



**THE UNITED REPUBLIC OF TANZANIA**

**NATIONAL AUDIT OFFICE**



**NATIONAL CONSTRUCTION COUNCIL (NCC)**

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE  
FINANCIAL STATEMENTS AND COMPLIANCE AUDIT FOR THE FINANCIAL  
YEAR ENDED 30 JUNE 2022**



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March, 2023

ML/PA/NCC/2021/22

## **Mandate**

The statutory mandate and responsibilities of the Controller and Auditor-General are provided for under Article 143 of the Constitution of the URT 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 modernization of functions that enhances accountability and transparency in the management of public resources.

**Motto:** "Modernizing 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

<b>IPSAS</b>	International Public Sector Accounting Standards
<b>MDAs</b>	Ministries, Departments and Agencies
<b>MoWT</b>	Ministry of Works and Transport
<b>PAC</b>	Public Accounts Committee
<b>PFA</b>	Public Finance Regulations
<b>PPA</b>	Public Procurement Act
<b>PPR</b>	Public Procurement Regulations

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## **1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL**

Chairman of the Council,  
Governing Council,  
National Construction Council,  
P. O. Box 70039,  
DAR ES SALAAM.

### **1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS**

#### **Unqualified Opinion**

I have audited the accompanying financial statements of the National Construction Council, which comprise the statement of financial position as at 30 June 2022 and the statement of financial performance, the statement of changes in net assets, the cash flow statement, 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 of the National Construction Council present fairly in all material respects, the financial position of National Construction Council as at 30 June 2022, its financial performance and its cash flows for the year then ended in accordance with International Public Sectors 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 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 National Construction Council 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.

## **Information other than the Financial Statements and Auditor's Report thereon**

Management is responsible for the other information. The other information comprises of the Director's Report and the Declaration by the Head of Finance but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

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

If, based on the work I have performed on the other information that 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 these financial statements in accordance with the International Public Sector Accounting Standards. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements, 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 going concern basis of accounting unless management either intends to liquidate the entity or create operations, or has no realistic alternative but to do so.

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

Further, Section 48(3) of the Public Procurement Act, 2011 (as amended in 2016) 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 at the National Construction Council procurement for the financial year 2021/22 as per the Public Procurement Laws.

#### **Conclusion**

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

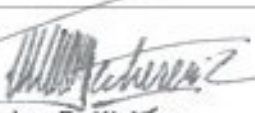
### **1.2.2 Compliance with the Budget Act and other Budget Guidelines**

**Subject matter: Budget formulation and execution**

I performed a compliance audit on budget formulation and execution at the National Construction Council (NCC) 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 National Construction Council (NCC) is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.

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



## **2.0 REPORT OF THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2022**

### **2.1 INTRODUCTION**

In compliance with the Public Corporation Act, 1992 (Revised 2020) and the Tanzania Financial Reporting Standard No 1: On Those Charged with Governance (TCWG), the Councillors submit their report and Financial Statements of National Construction Council (NCC) for the year ended 30 June 2022.

The report discloses the state of affairs of the National Construction Council. The Financial Statements have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS). The Members of the Council are pleased to present this report and the accompanying financial statements for the year which ended on 30 June 2022.

### **2.2 ESTABLISHMENT OF NATIONAL CONSTRUCTION COUNCIL**

The National Construction Council (NCC) is a Government Institution established through Act of Parliament No. 20 of 1979 and became operational in 1981. Its establishment was prompted by the need to promote the development of the local construction industry whose performance was considered unsatisfactory. The National Construction Council (amended) Act No. 25 of 2007 which was assented by the President of the United Republic of Tanzania (His Excellence Jakaya Mrisho Kikwete on 24 January 2008 has superseded Act No. 20 of 1979, established through the National Construction Council Act. No.20 of 1979. The Council commenced its activities officially from 17 August 1981.

### **2.3 CORPORATE OUTLOOK**

The Council is guided by the following vision, mission and values:

#### **Vision**

To be an outstanding provider of strategic leadership for the development of a competitive Tanzanian Construction Industry.

#### **Mission:**

To promote and provide strategic leadership for development of the construction industry in Tanzania with emphasis on the development of the local capacity and competitiveness.

## **Values:**

The six core values that drive the Council in implementing its responsibilities are as follows:

- a) Service excellence
- b) Transparency
- c) Integrity
- d) Innovation
- e) Professionalism
- f) Responsibility

## **2.4 OBJECTIVES OF THE COUNCIL**

The National Construction Council was established to promote and provide strategic leadership for the growth, development and expansion of the construction industry in Tanzania with emphasis on the development of the local capacity for socio-economic development and competitiveness in the changing global environment.

The mission and vision of NCC are achieved by implementing the following strategic objectives for the period of July 2018 to June 2023:

- a) Co-ordination of construction sector is enhanced to enable consolidation, harmonization and competitive performance of the construction industry;
- b) Capacity building of local contractors and consultants enhanced to enable adequate participation in work opportunities;
- c) Capacity building of Clients enhanced to enable improved sector performance;
- d) Research in the construction industry is promoted and effectively coordinated;
- e) Institutional capacity of NCC is enhanced to enable effective performance of its functions;
- f) HIV/AIDS infection reduced and service improved; and
- g) Anticorruption and good governance strategies implemented effectively.

## **2.5 FUNCTIONS OF THE COUNCIL**

The following are the legal functions of the National Construction Council:

- a) To promote and provide strategic leadership for the growth, development and expansion of Tanzania with emphasis on the development of the local capacity for socio-economic development and competitiveness in the changing global environment;
- b) To advise the government on all matters relating to the development of the construction industry and to formulate proposals and recommendations for their implementation;

- c) To provide advisory services and technical assistance to construction industry stakeholders on all matters related to the construction industry;
  - d) To promote and co-ordinate quality training for persons engaged, or to be engaged in the construction industry;
  - e) To promote, conduct and coordinate research on all matters related to the construction industry;
  - f) To compile and maintain a list of projects and promote the documentation and dissemination of information related to the construction industry;
  - g) To promote and monitor the development and implementation of standards, regulations and codes of practices on all matters related to the construction industry;
- 
- h) To promote the use of innovative technologies and the application of best practices in the construction industry;
  - i) To promote and establish forums for enhancing industry wide co-ordination, collaboration and discussion on matters related to the construction industry;
  - j) To benchmark, monitor and evaluate the performance of the construction industry;
  - k) To solicit and manage the fund for training of personnel in the construction industry;
  - l) To promote quality management including provision of technical auditing services in the construction industry;
  - m) To promote environmentally sustainable construction practices including health and safety aspects;
  - n) To promote the export of goods and services related to the construction industry; and
  - o) To facilitate efficient resolution of disputes in the construction industry.

