA LIMITED	28,332.23
RAFFLES SHIPPING INTERNATIONAL PTE	24,629.73
OTHERS	662,760.52
TOTAL	3,157,742.16



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

26. PROVISIONS

Provisions during the financial year ended 30 June 2022 was TZS 900.49 million (30 June 2021: TZS 2.04 billion) being membership subscription fees to IMO, contribution to MET fund and other provision consist of funds provided to cover expenses for small vessels census as summarized below:

	2021/22	2020/21
	TZS '000	TZS '000
IMO Contribution *	80,626	61,980
IOMOU Contribution **	-	18,186
MET Fund Contribution ***	102,319	84,506
Other Provisions ****	717,550	1,879,056
Total current provisions	900,496	2,043,728
Movement during the year		
Balance as at 1 July (current/Non-current)	2,043,727	41,151
Additional provisions made during the year	120,819	2,002,576
Amounts used during the year	(1,264,196)	-
Balance as at 30 June	900,496	2,043,727

Additional provision during the year 2021/22 comprised IMO subscription fees for the year 2021/22 TZS 18.65 million and contribution to MET fund – TZS 102.32 million which sum up to TZS 120.82 million. Subscription fees to IMO will be paid upon receipt of Invoice and other relevant documents from IMO through Ministry of Works and Transport. TASAC contribution to MET fund will be paid in January 2023 after approval of TASAC Audited Financial Statement by the CAG.

27. EMPLOYEE BENEFITS PAYABLE

Employee benefits payable consists of employee benefits payable to the Staff during the year. However, there was no benefits payable as at 30 June 2022 (30 June 2021: TZS 54.86 million) as shown below;

Gratuity payable at end of contract	-	54,863
	-	54,863
Comprising:		
Balance c/f	54,863	33,250
Gratuity accumulated during the year	-	21,613
Gratuity paid during the year	(54,863)	
Total accumulated payable	-	54,863

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28. CAPITAL FUND

The capital fund was established from the Certificate of Transfer of assets and liabilities from SUMATRA to TASAC effective from 1 July 2018. The capital fund was initially established at TZS 22.09 billion and during the financial year ended 30 June 2020, additional capital of TZS 2.18 billion was received from the funds set aside at SUMATRA (now LATRA) to the completion of construction of office building, making the capital fund of the Corporation at TZS 24.26 billion. Therefore, until 30 June 2022, the capital fund of the Corporation remained at TZS 24.26 billion.

29. ANALYSIS OF EXPENSES BY FUNCTION

	2021/22	2020/21
	TZS '000	TZS '000
Administrative Expenses	47,994,941	28,551,794
Regulatory Expenses	4,715,308	7,741,407
Business Expenses	1,882,498	533,374
Training and Staff Development Expenses	1,176,746	928,863
Directors Fees and Other Board Expenses	407,289	252,859
Contribution to the Government Fund	43,490,922	31,825,851
Contribution/Subscription to International Bodies	1,135,104	1,092,822
	100,802,808	70,926,968



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
30. PROPERTY AND EQUIPMENT (Figures in TZS '000)

