



THE UNITED REPUBLIC OF TANZANIA

NATIONAL AUDIT OFFICE



TANZANIA CIVIL AVIATION AUTHORITY

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

Controller and Auditor General,  
National Audit Office,  
Audit House,  
4 Ukaguzi Road,  
P.O. Box 950,  
41101 Tamberelli,  
Dodoma, Tanzania.  
Tel: 255 (026) 2161200,  
Fax: 255 (026) 2117527,  
E-mail: [ocag@nao.go.tz](mailto:ocag@nao.go.tz)  
Website: [www.nao.go.tz](http://www.nao.go.tz)

February 2023

AR/PAD/TCAA/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 (R.E 2021).

## **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.

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

# TANZANIA CIVIL AVIATION AUTHORITY (TCAA)

## TABLE OF CONTENTS

LIST OF ABBREVIATIONS .....	v
1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL .....	1
2.0 REPORT BY THOSE CHARGED WITH GOVERNANCE .....	5
3.0 STATEMENT OF DIRECTORS' RESPONSIBILITIES.....	37
4.0 DECLARATION OF THE HEAD OF FINANCE OF TANZANIA CIVIL AVIATION AUTHORITY .....	38
5.0 FINANCIAL STATEMENTS .....	39
5.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022 .....	39
5.2 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022 .....	40
5.3 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022 .....	41
5.4 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022 .....	42
5.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS .....	43
6.0 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022.....	45



## LIST OF TABLES

Table 1: Key Ratios .....	7
Table 2: Significant Variances of Revenue .....	7
Table 3: Expenditure Performance .....	7
Table 4: Certificates Issued and Inspections .....	11
Table 5: Accidents and Incidents .....	12
Table 6: Flight Operation Overall Performance .....	12
Table 7: Technical Examinations .....	13
Table 8: Issued Licenses and Certificates .....	14
Table 9: Licenses Renewal .....	14
Table 10: Endorsement .....	15
Table 11: Aerodrome Certification .....	15
Table 12: Renewal of Aerodrome Licenses .....	16
Table 13: Continuous Surveillance of Aerodromes .....	16
Table 14: Development and Review of Regulations and Technical Guidance Material .....	16
Table 15: Reviewed Aviation Security Programs .....	17
Table 16: Oversight Activities .....	17
Table 17: Certified/Recertified Screeners .....	17
Table 18: Inspections and Surveillance .....	18
Table 19: Safety Audits of CNS .....	18
Table 20: Safety Audits of ATM .....	19
Table 21: Safety Audits of AIM .....	19
Table 22: Safety Audits of MET .....	19
Table 23: Safety Audits of SAR .....	19
Table 24: Safety Audits of SMS .....	20
Table 25: Audits and Certificates Issued .....	20
Table 26: Approval of Procedures and Facilities .....	20
Table 27: Licensing of Air Services Operators in 2021/22 vs. 2020/21 .....	21
Table 28: Licensing of Ground Handling Services Operators in 2021/22 Vs. 2020/21 .....	21
Table 29: ICT Projects .....	27
Table 30: Members of the Board who served the Authority during the year and up to the date of this report .....	31
Table 31: Board Committees .....	31
Table 32: (a) Ordinary Meetings of the Board of Directors and its Committees .....	32
Table 33: Ethics Committee .....	32

## TANZANIA CIVIL AVIATION AUTHORITY (TCAA)

Table 34: Quality Committee .....	32
Table 35; Workers Council.....	33
Table 36: Tender Board.....	33
Table 37: Gender Desk.....	33
Table 38: HIV/AIDS Committee .....	34
Table 39: Staff Structure .....	34

## LIST OF ABBREVIATIONS

AAKIA	Abeid Aman Karume International Airport
AATO	Africa Aviation Training Organization
AC	Audit Committee
ADS-B	Automatic Dependent Surveillance Broadcast
AFCAC	African Civil Aviation Commission
AGA	Aerodromes & Ground Aids
AIDS	Acquired Immune Deficiency Syndrome
AME	Aircraft Maintenance Engineer
AMEL	Aircraft Maintenance Engineer License
AMO	Approved Maintenance Organization
ANS	Air Navigation Services
AOC	Air Operator Certificates
ASBU	Aviation System Block Upgrades
ATM	Air Traffic Management
ATO	Approved Training Organization
ATS DS	Air Traffic Services Direct Speech
AVSEC	Aviation Security
BASA	Bilateral Aviation Service Agreement
BOD	Board of Directors
BOT	Bank of Tanzania
BOQ	Bill of Quantities
CAG	Controller and Auditor General
CAM	Civil Aviation Manager
CANSO	Civil Air Navigation Service Organization
CATC	Civil Aviation Training Center
CASSOA	Civil Aviation Safety and Security Oversight Agency
CAP	Corrective Action Plan
CCC	Consumer Consultative Council
CCU	Consumer Complaint Unit
GCF	Government Consolidated Fund
CNS	Communications, Navigation and Surveillance
COVID-19	Corona Virus Disease 19
CPA	Certified Public Accountant
CSP	Certified Supplies Officer
DANS	Director Air Navigation Services
DCB	Dar es Salaam Community Bank
DCS	Directorate of Corporate Services
DER	Director Economic Regulation
DG	Director General
DLS	Director Legal Services
DGM	Dangerous Goods Material
DRC	Democratic Republic of Congo
DSR	Director Safety Regulations
EAC	East African Community
ELP	English Language Proficiency
FAC	Finance and Administration Committee
FAL	Air Transport Facilitation Meetings
FIR	Flight Information Region (FIR)
FYSP	Five Years Strategic Plan
GANP	Global Air Navigation Plan
GASR	Global Aviation Safety Roadmap
GePG	Government e-Payment Gateway
GPSA	Government Procurement Services Agency
GNSS	Global Navigation Satellite System
HRM	Human Resources Manager
HIV	Human Immunodeficiency Virus
ICAO	International Civil Aviation Organization
ICAN	ICAO Air Services Negotiation Event
ICT	Information Communication Technology



## TANZANIA CIVIL AVIATION AUTHORITY (TCAA)

ICVM	ICAO Compliance Validation Mission
ILS	Instrument Landing System
IPSAS	International Public Sector Accounting Standards
ISO 9001	International Standard Organization
IT	Information Technology
ITP	ICAO Training Package
JNIA	Julius Nyerere International Airport
KADCO	Kilimanjaro Airports Development Company
KIA	Kilimanjaro International Airport
MET	Meteorology
MTEF	Medium Term Expenditure Framework
NACTVET	National Council for Technical and Vocational Education and Training
NAO	National Audit Office
NAVAIDS	Navigational Aids
NBAA	National Board of Accountants and Auditors
NBC	National Bank of Commerce
NCASC	National Civil Aviation Security Committee Meetings
NCASP	National Civil Aviation Security Program
NCASQCP	National Civil Aviation Security Quality Control Program
NCASTP	National Civil Aviation Security Training Program
NEMC	National Environment Management Council
NDB	Non-Directional Beacons
NMB	NMB Bank Plc
SARPS	Standard and Recommended Practices
SMS	Safety Management System
SSP	State Safety Program
PAA	Public Audit Act
PAP	Precision Approach Procedures
PHRO	Principal Human Resource Officer
PGD	Postgraduate
PMU	Procurement Management Unit
PSAT	Provision Site Acceptance Test
ISSAI	International Standard of Supreme Audit Institutions
PSPTB	Procurement & Supplies Professionals and Technicians Board
QMS	Quality Management System
RNAV	Random/Area Navigation
RTCE	Regional Training Centre of Excellence
SIDs	Standard Instrument Departures
STP	Standardized Training Packages
STARs	Standard Instrument Arrival Routes
TAA	Tanzania Airports Authority
TANAPA	Tanzania National Parks
TCAA	Tanzania Civil Aviation Authority
TCARs	Temporary Computer Access and Retrieval System
TFDA	Tanzania Food and Drugs Authority
TGMs	Technical Guidance Materials
TIB	Tanzania Investment Bank
TUGHE	Tanzania Union of Government and Health Employees
TFTU	Tanzania Federation of Trade Unions
TMA	Tanzania Meteorological Agency
UFIR	Upper Flight Information System
UNDP	United Nations Development Program
USAP	Universal Security Audit Program
USOAP	Universal Safety Oversight Audit Program
VCT	Voluntary Counseling and Testing
ZAA	Zanzibar Airports Authority

## 1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Board Chairman,  
Tanzania Civil Aviation Authority,  
Aviation House,  
Nyerere/Kitunda Road Junction, Banana Area  
P.O. Box 2819,  
Dar es Salaam.

### 1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

#### Unqualified Opinion

I have audited the financial statements of Tanzania Civil Aviation Authority, 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 Tanzania Civil Aviation Authority 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 below section entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Tanzania Civil Aviation Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

#### Key Audit Matters

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

#### Other Information

Management is responsible for the other information. The other information comprises the Director's Report and the Declaration by the Head of Finance but does not include the financial statements and my audit's report thereon.



## **TANZANIA CIVIL AVIATION AUTHORITY (TCAA)**

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## TANZANIA CIVIL AVIATION AUTHORITY (TCAA)

- 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, Cap 410 [R.E 2022] requires me to state in my annual audit report whether or not the audited entity has complied with the procedures prescribed in the Procurement Act and its Regulations.



## 1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

### 1.2.1 Compliance with the Public Procurement Laws

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

I performed a compliance audit on procurement of goods, works and services in the Tanzania Civil Aviation Authority 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 Civil Aviation Authority 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 Civil Aviation Authority (TCAA) 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 Civil Aviation Authority (TCAA) 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.  
February 2023





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

### 2.1 INTRODUCTION

The members charged with governance of Tanzania Civil Aviation Authority (TCAA) are pleased to submit their report on the state of affairs of the Authority together with the audited financial statements for the year ended 30 June 2022.

### 2.2 INCORPORATION

Tanzania Civil Aviation Authority also referred to as "TCAA" or "the Authority" was established pursuant to the Civil Aviation Act CAP 80 of the Laws [R.E. 2020]. This Act mandates the Authority to regulate the activities of persons and institutions carrying out air services, Aeronautical airport services and air navigation services. It also provides navigation services.

### 2.3 DUTIES OF TCAA

According to Section 30 of the Act, the duties of the Authority are:

- a) promoting effective competition and economic efficiency;
- b) protecting the interest of consumers;
- c) protecting the financial viability of efficient suppliers;
- d) promoting the availability of regulated services to all consumers including low income, rural and disadvantaged consumers;
- e) enhancing public knowledge, awareness and understanding of the regulated sectors including:-
  - (i) The rights and obligations of consumers and related suppliers;
  - (ii) The ways in which complaints and disputes may be instituted and resolved;
  - (iii) The duties, functions and activities of the Authority;
- f) taking into account the need to protect and preserve the environment.

### 2.4 PRINCIPAL FUNCTIONS OF THE AUTHORITY

The principal function of the Authority as stipulated in the Act is to regulate Civil Aviation Industry and provide Air Navigation Services. Specific functions of the Authority include: -

- (a) To perform the following:-
  - (i) to issue, renew, vary and cancel air service licenses;
  - (ii) to establish standards for regulated goods and regulated services;
  - (iii) to establish standards for the terms and conditions of supply of the regulated goods and services;
  - (iv) to regulate rates and charges;
  - (v) to make rules for carrying out the purposes and provisions of the Act;
- (b) To monitor the performance of the regulated suppliers including in relation to -
  - (i) levels of investment;

- (ii) availability, quality and standards of services;
  - (iii) the cost of services;
  - (iv) the efficiency of production and distribution of services, and
  - (v) other matters relevant to the Authority;
- (c) To facilitate the resolution of complaints and disputes;
  - (d) To take over and continue carrying out the functions formerly of the former Authority;
  - (e) To disseminate information about matters relevant to the functions of the Authority;
  - (f) To consult with other regulatory authorities or bodies or institutions discharging functions similar to those of the Authority in the united Republic and elsewhere;
  - (g) To administer the Act;
  - (h) To plan, develop, regulate and promote operations of a safe, secure and efficient civil aviation system;
  - (i) To conduct safety, security and economic oversight of the aviation industry;
  - (j) To establish and implement the state safety program;
  - (k) To establish an acceptable level of safety;
  - (l) To advise the Government on matters concerning civil aviation;
  - (m) To coordinate search and rescue operations of aircraft;
  - (n) To deal with acts of unlawful interference;
  - (o) To establish, manage and operate training institutions for the industry;
  - (p) To plan, develop and formulate the safe, secure and efficient management of Tanzanian airspace; and
  - (q) To Perform such other functions as may be conferred on the Authority by the Act or any other law.

In addition to its regulatory functions, the Authority also provides air navigation services.

## 2.5 PERFORMANCE FOR THE YEAR

### 2.5.1 General Performance

During the year, the Authority recorded a deficit of TZS 3.07 billion, a decrease of 12.5% equivalent to TZS 0.44 billion as compared to previous year deficit (2021: TZS 3.51 billion). The decrease of deficit was attributed to the increase of revenue by 9.54% to TZS 62.13 billion (2021: TZS 56.72 billion). The increase in revenue was due to the improvement in aircraft movement after introduction of COVID 19 vaccination. In addition, the Authority incurred a total expenditure of TZS. 65.20 billion, making an increase of 8.25% as compared to the previous year (2021: TZS. 60.23 billion).

Generally, the financial performance results indicate that the Authority's existing sources of revenue can sustain its operations. In endeavor to continue sustaining its operations, the Authority will monitor closely its current sources of revenue and explore alternative sources such as drone licensing and introduction of fees on document review.

Tables 1, 2 and 3 show Key Ratios, Variances of Trend Analysis on Revenue and Expenditure respectively: -



**TANZANIA CIVIL AVIATION AUTHORITY (TCAA)**

**Table 1: Key Ratios<sup>1</sup>**

Ratio	Percentage %	
	2022	2021
Revenue Growth	9.54	(25.86)
Cost to Income Ratio	104.94	106.18
Employee Efficiency Ratio	42.09	41.65
Debt to Asset Ratio	6.68	6.40
Financial Payouts	11.30	11.52
Retained/Surplus Collection	(4.14)	-6.29
Liquidity Ratio	1.39	1
Revenue Collection Efficiency	96.67	161.76
Contribution to Capital Expenditure	19.72	60.59

**Table 2: Significant Variances of Revenue**

Description	30.06.2022* (TZS000")	30.06.2021 (TZS000")	Increase/(Decrease)%
Revenue from Exchange Transactions	36,401,047	25,150,553	44.73
Revenue from Non-Exchange Transactions	20,304,956	13,969,763	45.35
Other Income	5,428,558	17,603,611	(69.16)
<b>Total Revenue</b>	<b>62,134,561</b>	<b>56,723,927</b>	<b>9.54</b>

**Table 3: Expenditure Performance**

Description	30.06.2022 (TZS 000")	30.06.2021 (TZS 000")	Increase/(Decrease) %
Salaries, Allowances and Other Staff Benefits	26,153,721	23,626,355	10.70
Regulatory Expenses	2,352,022	1,178,227	99.62
Air Navigation Expenses	3,780,390	2,296,684	64.60
CATC Running Expenses	1,187,769	660,608	79.80
Administrative Expenses	11,130,757	9,598,397	15.96
Technical Audit Expenses	73,337	8,650	747.84
Board Expenses	265,122	219,305	20.89
Contribution to Government and Other Bodies	11,107,473	8,535,548	30.13
Depreciation and Amortization	9,151,849	14,107,239	(35.13)
<b>Total Expenditures</b>	<b>65,202,440</b>	<b>60,231,013</b>	<b>8.25*</b>

\* The increase in expenditure from the previous year by 8.25% was attributed to the resumption of operations in full capacity following the recovery from Covid 19 pandemic.