## 2.6 MEMBERSHIP OF THE COUNCIL

NCC Councillors, who held office during the period under review i.e., 01 July 2021 to 30 June 2022 are as shown in Table 1 below;

**Table 1: NCC Councillors**

S/N	Name	Position	Nationality	Institution	Age	Qualification	Date of Appointment
1.	Prof. Mayunga H. H. Nkunya	Chairman	Tanzanian	University of Dar es Salaam	68	Ph.D Organic Chemistry	17/1/ 2020
2.	Arch Livin Henry Mosha	Member	Tanzanian	Ardhi University	61	Ph.D Architect	1 /7/ 2019
3.	Dr. Zacharia Saimon Katambara	Member	Tanzanian	Mbeya University of Science and Technology	52	Ph.D Engineering	22 /8/ 2020
4.	Qs. Optatus W. Kanyesi	Member	Tanzanian	Ministry of Works and Transport	59	Quantity Surveyor	1 /7/ 2019
5.	Eng. Julius M. Kabyemera	Member	Tanzanian	Institute of Engineers (EIT)	64	Engineer	1 /7/2019
6.	Eng. Lawrence G. Mwakyambiki	Member	Tanzanian	Contractors Association Tanzania (CATA)	64	Engineer	1 /7/2019
7.	Arch. Shaban Walad Mwatawala	Member	Tanzanian	Association of Architects Tanzania (AAT)	56	Architect	1 /7/ 2019
8.	Eng. Pascal Ncheye	Member	Tanzanian	TACECA	64	Engineer	1/7/ 2019
9.	Eng. Rita F. Kilua	Vice Chair Person	Tanzanian	Ministry of Water	57	Engineer	1 July 2019
10.	Qs. Joseph T. Tango	Member	Tanzanian	Tanzania Institute of Quantity Surveyors	56	Quantity Surveyor	1 /7/ 2019
11.	Dr. Erick Mwaikambo	Member	Tanzanian	Ministry of Lands, Housing and Human Settlements	63	Ph.D Land Survey	1/7/2019
12.	Eng. Gwakisa Gallen Mwakyusa	Member	Tanzanian	Tanzania Private Sector Foundation	41	Engineer	22 /8/ 2020
13.	Eng. Elisante Ulomi Sumari	Member	Tanzania	Ministry of Finance and Planning	40	Engineer	22 /8/ 2020

The Council's Secretary as at 30 June 2022 was Dr. Matiko S. Mturi who is the Chief Executive Officer. However, the Council Chairman, Prof. Mayunga H. H. Nkunya passed away on 20 July 2021. Meanwhile, Dr. Fatma Kassim was appointed new chairperson of the council effective from 01 March 2022.

## **2.7 CORPORATE GOVERNANCE**

The Councillors consider corporate governance as a key to good governance of the National Construction Council. In view of this, the Councillors continued to strengthen good governance system by reviewing policies in the areas of human resource management, Council and Council Committees' activities and general management of the National Construction Council.

## **2.8 COUNCIL'S STRUCTURE**

According to the Schedule of the NCC Act, CAP 162 (RE 2008), the Council is comprised of fifteen Councillors, the Chairman and 14 members. The Chairman of the Council is appointed by the President of United Republic of Tanzania, while the members are appointed by the Minister of Works, Transport and Communication.

The fourteen members are appointed from both the public sector and private sector as follows:

- a) Seven members representing the public sector; one from each of the following ministries:
    - i) Ministry responsible for infrastructure development;
    - ii) Ministry responsible for local government;
    - iii) Ministry responsible for lands, housing and human settlement development;
    - iv) Ministry responsible for water;
    - v) Ministry responsible for finance;
    - vi) Ministry responsible for science and technology; and
    - vii) An institution of higher learning, training persons to be engaged in the construction industry.
  - b) The other seven members represent the private sector and are appointed from the professionals, categories of groups or institutions as follows: -
    - viii) Two Contractors;
    - ix) Architects;
    - x) Engineers;
    - xi) Quantity Surveyors,
    - xii) Manufacturers and suppliers of construction equipment and materials, and
    - xiii) Tanzania Private Sector Foundation.
- xiv) COUNCIL MEETINGS

During the year under review, the Council managed to convene three (3) ordinary meetings. Similarly, three (3) Audit committee meetings were convened. Number of meetings attended by the members of the Governing Council by 30 June 2022 are summarised in the Table 2 below:

**Table 2: Meetings Attended**

S/N	Council Member	Ordinary meeting	Special meeting	Total
1.	Prof. Mayunga H.H. Nkunya	0	0	0
2.	Arch. Prof. Livin Mosha	3	0	3
3.	QS. Optatus W. Kanyesi	3	0	3
4.	Eng. Julius M. Kabyemera	3	0	3
5.	Eng. Lawrence G. Mwakyambiki	3	0	3
6.	Arch. Shaban Walad Mwatawala	3	0	3
7.	Eng. Pascal Ncheye	3	0	3
8.	Eng. Rita F. Kilua	3	0	3
9.	QS. Joseph T. Tango	3	0	3
10.	Dr. Erick Mwaikambo	3	0	3
11.	Dr. Zacharia Saimon Katambara	3	0	3
12.	Eng. Gwakisa Gallen Mwakyusa	3	1	4
13.	Eng. Elisante Ulomi Sumari	3	0	3

## 2.9 COMMITTEES

The Council has two committees, namely Audit Committee and Technical Committee.

### A. AUDIT COMMITTEE

The objective of the Audit Committee is to advise the Council on all matters relating to Financial and Accounting. Table 3 below shows the Names of Audit committee members who served the council during the year under review.

**Table 3: Members of the NCC's Audit Committee**

No.	Name	Position	Status	Qualification /Education	Nationality
1	Eng. Gwakisa G. Mwakyusa	Chairman	Councillor	Engineer	Tanzanian
2.	Eng. Elisante Ulomi Sumari	Member	Councillor	Engineer	Tanzanian
3	Eng. Leonard Lucas	Member	Non-Councillor	Engineer	Tanzanian
4	CPA. Meclaud E. Marick	Member	Non-Councillor	Auditor	Tanzanian
5	CPA. Vicentus Vedasto	Member	Non-Councillor	Auditor	Tanzanian

During the reporting period, Audit Committee convened three (3) meetings, two (2) Ordinary meetings and one (1) Special meeting.