	Cost			Accumulated Depreciation and Accumulated Impairment				Carrying Value as at 30 June
	Cost as at 1 July	Additions during the Year	Balance as at 30 June	Balance as at 1 July	Depreciation Charge for the year	Impairment Loss for the year	Balance as at 30-Jun	
2021/22								
Leasehold Land	390,000	173,121	563,121	-	-	-	-	563,121
Buildings	69,000	6,106,168	6,175,168	6,831	2,277	-	9,108	6,166,060
Motor vehicles	4,610,986	3,705,110	8,316,096	965,139	870,924	10,752	1,846,816	6,469,280
Plant and machinery (Generators)	58,499	-	58,499	21,937	7,312	-	29,249	29,249
Fixtures, Fittings & Furniture – Office	1,435,055	8,080	1,443,135	296,878	179,695	-	476,573	966,561
Computers, Servers & UPS	2,473,564	56,963	2,530,527	917,558	496,393	-	1,413,950	1,116,577
Office Equipment	1,236,911	196,092	1,433,003	231,114	165,191	-	396,305	1,036,697
Sub-Total	10,274,014	10,245,533	20,519,548	2,439,458	1,721,792	10,752	4,172,002	16,347,546
Capital Work in Progress***	6,106,168	-6,106,168	-	-	-	-	-	-
Total	16,380,182	4,139,365	20,519,548	2,439,458	1,721,792	10,752	4,172,002	16,347,546
2020/21								
Leasehold Land	390,000	-	390,000	-	-	-	-	390,000
Buildings	69,000		69,000	4,554	2,277	-	6,831	62,169
Motor vehicles	3,243,541	1,367,445	4,610,986	428,217	529,326	7,595	965,139	3,645,847
Plant and machinery (Generators)	58,499	-	58,499	14,625	7,312	-	21,937	36,562
Fixtures, Fittings & Furniture – Office	1,029,664	405,391	1,435,055	155,593	141,286	-	296,878	1,138,177
Computers, Servers & UPS	2,087,481	386,083	2,473,564	433,256	484,302	-	917,558	1,556,006
Office Equipment	541,911	695,000	1,236,911	78,739	152,376	-	231,114	1,005,797
Sub-Total	7,420,096	2,853,919	10,274,015	1,114,984	1,316,879	7,596	2,439,674	7,834,556
Capital Work In Progress	6,106,168	-	6,106,168	-	-	-	-	6,106,168
Total	13,526,264	2,853,919	16,380,182	1,114,984	1,316,879	7,596	2,439,674	13,940,724

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
31. INTANGIBLE ASSETS (Figures in TZS '000)

	Cost			Accumulated Amortization			Carrying value as at 30 June
	Cost as at 1 July	Additions during the Year	Balance as at 30 June	Balance as at 1 July	Amortization charge for the year	Balance as at 30-June	
2021/22							
Software - Administration Systems	104,807	47,200	152,007	104,655	14,360	119,015	32,992
Software - ICT Infrastructure & Operations Systems	1,151,452	436,112	1,587,564	6115	129,814	191,529	1,396,035
Sub-Total	1,256,259	483,312	1,739,571	166,370	144,174	310,544	1,429,027
WIP- Shipping Business System	760,690	181,560	942,250	-	-	-	942,250
Total	2,016,948	664,872	2,681,821	166,370	144,174	310,544	2,371,277
2020/21							
Software - Administration Systems	90,210	14,597	104,807	10,634	94,021	104,655	152
Software - ICT Infrastructure & Operations Systems	1,064,263	87,189	1,151,452	34,085	27,630	61,715	1,089,737
Sub-Total	1,154,473	101,786	1,256,259	44,719	121,651	166,370	1,089,889
WIP- Shipping Business System	416,182	344,508	760,690	-	-	-	760,690
Total	1,570,655	446,294	2,016,949	44,719	121,651	166,370	1,850,579



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

32. RECONCILIATION OF CASH FLOW FROM OPERATING ACTIVITIES

32.1 Cash Flow from Operating Activities – Indirect Method

	2021/22	2020/21
	TZS '000	TZS '000
Surplus for the year	1,516,386	13,578,705
<u>Add /(Less):</u>		
Depreciation for the year (Note 30)	1,721,792	1,316,879
Amortization charge for the year (Note 31)	144,174	121,651
Impairment Loss for the year (Note 34)	(10,752)	7,596
Unrealized Exchange (gain)/loss (Note 11)	(284,105)	(22,040)
Changes in Receivables & advances (Note 32.3)	19,048,952	(18,173,348)
Changes in Payables (Note 32.2)	(1,843,431)	4,750,472
Changes in Inventory (Note 24)	(434,529)	(57,063)
Net cash from operating activities	19,879,991	1,522,852

32.2 Analysis of Changes in Payables

Payables and Accrued Expenses	5,439,256	7,583,211
Employee benefits	-	54,863
Tax payable	1,458,825	-
Provisions	900,496	2,043,727
Deferred Tax liability	344,385	304,592
Sub Total - Payable related to Operating Activities	8,142,962	9,986,393
Payables related to property, equipment and Intangible Asset	-	-
	8,142,962	9,986,393

32.3 Analysis of Changes in Receivables and Prepayments

Receivable relating to Operating activities	34,799,933	52,831,428
Staff advances and Imprest (Operating activities)	49,261	36,606
Prepayments (Operating activities)	204,027	134,889
Tax Receivable	-	1,099,251
Sub Total (Receivables & Advances - Operating activities)	35,053,221	54,102,174
Receivable from LATRA (Financing activities)	678,218	678,218
Advances to Suppliers (Investing activities)	1,534,683	5,137,284
	37,266,123	59,917,676