<sup>1</sup>Key Ratios computation formulas are presented under Annex 1 to these Financial Statements.



### 2.5.2 Management Objectives and Strategies

The Authority is governed by the Board of Directors and the day-to-day management is entrusted to the Director General. The Authority has formulated the fourth Five-year Strategic Plan which covers the period of 2021/22-2025/26. The new Strategic Plan has maintained the strategic direction of the Authority focusing on safe and secured aviation systems.

The Authority will continue with the implementation of Global Air Navigation Plan (GANP), enhance capacity building of its staff and strengthen the Civil Aviation Training Centre (CATC). These steps are in line with both national and regional initiatives intended to meet minimum ICAO Standards and Recommended Practices (SARPS). As the Board does not involve itself in day-to-day operations of the Authority, the MTEF was developed, based on the Strategic Plan to guide Management on implementation of day-to-day activities. The Board will continue with its oversight function to make sure that these plans are effectively implemented.

#### (a) Our Vision

"Propelling Tanzania's Civil Aviation System to excellence in Africa and beyond".

#### (b) Our Mission

"To ensure safety, security and regularity of civil aviation in Tanzania by providing effective oversight and efficient air navigation services while maintaining quality, protecting the environment and safeguarding the interest of our customers and the public".

#### (c) Objectives

The Authority implements the following key objectives as per Strategic Plan 2021/22- 2025/26:

Objective A:	To improve Health services and minimizing HIV/AIDS infections.
Objective B:	Effective implementation of national anti-corruption strategy enhanced and sustained.
Objective C:	Safe and Secure Civil Aviation System and Environmental Protection enhanced
Objective D:	Orderly development of air transport sub-sector sustained.
Objective E:	Enhancement of capacity and efficiency of air navigation services.
Objective F:	Strengthening of human resource and organisational capacity and operational efficiency.

### 2.5.3 Key Achievements, Challenges Experienced and Future Strategies

Key achievements and challenges experienced by the Authority during the year and future strategies are as follows: -

#### (a) Key Achievements

During the year, the Authority registered the following achievements: -

- (i) Enforced compliance to International Civil Aviation Organization Standards (ICAO SARPs) by the aviation sector stakeholders.

## TANZANIA CIVIL AVIATION AUTHORITY (TCAA)

- (ii) Reviewed various regulatory tools and developed other new regulatory tools such as Aerodromes, Security and Remotely Piloted Systems regulations;
- (iii) Launched and commenced implementation of a project on enhancement of Civil Aviation Safety Oversight;
- (iv) Commenced implementation of a project on VHF Area Cover for enhancement of radio communication between pilots and air traffic controllers;
- (v) Completed feasibility study for construction of state of art Civil Aviation Training Center;
- (vi) Enhanced Civil Aviation Training Center through provision of staff capacity building, equipment and conducive working environment;
- (vii) Effective management of Authority resources coupled with sound financial and administrative services;
- (viii) Managed to monitor, evaluate and inspect planned activities;
- (ix) Strengthened capacity building for Authority staff for improvement staff performance;
- (x) Maintained collaboration with other Government institutions (Tanzania Food & Drug Authority (TFDA), Tanzania Airports Authority (TAA), National Environment Management Council (NEMC), Tanzania Revenue Authority (TRA), Zanzibar Airports Authority (ZAA), Tanzania Police Force, Tanzania People's Defense Forces and others on matters that require Collaborative Decision Making (CDM).

### (b) Challenges

During the year under review, the Authority faced the following challenges: -

- (i) Inadequate compliance with the amended TCARs in safety and security oversight by the industry stakeholders due lack of safety culture;
- (ii) Shortage of financial resource that hindered timely completion of development projects;
- (iii) Limited capacity by the Authority to attract and retain qualified human capital due to shortage of aviation experts in the labor market;
- (iv) Defaulting payments of air navigation charges by some of the public institutions and diplomatic communities; and
- (v) Transfer powers of the Board of Directors and Management on matters related to human resource management to the President's Office Public Service Management through Public Services Act (Chapter 298) and its adverse effect on Authority's operations.

### (c) Future Strategies

The Authority intends to undertake the following future strategies: -

- (i) Improvement of CNS equipment for Tanzania airspace through installation of VHF Area Cover, deployment of Aeronautical Information Exchange Management System (AIXIM), installation of ADSB westside of the country and installation of Instrument Landing Systems (ILS) for Pemba, Songwe, Mwanza, Tabora, and Kigoma airports.
- (ii) Establish effective mechanism to manage and oversee unmanned aerodromes and unmanned aerial vehicles;
- (iii) Enhance aviation safety and security oversight through automation of business processes in areas of personnel licensing, flight operations, airworthiness, aerodromes and aviation security inspections;
- (iv) Conduct research-based market information on air transport to establish air transport market characteristics in the in United Republic of Tanzania for the development of the aviation sector.



- (v) Construction and operationalization of state of art Civil Aviation Training Center (CATC) to address the innate challenge of shortage of aviation experts in the United Republic of Tanzania and in the region;
- (vi) Enhance legal and regulatory capacity of the Authority for efficient and effective aviation sector oversight;
- (vii) Enhance effective management of resources and sound financial and administrative support functions; and
- (viii) Automation of business process of the Authority's support services.

#### **2.5.4 Internal Monitoring System**

The Authority has established an internal monitoring system in line with relevant public-sector legislation and procedures. The internal administrative monitoring system is achieved through, among other things, financial controls, Code of Conduct and Internal Audit functions.

#### **2.5.5 Finance and Budget Administration**

The financial matters of the Authority are governed by the Public Finance Act, Cap 348 and international Financial best practices. The Authority's Annual Plan and Budget are prepared in accordance with the Five Years Strategic Plan (FYSP) of 2021/22- 2025/26 of the Authority and is based on Medium Term Expenditure Framework (MTEF).

#### **2.5.6 Procurement Management**

Procurement functions were undertaken in accordance with Public Procurement Act 2011 and its regulations of 2013 as amended in 2016. The functions include capacity building of Procurement Management Unit (PMU) staff and Tender Board members by facilitating training on Public Procurement laws, preparation of Annual Procurement Plan, conducting tendering processes, coordination of contract management and facilitation of functions of the Tender Board.

During the year, the Authority planned to initiate procurement process for seventy-seven (77) tenders. As of 30 June 2022, seventy-two (72) tenders reached a stage of contract award which is equivalent to the performance of 93.5%.

#### **2.5.7 Code of Conduct**

The Authority's Code of Conduct binds both Members of the Board of Directors and Staff, it explicitly requires that the Authority to have zero tolerance to fraud and corruption. The Authority has the Code of Ethics and Conduct, Ethics Committee and it provide awareness to staff on ethical conduct matters. In circumstances of breach of conduct respective persons are subjected to disciplinary processes as per the Public Service disciplinary procedures.

#### **2.5.8 Internal Audit**

The Authority has established an Internal Monitoring System in line with relevant public-sector legislation and procedures. During the year under review the unit achieved its strategic objectives based on key performance indicators and approved by Audit committee of the Board. The achievement was recorded while observing Code of Ethics Conduct, standards and definition of Internal Audit functions.



The Internal Audit unit carried out its functions that entail assuring risk management, control, and governance processes in line with the Internal Audit Charter, Annual Audit Plan, Internal audit guide for public sector and International Standards for Professional Practices of Internal Auditing (IPPF). The Internal Audit unit continued to provide assurance and consulting services to the Board and Management on the effectiveness of risk management, control and governance processes.

## 2.5.9 AUTHORITY'S DIRECTORATES

The Management of the Authority is under the Director General and is organized in four-line directorates and one unit as follows: -

- (a) Directorate of Safety Regulation (DSR)
- (b) Directorate of Economic Regulation (DER)
- (c) Directorate of Air Navigation Services (DANS)
- (d) Directorate of Corporate Services (DCS)
- (e) Units Under Director Generals Office

### 2.5.10 Safety Regulation Directorate

The Directorate of Safety Regulation is discharged with safety and security oversight of the industry. The Directorate ensures that Tanzania complies with international safety and security standards as per International Civil Aviation Organization (ICAO). It meets its functions through six technical sections: Personnel Licensing, Flight Operations, Airworthiness, Air Navigation, Aerodrome and Ground Aid and Aviation Security. The Directorate also collaborates with ministry responsible for civil aviation in managing and conducting air accidents investigation. During the year, the Directorate implemented various activities including enforcement of the Tanzania Civil Aviation Regulations (TCARs) to ensure a compliant industry. Specifically, the following activities were implemented under:-

### 2.5.11 Airworthiness Inspections and Surveillance

Airworthiness section has continued to address critical elements of safety oversight by carrying out planned activities. The performance indicates ability of this section to make sure that operators continue to meet minimum set requirements and industry standards. The performances have been tabulated in the Tables below: -

#### (i) Certification Inspection

During the year ended 30 June 2022 a total of 433 certification inspection were carried out as detailed in Table 4: -

**Table 4: Certificates Issued and Inspections**

SN	Description	2021/22	2020/21
1.	C of A renewal/issue/export	178	111
2.	AMEL issue/renewal	38	49
3.	Approved Maintenance Organisation (AMO) Issue/Renewal	115	19
4.	AMO Surveillances	5	11
5.	Ramp and Ad-hoc inspection	39	16

**TANZANIA CIVIL AVIATION AUTHORITY (TCAA)**

SN	Description	2021/22	2020/21
6.	Written examination	27	27
7.	Oral examination	31	14
<b>Total</b>		<b>433</b>	<b>247</b>

**(ii) Accidents and Incidents Reported**

During the year ended 30 June 2022, the Authority continued to ensure that the industry remains comparatively safe all the time. Table 5 shows the number of accidents and incidents reported during the period under review: -

**Table 5: Accidents and Incidents**

SN	Description	2021/22	2020/21
1.	Accidents	3	5
2.	Incidents	4	5
<b>Total</b>		<b>7</b>	<b>10</b>

**2.5.11.1 Flight Operations**

The Flight Operations section is responsible for Safety Oversight of Air Operators conducting commercial and private air transportation. The section also works with Personnel Licensing section in issuing, conducting surveillance and renewal of licenses and certificates of license holders (flight crews, cabin crews and flight operation officers) as well as certification, approval, and surveillance of Approved Training Organizations (ATO). Table 6 shows the overall performance of the section for all activities conducted from July, 2021 to June, 2022: -

**Table 6: Flight Operation Overall Performance**

SN	Description	2021/22	2020/21
1	ATO Inspection and renewal	8	8
2	AOC Inspection and renewal	28	-
3	Enroute and Cabin Safety Inspection	17	21
4	Ad-hoc base Inspections	22	26
5	Ramp Inspection	11	3
6	Observation of Instructors/ Examiners	19	22
7	Renew and amend Promulgated Regulations from Annex amendment	14	16
8	Review Operator Regulatory Manuals	23	20
9	Training and Sensitization to industry on regulations & guidance materials	5	6
10	Implementation of Corrective Action Plans emanating from ICAO USOAP Audit	1	1
11	Review and Customize Technical Guidance Materials	1	1



**TANZANIA CIVIL AVIATION AUTHORITY (TCAA)**

SN	Description	2021/22	2020/21
12	Data sorting, scanning, filling and uploading on SOFIA Software	7	7
13	Pilots Instrument Rating Flights examinations	-	-
14	Drone Authorization permit	25	4
15	Drone Workshop	1	56
16	Drone Guidance to Applicants	123	1
17	Drone registrations	5	164
18	Drone Incidents and Investigations	0	82
19	Paraglide approvals and Parachute	2	2
20	Inspector's training	3	5
21	Drone Technical Meeting	1	2
22	Simulator Approval	7	1
23	DGM, SMS, TANS Course Approval	0	0
24	Phase Certification	3	0
25	Ground Trainer observation and approval	4	0
26	Operational Technical Meeting	3	0
<b>Total</b>		<b>333</b>	<b>448</b>

#### 2.5.11.2 Personnel Licensing Section

The section is responsible for oversight of licenses, certificates and authorizations for license holders and Approved Training Organizations (ATO) to enhance compliance of TCARs. The overall performance of activities for the year ended 30 June 2022 are as follows: -

##### (i) Technical Examination

A total of 1,515 examinations were booked during the year ended 30 June 2022 compared to 731 examinations booked in the year ended 30 June 2021. These included written examinations together with various flying tests for granting, renewal, conversion, extension of licenses and certificates as shown in Table 7.

**Table 7: Technical Examinations**

SN	Description	2021/22	2020/21
1.	Airline Transport Pilot Licence	83	69
2.	Commercial Pilot Licence	50	90



**TANZANIA CIVIL AVIATION AUTHORITY (TCAA)**

SN	Description	2021/22	2020/21
3.	Private Pilot Licence	250	126
4.	Validation Certificate	19	0
5.	Flight Operations Officer's Licence	460	257
6.	Cabin Crew Certificates	281	104
7.	General Flying Test	218	33
8.	Technical Type Rating	73	52
9.	ATPL Rating board exams	63	0
10.	Remote Pilots Licence	18	11
<b>Total</b>		<b>1515</b>	<b>742</b>

**(ii) Issued Licences and Certificates**

A total of 526 licenses including certificates were issued during the year ended 30 June 2022 compared to 329 licenses issued in the year ended 30 June 2021 as shown in Table

**Table 8: Issued Licenses and Certificates**

SN	Description	2021/22	2020/21
1.	Airline Transport Pilot Licence	7	4
2.	Commercial Pilot Licence	46	35
3.	Private Pilot Licence	4	7
4.	Student Pilot Licence	28	41
5.	Aircraft maintenance Engineer's Licence	1	8
6.	Flight Engineer	9	9
7.	Remote Pilots licence	27	0
8.	Flight Operations Officer's Licence	20	13
9.	Validation Certificates	19	25
10.	Cabin Crew Certificates	106	64
11.	Instructors Licence	0	0
12.	AVSEC Screener Certificates	226	124
13.	ATC Licence	33	8
<b>Total</b>		<b>526</b>	<b>338</b>

**(iii) Renewals**

A total of 1,322 licenses including certificates and ratings were renewed during the year ended 30 June 2022 compared to 1445 licenses including certificates and ratings renewed during the period of 2020/2021 as shown in Table 9.

**Table 9: Licenses Renewal**

SN	Description	2021/22	2020/21
1.	Airline Transport Pilot Licence	213	219
2.	Commercial Pilot Licence	364	398
3.	Private Pilot Licence	36	30
4.	Aircraft maintenance Engineer's Licence	58	52
5.	Flight Operations Officer's Licence	126	134
6.	Cabin Crew Certificates	236	212
7.	Flight Instructor Licence	34	3
8.	AVSEC Screener Certificate	143	245
9.	Air Traffic Control License	79	123

**TANZANIA CIVIL AVIATION AUTHORITY (TCAA)**

SN	Description	2021/22	2020/21
Total		1289	1416

**(iv) Endorsements**

A total of 381 endorsements were made on various licenses and certificates during the year ended 30 June 2022 compared to a total of 284 endorsements in the prior year as shown in table 10.

**Table 10: Endorsements**

SN	Description	2021/22	2020/21
1.	Instrument Rating	148	144
2.	Technical Type Rating	73	7
3.	Instructor's Rating	9	2
4.	English Language Proficiency	138	131
Total		368	284

**(v) Sale of Documents**

A total of 186 documents were sold during the year ended 30 June 2022 compared to 168 documents sold during the prior year.