## B. TECHNICAL COMMITTEE

The objective of the committee is to advise the Council on technical issues with regard to construction industry. Table 4 below shows the Names of the member who served the committee during the year under review.

**Table 4: Members of the NCC's Technical Committee**

No.	Name	Qualifications	Status	Nationality
1.	Eng. Lawrence Mwakyambiki	MSc. Engineering	Chairman	Tanzanian
2.	Arch. Shaban Mwatawala	Architect	Member	Tanzanian
3	Qs. Joseph T. Tango	Adv. Diploma Building Economics	Member	Tanzanian
4	Eng. Julius Kabyemera	MSc. Engineering	Member	Tanzanian

However, during the year under review Technical Committee did not convene any meeting.

### 2.10 BUSINESS PHILOSOPHY

National Construction Council fully recognizes and accepts its responsibility of ensuring that social and economic infrastructure projects are developed and maintained economically and that they will serve the intended objectives. Consequently, it is committed to provide intelligent, responsible and capable guidance to the industry in due regards. This embodies a commitment to the provision of top-quality services to its customers by serving them as efficiently and effectively as possible.

### 2.11 MANAGEMENT

According to the current organization structure, the Council is composed of the Office of the Chief Executive Officer (CEO) and the following three Directorates namely:-

- Directorate of Technical Services
- Directorate of Research and Innovation
- Directorate of Corporate Services

Both the line and staff functions of the Council are coordinated and supervised by the Chief Executive Officer.

### 2.12 IMPLEMENTATION OF THE COUNCIL'S PLANS

During the reporting period under review, the Council made a number of achievements against what the Council did plan to implement.

Planned activities during the period starting 1<sup>st</sup> July, 2021 to 30 June 2022. (Most of these activities are cross cutting to other quarters).

These are:-

1. Preparation of NCC Regulations
2. To facilitate training of 5 staff Professional Development (CDP) Programme
3. To provide training for 4 employees Local Short Course
4. To provide training opportunity to two (2) NCC employees on long course
5. To collect different information for consumption in the Construction Industry
6. To facilitate payment of statutory and administrative requirements
7. To provide Official Security, insurance and utilities
8. To Conduct Construction Industry Forum
9. To Establish Information Resource Centre
10. To establish Formal collaboration with local Institutions
11. To Publish annual construction industry performance report
12. To Publish NCC Construction Business Journal
13. To conduct researches in different areas
14. To Recognize best practice in construction industry
15. Provide training to informal construction groups
16. To Rehabilitate two (2) Mbezi Beach houses
17. To facilitate routine maintenance of two (2) NCC vehicles
18. To Coordinate disputes resolutions
19. To conduct training to Construction Industry stakeholders
20. To provide advisory and consultancy services
21. To facilitate Workers Council Meeting
22. To enable Tender board performs its functions
23. To facilitate NCC Board to perform its functions
24. To facilitate NCC offices shifting to Dodoma

Summary of what the Council had achieved in the period under review is as shown in Table 5 below;

**Table 5: Summary of Achievements**

No	Line of Function	Achievements
1.	Preparation of Client Service Charter	The Draft Client Service Charter has already been prepared. Currently it is being reviewed by members of Management before being tabled in the Workers Council Scheduled later.
2.	Formal collaboration arrangements with local institutions established by June 2022	<p>i) MoU with Roads Fund Board: NCC is currently implementing the MoU signed with Roads Fund Board (RFB) through the assignment for development of unit rate and unit cost for road works (Construction and Maintenance) in Tanzania. NCC has continued to implement the MOU and recently NCC has submitted Draft Final Report of the unit rate establishment assignment pending for presentation to stakeholders for it to be final.</p> <p>ii) MOU with Ardhi University: NCC is preparing a draft MOU Implementation action plan. in May 2022 the Implementation Action Plan was concluded.</p> <p>iii) National Bureau of Statistics (NBS): NCC has managed to have a first sitting with NBS with the aim of establishing collaboration. Plans are now that a proposal for areas to be included in the Memorandum of Understanding to be sent to NBS.</p>
3.	Preparation of NCC Regulation	During the reporting period (July to June 2022) Stakeholders Consultative meeting was conducted successfully on 15 <sup>th</sup> -16 <sup>th</sup> December 2021. Pending for the consultant to submit Draft Regulations Documents for it to be validated by Stakeholders.
4.	Provision of Training to Stakeholders of the Construction Sector	<p>During the Reporting period the following were performed;</p> <p>i) Prepared a course calendar for year 2021/22</p> <p>ii) Course on Conduct and practice of Arbitration was successfully conducted where by 44 participants were attracted. Conducted from 27<sup>th</sup> to 29<sup>th</sup> October 2021 in Dar es Salaam.</p> <p>iii) Tailor made course to 13 members of staff of RUWASA Kigoma was successfully conducted from 6<sup>th</sup> to 10 December 2021.</p> <p>iv) Course on Construction Contract Administration was conducted in Arusha from 4<sup>th</sup> to 8<sup>th</sup> April 2022 where 24 participants attended.</p> <p>v) Draft course calendar for Financial Year 2022/2023 has already been prepared.</p>

No	Line of Function	Achievements
5.	Provision of Consultancy Services	<p>a) NCC conducted technical audits on the projects implemented by TANROADS and TARURA in Rukwa Region. These are road projects financed by the Roads Fund Board. A total of 46 projects with a total value of TZS 7.8 billion were audited in Rukwa.</p> <p>b) During the year under review, NCC had continued finalizing the assignment for establishment of base unit rate and base unit cost for road construction and maintenance in Tanzania. The assignment was financed by Roads Fund Board (RFB) at a sum of TZS 400,000,000.00.</p> <p>c) Other Consultancy services to the following institutions have been rendered during the reporting period:</p> <p>i) Ministry of Home Affairs (Jeshi la Zimamoto na Uokoaji).</p> <p>ii) DAWASA</p> <p>iii) M/S Wagerasi Investment Limited</p> <p>iv) TPA Mtwara</p> <p>v) PCCB Temeke</p> <p>vi) Advise on application of Indices for a contract between M/S Synohydro and AUWSA in Arusha</p> <p>vii) TANROADS were also advised on their contract for consultancy services for the supervision of works under complex time-based arrangements</p> <p>viii) CP Services Plan (Consultants/Planners Infrastructure Services) for guidance to carry out Price Adjustment for a Drilling Project in Dar es Salaam.</p>
6.	Coordination of Dispute Resolution	During reporting period (July 2021 to June 2022) NCC continued to coordinate disputes and a total of thirteen (13) arbitration cases and eleven (11) Adjudication case were registered.
7.	Conduct Construction Industry Forum in parallel with Construction Sector Service Week by June, 2022	During the reporting period NCC managed to conduct a construction industry forum where by stakeholders had an opportunity to discuss opportunities and challenges in the construction industry.
8.	Publication of Price and Cost Indices	During the year under review, NCC on monthly basis managed to publish indices for use by its stakeholders in the Construction Industry
9.	Publication of NCC Business Journal	During the year under review, NCC managed to publish one issue known as NCC Business Journal and disseminated the same to its stakeholders.