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

33. ANALYSIS OF CASH FLOWS FROM INVESTING ACTIVITIES

2021/22	2020/21
TZS '000	TZS '000

33. 1. Cash flow analysis from additions of Property and Equipment

Analysis of Cash paid		
Property and Equipment payable b/f	-	(14,116)
Advance to Supplier b/f	5,137,284	2,243,432
Cash paid by LATRA for construction of jointly owned Office Building	-	-
Additions during the year	(4,139,365)	(2,853,919)
Advance to Supplier c/f	(1,534,683)	(5,137,284)
Payable C/f	-	-
Net Cash amount paid	(536,765)	(5,761,887)

33. 2. Cash flow analysis from additions of Intangibles

Analysis of Cash paid		
Intangibles payable b/f	-	(84,080)
Additional Intangible Assets	(664,872)	(446,294)
Payable c/f	-	-
Cash amount paid	(664,872)	(530,374)

34. IMPAIRMENT OF NON-CURRENT ASSETS

a. TOYOTA - PICK UP HILUX (STK 8377)

A: Carrying Amount		
Cost	59,828	59,828
Accumulated Depreciation	(21,082)	(14,957)
Accumulated impairment	(6,892)	
Net Book value (Carrying Amount)	31,854	44,871
Recoverable Service Amount		
B: Fair value less cost to sell	5,330	24,500



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

	2021/22	2020/21
	TZS '000	TZS '000
C: Value in use (Restoration cost approach)		
Replacement Cost	92,347	92,347
Accumulated Depreciation	46,173	(34,630)
Depreciated Replacement cost (undamaged)	46,173	57,717
Less: Restoration Cost	24,500	(19,738)
Value in use	21,673	37,979
D: Recoverable Service Amount (Higher of B & C)	21,673	37,979
Impairment loss (A-D)	10,181	6,892

b. TOYOTA - PICK UP HILUX (STL 4872)

A: Carrying Amount		
Cost	91,482	91,482
Accumulated Depreciation	(25,287)	(24,167)
Accumulated impairment	(62,833)	(62, 129)
Net Book value (Carrying Amount)	3,362	5,186
Recoverable Service Amount		
B: Fair value less cost to sell	2,790	4,482
C: Value in use (Restoration cost approach)		
Replacement Cost	92,347	92,347
Accumulated Depreciation	46,173	(34,630)
Depreciated Replacement cost (undamaged)	46,173	57,717
Less: Restoration Cost	85,865	(85,865)
Value in use	(39,692)	(28,148)
D: Recoverable Service Amount (Higher of B & C)	2,790	6,482
Impairment loss (A-D)	572	62,129

Valuation of the motor vehicles was conducted by TEMESA in which restoration cost for both Motor vehicles were obtained. Fair value was derived from observable market prices, meanwhile replacement cost was the price of the similar type of motor vehicle recently purchased by the Corporation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value of assets and liabilities are included at price that would be received to sell an asset or paid to transfer a liability in an orderly transaction by market participants at measurement date. During the financial year ended 30 June 2022, there were no assets that were carried at fair value. The financial assets and liabilities by category are summarized below:

	Carrying Value	Fair Value
	2021/22	2020/21
	TZS '000	TZS '000
a. Financial Assets:		
30 June 2021		
Cash and cash equivalents	17,241,635	17,241,635
Receivables from exchange transactions	6,930,006	6,930,006
Receivables from non-exchange revenue	45,832,556	45,832,556
Receivables from LATRA	678,218	678,218
Receivables from MLVMCTP	68,866	68,866
	70,751,281	70,751,281
b. Financial Liabilities:		
30 June 2022		
Payables	5,439,256	5,439,256
Corporate Tax liability	1,458,825	1,458,825
	6,898,081	6,898,081
30 June 2021		
Payables	7,583,211	7,583,211
Corporate Tax liability	1,458,825	1,458,825
	9,042,036	9,042,036



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

The Fair value of Financial instruments, Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques, including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, judgment is required in establishing fair values. Judgment includes the consideration of inputs, such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Inputs into fair value assumptions are disclosed in the notes where the respective fair value measurements are discussed.