**2.5.11.3 Aerodromes and Ground Aids (AGA)**

The Section is responsible for oversight and development of aerodrome standards and technical guidance materials, Certification, Licensing and Registration Approval of Aerodromes, continuous surveillance of aerodromes, Aerodrome Safeguarding including Removal and Control of obstacles, evaluation of Aerodrome designs, conducting sensitization workshops and seminars and resolution of safety issues.

The Authority intends to achieve 100% compliance to aerodrome Certification, Licensing, Registration and Approval requirements by the end of financial year 2024/25. The section has updated Aerodrome Inventory and re-categorization of some aerodromes to Category E. In addition, the Section is coordinating implementation of the new ICAO Global Reporting Format (GRF) for runway surface condition. Tables. 11,12,13, and 14 show details of accomplished activities: -

**Table 11: Aerodrome Certification**

S/N	Aerodrome ID	Description
1.	Julius Nyerere International Airport	Certified until February 2023
2.	Aman Abeid Karume International Airport	Certified until November 2022
3.	Kilimanjaro International Airport	Certified until September 2022



Table 12: Renewal of Aerodrome Licenses

S/N	Aerodrome Group/activity	2021/22	2020/21
1.	TAA aerodromes	20	11
2.	Other aerodromes	55	26
3.	Approval to construct Aerodromes/helipads	7	7

Table 13: Continuous Surveillance of Aerodromes

S/N	Aerodrome Group/activity	2021/22	2020/21
1.	CAM inspections	30	32
2.	TAA, ZAA, KADCO, TANAPA and other private aerodromes	107	84
3.	Review of operators Aerodrome manuals (Aerodrome Manual, SMS Manual and Aerodrome Emergency Planning Manual)	15	21

Table 14: Development and Review of Regulations and Technical Guidance Material

S/N	Document action	Status of Review or development
1	Inclusion of amendment 13 and 14 and 15 of the ICAO Annex 14 SARPS in the Civil Aviation (Aerodromes) Regulations 2017	Draft Regulations to be repackaged and re-issued in three volumes, is due for stakeholder consultation
2	Review of Advisory Circulars	100% Reviewed
3	Review of Orders	100% Reviewed
4	Review of Industry guideline manuals	100% Reviewed

#### 2.5.11.4 Aviation Security

The Aviation Security Section (AVSEC) is responsible for ensuring safe and secure aviation systems. This is being achieved by establishing, implementing, and ensuring effectiveness of baseline security measures intended to mitigate and prevent acts of unlawful interference with civil aviation.

The Section reviewed four (4) Technical Guidance Materials (TGMs) as of June 2022. The reviewed TGMs were approved and distributed to relevant operators for inclusion of the reflected changes in their respective security programs. The approved documents include: -

- (i) National Civil Aviation Security Program (NCASP),
- (ii) National Civil Aviation Security Quality Control Program (NCASQCP),
- (iii) National Civil Aviation Security Training Program (NCSTP)

# TANZANIA CIVIL AVIATION AUTHORITY (TCAA)

## (iv) Aviation Security Inspectors Manual (ASIM)

The section continued to enforce safety and security compliance to USAP CMA audit findings. Tables 15,16, and 17 show details of accomplished activities: -

**Table 15: Reviewed Aviation Security Programs**

SN	OPERATORS	2021/22	2020/21
1.	Airport Security Program	06	10
2.	Airline Security program	14	10
3.	Regulated agent/ground handling Security Program	08	7
4.	Catering Security Program	02	2
5.	Training Program	-	2
<b>Total</b>		<b>30</b>	<b>31</b>

**Table 16: Oversight Activities**

SN	Oversight Activities	2021/22	2020/21
2.	Audits	14	33
3.	Inspections	17	8
4.	Tests	07	6
5.	Follow up	05	10
<b>Total</b>		<b>43</b>	<b>57</b>

**Table 17: Certified/Recertified Screeners**

Recertified Screeners	2021/22	2020/21
Tanzania Airports Authority - Regional Airports	62	61
Julius Nyerere International Airport	42	104
Zanzibar Airport Authority	48	64
Kilimanjaro Airports Development Company	44	68
Air Tanzania Company Limited	0	04
Precision Air	8	02
NAS Dar Airco	0	06
Swissport	1	24
G4S Security Solution	0	09
KK Security Company	0	00
United Aviation Services	1	06
Tanzania National Parks	0	07
Everret	4	01
Geita Gold Mining	6	05
Zanzibar Aviation Services and Travel Trade	9	00
VIKOSI Zanzibar Airport Authority	0	00
African Flight Services	0	05
Celebi	0	02
Auric	0	01
<b>Total</b>	<b>225</b>	<b>369</b>

The section facilitated four (4) National Civil Aviation Security Committee (NCASC) Meetings.



## 2.5.11.5 Air Navigation Service Inspections (ANS)

The section is responsible for the preparation of specific operating regulations and technical standards, development of the safety oversight mechanism, determination of requirements for technical personnel qualification and training, provision of technical guidance and safety critical information to service providers, conduct of surveillance of air navigation service providers and resolution of safety concerns in the ANS domain. Tables 18 - 26 show details of accomplished activities: -

Table 18: Inspections and Surveillance

No	Type of Inspections and Surveillances	Years			
		2021/22		2020/21	
		Planned	Actual	Planned	Actual
1.	Routine Audits for				
	AIM and Charts	8	16	16	6
	ATM	8	16	16	5
	CNS	8	16	16	5
	SAR	8	16	14	5
	MET	4	16	16	10
	PANS-OPS	4	2	2	1
	SMS	8	16	14	5
2.	Ad-hoc audits	40	35	40	4
3.	Certification of ANSP				
	AIM and Charts	8	16	16	14
	ATM	8	16	16	15
	CNS	8	16	16	15
	SAR	8	16	14	14
	PANS-OPS	4	2	2	1
	SMS	8	16	16	15

Table 19: Safety Audits of CNS

SN	Activity	Stations	2021/22	2020/21
1	Routine audits	Julius Nyerere International Airport, Abeid Aman Karume International Airport, Kilimanjaro International Airport, Arusha Airport, and Dodoma Airport	16	5
2	Ad hoc audits	Julius Nyerere International Airport	8	1
3	Safety assessment	Dodoma Airport, Iringa Airport, and Mtwara Airport	2	3

Table 20: Safety Audits of ATM

SN	Activity	Stations	2021/22	2019/20
1	Routine audits	Julius Nyerere International Airport, Abeid Aman Karume International Airport, Kilimanjaro International Airport, Arusha Airport, and Dodoma Airport	16	5
2	Ad hoc audits	Julius Nyerere International Airport,	8	1
3	Safety assessment	Songea Airport, Mtwara Airport	2	2

Table 21: Safety Audits of AIM

SN	Activity	Stations	2021/22	2020/21
1	Routine audits	Julius Nyerere International Airport, Abeid Aman Karume International Airport, Kilimanjaro International Airport, Arusha, Dodoma and Aeronautical Charts	16	6
2	Ad hoc audits	Julius Nyerere International Airport, Abeid Aman Karume International Airport, Kilimanjaro International Airport, Arusha, Dodoma Airport	8	-
3	Safety assessment	Songwe and Dodoma Airport	2	-
4	Instrument Procedure designers' audits	Air Navigation Services - Head Office	2	1

Table 22: Safety Audits of MET

SN	Activity	Stations	2021/22	2020/21
1	Routine audits	Julius Nyerere International Airport, Abeid Aman Karume International Airport, Arusha Airport, Mtwara Airport, Songwe Airport, Dodoma Airport, Mwanza Airport, Songea Airport, Iringa Airport, Kilimanjaro International Airport,	17	10
2	Ad hoc audits	Julius Nyerere International Airport	6	1

Table 23: Safety Audits of SAR

SN	Activity	Stations	2021/22	2020/21
1	Routine audits	Julius Nyerere International Airport, Abeid Aman Karume International Airport, Kilimanjaro International Airport, Arusha Kilimanjaro International Airport, Kilimanjaro International Airport, Dodoma Airport.	16	5



Table 24: Safety Audits of SMS

SN	Activity	Stations	2021/22	2020/21
1	Routine	Julius Nyerere International Airport, Abeid Aman Karume International Airport, Kilimanjaro International Airport, Arusha Airport, Dodoma Airport.	16	5

Table 25: Audits and Certificates Issued

No	Planned	Actual	Stations
1	16 Air Navigation Facilities	16	Julius Nyerere International Airport, Abeid Aman Karume International Airport, Kilimanjaro, Arusha Airport, Kigoma Airport, Tabora Airport, Mtwara Airport, Dodoma Airport, Mwanza Airport, Songea Airport, Iringa Airport, Mchauru Airport.

Table 26: Approval of Procedures and Facilities

No	Planned	Planned	Actual
1	Instrument Flight procedures	4	8
2	Manual of Operations	2	2

### 2.5.12 Economic Regulation Directorate

The Division is entrusted with mandate to ensure growth and availability of regulated services to all consumers of air services. It promotes effective competition and economic efficiency as well as protection of consumer interests and financial viability of suppliers of the services. Also, it coordinates air services agreement negotiations between the United Republic of Tanzania and other foreign states. The division also collects, analyses and disseminates industry statistics for public consumption. It has three sections: Air Transport Regulation, Business Analysis and Forecasting and Aeronautical Airport Services.

#### 2.5.12.1 Air Transport Regulations

The section is responsible for air transport regulation including licencing Bilateral Air Service Agreements and advisory role on air transport to Government. During the year the following activities were performed: -

## (i) Licensing of Air Services Operators

Two (2) Licensing Board meetings were conducted during the year. The first meeting was conducted in November 2021 and the second was in June 2022. A total of thirty-four (34) and eight (8) applications for air services and ground handling services respectively were considered as shown in Table 27.

Table 27: Licensing of Air Services Operators

Item Description	2022/21		2020/21	
	Approved	Disapproved	Approved	Disapproved
New Applications	12	1	2	-
Applications for renewal variations	21	-	40	-
Total	33	1	42	-

The noted decrease of licensed operators from 42 to 34 (21%) is due to presence of significant number of domestic operators whose ASL were not due for renewal while promising business prospect noted through increased number of new applications.

## (ii) Licensing of Ground Handling Services Operators

A total of eight (8) and fourteen (14) applicants for ground handling services respectively were considered as shown in Table 28.

Table 28: Licensing of Ground Handling Services Operators

Item Description	2022/21		2020/21	
	Approved	Disapproved	Approved	Disapproved
New Applications	4	-	6	-
Applications for renewal /variations	4	-	8	-
Total	8	-	14	-

## (iii) Bilateral Air Services Agreements (BASAs)

Tanzania participated in the ICAO Air Services Negotiation Event (ICAN2021) that was held in Bogota, Colombia, from 6 to 10 December 2021. This event is a forum for ICAO member states where Bilateral Air Services Agreements (BASAs) are negotiated/reviewed or signed. Tanzania met with a total of eleven (11) countries and subsequently negotiated four (4) new BASAs, reviewed existing BASAs with eight (8) countries and signed BASAs with two (2) countries. Tanzania did convene two (2) meetings for BASA review/signing and one (1) for discussing number of areas of co-operations including BASA outside the ICAN forum.

After the ICAN 2021, the Government of the United Republic of Tanzania has entered (BASA) with the total of seventy-eight (78) countries whereby 56 were initiated and 22 signed.



**(iv) Coordination of Facilitation of Air Transport Committee Meetings**

During the year, the National Air Transport Facilitation (National FAL) Committee held two meetings. The first meeting was held in Mwanza and Dodoma in November 2021 and May 2022 respectively.

**(v) Complaints and Disputes**

Tanzania Civil Aviation Authority Consumer Complaints Unit is a unit established under Section 59 (7) of The Civil Aviation Act, Cap 80 of 2020. The major objective of the Unit is to deal with all consumer complaints brought to the Authority against suppliers of regulated goods or services in relation to any matter connected with the supply, possible supply or proposed supply of goods or services. The main function of the Unit is to do the following; -

- (a) receive, through the Director-General, and follow-up on complaints from consumers submitted to the Authority;
- (b) investigate all complaints;
- (c) attempt to resolve complaints amicably; and
- (d) present findings and recommendations for action to the Committee of the Board if a complaint cannot be resolved.

During the year ended 30 June 2022, the Authority through its Consumer Complaints Unit attended a total of five (5) complaints. One (1) complaint was resolved amicably and the remaining four (4) complaints were at various stages including amicable settlement and reference to the Regulatory Committee of the Board.

**2.5.12.2 Business Analysis and Forecasting**

The section is responsible for Business Analysis to determine the performance of aviation industry. The following activities were performed during the year.

**(i) Statistical Reports**

During the year Civil Aviation Statistics Report for 2021 was issued and four (4) Quarterly Statistics reports were prepared in August 2021, November 2021, February 2022 and May 2022.

**(ii) Traffic Performance**

During the year 2021/22, international aircraft movements reached 32,614 compared to 18,448 movements occurred in the previous year recording an increase of 49.6%. Domestic aircraft movements, on the other hand, has increased by 25% from 109,475 movements in 2020/21 to 136,843 movements in 2021/22. Corresponding domestic passengers recorded a 38.6% increase from 1,968,692 passengers in 2020/21 to 2,728,338 passengers in 2021/22. Overall, traffic performance of the industry recorded an increase of 32.5% in aircraft movements from 127,923 in 2020/21 to 169,457 movements in 2021/22.

International passengers uplifted increased to 1,759,224 passengers from 995,779 passengers recorded in the previous year, which is an increase of 76.7%. During the year, the effects of COVID - 19 started to decrease, travel restrictions were relaxed, and countries opened their skies leading to a substantial increase in traffic. Overall, passenger traffic increased from

2,964,471 passengers in 2020/21 to 4,485,621 passengers in 2021/22 which is equivalent to 51.3% increase.

International cargo handled had an increase by 22.3% from 22,944.7 tons in 2020/21 to 28,051 tons in 2021/22. Domestic cargo increased from 3,513 tons in 2020/21 to 5,874.7 tons in 2021/22 which is equivalent to 67.2% increase. Overall, cargo recorded a 28.2% increase from 26,458 tons in 2020/21 to 33,926 tons in 2021/22.

**(iii) Contribution of Aviation Activities to the Gross Domestic Product (GDP Study)**

During the year 2021/22, the Authority continued with the study on aviation contribution to Tanzanian economy and the Authority is in the final stages of completing the report.

**2.5.12.3 Aeronautical Airport Services**

The section is responsible for regulating Aeronautical Airport Services including ground handling, catering, fuel, and mail. During the year, the following activities were performed: -

- (i) COVID-19 Screening at the Airport, Updating the Aeronautical Information Circulars related to measures of managing the spread of the COVID-19. The Circulars are derived from the Travel Advisories issued by the Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDGEC).
- (ii) Monitoring the implementation of the AIC at the International airports, i.e. Julius Nyerere International Airport (JNIA), Kilimanjaro International Airport (KIA) and Abeid Amani Karume International Airport (AAKIA). Several visits have been undertaken to ensure compliance to AIC. In addition to the visits, the section has been convening the meeting with airport stakeholders under the chairmanship of the Director General aiming at eradicating congestions at the arrival corridors where testing of the COVID-19 is conducted. Three meetings have been convened at JNIA on 19, 21 and 26 June 2022.
- (iii) Coordinating the quarterly meetings with relevant stakeholders on the Collaborative Arrangement for Prevention and Management of Public Health Events through Civil Aviation (CAPSCA);
- (iv) Scheduled inspection visits held at JNIA, KIA, AAKIA and Dodoma airports.
- (v) Designation of international airports by WHO and preparedness for the COVID-19 pandemic.
- (vi) Mock assessment conducted at three (3) International airports, namely Julius Nyerere (JNIA), Kilimanjaro (KIA) and Abeid Amani Karume (AAKIA). The Mock results of the three airports ranged between 70% and 81%. The WHO required score level for an airport designation and publication to global travel community is 80%.
- (vii) Compliance assessment were conducted at the three international airports and domestic airports comprising of Mwanza, Bukoba, Mbeya and Kigoma.