## **2.13 BUSINESS DEVELOPMENT**

There was an increase of 16% of internally generated funds during the year under review compared to previous year income (Note3A &3B). The Council's main constraint is shortage employees and funds to implement most of its activities. The main sources of funds are government subvention and internally generated funds. The Council is looking for sustainable financing arrangements to finance its activities.

## **2.14 INTERNAL CONTROLS**

Members of the Council are responsible for the Council's system of internal controls. Whilst no system of internal control can provide absolute assurance against material misstatement or loss, the Council's system is designed to provide the Council with reasonable assurance that the procedures in place are operating effectively. The key elements of the system of internal control are:

### **2.14.1 DELEGATION**

The overall financial objectives of the Council are agreed by the Governing Council, which delegates the day-to-day operations to management for execution. Similarly, the Governing Council monitors the performance of the Management through Reports presented to the Council Meetings.

### **2.14.2 BUDGETS**

Annual budgets are prepared by management and reviewed for approval by the Governing Council. The annual budgets are derived from the Council's approved corporate plan. During the year under review the Council approved final budget was TZS 3,025,333,871. Out of this TZS 743,549,000 was Personnel Emoluments; TZS 338,714,000 was for Other Charges (OC), and TZS 1,943,070,871 was revenue from own sources. Comparing to previous year's approved final budget of TZS 3,269,623,853; Personnel Emolument was TZS 456,227,893, other charges (OC) TZS 338,714,000 and Own source TZS 2,474,681,960.

### **2.14.3 COMPETENCE**

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

## **2.15 SOLVENCY**

The Council confirms that applicable accounting standards have been consistently followed and that the financial statements have been prepared on a going concern basis. In the current year, internally generated revenue increased by TZS 151,144,684 from TZS 945,422,675 (year

2021)to TZS 1,096,567,359.The Council realized a Deficit of TZS 309,867,236 as compared to TZS 72,894,227(Year 2021).

The reasons for the deficit wereadditionalcosts of Internal sources funds used for transfer of NCC office from DSM to Dodoma, increased depreciation charge due to increase of non-current assets acquired during the year and depreciation of Investment property which initially was not being charged and Impairment of Receivables charged particularly Arbitration receivables.The Council has reasonable expectation that NCC will continue to generate revenue in future and has adequate resources to continue in operation for the foreseeable future. The Council's state of affairs as at 30June 2022 is as indicated in the Statement of Financial Position.

## **2.16 EMPLOYEES' WELFARE**

### **2.16.1 MANAGEMENT - EMPLOYEE'S RELATIONSHIP**

There is a systematic procedure of communication with employees on a regular basis, which is done through staff meetings. One Workers Council and two staff meetings were conducted during the year under review. The average number of employees of the Council during the year was 32 (28 in Previous year). The relationship between management and employees was good. There were no unresolved complaints received by management from the employees during the year.

### **2.16.2 STAFF TURNOVER**

During the financial year ended 30 June 2022, three employees were transferred to the Council and three staff were transferred to other institutions.

### **2.16.3 STAFF DEVELOPMENT**

The Council continued to provide training for its employees depending on the availability of funds. During the reporting period 18 staff attended various short courses and continuing professional development (CPD). One staff continued with her studies for Long Course.

### **2.16.4 MEDICAL ASSISTANCE**

All employees of the Council together with their spouses and four dependants for each employee were availed medical facilities by the Council through the National Health Insurance Funds (NHIF). The number of employees taken care were 32 and 28 for years 2021/2022 and 2020/2021 respectively.

#### **2.16.5 FINANCIAL ASSISTANCE**

Financial assistance is available to all confirmed employees depending on the assessment by management of the need, circumstances and ability to make payment in accordance with the existing Staff Regulations. Employees have established the Savings and Credit Co-operative Society (SACCOS) to assist in promoting the welfare. Employees were also supported in getting loans from commercial banks and Hazina Saccos.

#### **2.16.6 PERSONS WITH DISABILITIES**

The Council has not recruited any person with disabilities. However, it is the policy of the Council not to discriminate against persons with disabilities in recruitment.

#### **2.16.7 GENDER**

Gender equality is among NCC's core values. All employees are given equal treatment in regard to employment matters with no any discrimination based on gender. During the year under review NCC had 32 employees on average, among them 11 were female and 21 were male.

#### **2.17 STATUTORY AUDITORS**

The Controller and Auditor General is the statutory auditor of National Construction Council (NCC) by virtue of Article 143 of Constitution of the United Republic of Tanzania as amplified in section 10 of Public Audit Act No 11 Cap 418 [R.E 2021]. However, in accordance with section 33(1) of the same Act, Hekima Associates have been authorized by the CAG to carry out the audit of NCC for the financial year ended 30 June 2022.

### 3. STATEMENT OF COUNCIL MEMBERS RESPONSIBILITIES FOR THE YEAR ENDED 30 JUNE 2022

Members of the Council are responsible for the preparation and fair presentation of the financial statements, comprising the statement of financial position as at 30 June 2022, the statement of financial performance, the statement of changes in equity, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Public Sector Accounting Standards (IPSAS) and in the manner required by the Public Finance Act No.6 of 2001 (Revised 2004).

The management's responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Members of the Council have made an assessment of the Council's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the financial year ahead.