36. RELATED PARTY TRANSACTIONS

The Board Members, including Chairman, and Senior Management employees (Directors and Heads of Unit) are related parties for the Corporation. Related party transactions during the year ended 30 June 2022 are Board Members expenses amounting to TZS 160.91 million (30 June, 2021: 110.53 million) and senior management salaries and other benefits amounting to TZS 1.78 billion (30 June, 2020: 1.47 billion).

2021/22	2020/21
TZS '000	TZS '000

a. Board Members Expenses:

	2021/22	2020/21
Directors fees	71,032	57,605
Subsistence Allowances – Domestic	18,076	35,077
Subsistence Allowances – Foreign	10,934	-
Air Travel Tickets – Domestic	2,667	2,211
Air Travel Tickets – Foreign	2,393	-
Ground Travel Expenses	9,130	15,009
Vehicle fuel & Lubricants	21,145	-
Seminar & Tuition fees	3,900	-
Conference, Food & Refreshments	21,631	628
Sub Total – Board Members Expenses	160,908	110,530

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

b. Senior Management Salary and other benefits:

		2021/22	2020/21
	No:	TZS '000	TZS '000
Basic Salary:			
Director General	01	114,000	113,626
Directors	07	597,385	669,722
Heads of Unit	02	140,859	139,154
Sub-total for Basic Salary		923,276	922,502
Allowances**:			
Director General	01	49,200	49,200
Directors	07	256,797	295,645
Heads of Unit	02	80,887	52,791
Sub-total for Allowances		386,884	397,876
Contributions to Pension Fund (PSSSF)***			
Director General	1	17,100	4,219
Directors	07	89,608	100,458
Heads of Unit	02	21,129	20,873
Sub-total for Contributions		127,837	125,550
Gratuity****		-	21,612
Grand Total		1,785,579	1,467,300

Notes:

- * The Board is composed of seven (7) members including the Chairman.
- ** Allowances for Management Staff consists of housing allowance, utility allowance, transport allowance and motor vehicle maintenance allowance for Management staff using own vehicles.
- *** Contribution to PSSSF is made under defined contribution plans for Management staff who are on permanent and pensionable terms of employment.

37. EXPLANATIONS OF VARIANCE BETWEEN BUDGET AND ACTUAL AMOUNTS

a. Original Budget and Final Budget

The Corporation's original budget for the financial year ended 30 June 2022 was adjusted during the half-year review to arrive at the final budget. Final budgeted revenue for the year was remain the same as original budget TZS 92.58 billion.

The total expenditure budget was revised from 77.94 billion to 83.61 billion, an increase of TZS 5.66 billion. The major changes were on Travelling and Other Facilitation Expenses TZS 4.97 billion and Services, Supplies and consumable Expenses TZS 1.39 billion.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

b. Final Budget and Actual Amounts

The Corporation's recognized revenues for the year ended 30 June 2022 was TZS 102.32 billion (30 June 2021: TZS 84.51 billion) which was above the final budget of TZS 92.58 billion (30 June 2021: TZS81.89 billion) by TZS 9.74 billion (30 June 2021: TZS 2.62 billion), equivalent to over-performance by 10.53% (30 June 2021: 3.20%). The increase in revenue performance was attributed by close follow up on final levy that increased payment of quarterly levy returns, effective use of Manifest billing system that improved collections from shipping fees and increased number of small vessels inspections that raised collection of Maritime safety fees.

The actual expenditure for the Corporation amounted to TZS 100.81 billion (30 June 2021: TZS 70.93 billion), which was above the final budget of TZS 83.61 billion (30 June 2021: TZS 66.80 billion) by TZS 17.20 billion (30 June 2021: TZS 4.12 billion). The over-spending is mainly attributed by the remittance of excess funds to the Government Consolidated Fund amounted to TZS 29.71 billion and payment of Corporate Tax arrears for the year 2019/20 and 2020/21 amounted to TZS 5.31 Billion.