**2.5.13 Directorate of Air Navigation Services (DANS)**

The Authority through the directorate of Air Navigation Services is responsible for provision of air navigation services in the United Republic of Tanzania and upper air space of Rwanda and Burundi. The Authority manned 14 stations of Dar es Salaam, Zanzibar, Mwanza, Arusha, Pemba, Tabora, Kigoma, Dodoma, Iringa, Mbeya, Mtwara, Tanga, Songea and Kilimanjaro. It has four (4) sections: Air traffic Management, Communication Navigation Surveillance, Aeronautical Information Management, and Safety Management System.

Controller and Auditor General

AR/PA/TCAA/2021/22



## 2.5.13.1 Air Traffic Control Services

The section is responsible for Air Traffic services at fourteen TCAA manned stations and at Area Control Centre (ACC). During the year the section implemented the following activities: -

- (i) Provision of air traffic control services at 14 stations continued as per hours promulgated in the Aeronautical Information Publication (AIP). Three stations, (JNIA, Kilimanjaro and Mwanza) are provided with Surveillance Services. Introduction of Electronic Flight System (EFS) at JNIA, Kilimanjaro, Zanzibar, Arusha and Mwanza Airports replaces paper flight progress strips at these airports.
- (ii) Two Civil -Military Coordination Meetings were conducted at Mtwara and Dar es Salaam respectively.
- (iii) Airspace and flight procedure design services conducted in 2021/22 are as follow: -
  - (a) Designed RNAV(GNSS) approach procedures, control zone and STARS for Arusha airport;
  - (b) Designed RNAV(GNSS) approach procedures for Geita Airport;
  - (c) Designed RNAV(GNSS) and conventional approach procedures for Mwanza Airport;
  - (d) Designed RNAV(GNSS) approach procedures and reviewed conventional IAPs for Zanzibar Airport;
  - (e) Reviewed RNAV(GNSS) and conventional approach procedures, control zone, SIDs and STARS for Kilimanjaro Airport;
  - (f) Reviewed Arusha/Kilimanjaro - Zanzibar VFR corridor; and
  - (g) Instrument approach Procedures (RNAV/GNSS) were developed for Mpanda airport.

## 2.5.13.2 Communication Navigation Surveillance

The section is responsible for maintenance of communications navigation surveillance of systems and equipment. During the year under review the following were carried out: -

- (i) Preventive and Corrective maintenance of CNS facilities at Pemba, Mtwara, Tabora, Mwanza, Iringa, JNIA, e Kigoma, Songwe, KIA, Arusha, Tanga, Songea, AAKIA and Dodoma; and at Civil Aviation Training Centre in Dar es Salaam, Singo (Babati) and the VHF relay stations at Nyashana, Matogoro, Kaluwe, Changalawe, Lilungu, Gairo, Kaze hill, Moroninya, Mnyusi, and Lolkisale and Dar as per schedule;
- (ii) Two coordination meetings between TCAA and TTCL were conducted;
- (iii) Health check for navigational aids facilities conducted at Julius Nyerere International Airport, Abeid Aman Karume International Airport, Kilimanjaro International Airport and Mwanza Airport (under three years i.e., 2019/20 - 2021/22 framework maintenance support contract);
- (iv) Designing, manufacturing, supply, installation, integration, training, testing, commissioning and technical support of voice recorders for Julius Nyerere International Airport, Dodoma, Songwe and Pemba;
- (v) Supply, installation, integration, training, testing, commissioning and technical support of Digital Automatic Terminal Information Services (D-ATIS) for Kilimanjaro International Airport (KIA) and Arusha Airport is under tendering process;
- (vi) Replacement of VHF extended Relay station at Nyashana was done.
- (vii) Survey for VHF area coverage at Eastern zone was conducted.

Facilities were maintained on regular basis as scheduled; the detailed serviceability of the different facilities was as follows: -

- (i) Navigation Aids operated with serviceability level of 96%;
- (ii) Surveillance equipment operated at serviceability level of 99%;
- (iii) VHF Area cover operated at serviceability level of 97%;
- (iv) VHF Radio at stations operated at serviceability level of 98%;
- (v) ATS DS Link operated at serviceability level of 99%; and
- (vi) Aeronautical Fixed Telecommunications Network of the equipment was 96% for international circuits, and 98% for the domestic circuits.

#### **2.5.13.3 Aeronautical Information Management**

The section is responsible for provision for aeronautical information management. During the year Aeronautical Information Management (AIM) continued to provide Flight Planning and Briefing services to aircraft operators at Julius Nyerere, Abeid Amani Karume, Kilimanjaro International, Mwanza, Dodoma, Arusha, Songwe, Iringa, Tabora, Tanga and Mtwara Airports and re-established the services at Kigoma and Pemba airports.

The section also continued to issue/produce NOTAM, AIP, AIP Supplements, AIP Amendments, Aeronautical Information Circulars, Aeronautical Charts and participated in developing various Instrument Flight Procedures that contributed to the safety of Airspace in the AFI Region. The status regarding Aeronautical Information Management is as follows: -

- (a) Continue providing Aeronautical Information services at fourteen stations;
- (b) Continue providing Aerodrome Flight Information Service (AFIS) for 12 hours at Songea Airport;
- (c) Drawing of RNAV GNSS approach chart for nine airport;
- (d) Developed Visual Approach Charts for six airports;
- (e) Developed and reviewed Aerodrome/Heliport Charts for five airports;
- (f) Developed and reviewed Aerodrome Ground Movement Charts for five airports;
- (g) Developed and reviewed Aerodrome Parking and Docking Charts for six airports;
- (h) Develop and review Aerodrome Obstacle Charts for Pemba Airport;
- (i) Reviewed the World Aeronautical Charts (WAC) Lake Victoria, Lake Tanganyika, Zanzibar Island and Ruvuma River Blocks.
- (j) Continuous issuing Aeronautical Information Products such as
  - (i) AIP including amendments services;
  - (ii) AIP Supplements;
  - (iii) Aeronautical Information Circulars;
  - (iv) Various Aeronautical Charts in Size A0, A1, A3 and A4;
  - (v) NOTAM and
  - (vi) Pre-Flight Information Bulletins (PIBs).

#### **2.5.13.4 Safety Management**

The section is responsible for quality management of air navigation services. During the year the following activities were conducted: -



- (i) Safety audits at manned stations, namely; JNIA, AAKIA, KIA, Mwanza, Dodoma, Arusha, Kigoma, Tabora, Dodoma, Songwe, Iringa and Songea were conducted to verify that the provision of ANS consider safety management requirements to ensure that an acceptable level of safety is met;
- (ii) Safety assessment on implementation of airspace restructuring, the introduction of new equipment systems or facilities, and new or changed ATS procedures to ensure that the change is managed effectively without contributing to aircraft incidents or accidents. Safety assessments were conducted during introduction of new SSR Codes for provision of Surveillance services, New Global Runway Reporting Format for reporting runway condition at Kilimanjaro, JNIA, AAKIA and Mwanza, Development of RNAV procedures at Arusha, Kilimanjaro and Songea and introduction of night operation at Dodoma; and
- (iii) SMS sensitization seminar was conducted to SMS Station Coordinators from selected manned stations, namely, AAKIA, KIA, JNIA, Mwanza and Arusha to equip them with the knowledge to effectively manage SMS at their respective stations.

#### **2.5.14 Director General's Office**

Director General Office is in charge of day-to-day operations of the Authority. The office is supported by nine units which are the public information, Planning Monitoring and evaluation, Legal Services, Quality Assurance, Performance Audit, Procurement Management, Internal affairs, Information Technology and Statistics and the Civil Aviation Training Center.

##### **2.5.14.1 Legal Services**

The unit is responsible for legal advisory and secretariat to the Board of Directors. It keeps custody of all the Authority's legal and statutory documents. During the year the following activities were performed: -

- a. Translation of the Act into Kiswahili
- b. Review of three Regulations to address new ICAO Standards and Recommended Practices. These are:
  - (i) The Civil Aviation (Aerodromes) Regulations, 2017;
  - (ii) The Civil Aviation (Security) Regulations, 2018; and
  - (iii) The Civil Aviation (Remotely Piloted Aircraft Systems) Regulations, 2018.

##### **2.5.14.2 Information Technology and Statistics**

This Unit is responsible for handling all ICT and statistical matters of the Authority. It supports the Authority's functions to achieve its corporate objectives. It is the Authority's policy to ensure that the public is provided with timely and accurate information. To this end, the Authority has established appropriate ICT infrastructure (i.e. network, hardware and application systems) in order to enhance information management.

##### **a. Network Infrastructure**

- (i) The Authority has extended its network to all stations.

- (ii) Upgraded VPN link capacity from 4MBps to 53MBps from Authority network to e-Government network; this substantial capacity increase has greatly improved traffic flows and performance of ERMS and e-Office Systems in our daily activities.
- (iii) Network security has been enhanced by continue monitoring of configured SOPHOS firewall system that filters traffic and enables securely remote connectivity for authorized staff to access and work on Authority systems from outside office premises.

#### b. Hardware

The Authority procured and distributed iPads, laptops, and printers, desktop Computers based on replacement or new recruitment.

#### c. Application Systems

It is a strategic target that all business processes for the Authority be automated. Table 29 summarizes what has been achieved in 2021/22: -

Table 29: ICT Projects

No	Application System	Description
1	Authority Air Ticket Management System	The system allows Authority staff that is required to travel by air to apply and their supervisor to approve air ticket online. The system ensures that all LPO issued to travel agent are generated from system and therefore proper management and control of air ticket issuance are always maintained
2	Authority Training Plan and Implementation System	The system manages preparation and approval of Authority training plan and manages implementation of approved plan. System also generates useful reports to help training committee and management in coordinating and allocation of training budget
3	e-GA Enterprise Resources Management Suite (ERMS)	The Authority has successfully deployed and operationalized ERMS to all Offices. The following ERMS modules are in full swing:  Planning, Budgeting, Accounts, Billing, HR and Payroll, Leave Management, Fleet Management, Asset Management, and Procurement Management.
4	e-GA eOffice System	Authority has managed to deploy e-Office system to handle all incoming mails, internal memo and other received documents. System also enables routing of files to different action offices for comments and approvals. Monitoring and System support is ongoing
5	Authority Website	Authority website has been completed revamped to give it new appearance, improve contents management, developed website admin panel for daily management and publishing of website contents. Website security has also been carefully considered and enhanced.
6	Enhancement of Online Permit Management System	The system enables Flight Operators and Agents to request, pay and print approved permits (Landing and Over flight) online. Among other upgrades made, the system has been enhanced to allow customers to amend permits, request for exit permit and allow incremental application of block overflight permit.



**d. Governance**

The ICT unit continued to properly manage ICT resources by putting in place ICT inventory management system, attend staff queries and resolve them on time. Authority Board of Directors also approved ICT Policy and ICT Security Policy and the awareness of approved policies were successful conducted to all Staff.

**2.5.14.3 Civil Aviation Training Centre (CATC)**

Civil Aviation Training Center (CATC) is the training arm of the Tanzania Civil Aviation Authority (TCAA) established on 10 June 1985 through the joint efforts of the Tanzania Government, the International Civil Aviation Organization (ICAO) and United Nations Development Programme (UNDP). The Centre is located in Dar es Salaam at the Julius Nyerere International Airport (JNIA) Terminal One Building.

In the financial year 2021/22, the Centre implemented the following activities: -

- (i) Completion of Feasibility Study for development of CATC complex;
- (ii) Development of ICAO Standardized Training Package (STP);
- (iii) Developed nine (9) new courses;

**2.5.14.4 Quality Assurance Management**

The Unit is responsible for ensuring that the Authority achieves and adheres to quality management system under ISO-9001:2015 standard/other quality management system and the coordination of all functions related to Risk Management. During the year the following audits were conducted; -

- (i) TCAA Regulatory (Safety Regulation, Economic Regulation & Corporate Services);
- (ii) Provision of Air Navigation Services within Dar-es-Salaam Flight Information Region (FIR) which includes Air Traffic Management (ATM), Communication Navigation Surveillance (CNS) and Aeronautical Information Management (AIM); and
- (iii) Design and provision of training services for the Civil Aviation Industry to include ATM, AIS, CNS, AVSEC, Airport Operations, Train the Trainer and Airport Ground Handling.

**2.5.14.5 Public Relations and Communication**

The Unit is responsible for corporate internal and external communication, social events and maintenance of the Authority's public image. The unit is a crucial link between the Authority, media and the general public.

For the Financial Year 2021/22 the Authority executed several activities related to Communication and Public Relations functions which have been presented in this report.

- (i) Conducted two sensitization seminars to journalists;  
Printed 153 printed feature articles in local newspapers and Authority bi-annual magazine;
- (ii) Organized 36 media coverage on various activities;

- (iii) Published 12 batches of various advertisements;
- (iv) Participated in Sabasaba exhibition; and
- (v) Facilitated distribution of TCAA education and information materials to the government and general public.

## 2.5.15 Corporate Services Directorate

The Directorate is responsible for organizational support services in Human Resource Management, Finance, Estate Management and general administrative services. It enhances teamwork among Directorates and Units. It ensures there are sufficient and efficient human and non-human resources to match with the Authority needs. Its sections are Finance, Human Resources and Administration, and Estate Management.

### 2.5.15.1 Human Resources and Administration

This unit is responsible for management of human resources. During the year the following activities were conducted: -

- (i) Developed and operationalized TCAA Human Resource Management Strategy geared to set out a roadmap for discharging human resource management functions in supporting implementation of TCAA's Strategic Plan;
- (ii) 67 staff were recruited during the year to address headcount deficit of aviation experts in various directorates and units;
- (iii) Maintained employee relations at work place, and during the period under review there were no incidences of industrial disharmony;
- (iv) Developed Staff Health Policy for provision of affordable health services for employees and their dependents;
- (v) Employees were provided with learning and development programs for the purpose of equipping them with knowledge, skills, attitude required to achieve Authority's strategic goals.
- (vi) The Authority reviewed and operationalized Staff Learning and Development Guidelines through which a total of 106 were trained in various job-related technical areas.
- (vii) Developed various Human Resource and Administration Policies and Procedures as follows: -
  - (a) Staff Incentive Scheme was developed and approved by Permanent Secretary, Public Service Management and Good Governance through letter with Reference No CBA.248/313/01/E/37 dated 9 June 2022 to be affective from 1 July 2022.
  - (b) Staff Rules, 2022 was developed and approved by Permanent Secretary, Public Service Management and Good Governance through letter with Reference No CB.228/257/01/R/26 dated 6 July 2022 to be affective from 1 August, 2022.
  - (c) Social Security Supplementary Scheme (Mfuko wa Kusaidiana) was developed and approved in March 2022.
- (viii) Conducted awareness to 527 employees and provided assistance to employees living with HIV/AIDS.