By the order of the council



CHAIRPERSON



CHIEF EXECUTIVE OFFICER

Date 29-03-2023

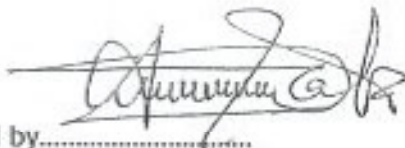
#### 4. DECLARATION OF HEAD OF FINANCE OF NATIONAL CONSTRUCTION COUNCIL

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

It is the duty of a professional accountant to assist the Council Management to discharge their responsibility of preparing financial Statements of an entity showing the true and fair view of the entity in accordance with International Public Sector Standards (IPSAS) and statutory reporting requirements. Full legal responsibility for financial statements rests with the Council as under Council Members Responsibility statement on an earlier page.

I, AmosiMagombaMazaba, being the head of Finance of the National Construction Council hereby acknowledge my responsibility of ensuring that 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 National Construction Council as on that date and they have been prepared based on properly maintained financial records.



Signed by.....

**Amosi M. Mazaba**

Position: Director of Corporate Services

NBAA Membership No: ACPA 2968

Date: 29-03-2023

## 5. FINANCIAL STATEMENTS

### STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

		2021/22	2020/21
			(Restated)
	Notes	TZS	TZS
<b>ASSETS</b>			
<b>Current Asset</b>			
Cash and Cash Equivalents	9	21,249,305	385,602,229
Inventories	11	14,257,383	8,755,797
Receivables	10	600,569,700	609,144,234
<b>Total Current Asset</b>		<b>636,076,388</b>	<b>1,003,502,260</b>
<b>Non-Current Asset</b>			
Investment Property	12	2,504,240,000	2,613,120,000
Property, Plant and Equipment	18	2,600,319,072	2,527,815,740
<b>Total Non-Current Asset</b>		<b>5,104,559,072</b>	<b>5,140,935,740</b>
<b>TOTAL ASSETS</b>		<b>5,740,635,460</b>	<b>6,144,438,000</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables and Accruals	14	453,613,831	547,549,135
<b>Total Current Liabilities</b>		<b>453,613,831</b>	<b>547,549,135</b>
<b>TOTAL LIABILITIES</b>		<b>453,613,831</b>	<b>547,549,135</b>
<b>NET ASSETS/EQUITY</b>		<b>5,287,021,629</b>	<b>5,596,888,865</b>
<b>Equity Contributed by:</b>			
Accumulated Surplus		5,287,021,629	5,596,888,865
<b>TOTAL NET ASSETS/EQUITY</b>		<b>5,287,021,629</b>	<b>5,596,888,865</b>
<b>TOTAL NET ASSET AND LIABILITIES</b>		<b>5,740,635,460</b>	<b>6,144,438,000</b>

Notes form part of the financial statements which were approved by the Board of Directors and signed on its behalf by;

  
CHAIRPERSON

Date 29-03-2023

  
CHIEF EXECUTIVE OFFICER

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 30 JUNE 2022**

	Notes	2021/22 TZS	2020/21(Restated) TZS
<b>REVENUE</b>			
Amortization of Revenue Grants	2A	1,065,419,655	952,488,963
Revenue from Exchange Transactions	3A	1,096,567,359	945,422,675
<b>TOTAL REVENUE</b>		<b>2,161,987,014</b>	<b>1,897,911,638</b>
<b>EXPENSES</b>			
Depreciation-Property, Plant and Equipment	18	99,576,834	100,359,425
Depreciation of Investment Property	12	108,880,000	108,880,000
Provision for Doubtful Debt	17	50,000,000	-
Maintenance Expenses	7	121,114,583	106,035,783
Other Expenses	8A	-	287,578,957
Supplies and Consumables Used	6	656,877,493	609,395,754
Wages, Salaries and Employee Benefits	4	1,415,405,340	847,435,946
Grants, Subsidies and Transfer Payments	16	20,000,000	20,000,000
<b>TOTAL EXPENSES</b>		<b>2,471,854,250</b>	<b>2,079,685,865</b>
<b>(Deficit)</b>		<b>(309,867,236)</b>	<b>(181,774,227)</b>

Notes form part of the financial statements which were approved by the Board of Directors and signed on its behalf by;



**CHAIRPERSON**

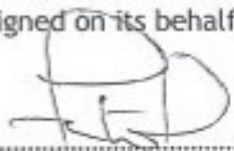
Date 29-03-2023



**CHIEF EXECUTIVE OFFICER**

# CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2022

		2021/22	2020/21
	Note	TZS	TZS
	s		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>RECEIPTS</b>			
Funds Received	2B	1,280,419,655	952,488,963
Revenue from Exchange Transactions	3B	977,129,331	945,422,675
Other Receipts	5	168,474,391	238,968,355
<b>Total Receipts</b>		<b>2,426,023,377</b>	<b>2,136,879,993</b>
<b>PAYMENTS</b>			
Wages, Salaries and Employee Benefits	4	1,415,405,340	847,435,946
Supplies and Consumables Used	6	656,877,493	609,395,754
Other Payments	13	167,419,461	220,072,568
Other Expenses	8B	257,479,259	193,545,347
Maintenance Expenses	7	121,114,583	106,035,783
<b>Total Payments</b>		<b>2,618,296,136</b>	<b>1,976,485,398</b>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>(192,272,759)</b>	<b>160,394,595</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
<b>Investing Activities</b>			
Acquisition of Property, Plant and Equipment	18	(172,080,165)	(67,504,752)
Acquisition of Intangibles		-	-
<b>Total Investing Activities</b>		<b>(172,080,165)</b>	<b>(67,504,752)</b>
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>(172,080,165)</b>	<b>(67,504,752)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>NET CASHFLOW FROM FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>
<b>Net Increase</b>		<b>(364,352,924)</b>	<b>92,889,843</b>
Cash and cash equivalent at beginning of period		385,602,229	292,712,386
Cash and cash equivalent at end of period		21,249,305	385,602,229
Notes form part of the financial statements which were approved by the Board of Directors and signed on its behalf by;			



CHAIRPERSON

Date 29-03-2023



CHIEF EXECUTIVE OFFICER

STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED 30 JUNE 2022

	Taxpayer's Fund TZS	Accumulated Surplus/(Deficit) TZS	Total TZS
Opening Balance as at 01 July 2021	-	5,596,888,865	5,596,888,865
Surplus/ (Deficit) for the Year	-	(309,867,236)	(309,867,236)
Closing Balance as at 30 Jun 2022	-	5,287,021,629	5,287,021,629
Restated:			
Opening Balance as at 01 Jul 2020	-	5,778,663,092	5,778,663,092
Surplus/ Deficit for the Year	-	(181,774,227)	(181,774,227)
Closing Balance as at 30 Jun 2021	-	5,596,888,865	5,596,888,865