Explanations of variances between final budget and actual amounts are provided in the table below:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

37. EXPLANATIONS OF VARIANCE BETWEEN BUDGET AND ACTUAL AMOUNTS (CONTINUED)

c. Explanations of Variances between Final Budget and Actual Amounts

	Final Budget {A+B}	Actual Amount on Comparable Basis {C}	Difference: Final Budget Vs Actual	Explanations for Variances
	TZS '000	TZS'000	TZS '000	
REVENUE:				
Service Providers Levy	18,397,554	20,633,907	2,236,353	Increase in compliance and payment of quarterly levy return due to close follow up on final levy.
Fees, licenses and penalties	39,030,151	42,140,687	3,110,536	Effective use of Manifest billing system, increased monitoring visits to border post centres and increased inspections and licensing of small vessels.
Other Income	5,962	66,167	60,205	Overpayments and refund of IMO previous year contribution from Zanzibar Maritime Authority (ZMA) that was paid by TASAC.
Gain/(loss) on foreign currency translation	3,563	344,216	340,653	Depreciation of TZS against US Dollars during the year end.
	57,437,230	63,184,978	5,747,748	
Revenue from exchange transactions				
Revenue from Shipping Business Services	35,137,770	39,134,216	3,996,446	Increased in Clearing and forwarding, Ship Tallying and Shipping Agency items under exclusive mandate following introduction of new GN no 181 on 05 February 2021.
Total	92,575,000	102,319,194	9,744,194	
EXPENSES:				
Wages, salaries and employee benefits	29,296,371	24,043,298	5,253,072	Saving is attributed to non-recruitment of expected additional staff



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

37. EXPLANATIONS OF VARIANCE BETWEEN BUDGET AND ACTUAL AMOUNTS (CONTINUED)

	Final Budget {A+B}	Actual Amount on Comparable Basis {C}	Difference: Final Budget Vs Actual	Explanations for Variances
Directors Fees & Board Members Expenses	528,836	160,908	367,928	Reduced number of days for Board Meetings and cancellation of some of Board visits
Board Secretariat, Management & Supporting	300,000	246,381	53,619	Reduced number of days for Board Meetings and cancellation of some of Board visits
Travelling and Other Facilitation Expenses	21,238,581	13,032,781	8,205,800	Restrictions on foreign travels due to COVID-19 pandemic and transfer of some staff to new stations reduced cost of travel for Head Office Staff to perform Corporation activities.
Services, Supplies and consumable Expenses	12,172,894	5,136,407	7,036,487	Effective expenditure controls and use of Government facilities which were less expenses.
Repair and Maintenance expenses	2,467,080	1,015,118	1,451,962	Less expenses as partition and installation of equipment for TASAC Head Office was not conducted.
Contribution to Govt Consolidated Fund (15% of Gross Revenue)	13,886,284	13,780,050	106,234	Payment was made based on approved budget. Under payment was considered during payment of final excess fund (70% of surplus).
Contribution to Govt Consolidated Fund (Excess fund)	-	29,710,871	(29,710,871)	Contribution from excess fund was not part of the budget. It resulted from 70% of surplus funds and other remittance instructed by Treasury Registrar.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

37. EXPLANATIONS OF VARIANCE BETWEEN BUDGET AND ACTUAL AMOUNTS (CONTINUED)

	Final Budget {A+B}	Actual Amount on Comparable Basis {C}	Difference: Final Budget Vs Actual	Explanations for Variances
Contribution to Other Bodies	1,073,255	1,135,104	(61,849)	Increase in provision for contribution to MET Fund resulted from increased revenue. Contribution to MET Fund is computed based on percentage of gross revenue.
Bank Charges	54,000	73,019	(19,019)	Increase in number of banks and transactions.
Corporation Tax	2,588,131	10,592,151	(8,004,020)	Payment for Tax arrears for the year 2019/2020 and 2020/21, and increased in Shipping Business Revenue for the year 2021/22 that lead to increase of Tax-able Income.
Depreciation of property and equipment	-	1,721,792	(1,721,792)	Depreciation was not included in the Budget 2021/22
Impairment of property and equipment	-	10,752	(10,752)	Impairment was not included in the Budget 2021/22
Amortization of intangible assets	-	144,174	(144,174)	Amortization was included in the Budget 2021/22
Total	83,605,431	100,802,808	(17,197,376)	
Surplus/(deficit) during the year	8,969,569	1,516,386	(7,453,182)	