#### 2.5.15.2 Estate Management Section

This section is responsible for Estate Management for the Authority. During the year under review, the Estate Management Section performed the following activities: -

- (a) Facilitated acquisition of various plots for the development of different infrastructures for the Authority at Medeli and Msalato in Dodoma;
- (b) Facilitated maintenance of building infrastructures such as improvement of electrical systems at Dodoma, Tabora, Pemba and Zanzibar Stations, Maintenance of lift at Aviation House and JNIA. Improvement of clean and waste-water systems at Aviation House;
- (c) Implemented minor rehabilitations of office buildings at Dodoma, CATC - T1, Tabora ATC Tower and Arusha ATC Tower.
- (d) Facilitated preparation of specification requirements, drawings and BOQ for different projects such as replacement of false floor tiles at KIA and JNIA, Supply and Installation of air conditioners at JNIA ATC Tower, Replacement of window panels at KIA ATC Tower and supply/installation of lift at AAKIA ATC Tower Zanzibar Station.

#### 2.6 FUTURE DEVELOPMENTS PLANS

The Authority will continue to implement its 4<sup>th</sup> Strategic Plan which covers 5 years from 2021/22 to 2025/26. The Authority continues to improve and modernize its air navigation and regulatory services to the satisfaction of its stakeholders.

#### 2.7 BEHAVIOUR TOWARDS STAKEHOLDERS

The Authority believes that the stakeholders are reasons for existence of the Authority. Several measures have been taken to institute a responsible behavior towards members of the Authority and other stakeholders. These measures include, but not limited to, holding interactive meetings, seminars, conferences and workshops.

#### 2.8 SOLVENCY

The Board confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board has reasonable expectation that the Authority has adequate resources to continue in operational existence for the foreseeable future. The Authority's total liability as at 30 June, 2022 was TZS 20.0 billion (2020/21: TZS 17.8 billion) and total assets was TZS 288.4 billion (2020/21: TZS 277.8 billion). The Authority's state of affairs as at 30 June, 2022 is shown in the accompanying statement of financial position. The Board considers the Authority to be solvent on the basis of the statement of financial position as at 30 June, 2022.

#### 2.9 CORPORATE GOVERNANCE

The Board believes in adopting the best practices in Corporate Governance. The Board, Management and the employees are committed to upholding the core values of Integrity,

## TANZANIA CIVIL AVIATION AUTHORITY (TCAA)

Morals, Professionalism and Customer focused Accountability and Efficiency, Commitment, Transparency, Teamwork.

### 2.9.1 Members charged with Governance

The Board of Directors of TCAA, as the highest decision-making organ of the Authority, is established under Section 32 of the Civil Aviation Act (Chapter 80 of the Laws [R.E. 2020]) (the "Act").

The Board consists of seven (7) members; six (6) non-executive members including the Chairman, Vice Chairman and one Executive Member who is also the Director General of the Authority. The Chairman and the Vice Chairman of the Board are appointed by the President of the United Republic of Tanzania while other members and the Director General are appointed by the Minister responsible for matters relating to civil aviation.

The Director of Legal Services serves as Secretary to the Board. During the financial year 2021/22, Ms. Maria M. Memba who is Director of Legal Services served as Secretary to the Board. A total of nine (9) Board Meetings were conducted during the period under review whereby four (4) were ordinary meetings and five (5) were extra ordinary meetings. Detailed information of the members of the Board of Directors is indicated in Table 30 below.

**Table 30: Members of the Board who served the Authority during the year and up to the date of this report.**

SN	Name	Position	Qualification	Nationality	Date of appointment	End of tenure	Age
1	Prof. Longinus K. Rutasitara	Chairman	PhD in Economics	Tanzanian	26-Sep-19	25-Sep-2023	64
2	Ms. Mtumwa K. Ameir	Vice Chairman	LL.B., LL.M.	Tanzanian	4-Aug-21	3-Aug-2024	49
3	Dr. Eng. Malima M. Bundara	Member	PhD in Engineering	Tanzanian	02-Feb-22	01-Feb-2026	71
4	Dr. Siasa I. Mzenzi	Member	PhD Accounting, CPA (T)	Tanzanian	02-Feb-22	01-Feb-2026	44
5	Ms. Rukia J. Adam	Member	MBA, ACPA (T)	Tanzanian	23-Jul-20	22-Jul-2024	66
6	Mr. Yussuf M. Ali	Member	MSc. Economic & Finance	Tanzanian	23-Jul-20	22-Jul-2024	49
7	Mr. Hamza S. Johari	Member	LL.B., LL.M.	Tanzanian	22-Feb-16	Permanent	51
8	Ms. Maria M. Memba	Secretary	LL.B., LL.M.	Tanzanian	26-Jan-21	Permanent	46

### 2.9.2 Board Committees

Committees of the Board of Directors are established in accordance with the Board's requirements to fulfill its oversight responsibilities. The Board has three (3) Committees based on sectoral and cross-cutting issues. These are: Audit, Risk & ICT Committee; Finance & Administration Committee and Regulatory Committee. During the year under review, a total of sixteen (16) Committee meetings were conducted as shown in tables 31 and 32(a) & (b).

**Table 31: Board Committees**

S/N	Board Committee	No. of Meetings
1	Audit, Risk & ICT Committee	6
2	Finance and Administration Committee	6
3	Regulatory Committee	4



**TANZANIA CIVIL AVIATION AUTHORITY (TCAA)**

S/N	Board Committee	No. of Meetings
	<b>Total</b>	<b>16</b>

**Table 32: (a) Ordinary Meetings of the Board of Directors and its Committees**

Details	No. of meetings required annually	No of meetings held
Board of Directors	4	4
Audit, Risk & ICT Committee	4	4
Finance and Administration Committee	4	4
Regulatory Committee	4	4
<b>Total</b>	<b>16</b>	<b>16</b>

**Table 32(b) 1 Extra Ordinary Meeting of the Board of Directors and its Committees**

Details	No. of meetings held
Board of Directors	5
Audit, Risk & ICT Committee	2
Finance and Administration Committee	2
Regulatory Committee	0
<b>Total</b>	<b>9</b>

### 2.9.3 Management Committees

#### (a) Ethics Committee

The committee deals with staff ethical behavior and conduct in the Authority, and it consist of Members as indicated in the Table No. 33 below;

**Table 33: Ethics Committee**

SN	Name	Position	Qualification
1.	Mr. Burhan Majaliwa	Chairperson	MBA Leadership and Governance
2.	Ms. Mwanajumaa Kombo	Member	PGD - Transport
3.	Mr. Elineema Philemon	Member	MBA-International Business
4.	Ms. Tamika Mwakabumbila	Member	Msc - Statistics
5.	Ms. Massa Numburi	Secretary	LLM - Corporate and Commercial law

#### (b) Quality Committee

The committee deals with quality management system issues as per certification systems with accordance with ISO Standards. Committee members are indicated in table 34 below;

**Table 34: Quality Committee**

SN	Name	Position	Qualification
1.	Mr. Magesa Sarota	Chairperson	MBA - Marketing
2.	Ms. Tumaini Mgaya	Member	MSC - Air Transport
3.	Mr. Burhan Majaliwa	Member	MBA - Leadership and Governance
4.	Ms. Thamarath Abeid	Member	BSC- Education
5.	Ms. Eufrazia Bille	Member	BSC- Business Administration

**(c) Workers' Council**

The Workers Council advises and recommend to the Board of Directors on all matters on staff and management issues which need workers participation as per agreed regulations and procedures. Workers council memberships are as indicated in table 35 below:

**Table 35: Workers Council**

SN	Name	Position
1.	Mr. Hamza S. Johari	Chairperson
2.	Mr. Mweya D. Mweya	Secretary
3.	Ms. Massa K. Mumburi	Deputy Secretary
4.	5 Directors	Members
5.	21 Chief and Managers (Head of Sections)	Members
6.	14 Civil Aviation Managers	Member
7.	17 TUGHE Representatives	Member
8.	11 Workers Representatives	Member
9.	1 Guest from TFTU	Member
10.	1 Guest from Government Workers Council	Member

**(d) Tender Board**

The Tender Board's role is to advise the Director General on procurement matters. Table No 36 shows the list of Tender Board Members.

**Table 36: Tender Board**

SN	Name	Position	Qualifications
1.	Mr. Daniel N. Malanga	Chairperson	Master's in Business Administration
2.	Mr. Yoswam M. Nyongera	Secretary	MBA - Procurement & Logistics Management, CSP (T)
3.	Ms. Flora A. Mwanshinga	Member	Ms. Engineering Management
4.	Ms. Mwanajumaa M. Kombo	Member	Post graduate Diploma in Air Transport Management
5.	Mr. Jamal A. Kiggundu	Member	MBA - Finance & ACPA (T)
6.	Ms. Valerie Chilipweli	Member	Master's in Business Administration
7.	Ms. Patricia Chenga	Member	Master of International Air and Space Law
8.	Mr. Arstid Kanje	Member	MBA Corporate Management & BSc. With Education

**(e) Gender Desk**

The objective of the desk is to ensure all gender related issues are addressed in accordance with the Authority's procedures. Desk members are indicated in table 37 below;

**Table 37: Gender Desk**

SN	Name	Position	Qualification
1.	Ms. Mellania M. Kasese	Coordinator	MSC - Development Policy
2.	Mr. Wilfred Mwaituka	Member	Advanced Certificate for Secondary Education



## TANZANIA CIVIL AVIATION AUTHORITY (TCAA)

SN	Name	Position	Qualification
3.	Ms. Zawadi J. Maalim	Member	Master's in project management

### (f) HIV/AIDS Committee

The committee's role is advising on all matters relating to HIV/AIDS as per the National HIV/AIDS policy. HIV/AIDS committee members are indicated in table 38 below: -

**Table 38: HIV/AIDS Committee**

SN	Name	Position	Qualification
1.	Ms. Amina S. Ally	Focal Person	MBA - Human Resource Management
2.	Ms. Valerie Chilipweli	Member	MBA - Human Resource Management
3.	Ms. Euphrasia Bille	Member	BSC - Business Administration
4.	Ms. Mwanajumaa Kombo	Member	PGD - Transport

### 2.9.4 Independence

All the Non-executive Directors are considered by the Board to be independent both in character, judgment and free of relationships or circumstances, which could affect their judgment.

### 2.9.5 Policy

Tanzania Civil Aviation Authority is committed to employment policies which follow best practices, based on equal opportunity for all employees irrespective of sex, race, religious, disability, age or marital status. The Authority recognizes the need for ensuring fair employment practices in recruitment and selection, and the retention, training, and career development of staff. The Authority's staff structure is shown in Table 39.

**Table 39: Staff structure**

Description	Year ended 30 June, 2022			Year ended 30 June, 2021		
	Male	Female	Total	Male	Female	Total
Management Team	3	2	5	3	3	6
Chief/Principal Officers	181	63	244	77	38	115
Senior Officers	111	65	176	46	16	62
Middle level Officers	55	36	91	200	94	294
<b>Total</b>	<b>350</b>	<b>166</b>	<b>516</b>	<b>326</b>	<b>151</b>	<b>477</b>

### i. Persons with Disabilities

In endeavor to enhance workplace diversity and to comply with equal opportunity employer Policy, the Authority has employed five (5) employees with disability. The Authority has continued to provide conducive work environment for employees with disabilities to ensure they equally contribute to the achievement of organization goals as other employees who are not disabled.

**2.9.6 Related Party Transactions**

Details of transactions with related parties and outstanding balances as at the reporting date are disclosed in note 28 of the financial statements. All transactions with related parties were undertaken on arm's length basis.

**2.9.7 Political and Charitable Donations**

The Authority did make couple donations during the year ended 30 June 2022. Donations were made to institutions and charitable organizations to acknowledge TCAA's responsibility to community social needs. The following were donations extended: - Total 26 Double Decker donated to Azania Secondary School, Donation was also extended to the Uhuru Torch (Mwenge wa Uhuru), Zanzibar Government through TCAA Zanzibar office and as well as Procurement of Tablets (portable computers) for Ministry of Health Zanzibar. Also, Donation were extended to PPRA annual meeting, as well as Donation of 334 books for form 1,2&3 students at Minazi Mirefu Secondary School.

**2.9.8 Auditor**

Controller and Auditor General is the statutory auditor of the Tanzanian Civil Aviation Authority by virtue of article 143 of the constitution of the United Republic of Tanzania and amplified in section 9 of the Public Audit Act, Cap 418 (R.E. 2021). However, in accordance with section 33(1) of the same act, M/s Deloitte & Touche jointly with the National Audit Office of Tanzania (NAOT) carried out the audit of the Authority for the financial year ended 30 June 2022.

**2.9.9 Responsibility by those Charged with Governance**

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

- (i) Effectiveness and efficiency of operations;
- (ii) Safeguarding of Authority's assets;
- (iii) Compliance with applicable laws and regulations;
- (iv) Reliability of accounting records;
- (v) Business sustainability under normal as well as adverse conditions; and
- (vi) Responsible behaviours towards all stakeholders.

The efficiency of any internal control system is dependent upon the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Authority's system is designed to provide to the Board reasonable assurance that the procedures in place are operating effectively.

**2.9.10 Board's Interest**

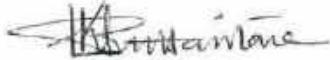
During the year 2021/22, no conflict of interest existed between the Directors and the Authority. The details on related party transactions are disclosed in note 28 of these financial statements.

By order of those charged with Governance (the Board)

Controller and Auditor General



Name: Prof. Longinus Kyaruzi Rutasitara  
Designation: Chairperson of the Board



Dar es Salaam ..... 2022

### 3.0 STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Tanzania Civil Aviation Authority Act, (CAP 80) of 2003(R.E 2006), require the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Authority as at the end of the financial year, and of the results of the Authority for that year. It also requires the directors to ensure that the Authority keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Authority. They are also responsible for safeguarding the assets of the Authority.

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards and the manner required by the Tanzania Civil Aviation Authority Act, 2003 Cap 80 (R.E 2006), and for such internal controls as directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards and Tanzania Civil Aviation Authority Act, 2003 Cap 80 (R.E 2006).

The directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Authority and of its operating results. The directors further accept responsibility for the maintenance of accounting records which may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the directors to indicate that the Authority will not remain a going concern at least for the next twelve months.



Prof. Longinus Kyaruzi Rutasitara  
CHAIRPERSON



Mr. Hamza Saidi Johari  
DIRECTOR GENERAL

..... 2022



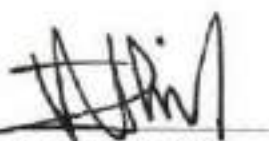
#### 4.0 DECLARATION OF THE HEAD OF FINANCE OF TANZANIA CIVIL AVIATION AUTHORITY

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

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity 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 as under Statement of Directors Responsibilities on earlier page.

I, Jamal Athuman, being the Finance Manager of Tanzania Civil Aviation Authority hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2022 have been prepared in compliance with International Public Sector Accounting Standards (IPSAS) and statutory requirements.

I thus confirm that the financial statements give a true and fair view position of Tanzania Civil Aviation Authority as on that date and that they have been prepared based on properly maintained financial records.