Notes form part of the financial statements which were approved by the Board of Directors and signed on its behalf by;



CHAIRPERSON

Date 29-03-2023



CHIEF EXECUTIVE OFFICER

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022					
	Original Budget	Reallocations/ Adjustment	Final Budget (B)	Actual Amount	Difference
	TZS	TZS	TZS	TZS	TZS
<b>RECEIPTS</b>					
Funds Received	1,082,263,000	-	1,082,263,000	1,280,419,655	(198,156,655)
Revenue from Exchange Transactions	1,943,070,871	-	1,943,070,871	1,145,603,722	797,467,149
<b>Total Receipts</b>	<b>3,025,333,871</b>	<b>-</b>	<b>3,025,333,871</b>	<b>2,426,023,377</b>	<b>599,310,494</b>
<b>PAYMENTS</b>					
Grants, Subsidies and other Transfer Payments	7,500,000	-	7,500,000	-	7,500,000
Maintenance Expenses	130,450,000	(73,123,598)	57,326,402	121,114,583	63,788,181
Other Expenses	343,000,000	(6,000,000)	337,000,000	424,898,720	87,898,720
Supplies and Consumables Used	1,227,620,518	(75,619,680)	1,152,000,838	656,877,493	495,123,345
Wages, Salaries and Employee Benefits	951,713,353	(495,485,353)	456,228,000	1,415,405,340	959,177,340
Acquisition of Intangibles	10,000,000	-	10,000,000	-	(10,000,000)
Acquisition of Property, Plant and Equipment	355,050,000	(41,056,946)	313,993,054	172,080,165	141,912,889
<b>Total Payments</b>	<b>3,025,333,871</b>	<b>(691,285,577)</b>	<b>2,334,048,294</b>	<b>2,790,376,301</b>	<b>1,989,690,456</b>
<b>Net Receipts/Payments</b>	<b>-</b>	<b>691,285,577</b>	<b>691,285,577</b>	<b>(364,352,924)</b>	<b>(1,146,089,981)</b>

Notes form part of the financial statements which were approved by the Board of Directors and signed on its behalf by;

  
 .....  
**CHAIRPERSON**

Date 29-03-2023  
 .....

  
 .....  
**CHIEF EXECUTIVE OFFICER**

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE: 1.0 PRINCIPAL ACCOUNTING POLICIES

#### 1.1 Basis of Accounting.

The financial statements of National Construction Council have been prepared in accordance with International Public Sector Accounting Standards (IPSAS). No adjustments have been made for inflationary factors affecting the financial statements.

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

#### 1.2 Property, Plant and Equipment

Property, plant and equipment are stated at historic cost less subsequent accumulated depreciation and any accumulated impairment losses. The cost comprises of expenditure that is directly attributed to acquisition of the items.

Subsequent costs are included in asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that any future economic benefits associated with item will flow to the Council and the cost of the item can be measured reliably.

All other costs are charged to the Statement of Financial Performance during the financial period in which they are incurred.

#### 1.3 Depreciation of Property Plant and Equipment (PPE) and Investment Property

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

Assets Description	Rate
	%
Building	4
Office Furniture, Fittings and Equipment	12.50
Computers	33.33
Loose Tools	12.50
Motor Vehicles and Bicycles	20
Library Books	25
Investment Property	4

Depreciation is charged on assets from the date when they are ready for use and stop on the date when the asset is derecognized by the Council.

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Gains or losses on disposal are determined by comparing the disposal proceeds with the carrying amount and are credited/ charged to income and expenditure account.

#### **1.4 Computer Software**

Costs associated with developing or maintaining computer software programmes are recognized as expenses when incurred. Cost that are directly associated with identifiable and unique software products that the Council controls, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Direct costs include the software development team's staff costs, and an appropriate portion of relevant overheads.

Expenditure that enhances or extends the performance of computer software programme beyond their original specifications is recognized as a capital improvement and added to the original cost of the software. Computer software development costs recognized as assets are amortized using the straight-line method over their useful lives, not exceeding a period of 4 years.

#### **1.5 Accounting Policy on Investment Property**

Investment property comprises freehold and leasehold property that are held to earn rentals. The Government used deemed cost model for valuation of investment property which NCC has adopted. The investment properties after initial recognition are measured by cost model, that is, at cost less any accumulated depreciation and any accumulated impairment losses. The useful life of investment property is estimated to be 25 years.

#### **1.6 Capital Work in Progress**

Capital work in progress is stated at actual cost of materials plus direct labour and associated overheads incurred in construction. However, the Council did not have Work in Progress during the year.

#### **1.7 Inventories Valuation**

Inventories are valued at the lower of cost and current replacement cost. Cost is determined using weighted average cost method. Current replacement cost is estimated current market price to purchase the inventory.

## **1.8 Provision for Impairment of Receivables**

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

## **Foreign Currency Transactions**

### **Functional and Presentation Currency**

The Financial statements are presented in Tanzania Shillings, which is the Council's functional and presentation currency. However, the Council did not have foreign currency transactions during the year.

### **Transactions and Balances**

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

## **1.10 Cash and Cash Equivalents**

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

## **1.11 Revenue Recognition**

Revenue comprises Revenue from Exchange Transactions and Revenue from Non-Exchange Transactions (Transfers). It includes the gross inflows of economic benefits or service potential received and receivable by the entity, and these benefits can be measured reliably. Revenue is recognized when it is determined that it will accrue to the Council.

## **1.12 Government Subvention and Grants**

Government Subvention and Grants are accounted for when there is a reasonable assurance that funds will be received. Revenue recognition is based on an assessment of whether an asset or a liability has been created. For capital grants without conditions attached, revenue is recognized immediately in the statement of financial performance. If conditions are attached, a liability is recognized as capital funds in the statement of financial position and is reduced and revenue recognized as the conditions are satisfied.

### **1.13 Revenue from Exchange Transactions**

Revenue from Exchange Transactions are transactions in which one entity 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 assets) to another entity in exchange.

### **1.14 Provision, Contingent Liabilities and Contingent assets**

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

### **1.15 Employees Benefits**

#### **Retirement Benefits**

The National Construction Council has statutory obligations to contribute to a pension scheme of Public Service Social Security Fund (PSSSF) in favor of all the employees employed under permanent and pensionable terms.