38. SEGMENTAL REPORTING

Corporation contained two main functions that are Regulatory and Business functions. Segmental report on Statement of Financial performance and financial position were prepared to show individual performance from each function. In preparation of report, the expenses shared by both functions that was difficult to separate, was apportioned based on revenue ratios of 61.44% and 38.56% for Regulatory and Business function respectively.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SEGMENTAL REPORTING ON THE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	TOTAL	REGULATORY SERVICES	SHIPPING BUSINESS
	TZS '000	TZS '000	TZS '000
ASSETS			
Current assets			
Cash and cash equivalents	36,204,095	20,614,457	15,589,638
Receivables and prepayments	36,613,897	29,710,588	6,903,308
Inventories	659,489	405,193	254,297
	73,477,481	50,730,238	22,747,243
Non-current assets			
Property, plant and equipment	16,347,546	11,656,926	4,690,620
Intangible assets	1,429,027	1,376,313	52,714
Capital WIP - Shipping Business Management System	942,250		942,250
	18,718,823	13,033,239	5,685,583
TOTAL ASSETS	92,196,303	63,763,477	28,432,826
LIABILITIES			
Current liabilities			
Payables and Accrued Expenses	5,439,256	1,405,095	4,034,161
Employee benefits	-		
Tax payable	1,458,825		1,458,825
Provisions	900,496	861,042	39,454
	7,798,577	2,266,137	5,532,440
Non-current liabilities			
Employee benefits	-		
Provisions	-		
Deffered Tax liability	344,385		344,385
	344,385	-	344,385
TOTAL LIABILITIES	8,142,962	2,266,137	5,876,825
NET ASSETS	84,053,342	61,497,341	22,556,001
NET ASSETS			
Capital Fund	24,264,567	14,908,241	9,356,326
Accumulated surplus/(deficit)	59,788,775	46,589,100	13,199,675
TOTAL NET ASSETS	84,053,342	61,497,341	22,556,001

The Corporation balance of Non-current Asset as at 30 June 2022 was TZS 18.72 billion, which comprised of TZS 13.03 from Regulatory function (Non-cash generating Asset) and TZS 5.69 billion from Business function (Cash generating asset).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

SEGMENTAL REPORTING ON THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	TOTAL	REGULATORY SERVICES	SHIPPING BUSINESS
	TZS '000	TZS '000	TZS '000
Revenue			
Revenue from Non-exchange transactions			
Service Providers Levy	20,633,907	20,633,907	
Fees, Licenses & penalties	42,140,687	41,821,004	319,683
Other Income	66,167	66,167	
Gain/(loss) on foreign currency translation	344,216	344,216	
Revenue from exchange transactions	-		
Revenue from Shipping Business Services	39,134,216		39,134,216
	102,319,194	62,865,294	39,453,900
Expenses			
Wages, salaries and employee benefits	24,043,298	9,552,770	14,490,528
Directors Fees & Other Board Benefits	407,289	250,240	157,049
Travelling and Other Facilitation Expenses	13,032,781	8,304,086	4,728,695
Services, Supplies and consumable Expenses	5,136,407	3,123,944	2,012,463
Repairs and Maintenance expenses	1,015,118	623,692	391,426
Contribution to Government Consolidated Fund	43,490,922	26,720,984	16,769,937
Contribution to Other Bodies	1,135,104	1,095,650	39,454
Bank charges and Related Expenses	73,019	44,863	28,156
Tax Expenses	10,592,151		10,592,151
Depreciation of property, plant and equipment	1,721,792	1,295,003	426,790
Impairment of property plant and equipment	10,752	10,752	
Amortisation of intangible assets	144,174	138,637	5,537
	100,802,808	51,160,622	49,642,186
Surplus/(deficit) during the year	1,516,386	11,704,673	(10,188,286)

The loss of TZS 10.19 billion to Shipping Business function was attributed by payments of Tax arrears for the year 2019/20 and 2020/21 resulted from the decision of TRA during Tax audit to treat Contribution paid to the Government consolidated fund for the same years as non-tax allowable expenses.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

39. PROCUREMENT COMMITMENTS

The Corporation had a procurement commitment as at 30 June 2022 of TZS 6.57 billion (30 June 2021: TZS 2.25 billion). The total commitments for the financial year ended 30 June 2022 is summarized below:

Item	Contract Value TZS 000	Paid Amount TZS 000	Commitments TZS 000
Goods	4,328,038	103,355	4,224,683
Consultancy Service	71,850	0.00	71,850
Non-Consultancy Service	441,264	62,200	379,064
Works	1,498,463	0.00	1,498,463
Minor Value Procurement	397,649	-	397,649
Total	6,737,264	165,555	6,571,709