Jamal Athuman  
**FINANCE MANAGER**

NBAA Membership No: ACPA 3589

.....2022


## 5.0 FINANCIAL STATEMENTS

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

	Note	30 June 2022 TZS'000	30 June 2021 TZS'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	4,349,694	1,252,294
Receivables	5	19,056,112	14,777,342
Inventory	6	1,183,458	1,199,068
Prepayments	7	91,205	296,352
Other current assets	8	29,682	26,741
<b>Total current Assets</b>		<b>24,710,151</b>	<b>17,551,798</b>
<b>Non-current assets</b>			
Property, plant and equipment	9(a)	258,433,422	255,134,283
Capital work in progress	9(b)	495,300	191,240
Intangible assets	10	4,801,316	4,925,089
<b>Total non-current Assets</b>		<b>263,730,038</b>	<b>260,250,612</b>
<b>TOTAL ASSETS</b>		<b>288,440,189</b>	<b>277,802,410</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	11	19,115,029	17,418,495
Employee benefits	12(iii)	284,188	26,741
<b>Total current liabilities</b>		<b>19,399,217</b>	<b>17,445,236</b>
<b>Non - current liabilities</b>			
Employee benefits payable	12	620,480	344,162
<b>Total non-current liabilities</b>		<b>620,480</b>	<b>344,162</b>
<b>TOTAL LIABILITIES</b>		<b>20,019,697</b>	<b>17,789,398</b>
<b>NET ASSETS</b>		<b>268,420,492</b>	<b>260,013,012</b>
<b>EQUITY</b>			
Capital fund	13	6,694,229	6,694,229
Accumulated surplus		261,726,263	253,318,783
<b>TOTAL NET EQUITY</b>		<b>268,420,492</b>	<b>260,013,012</b>

Notes form part of the financial statements which were approved and authorized for issue by the Board of Directors on.....2022 and signed on its behalf by:

  
 Prof. Longinus Rutasitara  
 BOARD CHAIRPERSON

  
 Mr. Hamza Saidi Johari  
 DIRECTOR GENERAL



## 5.2 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2022

	Note	30 June 2022 TZS '000	30 June 2021 TZS '000
<b>REVENUE</b>			
Revenue from exchange transactions	14	36,401,047	25,150,553
Revenue from non-exchange transactions	15	20,304,956	13,969,763
Other revenue	16	5,428,558	17,603,611
		<b>62,134,561</b>	<b>56,723,927</b>
<b>EXPENSES</b>			
Salaries, allowances and other staff benefits	17	(26,153,721)	(23,626,355)
Regulatory expenses	18	(2,352,022)	(1,178,227)
Air navigation expenses	19	(3,780,390)	(2,296,684)
CATC running expenses	20	(1,187,769)	(660,608)
Administrative expenses	21	(11,130,757)	(9,598,397)
Technical audit expenses	22	(73,337)	(8,650)
Board expenses	23	(265,122)	(219,305)
Contribution to Government and other bodies	24	(11,107,473)	(8,535,548)
Depreciation and amortization	25	(9,151,849)	(14,107,239)
<b>Total expenses</b>		<b>(65,202,440)</b>	<b>(60,231,013)</b>
<b>Deficit for the year</b>		<b>(3,067,879)</b>	<b>(3,507,084)</b>

Notes form part of the Financial Statements

## 5.3 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2022

	Capital Fund	Accumulated Surplus	Total Equity
	TZS '000	TZS '000	TZS '000
<b>Year ended 30 June 2022</b>			
At 1 July 2021	6,694,229	253,318,783	260,013,012
Opening balance adjustment on review of assets	-	11,478,112	11,478,112
Deficit for the year	-	(3,067,879)	(3,067,879)
Adjustment Provision of Available for sale Assets	-	(2,753)	(2,753)
<b>At 30 June 2022</b>	<b>6,694,229</b>	<b>261,726,263</b>	<b>268,420,492</b>
<b>Year ended 30 June 2021</b>			
At 1 July 2020	6,694,229	256,825,867	263,520,096
Deficit for the year	-	(3,507,084)	(3,507,084)
<b>At 30 June 2021</b>	<b>6,694,229</b>	<b>253,318,783</b>	<b>260,013,012</b>

Notes form part of the Financial Statements



## 5.4 STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2022

	Notes	30 June 2022 TZS '000	30 June 2022 TZS '000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Exchange transactions	14	45,543,620	24,727,718
Non-exchange transactions	15	18,703,257	14,623,557
Other receipts	16	918,019	691,216
		<b>65,164,896</b>	<b>40,042,491</b>
<b>Payments</b>			
Employee cost	17	(25,473,131)	(23,391,102)
Suppliers	26	(11,997,644)	(6,935,835)
Other payments	27	(21,662,754)	(9,350,394)
		<b>(59,133,529)</b>	<b>(39,677,329)</b>
<b>Net cash from operating activities</b>		<b>6,031,367</b>	<b>365,162</b>
<b>INVESTING ACTIVITIES</b>			
Payment to suppliers of Infrastructure and equipment	9(c)	(2,933,967)	(7,718,378)
<b>Net cash used in investing activities</b>		<b>(2,933,967)</b>	<b>(7,718,378)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Increase/(decrease) in cash and cash equivalent</b>			
		<b>3,097,400</b>	<b>(7,353,216)</b>
<b>Cash and cash equivalent at the beginning of the year</b>		<b>1,252,294</b>	<b>8,605,510</b>
<b>Cash and cash equivalent at the end of the year</b>	4	<b>4,349,694</b>	<b>1,252,294</b>

Notes form part of the financial statements

## 5.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2022

	Original Budget (A) TZS ,000	Adjustments (B) TZS ,000	Final Budget C = (A+B) TZS ,000	Actual (D) TZS ,000	Difference Actual Vs Budget (D-C) TZS ,000	Note
<b>Receipts</b>						
Revenue from exchange transactions	46,046,549	(3,198,641)	42,847,908	36,401,047	(6,446,861)	i
Revenue from non-exchange transactions	21,427,924	-	21,427,924	20,304,956	(1,122,968)	ii
Other Income	-	-	-	5,428,558	5,428,558	
<b>Total Receipts</b>	<b>67,474,473</b>	<b>(3,198,641)</b>	<b>64,275,832</b>	<b>62,134,561</b>	<b>(2,141,271)</b>	
<b>Payments</b>						
Salaries, allowances & other Staff benefits	34,920,720	(7,137,496)	27,783,224	26,153,721	(1,629,503)	iii
Regulatory expenses	2,352,022	-	2,352,022	2,352,022	-	iv
Air navigation expenses	3,780,390	-	3,780,390	3,780,390	-	iv
CATC running expenses	1,187,769	-	1,187,769	1,187,769	-	iv
Administrative expenses	6,771,315	4,359,442	11,130,757	11,130,757	-	iv
Technical audit expenses	73,337	-	73,337	73,337	-	iv
Board expenses	265,122	-	265,122	265,122	-	iv
Contribution to Government fund and other bodies	10,123,797	(420,587)	9,703,210	11,107,473	(1,404,263)	v
Capital expenditure	8,000,000	-	8,000,000	2,933,967	(5,066,033)	vi
<b>Total Payments</b>	<b>67,474,472</b>	<b>(3,198,641)</b>	<b>64,275,831</b>	<b>58,984,558</b>	<b>(6,695,536)</b>	
<b>Surplus from the budget</b>				<b>3,150,003</b>		



The Authority prepares its budget on the accrual basis, except for estimates such as depreciation and amortization. Therefore, the budget sets out three-year spending plans of the national and provincial governments. It aims to ensure that budgets reflect Government's social and economic priorities and give substance to Government's reconstruction and development commitments. Comments on significant variances are highlighted below.

#### **Comments on the significant variances on final budget and actual for the year ended 30 June 2022**

##### **(i) Revenue from Non-Exchange Transactions**

The deficit from budget of TZS 1.1 billion was mainly due to decrease in economic regulation fees. This was caused by slow recovery from COVID 19 impact to the aviation sector.

##### **(ii) Revenue from Exchange Transactions**

The deficit from budget of TZS 6.4 billion was mainly due to expectation of increase in operations due to release of COVID 19 vaccine that was not realised due to slow recovery of aviation sector.

##### **(iii) Salaries, Allowances & Other Staff Benefit**

The deficit from budget of TZS 1.6 billion was mainly due to expectation of salary increase during the year as per proposed new salary, but the process was not approved during the year.

##### **(iv) Administration Expenses**

The increase of administrative expenses in 2021/22 compared to previous year was attributed to resumption of Authority operations after COVID 19 pandemic.

##### **(v) Contribution to Government Fund and other bodies**

Due to decrease in revenue the Authority has to contribute part based on revenue collection during the year. The Authority has booked TZS 5.5 billion to be paid to the Government of Tanzania when operation resumes to normal.

##### **(vi) Capital Expenditure**

A total of TZS 8 billion was approved for Capital Expenditure in year 2021/22 budget in which a total of TZS 2.9 billion has been used as of 30 June 2022.

Major VHF project which has a total budget of TZS 5 billion is under implementation stage will be completed over 18 months period and payment will be made as per contract payment schedule.

## 6.0 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

## 1. GENERAL INFORMATION

Tanzania Civil Aviation Authority ("the Authority" or "TCAA") was established on 1 November 2003 as a corporate body, pursuant to the Tanzania Civil Aviation Authority Act 2003 (Act No. 10 of 2003) which has been consolidated with the Civil Aviation No. 13 of 1977 and now titled as the Civil Aviation Act (Chapter 80 of the Laws [R.E. 2020]) (the "Act"). The address of its registered office and principal place of business are disclosed on page 1 of these financial statements. The principal activities of the Authority are described in the Directors' Report.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

## BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis, unless stated otherwise in the accounting policies. The statement of cash flows is prepared using the direct method. The financial statements are prepared on accrual basis.

The Authority's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board (IPSASB).

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

The Authority's budget period is July 2021 to June 2022 and the budget was approved by relevant approval authorities before the beginning of the financial year.

## CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

## (i) New and Amended standards adopted by the Authority during the year ended 30 June 2022

There was no new or revised IPSASs that became effective during the year.

## (ii) Relevant new and amended relevant standards and interpretations in issue but not yet effective in the year ended 30 June 2022

The new standards that not yet effective for during this year hence have not been applied in preparing these financial statements are summarized below: -

## IPSAS 41, Financial Instruments

IPSAS 41, Financial Instruments, establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement.



IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:

- a) 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;
- b) Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
- c) 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 effective date of IPSAS 41 is January 1, 2023, with earlier adoption encouraged.

The Authority has started the process of evaluating the potential effect of this standard but given the nature of the Authority's operations, this standard may not have a pervasive impact on the Authority's financial statements when effective.

### **IPSAS 42, Social Benefits**

IPSAS 42, Social Benefits, provides guidance on accounting for social benefits expenditure. It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effect of social risk. Specific examples include state retirement benefits, disability benefits, income support and unemployment benefits. The new standard requires an entity to recognize an expense and a liability for the next social benefit payment.

IPSAS 42 seeks to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. To accomplish this, IPSAS 42 establishes principles and requirements for:

- a) Recognizing expenses and liabilities for social benefits;
- b) Measuring expenses and liabilities for social benefits;
- c) Presenting information about social benefits in the financial statements; and
- d) 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.

IPSAS 42 is effective date on January 1, 2023 and other than disclosures is not expected to have significant impact to the Authority's financial statements when effective.

### **Collective and Individual Services (Amendments to IPSAS 19)**

Collective and Individual Services (Amendments to IPSAS 19) addresses transactions for collective and individual services. Transfers such as s grants and contributions will be addressed in a subsequent Exposure Draft (ED).

Collective and Individual Services (Amendments to IPSAS 19) forms part of the IPSASB's broader non-exchange expenses project. The purpose of the project on non-exchange expenses is to develop new or amended standards that provide recognition and measurement requirements applicable to providers of non-exchange transactions, except for social benefits. Collective and

Individual Services (Amendments to IPSAS 19) includes requirements for collective and individual services, a significant subset of those transactions.

Amendments to IPSAS 19 are effective date on January 1, 2022 and are not expected to have significant impact to the Authority's financial statements when effective.

## ACCOUNTING POLICIES

The significant accounting policies outlined below have been consistently applied to all the years of presented.

### (a) Revenue recognition

#### (i) Revenue from non-exchange transactions

The Authority recognizes revenues from embarking Passengers Safety Fees, Fines and Penalties, and Economic & Safety Regulations Fees 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.

#### (ii) Revenue from exchange transactions

##### • Rendering of services

The Authority recognizes revenue from rendering of services by reference to the stage of completion when the outcome of the transaction can be estimated reliably. The stage of completion is measured by reference to completed journey of Aircraft in Tanzania Airspace in accordance with AIP GEN 4.2. For student fee, the revenue is recognized when the course has been conducted and the student attended.

##### • Sale of goods

Revenue from the sale of Aeronautical Information Publication (AIP) is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of AIP and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the Authority.

#### (iii) Accounting for grants

##### • Grants income

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government Grants received are recognized based on whether has conditions or does not have conditions. For grants without conditions attached, revenue is recognized immediately in the statement of financial performance. If conditions are attached, a liability is recognized as deferred revenue in the statement of financial position and is reduced and revenue recognized as the conditions are satisfied.



- **Interest income**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(iv) **Foreign currency translation**

- **Functional and presentation currency**

Items included in the financial statements of the Authority are measured using the currency of the primary economic environment in which the Authority operates ("functional currency"). The financial statements are presented in Tanzanian Shillings, which is the Authority'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 transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated to Tanzanian Shillings at the rate prevailing at that date. Exchange differences are recognized in Statement of Performance in the period in which they arise.

(v) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in Statement of Performance in the period in which they are incurred.

(vi) **Property and equipment**

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, the Authority recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Depreciation is calculated to write off the cost of fixed assets on a straight-line basis over the useful life of the assets. The annual depreciation rates, which have been consistently applied, are as follows:

Buildings	2%
Land	-
Motor Vehicles	20%
Telecommunications	14.2%
Equipment	10%
Furniture and Fittings	20%
Computers hardware	25%

The assets' residual values and useful lives are reviewed, and adjusted prospectively, if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

The Authority de-recognizes items of property, plant and equipment and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the surplus or deficit when the asset is de-recognized.

#### (vii) Leases

- **Authority as a lessee**

Also, the Authority has a lease agreement with Tanzania Telecommunication Company Ltd (TTCL) to lease communication lines throughout the country; the Authority need direct lines connecting its 14 stations through various technologies such as VPN and VHF Radio Communications.

- **Authority as a lessor**

The Authority has leased sheds behind Aviation House to DCB Commercial Bank PLC; rent received from the lease is recognized as income on a straight-line basis over the lease term. Contingent rents are recognized as revenue in the period in which they are earned.

#### (viii) Intangible assets: Computer Software

Intangible assets acquired are carried at cost less accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs are not capitalised and expenditure is charged to Statement of Performance in the year in which the expenditure is incurred. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Currently the amortisation rate is 20% per annum.

#### (ix) Impairment of assets

At the end of each reporting period, the Authority reviews the carrying amounts of its assets to determine whether there is any indication of impairment. If any such indication exists, the



asset's recoverable amount is estimated, and an impairment loss is recognized in the Statement of Performance whenever the carrying amount of the asset exceeds its recoverable amount.

Intangible assets with a finite useful life are assessed for impairment whenever there is an indication that the asset may be impaired. 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 surplus or deficit 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 surplus or deficit when the asset is derecognized.

#### **(x) Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. Net realizable value is the amount that the item can realize in the market less cost of bringing to the saleable condition. Specific provision is made for obsolete, slow moving and damaged inventory.

#### **(xi) Financial Assets**

Financial assets are classified into the following specified categories: "available-for-sale" ("AFS") financial assets, held to maturity ("HTM") and "loans and receivables". The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. At the reporting dates, the Authority had receivables only.

- **Loans and Receivables**

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

- **Effective Interest Method**

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognized on an effective interest basis for debt instruments.

- **Impairment of Financial Assets**

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more

events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

When a trade receivable is considered uncollectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through Statement of Performance to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

- **De-Recognition of Financial Assets**

The Authority derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Authority neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, it recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Authority retains substantially all the risks and rewards of ownership of a transferred financial asset, the Authority continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

- **Available for Sale Investments**

Available-for sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates, or equity prices. The Authority classifies equity investments, other than those acquired for trading purposes as available-for-sale. An investment in quoted shares of Twiga Cement Authority Limited has been classified as available for sale financial assets.