#### **Short Term Benefits**

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

#### **Terminations Benefits**

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

The Council recognizes termination benefits when it is constructively obliged to either terminate the employment of the current employees according to detailed formal plan without possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. However, the Council did not have such benefits during the year.

### **1.16 Comparative figures**

During the Financial Year 2021/2022, NCC continued to adopt the new Government's accounting software known as "Mfumo wa Uhasibu Serikalini" (MUSE) with the standardized chart of accounts

called GFS codes with the view of simplifying the consolidation of all Public Institution's Accounts. As a result, comparative items were re-classified to align with government Chart of accounts.

#### 1.17 Events after the reporting date

Eight members of the Council were appointed by the Minister of Works and Transport. The full list will be included in the financial statements for the next financial year.

	TZS	TZS
<b>2A- Amortization of Revenue Grants</b>		
Government Grant Other Charges	324,416,617	338,713,892
Government Grant Personal Emolument	741,003,038	613,775,071
	<u>1,065,419,655</u>	<u>952,488,963</u>
<b>2B - Fund Received</b>		
Amortization of Revenue Grants	1,065,419,655	952,488,963
Moving to Dodoma Fund	215,000,000	-
	<u>1,280,419,655</u>	<u>952,488,963</u>
<b>3A-Revenue from Exchange Transactions</b>		
Receipt from sales of Publications	5,920,000	3,360,000
Rent - Other Parastatal houses(investment income)	89,396,520	81,700,000
Receipt from Consultancy Fees	403,589,586	275,282,034
Receipt from Miscellaneous Fees	553,411,253	498,503,141
Receipt from Training and Examination Fees	44,250,000	86,577,500
	<u>1,096,567,359</u>	<u>945,422,675</u>
<b>3B-Revenue from Exchange Transactions</b>		
Receipt from sales of Publications	5,920,000	3,360,000
Rent - Other Parastatal houses	54,425,000	81,700,000
Receipt from Consultancy Fees	403,589,586	275,282,034
Receipt from Miscellaneous Fees	468,944,745	498,503,141
Receipt from Training and Examination Fees	44,250,000	86,577,500
	<u>977,129,331</u>	<u>945,422,675</u>

	2021/2022	2020/2021
<b>4- Wages, Salaries and Employee Benefits</b>	<b>TZS</b>	<b>TZS</b>
Civil Servants	741,003,038	613,775,071
Councilors Allowance	42,000,000	38,750,000
Electricity Allowance	11,980,000	9,193,109
Extra-Duty	43,170,000	36,780,000
Food and Refreshment	43,543,052	40,201,700
Furniture	16,157,598	18,000,000
Gratuities	-	3,250,000
Honoraria	19,850,544	5,850,000
Housing allowance	29,400,000	12,600,000
Leave Travel	3,282,800	6,946,300
Medical and Dental Refunds	6,436,645	14,162,540
Moving Expenses	268,405,248	2,444,000
Responsibility Allowance	10,454,200	13,504,400
Sitting Allowance	28,345,000	18,024,000
Special Allowance	250,000	8,549,340
Telephone Allowance	-	5,405,486
Subsistence Allowance	138,976,500	-
Top up Allowance	10,670,715	-
Acting Allowance	1,480,000	-
	<b>1,415,405,340</b>	<b>847,435,946</b>
<b>5 - Other Receipts - Receipt from Debtors</b>		
Arbitration Fees	60,417,891	202,120,820
Receipt from Consultancy Services	80,556,500	29,724,585
Receipt from Rental income	20,000,000	2,000,000
Receipt from Other Debtors	7,500,000	5,122,950
	<b>168,474,391</b>	<b>238,968,355</b>

	2021/2022	2020/2021
6- Supplies and Consumables Used	TZS	TZS
Advertising and Publication	3,922,462	14,299,979
Air Travel Tickets	15,521,163	10,200,000
Audit fees	45,630,000	46,464,000
Burial Expenses	1,840,000	1,290,000
Cleaning Supplies	1,200,000	2,668,000
Computer Supplies and Accessories	7,910,040	8,273,000
Conference Facilities	20,362,656	42,948,694
Consultancy fees	187,140,102	26,811,776
Consumable Medical Supplies	1,200,000	723,000
Courier Services	2,462,650	7,342,799
Diesel	51,585,966	83,861,891
Electricity	11,226,174	15,350,416
Entertainment	-	4,000,000
Food and Refreshments	1,919,000	11,952,000
Gifts and Prizes	-	1,700,000
Ground travel (bus, railway taxi, etc.)	37,499,500	31,476,158
Lodging/Accommodation	-	5,050,000
Lubricants	1,800,000	298,969
Materials Testing Services	9,153,600	5,899,800
Newspapers and Magazines	204,754	1,999,000
Office Consumables (papers, pencils, pens and stationeries)	39,906,100	8,844,008
Outsourcing Costs (includes cleaning and security services)	24,596,218	8,284,000
Per Diem - Domestic	99,426,145	215,199,288
Per Diem - Foreign	-	3,120,000
Posts and Telegraphs	5,600,000	1,200,000
Printing and Photocopy paper	4,760,000	1,291,000
Printing and Photocopying Costs	4,751,836	100,000
Remuneration of Instructors	-	1,370,000
Rent - Office Accommodation	31,428,945	-
Software License Fees	500,000	-
Subscription Fees	5,212,000	3,035,000
Suppliers Debts	-	8,812,080
Telephone Charges (Land Lines)	11,322,757	12,966,219

Training Allowances	1,190,000	5,777,500
Training Materials	250,000	750,000
Tuition Fees	6,080,000	8,600,000
Uniforms	2,970,000	725,000
Wire, Wireless, Telephone, Telex Services and Facsimile	4,830,000	5,912,177
Water charges	607,500	-
Sundry expenses	-	800,000
Resources Lease on land	6,667,925	-
Special Operation Services	1,300,000	-
Computer Software	2,400,000	-
Exhibition, Festivals and Celebrations	2,500,000	-
	<b>656,877,493</b>	<b>609,395,754</b>
<b>7- Maintenance Expenses</b>		
Air conditioners	23,000	1,416,000
Computers, printers, scanners, and other computer related equipment	2,990,000	1,671,160
Direct Labor (contracted or casual hire)	6,492,893	11,791,785
Electrical and Other Cabling Materials	500,000	4,398,208
Metal Fence and Posts	240,500	1,979,100
Motor Vehicles and Water Craft	5,594,858	48,015,135
Outsource maintenance contract services	84,066,482	1,928,367
Paint and Weather Protection Coatings	2,000,000	1,631,400
Roofing Materials	-	1,970,000
Small Tools and Implements	-	1,535,000
Spare Parts	-	20,000,000
Tyres and Batteries	8,852,500	9,699,628
Cement, Bricks and Building Materials	1,404,400	-
Fax machines and other small office equipment	100,000	-
Photocopiers	1,000,000	-
Wood and Timber Supplies	7,849,950	-
	<b>121,114,583</b>	<b>106,035,783</b>