The above commitments are explained as follows:

a. Goods

The amount committed on contracts for supply of goods was TZS 4.22 billion (30 June 2021: TZS 1.96 billion). This includes contracted amounts which remained unpaid for the supply of PENTANA Audit MK Software, Office Uniforms, Office Equipment, Office Stationery, Bar Code Scanner, Audit Command Language (ACL) Licenses, Installation, Testing and Commissioning of Video Conference System, Installation, Testing and Commissioning of Queuing Management System, ICT Equipment (Communication Equipment), ICT Equipment (Time Attendance Devices), Ship Survey Kit, Network Device, Staff ID Card and Name Tag, Lanyard (ID Holder) and Business card

b. Consultancy Service

The amount committed on contracts for Consultancy Services was TZS 71.85 million (30 June 2021: TZS 113.47 million). This includes contracted amounts which remained unpaid for Provision of Consultancy Service to conduct periodic QMS Audit, Provision of consultancy service to supervise the proposed partition of TASAC HQ Office and Consultancy for Evaluation of Implementation of STCW 1978 Convention in The United Republic of Tanzania.

c. Non - Consultancy Service

The amount committed on contracts for Non- Consultancy Services was TZS 379.06 million (30 June 2021: TZS 113.07 million). This includes contracted amounts which remained unpaid for provision of non-consultancy service for Provision of Support Service for Integrated Maritime Safety and Security System, Provision Service for improvements and Support of Integrated Payroll & Human Resource Management System, Improvement and Support of Manifest Billing, Support service for Integrated

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**39. PROCUREMENT COMMITMENTS (CONTINUED)**

Financial Management Information System (IFMIS) Based on EPICOR VER 10.2, Insurance Services for TASAC Asset, Support Services for Electronic Document Management System (EDMS) and Provision of Internet backup link.

d. Works

The amount committed for procurement of works was TZS 1.50 billion (30 June 2021: TZS 0.00). These includes contracted amounts which remained unpaid for Proposed Partitioning for TASAC HQ Offices.

e. Minor Value Procurement

The amount committed for Minor Value Procurement was TZS 397.65 million (30 June 2021: TZS 61.11 million). These includes contracted amounts which remained unpaid for Catering service to facilitate meeting, Service and maintenance for motor vehicles and Service and maintenance of ICT Equipment's.

40. CONTINGENT ASSETS

The Corporation had contingent assets arisen from uncollected revenue from clearing and forwarding fees for minerals, mineral extracts, concentrates and mining equipment. The uncollected fees resulted from dispute by customers on published TASAC clearing and forwarding fees of US\$ 7 per Metric Ton (MT) or 1% of Customs value (whichever is higher) as per Government Notice No. 743 published on 18 October 2019. The dispute was tabled to the Minister for Works and Transport in compliance with Sect. 59 of the Tanzania Shipping Agencies Act, Cap 415. However, the Corporation has maintained the records of the services rendered without payment, despite being against the provisions of Sect. 48 of the Tanzania Shipping Agencies Act, Cap. 415.

In the process of resolving the disputes, the Board of Directors considered revised tariffs proposed by the Ministry of Finance and Planning, which was prepared after consultations with the key stakeholders, including private sectors and TASAC Management. Thus, the Board issued Tanzania Shipping Agencies (Shipping Business Fees, Charges and Commissions) Order, 2021, GN. No. 181 published on 05/02/2021. The Order recognized transactions recorded using the GN. No.743.

However, until 30th June 2022, the Corporation had recorded 5,993 files from 72 customers with contingent revenue amounting to TZS 147.95 billion and VAT amounting to TZS 26.63 billion payables to TRA, thus, making a total of TZS 174.58 billion as outstanding collections as a result of disputes. The dispute is unresolved by the Ministry until the end of the financial year.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

41. CONTINGENT LIABILITIES

During the year, the Corporation in collaboration with the Office of the Solicitor General continued handling below court matters which were inherited from SUMATRA;

- i. a labour case No. CMA/MZ/NYAM/916/2017 at the Commission of Mediation and Arbitration (CMA) on appeal for re-instatement at the High Court – Labour Division by a maritime sector employee terminated on disciplinary grounds; and
- ii. the High Court case No. 23 of 2019 filed by maritime transport service provider (Comfort Company) who appealed to be paid TZS 490 million being compensation for loss sustained due to SUMATRA's delay to approve service providers application for tariffs for use in Lake Victoria, Mwanza

However, the above cases were ruled in favour of the Corporation. As at 30 June 2022 there was no any pending case which may result in future obligation.

42. FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

The functional currency of the Corporation, which is also its presentation currency, is Tanzanian Shillings (TZS). The values in this report are rounded to the nearest thousand.

43. CONTROLLING ENTITY AND ULTIMATE CONTROLLING ENTITY

The Ministry of Works and Transport is the Controlling Entity and the Government of the United Republic of Tanzania is the Ultimate Controlling Entity of the Corporation.

44. ASSETS PLEDGED AS SECURITY FOR LIABILITIES

None of the Corporation's assets have been pledged as security for liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

45. OPERATING LEASE COMMITMENTS

TASAC as Lessee

Future minimum lease payments under noncancelable operating leases.

	2021/22	2020/21
	TZS'000	TZS'000
Due within one year	373,883	871,727
Due within two to five years	371,622	358,898
Later than five years	-	-
Total operating lease expense commitments	745,505	1,230,625

Minimum office rental and service charges payments recognized as an expense during the year amount to TZS 342.33 million (2020/21: TZS 1.16 billion). Leased premises are contracted for the remaining periods of between one and four years, with renewal options available in certain instances.

TASAC as Lessor

The corporation own five (5) floors in SUMATRA house located at Nkurumah Street Plot no. 454/160 which have been rented to LATRA at lease agreement of one year with effect from 1 September 2022. The agreed rent amount is TZS 123.72 million (USD 53,556.9) per annum.

Due within one year	92,878.33	-
Due within two to five years	30,929.11	-
Later than five years	-	-
Total operating lease expense commitments	123,716.44	-

46. MULTINATIONALLAKE VICTORIA MARITIME COMMUNICATION AND TRANSPORT (MLVMCT) PROJECT

This is project established to address the maritime transportation and navigation safety intervention area and to contribute to the provision of safe, efficient, cheap and environmentally friendly transport links, and fishing activities on Lake Victoria. It is a trans-border infrastructure initiative designed around the 4th East African Community (EAC) development strategy (2011-2016). The main component of this project is establishing a Maritime communications system for safety on Lake Victoria by constructing Maritime Rescue Coordination Centre (MRCC) in Mwanza -Tanzania, operationalization of 12 (3 in Tanzania) Search and Rescue Centres and develop Maritime communication network.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

46. MULTINATIONAL LAKE VICTORIA MARITIME COMMUNICATION AND TRANSPORT (MLVMCT) PROJECT (CONTINUED)

This project which is expected to be completed in 2023, is implemented by two countries United Republic of Tanzania and Republic of Uganda. The source of funds is the loan from African Development Bank (AfDB) and Member states contributions. For United Republic of Tanzania, AfDB provided the loan of USD 5.31 million while the Government of United Republic of Tanzania through TASAC will contribute USD 3.37 million.

TASAC is the National Executing Agency of this project for United Republic of Tanzania with responsibility of implementing national activities while Regional activities will be implemented by LVBC on behalf of member states. During the year, TASAC paid TZS 149.73 to facilitate various activities on behalf of the Project make a total advanced amount to be TZS 218.59 million. However, this advanced fund will be refunded by the Project in the next financial year.

Nevertheless, the Corporation has already prepared Special Purpose Financial Statement for the year ended on 30 June 2022 for the project as a separate document.

47. EVENTS AFTER REPORTING DATE

Section 7(1) of the Tanzania Shipping Agencies Act, Cap. 415 was amended by the Finance Act, No.05, 2022 which has taken away exclusive mandate of TASAC to provide Shipping agency, Ship Tallying and document control management services, while limited scope on Clearing and Forwarding functions to some few items. The corporation is likely to face the following issues;

- i. Budgeted revenue for the financial year 2022/23 will be under-collected by 31.02%. This will impact implementation of plan and budget for the financial year 2022/23.
- ii. Closure of Offices in various regions/stations: Currently the Corporation maintains (24) twenty-four office stations which are designated to render services. It is expected that Ten (10) offices at Border Posts, Minerals Markets and Airports to be closed as there will be no shipping business transactions to be handled.
- iii. Redundant of Gadgets for Ship Tallying Operations: The Supplier of items was in delivery stage of the contract worth TZS 412.83 million, these items will no longer be needed.



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