## **(xii) 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 Authority 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 Authority's financial liabilities include trade and other payables, loans and borrowings.



- **Subsequent Measurement**

The measurement of financial liabilities depends on their classification.

- **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. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IPSAS 29. Gains or losses on liabilities held for trading are recognized in surplus or deficit.

- **Loans and Borrowing**

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

- **De-Recognition**

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 de-recognition 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.

**(xiii) Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset, and the net amount reported in the consolidated 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.

**(xiv) Fair Value of Financial Instruments**

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

**(xv) Cash and Cash Equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with maturity of three months or less. For purpose of cash flow statement, cash and cash equivalents consists of cash and cash equivalent as defined above, net of outstanding bank overdrafts.

**(xvi) Provisions**

Provisions are recognised when the Authority has a present obligation (legal or constructive) as a result of a past event in which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in provision due to passage of time is recognised as a borrowing cost.

**(xvii) Pensions and Other Post-Employment Benefits**

The Authority contributes to defined contributions plans and a defined benefit plan.

- **Pension Obligations**

Under the defined contribution plan, the Authority's employees are members of state-owned pension scheme, the Public Service Social Security Fund (PSSSF). The Authority contributes to the schemes 15% of gross salary for each employee, and employee contributes 5% respectively. The Authority's contributions to the fund are charged to the Statement of Performance in the period in which they relate.

- **Terminal Benefits**

Termination benefits are payable when employment is terminated by the Authority before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Authority recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after reporting date are discounted to present value.

- **Gratuity Benefits**

The Authority provides gratuity benefits to its contract employee's payable on expiry of the contract. The Authority contributes 25% of the basic salary towards that fund. Gratuity is charged to Statement of Performance during the period in which the employee renders related services.

**(xviii) Employee Benefits - Retirement Benefit Plans**

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

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued based on one-year Central Bank Treasury Bills.



Deficits identified are recovered through lump sum payments or increased future provision. The contributions and lump sum payments reduce the post-employment benefit obligation.

**(xix) Foreign Currency Transactions**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

**(xx) Borrowing Costs**

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

**(xxi) Budget Information**

The annual budget is prepared on the accrual basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Authority. As a result of the adoption of the accrual basis for budgeting purposes, there are no basis, timing or entity differences that would require reconciliation between the actual comparable amounts and the amounts presented as a separate additional financial statement in the statement of comparison of budget and actual amounts.

Explanatory comments are provided in the notes to the annual financial statements; first, the reasons for overall growth or decline in the budget are stated, followed by details of overspending or under spending on line items.

The annual budget figures included in the financial statements are for the Authority and its stations. These budget figures are those approved by the Board of Directors both at the beginning and during the mid-year review following a period of consultation with the internal stakeholders.

**(xxii) Significant Judgments and Sources of Estimation Uncertainty**

The preparation of the Authority'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.

**(xxiii) Judgments**

In the process of applying the Authority's accounting policies, management has made judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements.

**(xxiv) Operating Lease Commitments - Authority as Lessor**

The Authority has entered into property leases of certain of its properties. The Authority has determined, based on an evaluation of the terms and conditions of the arrangements, (such as the lease term not constituting a substantial portion of the economic life of the commercial property) that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

**(xxv) 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 Authority 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 Group. Such changes are reflected in the assumptions when they occur.

**(xxvi) Useful Lives and Residual Values**

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

- i. The condition of the asset based on the assessment of experts employed by the Authority
- ii. The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- iii. The nature of the processes in which the asset is deployed
- iv. Availability of funding to replace the asset
- v. Changes in the market in relation to the asset

**(b) Fair Value Estimation - 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.

**(c) Provisions**

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure



required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

**(i) Value Added Tax (VAT)**

The Authority being government department is not registered for Value Added Tax (VAT). No VAT is charged for all invoices raised by the Authority. VAT incurred on purchases is not recoverable and are therefore recognised as part of the cost of asset purchased or expense incurred.

**(ii) Trade and other payables**

Trade and other payables are stated at their nominal value. Trade payables are non-interest bearing and are normally settled between 15 to 30 days.

However, Trade payables include 20% of Air Navigation Charges due to Tanzania Meteorology Authority. This liability is paid as soon as the outstanding receivable is settled by customers.

**3. FINANCIAL RISK MANAGEMENT**

The authority's activities expose it to a variety of financial risks, including credit risk, foreign currency exchange rates and interest rates. The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on its financial performance within the options available in Tanzania. Risk management is carried out by the accounting unit under the responsibility of the Board of Directors.

The most important types of risk are:

- i. Credit risk;
- ii. Liquidity risk;
- iii. Market risk (interest rate risk and exchange rate risk)

**Credit Risk Management**

Credit risk is managed on an entity-wide basis. Credit risk arises from cash and cash equivalents, deposits with banks, as well as trade and other receivables. The Authority assesses the credit quality of each customer, taking into account its financial position, past experience and other factors.

The Authority does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Authority defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks.

**(a) Receivables**

Receivables are amounts owed by consumers and are presented net of impairment losses. The Authority has a credit risk policy in place, and the exposure to credit risk is monitored on an ongoing basis. The Authority provides credit to its customers who operated on cash basis for more than six (6) months without any default. There were no material changes in the exposure to credit risk and its objectives, policies and processes for managing and measuring the risk

during the year under review. The Authority's strategy for managing its risk includes encouraging its customers to pay cash before the operations. The Authority's maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial performance.

The Authority has no significant concentration of credit risk, with exposure spread over a large number of consumers; The Authority establishes an allowance for impairment that represents its estimate of anticipated losses in respect of receivables. The outstanding amounts of the 19 largest debtors represent 80% (2021: 86%) of the total outstanding balance. The average credit period on services rendered is 60 days from date of invoice. The Authority provided fully for all receivables outstanding over 365 days where there was no evidence of expected recovery. Receivables up to 365 days are provided for based on estimated irrecoverable amounts, determined by reference to past default experience.

#### (b) Cash and Cash Equivalents

The Authority limits its exposure to credit risk by depositing cash and cash equivalents with only reputable financial institutions approved by Bank of Tanzania. Consequently, the Authority does not consider there to be any significant exposure to credit risk.

The amount that best represents the Authority's maximum exposure to credit risk at 30 June without taking account of the value of any collateral obtained was:

	2021/22 TZS '000	2020/21 TZS '000
Cash and cash equivalents	4,349,694	1,252,294
Receivables	23,762,560	24,617,187
	28,112,254	25,869,481

The amount that best represents the Authority's maximum exposure to credit risk as at 30 June 2022 without taking account of the value of any collateral obtained was:

	Fully performing TZS '000	Impaired TZS '000
Receivables	23,762,560	4,706,448
Cash and bank balances	4,349,694	-
Total credit exposure	28,112,254	4,706,448

The amount that best represents the Authority's maximum exposure to credit risk as at 30 June 2021 without taking account of the value of any collateral obtained was:

	Fully performing TZS '000	Impaired TZS '000
Receivables	24,617,187	9,839,845
Cash and bank balances	1,252,294	-
Total credit exposure	25,869,481	9,839,845



The customers under the fully performing category are paying their debts as they continue trading. The default rate is low. The debt that is overdue is not impaired and continues to be paid. The finance department is actively following this debt.

The debt that is impaired has been fully provided for. However, management is actively following up recovery of the impaired debt. The movement in the provision for bad and doubtful debts is as set out below:

	2021/22 TZS'000	2020/21 TZS'000
At the beginning of the year	9,839,845	9,390,302
Net (recovery) / provision for the year	(5,133,397)	449,542
At the end of the year	4,706,448	9,839,845

In determining the recoverability of a trade receivable, the authority considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The directors believe that there is no further provision required in excess of the allowance for doubtful debts already recognized.

#### Fair Value of Financial Assets and Liabilities

The Authority only has the available for sale investment carried at fair value. These are grouped into level 1 as per classification below:

- (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e., as a price) or indirectly (i.e., derived from prices); and
- (iii) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

#### Liquidity Risk

Liquidity risk is the risk of the Authority not being able to meet its obligations as they fall due. The Authority'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 Group's reputation. The Authority ensures that it has sufficient cash on demand to meet expected operating expenses through the use of cash flow forecasts. On average, 70% (2021: 60%) of receivables are settled within 30 days after the due date, and payables are settled within 30 days of invoice.

Maturity analysis for financial liabilities showing the remaining contractual maturities:

<1 month	1-5 months	5-12 months	Total
----------	------------	-------------	-------

	TZS'000	TZS'000	TZS'000	TZS'000
At 30 June 2022				
Payables	4,071,075	-	15,043,954	19,115,029
	<1 month	1-5 months	5-12 months	Total
	TZS'000	TZS'000	TZS'000	TZS'000
At 30 June 2021				
Payables	8,915,499	1,638,166	6,417,988	16,971,653

**Market risk****Foreign Currency Risk Management**

The Authority's costs and expenses are principally incurred in Tanzanian Shillings (TZS) and US Dollars (US\$). The Authority does not enter into formal hedging transactions to manage its exposure to foreign exchange rate fluctuations. Volatility in the exchange rate of US \$ against TZS would make the Authority's costs and results less predictable than when exchange rates are more stable.

The carrying amounts of the Authority's material foreign currency denominated monetary assets and liabilities that will have an impact on Statement of Performance when exchange rates change, as at 30 June are as follows:

	2021/22 TZS'000	2020/21 TZS'000
Receivables	11,433,667	14,777,342
Cash and cash equivalents	4,349,694	997,825
Payables	(1,369,882)	(2,613,263)
Open position	(14,413,479)	(13,161,904)

**Foreign currency sensitivity analysis**

At 30 June 2022, if the TZS had weakened/strengthened by 5% against the US\$ and Euro with all other variables held constant, the impact on surplus for the year would have been TZS 720,674,000 (2021: TZS 658,095,000) higher/lower.

**Interest risk management**

The Authority had no financial assets and liabilities exposed to interest rate risk as at year end.

**4. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise the following:



**TANZANIA CIVIL AVIATION AUTHORITY**

	2021/22 TZS'000	2020/21 TZS'000
Bank balances (analysis below)	4,346,252	1,245,435
Cash in hand	3,442	6,859
	<b>4,349,694</b>	<b>1,252,294</b>
<b>Bank balances analysis</b>		
<b>Revenue accounts</b>		
NBC City Drive HQ	229	62,486
NMB Bank House HQ	38,080	500
NBC Mwanza	1,468	-
TCAA GePG Collection USD CRDB Banana	10,003	-
TCAA GePG Collection NMB BANKHOUSE	4,127	-
TCAA GePG Collection USD DCB Ukonga	178,880	-
TCAA GePG Collection TZS CRDB Ukonga	750	-
TCAA GePG Collection TZS NBC	-	-
TCAA GePG Collection TZS DCB Ukonga	974	-
DCB TZS Ukonga HQ	-	2,642
DCB USD Ukonga HQ	90,889	-
Bank of Tanzania TZS	248,487	80,596
Bank of Tanzania USD	2,018,117	142,722
<b>Sub Total</b>	<b>2,592,004</b>	<b>288,945</b>
<b>Expenditure accounts</b>		
NBC-City Drive HQ	1,106,647	139,726
NMB Bank House HQ	1,435	8,740
NMB Mtwara	35	994
NMB Dodoma	1,121	18,933
NMB Iringa	895	39
NBC- Obeid Katikaza	6	5,946
NMB- Mbalizi, Mbeya	38	4,104
NMB Kenyatta Rd MZA	1	1,724
NMB Tanga	881	256
NBC Zanzibar	15,664	32,144
NMB Songea	1,132	120
NMB C/Tower, Arusha	2,891	5,936
NMB Chakechake	10,339	11,423
NBC Isike, Tabora	3,781	5,613
NMB Kilimanjaro	18	2,072
CRDB-TOWER Branch	-	-
CRDB Pugu Rd	2,772	40,413
DCB Ukonga HQ	543	-
CRDB Tower Branch	544,704	28,057
LC Margin Bank Account	-	588,322

	Sub Total	1,692,903	894,562
	USD Radar account (BOT)	40,143	40,052
	TIB Radar project account	21,202	21,875
	Sub Total	61,345	61,927
	Total bank balance	4,346,252	1,245,435
5	RECEIVABLES		
		2021/22	2020/21
		TZS'000	TZS'000
	Receivable from exchange transactions	19,675,913	21,952,424
	Receivable from non-exchange transactions	4,086,647	2,664,763
	Sundry debtors	-	-
	Sub total	23,762,560	24,617,187
	Provision for bad debts	(4,706,448)	(9,839,845)
	Total net receivable	19,056,112	14,777,342
		2021/22	2020/21
		TZS '000	TZS '000
6.	INVENTORY		
	Technical spare	989,214	918,451
	Stationery	108,512	129,071
	Stock & supplies	85,732	151,546
		1,183,458	1,199,068
		2021/22	2020/21
		TZS'000	TZS'000
7.	PREPAYMENTS		
	Advance to suppliers	14,490	179,452
	Prepaid IP VPN rates	76,715	116,900
		91,205	296,352
		2021/22	2020/21
		TZS'000	TZS'000
8.	OTHER CURRENT ASSETS		
	Available for sale equity shares	29,682	23,989
		29,682	23,989

Available for sale equity shares represent 7,428 equity shares of Twiga Portland Cement Company Limited purchased during the Initial Public Offering at a cost of TZS 435 per share. The Authority did not buy these shares with the aim of trading rather supporting establishment of Dar es Salaam Stock



Exchange. The increase in value is due to revaluation of the share price at TZS 3,720 per share (2021: TZS 3,600).

Adjustment of TZS 2,753 is the results of the amount supposed to be reported in 2020/221 under other current Assets was TZS.23,989 but mistakenly reported TZS 26,741 leave a difference of TZS.2,752.