	2021/2022	2020/2021
8 A - Other Expenses	TZS	TZS
	-	
Arbitration expenses	-	287,578,957
	-	287,578,957
<b>8 B - Other Expenses</b>		
Arbitration fees and expenses paid	210,884,659	173,545,347
Contribution to Consolidated fund	20,000,000	20,000,000
Consultancy expenses paid	26,594,600	-
	257,479,259	193,545,347
<b>9- Cash and Cash Equivalents</b>		
BoT Own source Collection Account	-	234,748,757
Own source Collection Account - NMB	10,750,000	11,195,000
Own source Recurrent Expenditure GF	354,750	23,651,525
Recurrent Expenditure Cash Account	10,144,555	111,488,848
NMB expenditure- Cheque account	-	4,518,099
	21,249,305	385,602,229
<b>10- Receivables</b>		
Trade receivables	468,697,112	497,430,828
Imprest receivable	10,042,000	39,896,644
Other receivables	309,066,345	385,075,413
Principal loan receivables	2,034,000	1,234,000
Prepayment- Asset	31,428,945	160,415,665
Motor vehicle sinking fund	-	1,485,127
Allowances for impairment of receivables	(220,698,702)	(476,393,443)
	600,569,700	609,144,234
<b>11- Inventories</b>		
Office Consumables	14,257,383	8,755,797
	14,257,383	8,755,797

	2021/2022	2020/2021
	TZS	TZS
<b>12- Investment Property</b>		
Investment Property	2,722,000,000	2,722,000,000
Less Depreciation		
Accumulated Depreciation at beginning of the year	(108,880,000)	-
Depreciation charge for the year	(108,880,000)	(108,880,000)
Accumulated Depreciation at end of the year	(217,760,000)	(108,880,000)
	<u>2,504,240,000</u>	<u>2,613,120,00</u>

NB: Accountant General Circular No. 01 of 2021/22 reminded accounting officers to comply with its directive on accounting for investment property using IPSAS 16 Para 65. Before year 2021/22 NCC was not depreciating its investment property.

### 13 - Other payments

Prepayment (Asset)	31,428,945	160,415,665
Payment to creditors	84,711,365	39,098,950
VAT and Withholding Tax paid	51,279,151	20,557,953
	<u>167,419,461</u>	<u>220,072,568</u>

### 14- Payables and Accruals

Other Payables	453,613,831	466,551,320
Supplies of goods and services	-	80,997,815
	<u>453,613,831</u>	<u>547,549,135</u>

**15. RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES TO SURPLUS/(DEFICIT)  
FOR THE PERIOD ENDED 30 JUNE 2022**

	2022 TZS	2021(RESTATED) TZS
Surplus/Deficit for the period	(309,867,236)	(181,774,227)
<b>Add/(Less) Non -Cash Items</b>		
Depreciation of Property, Plant and Equipment	99,576,834	100,359,425
Depreciation of Investment Property	108,880,000	108,880,000
	(101,410,402)	27,465,198
<b>Add/(Less) Change in Working Capital</b>		
Increase/(Decrease) in inventory	(5,501,586)	(2,435,812)
(Increase) /Decrease in Receivables	8,574,534	246,275,789
Increase / (Decrease in Payables)	(93,935,304)	(110,910,580)
<b>Net Cash Flow from Operating Activities</b>	<b>(192,272,758)</b>	<b>160,394,595</b>

**16-Grants, subsidies and transfer payments**

During 2021/22 NCC paid TZS 20,000,000 to Government consolidated fund to support strategic projects of the Government. In the previous financial year NCC paid the same amount which was reported under note 8B, now reclassified accordingly under this note.

**17- Provision for doubtful debts**

NCC provided TZS 50,000,000 as doubtful debt. The debt originated from rental income of five apartments at Samora tower joint venture projects which has remained unpaid for more than five years and therefore judged full amount to be doubtful.

18-PROPERTY, PLANT AND EQUIPMENT

2021/22	Land	Building	Furniture & Fittings	Computer	Motor vehicle	TOTAL
<b>Cost:</b>						
At start 01 July 2021	1,358,400,000	1,114,000,000	208,020,383	100,300,191	210,105,292	2,990,825,868
Additions	-	-	11,664,504	-	160,415,662	172,080,165
At close 30 June 2022	1,358,400,000	1,114,000,000	219,684,887	100,300,191	370,520,954	3,162,906,032
<b>Depreciation:</b>						
At start 01 July 2021	-	44,560,000	130,582,556	77,762,278	210,105,292	463,010,126
Charges for the year	-	44,560,000	11,966,984	10,966,718	32,083,132	99,576,834
At close 30 June 2022	-	89,120,000	142,549,540	88,728,996	242,188,424	562,586,960
Carrying Amount (Current) as at 30 June 2022	1,358,400,000	1,024,880,000	77,135,347	11,571,195	128,332,530	2,600,319,072
<b>2020/21</b>						
<b>Cost:</b>						
At start 01 July 2020	1,358,400,000	1,114,000,000	163,994,631	76,821,191	210,105,292	2,923,321,114
Additions	-	-	44,025,752	23,479,000	-	67,504,752
At close 30 June 2021	1,358,400,000	1,114,000,000	208,020,383	100,300,191	210,105,292	2,990,825,866
<b>Depreciation:</b>						
At start 01 July 2020	-	-	107,331,618	48,243,716	207,075,367	362,650,701
Charges for the year	-	44,560,000	23,250,938	29,518,562	3,029,925	100,359,425
At close 30 June 2020	-	44,560,000	130,582,556	77,762,278	210,105,292	463,010,126
Carrying Amount (Previous) at 30 June 2020	1,358,400,000	1,069,440,000	77,437,827	22,537,913	-	2,527,815,740