TANZANIA CIVIL AVIATION AUTHORITY

9. (a) PROPERTY, PLANT AND EQUIPMENT

Cost:	Office building TZS'000	Technical Building TZS'000	Motor vehicles TZS'000	Telecom & Navaid TZS'000	Furniture and fittings TZS'000	Computer TZS'000	Office Equipment TZS'000	Land TZS'000	Office Partition TZS'000	Total TZS'000
At 1 July 2020	14,050,180	4,817,960	6,186,656	70,550,395	2,038,950	7,534,829	9,963,906	170,735,239	88,913	285,967,028
Additions	1,165,747	1,789,366	(1)	21,751,953	171,307	2,622,951	2,256,017	308,560	-	30,065,800
Disposal/retirement	(250,010)	-	-	(1,654,036)	(42,983)	(31,015)	(173,549)	-	-	(2,151,593)
At 30 June 2021	14,965,917	6,607,226	6,186,655	90,648,312	2,167,274	10,126,765	12,046,374	171,043,799	88,913	313,881,235
At 1 July 2021	14,965,917	6,607,226	6,186,656	90,648,311	2,167,274	10,126,764	12,046,374	171,043,799	88,913	313,881,234
Opening balance adjustment	87,509	(135,195)	261,165	(997,266)	(1,111,245)	(150,700)	(757,738)	-	-	(2,803,470)
Additions	1,030	-	178,266	-	118,584	191,951	262,328	-	-	752,159
Disposal/retirement	-	-	(570,362)	(11,509)	(62,381)	(225,085)	(88,313)	-	-	(957,650)
At 30 June 2022	15,054,456	6,472,031	6,055,725	89,639,536	1,112,232	9,942,930	11,462,651	171,043,799	88,913	310,872,273



**TANZANIA CIVIL AVIATION AUTHORITY**

	Office building TZS'000	Technical Building TZS'000	Motor vehicles TZS'000	Telecom & Navaid TZS'000	Furniture and fittings TZS'000	Computer TZS'000	Office Equipment TZS'000	Land TZS'000	Office Partition TZS'000	Total TZS'000
<b>Depreciation:</b>										
At 1 July 2020	4,098,869	1,361,715	4,083,459	25,938,599	1,666,414	3,691,195	4,109,955	-	88,913	45,039,119
Disposal/retirement	-	-	(3)	(228,860)	(6,780)	(15,360)	(21,012)	-	-	(272,015)
Charge for the year	294,207	116,474	779,045	9,938,336	158,249	1,738,149	955,389	-	-	13,979,849
<b>At 30 June 2021</b>	<b>4,393,076</b>	<b>1,478,189</b>	<b>4,862,501</b>	<b>35,648,075</b>	<b>1,817,883</b>	<b>5,413,984</b>	<b>5,044,332</b>	<b>-</b>	<b>88,913</b>	<b>58,746,953</b>
At 1 July 2021	4,393,076	1,478,189	4,862,501	35,648,075	1,817,883	5,413,984	5,044,332	-	88,913	58,746,953
Opening balance adjustment	23,594	(71,286)	(1,366,766)	(9,051,382)	(1,265,223)	(1,116,583)	(1,229,158)	-	(22,975)	(14,099,779)
Eliminated on disposal/retirement	-	-	(570,362)	(11,437)	(62,044)	(225,085)	(81,761)	-	-	(950,689)
Charge for the year	247,417	113,696	630,254	4,652,341	129,483	1,181,106	1,782,325	-	5,744	8,742,366
<b>At 30 June 2022</b>	<b>2,764,861</b>	<b>725,171</b>	<b>3,776,399</b>	<b>21,971,563</b>	<b>622,494</b>	<b>4,795,033</b>	<b>6,263,246</b>	<b>-</b>	<b>71,682</b>	<b>40,990,449</b>
<b>Net Book Value:</b>										
At 30 June 2022	10,390,369	4,951,432	2,500,098	58,401,939	492,133	4,689,508	5,946,913	171,043,799	17,231	258,433,422
At 30 June 2021	10,572,841	5,129,037	1,324,154	55,000,237	349,391	4,712,781	7,002,042	171,043,799	-	255,134,282

### Review of estimated economic useful life of assets.

The government through Circular No. 2 of 2021/2022 on the use of Government Assets Management Information System (GAMIS) requires the review of Estimated Remaining Economic Life (EREL) as directed in Public Asset Management Guidelines (PAMG) together with circular No. 6 of 2018/19.

The review of estimated economic useful life of assets has been done for the financial year 2021/22 but adjustments were made in the prior year 2020/21. All fully depreciated assets which are still in use, their useful life was reviewed and adjustments were made retrospectively as an error at initial recognition. The net total amount of the restatement is TZS 11.48 billion results decrease in accumulated depreciation/amortization and increase in the accumulated surplus. Restatement figure of TZS.11.48 is under note 9 opening balance adjusted depreciation of TZS.14.10 less adjustment of 2.62 proposed in previous Management letter (fixed asset was not tallying with asset presented in the Trial balance by 2.62).

The Authority through Ministry of Works, Transport and Communication has been allocated the Land where Aviation House is built, previously the land was owned by Tanzania Airports Authority (TAA). The value of the land together with other lands throughout Tanzania has been recognized in the financial statements.

The total assets of the Authority increased from TZS 277.8 billion in 2020/21 to TZS 288.44 billion representing increase of 3.83% in total assets from previous year. Consequently, net equity increased by 3.23% from TZS 260.0 billion in 2020/21 to TZS 268.42 billion in 2021/22.

Non-Current Assets capitalized during the year 2021/22 amounted to TZS 2.9 billion. This includes capital Work in Progress (WIP)\_ transferred in from previous year amount to TZS 0.19 billion:

- (i) Construction of technical buildings - TZS 0.5 billion
- (ii) Procurement of Telecommunications and Navigational Aids (NAVAIDS) Equipment - TZS 2 billion
- (iii) Procurement of office equipment-TZS 1.9 billion
- (iv) Procurement of office furniture and fittings - TZS 2.4 billion
- (v) Purchase computers- TZS 1 billion
- (vi) Purchase of Motor Vehicles - TZS 2.3 billion
- (vii) Ongoing projects including CATC building project and Voice Recorder - TZS 2.2 billion.



## 9. (b) CAPITAL WORK IN PROGRESS

## AS AT 30 JUNE 2022

Code	Project	Balance at 1 July 2021 TZS '000	Additions TZS '000	Transfer / Retirement TZS '000	Balance at 30 June 2022 TZS '000
321401	RADAR Project	-	460,737	(460,737)	-
321406	VHF Main Project	-	20,070	(20,070)	-
321407	Dodoma Liaison Office Project	-	32,060	(32,060)	-
321409	GDP Project	-	55,508	(55,508)	-
321502	ATIS Project	-	92,693	(7,932)	84,761
321601	SMS Project	-	3,996	(3,996)	-
321701	CATC Building project	49,151	10,322	(10,322)	49,151
321902	ILS Project	-	188,333	(188,333)	-
321903	Voice Recorder Project	142,089	1,318,201	(1,098,902)	361,388
	<b>Total</b>	<b>191,240</b>	<b>2,181,920</b>	<b>(1,877,860)</b>	<b>495,300</b>

The Authority is implementing voice recorder projects for Songwe, Pemba and Dodoma airports.

## AS AT 30 JUNE 2021

Code	Project	Balance at 1 July 2020 TZS '000	Additions TZS '000	Transfer /Retirement TZS '000	Balance at 30 June 2021 TZS '000
320501	ER DAR Mapping Project	-	2,250	(2,250)	-
321104	HR- Records Management Modelling Project	165,786	43,266	(209,052)	-
321401	RADAR Project	18,005,110	4,673,055	(22,678,165)	-
321407	Dodoma Liaison Office Project	36,962	257,019	(293,981)	-
321409	GDP PROJECT	174,391	24,656	(199,047)	-

TANZANIA CIVIL AVIATION AUTHORITY

321603	BPM5 Project	10,363	(10,363)	-
321701	CATC Building project	182,975	(519,185)	49,151
321902	ILS Project	4,272,981	(5,170,922)	-
321903	Voice Recorder Project	1,460	(11,310)	142,089
	<b>Total</b>	<b>22,850,028</b>	<b>(29,094,275)</b>	<b>191,240</b>

9. (c) PAYMENTS MADE FOR ACQUISITION OF CAPITAL ASSETS

The Authority made below payment to suppliers of property, plant and equipment

	2021/22 TZS '000	2020/21 TZS '000
Office Building	1,029	495,912
Motor Vehicles	178,266	-
Telecom and Nav aids	-	370,370
Furniture and fittings	118,584	130,834
Computer	191,951	138,276
Office equipment	262,329	169,176
Land	-	271,598
Capital Work in Progress	2,181,808	6,142,212
<b>TOTAL</b>	<b>2,933,967</b>	<b>7,718,378</b>



# TANZANIA CIVIL AVIATION AUTHORITY

## 10. INTANGIBLE ASSETS

	2021/22 TZS'000	2020/21 TZS'000
<b>COST</b>		
At 1 July	7,512,403	7,155,160
Additions	-	357,243
Disposals	(7,314)	-
At 30 June	7,505,089	7,512,403
<b>AMORTIZATION</b>		
At 1 July	2,587,314	2,258,415
Adjustment	(285,710)	(56,232)
Disposal	(7,314)	-
Charge for the year	409,483	385,131
At 30 June	2,703,773	2,587,314
<b>NET BOOK VALUE</b>		
At 30 June	4,801,316	4,925,089

## 11. PAYABLES

Trade payables	4,302,100	9,848,296
Other payables *	14,103,713	7,123,357
Unearned revenue **	709,216	446,843
	<b>19,115,029</b>	<b>17,418,496</b>

\* Other payables are comprised of liabilities the Authority incurs in relation to related parties' transactions mainly with Treasury Registrar.

\*\* Unearned revenue comprises of revenue received from licensing fees which is amortized throughout the life of the license.

## 12. EMPLOYEE BENEFITS

### (i) Retirement benefits

The Authority is contributing to pension scheme administered by the Public Service Social Security Fund (PSSSF).

In addition, the Authority has an endowment scheme administered by a voluntary agreement between management and TUGHE as provided for in the staff benefit package to provide retirement benefits to employees reaching retirement age. The retired employee is paid in material or monetary equivalent to the material based on the length of service.

The cost of the endowment scheme and the retirement age benefits are fully met by the Authority. Contributions to these funds are recognised as an expense in the period the employees render the related services.

## TANZANIA CIVIL AVIATION AUTHORITY

### (ii) Provision for Gratuity - Contract staff

The Authority is paying 10% gratuity allowance from basic salary to all contract staff. Since its inception in 2003 gratuity account has never been evaluated to ensure actual gratuity payable has been booked. During the year gratuity was measured against contract staff and its shortfall was adjusted to capital as indicated above in accordance with IPSAS 3. Under the contract of employment, the Authority contributes to Social Security Funds for future retirement benefits for its employees. However, the Authority charges gratuity expense in Statement of Financial Performance and maintains gratuity payable account for future payment to contract staff. Gratuity is computed at 10% of the employees' basic salary.

### (iii) Provision for Long Term Service Award

The authority provides long term service award for their employees who have served more than twenty years at different rates from TZS 10,000,000 to TZS 15,000,000 payable upon retirement. These operated as defined benefit plans. As at 30 June 2022 the Authority had 516 employees. Out of those, 180 have been in employment for a period of twenty one years or more and qualified for long term services award. The Authority has therefore made a provision of TZS 620.4 million in reference to this liability compared with TZS 344.2 million in 2020/21, is due to decrease in interest rate and computation base (New Incentive Scheme implementation as of 01 July, 2022).

	2021/22	2020/21
	TZS '000	TZS '000
Current liability		
Gratuity payable	46,758	-
Investment Revaluation Reserve	32,430	26,741
Long Term Service Award	205,000	
<b>Total Current Liability</b>	<b>284,188</b>	<b>26,741</b>
Non-Current Liability		
Long Term Service Award	620,480	344,162

## 13. CAPITAL FUND

By the provisions contained in the Civil Aviation Act (Chapter 80 of the Laws [R.E. 2020]) (the "Act"), all movable and immovable properties which immediately before the commencement of the Act were vested in the former TCAA established under Executive Agencies Act no.3 of 1997, vested in the Tanzania Civil Aviation Authority subject to all interests, liabilities, charges, obligations and trusts affecting those properties. Consequently, the capital fund represents part of the net assets and liabilities then identified and taken over by the Authority after transferring residential buildings to Tanzania Building Agency in July 2003 and adjustment of receivables.

	2021/22	2020/21
	TZS'000	TZS'000
Long term loan and reserve		
Long term loan (EIB)	5,569,687	5,569,687
Accumulated surplus	1,702,745	1,702,745
Project fund	544,599	544,599
Controller and Auditor General		

AR/PA/TCAA/2021/22



# TANZANIA CIVIL AVIATION AUTHORITY

Fixed assets revaluation reserve	13,358	13,358
	<b>7,830,389</b>	<b>7,830,389</b>
Capital fund:		
Total asset	16,923,471	16,923,471
Long term loan and reserve	(7,830,389)	(7,830,389)
	<b>9,093,082</b>	<b>9,093,082</b>
Decrease in capital fund		
Transfer of residential buildings to TBA	(2,339,831)	(2,339,831)
	<b>6,753,251</b>	<b>6,753,251</b>
Transfer of 5H ILS to TGFA	(37,593)	(37,593)
Transfer of PAPI to TAA	(21,429)	(21,429)
	<b>6,694,229</b>	<b>6,694,229</b>

# TANZANIA CIVIL AVIATION AUTHORITY

## 14. REVENUE FROM EXCHANGE TRANSACTIONS

	2021/22 TZS '000	2020/21 TZS '000
Aeronautical revenue	41,546,298	28,720,253
Revenue from training college	1,085,914	700,746
Safety regulation costs recovery	634,897	264,656
	<b>43,267,109</b>	<b>29,685,655</b>
Less: TMA Air navigation share 20%	(6,866,062)	(4,535,102)
Revenue from Exchange Transaction	<b>36,401,047</b>	<b>25,150,553</b>
<b>Cash receipt from exchange transactions</b>		
Revenue from Exchange Transaction	43,267,109	29,685,655
Less: Trade Debtors for the year 2021/22 :2020/21	(19,675,913)	(21,952,424)
Add: Trade Debtors for the year 2020/21 :2019/20	21,952,424	16,994,487
	<b>45,543,620</b>	<b>24,727,718</b>

### Aeronautical Revenue is made up of the following:

Air Navigation Services	34,330,312	22,675,510
Landing & Parking Fees	7,177,104	6,032,559
A.I.P. Sales	38,882	12,184
	<b>41,546,298</b>	<b>28,720,253</b>

Aeronautical Revenue includes Landing and Parking services amount that is a net amount receivable from Tanzania Airport Authority (TAA).

Air navigation services fees and landing and parking services fees area shared in the ratios of 80%, 0%, 20% and 30%, 60%, 10% between TCAA, TAA, and TMA respectively. TCAA collects and distributes the air navigation services revenue in the agreed ratios.

Safety Regulation Costs Recovery	2021/22 TZS '000	2020/21 TZS '000
Flight Safety Documents	41,102	21,481
Airworthiness Certification Cost Recovered	428,987	182,168
Personnel Certification Costs Recovered	41,864	20,908
Flight Ops Certification Cost Recovered	71,346	21,185
Airport Certification Cost Recovered	50,464	11,438
Aviation Security Certification Cost Recovered	1,134	7,476
<b>Total</b>	<b>634,897</b>	<b>264,656</b>

## 15. REVENUE FROM NON-EXCHANGE TRANSACTIONS

	2021/22 TZS '000	2020/21 TZS '000
Safety regulation fees	1,984,362	1,354,846
Economic regulation fees	4,849,548	5,393,336



# TANZANIA CIVIL AVIATION AUTHORITY

Embarking passengers' fees	13,471,046	7,221,581
<b>Total</b>	<b>20,304,956</b>	<b>13,969,763</b>

## Cash receipt from non-exchange transactions

Revenue from non-exchange transaction	20,125,141	13,969,763
Less: Trade Debtors for the year 2021/22 :2020/21	4,086,647	(2,664,763)
Add: Trade Debtors for the year 2020/21 :2019/20	2,664,763	3,318,557
<b>Total</b>	<b>18,703,257</b>	<b>14,623,557</b>

Revenue from non-exchange transactions are mainly made of certification and licensing fees. Safety Regulation fees is made of fees from Airworthiness Certification, Personnel Licensing Certification, Flight Operation, Airport/Aerodrome Certification Services and Aviation Security Certification. Economic Regulation fees are made of fees from Air Service Licensing, Short Term Licensing, Administration and Ground Handling Licensing. Embarking Passengers Safety Fees is charged from passengers Ticket for USD 9 (United States Dollars Nine) on an international passenger ticket and TZS 3,000 (Tanzanian Shillings three thousand) on the domestic passenger ticket.

	2021/22 TZS '000	2020/21 TZS '000
<b>Safety Regulation Fees</b>		
Airworthiness Certification	763,479	623,490
Personnel Licensing Certification	433,789	354,649
Flight Operation Fees	292,779	106,589
Airport/Aerodrome Certification Services	448,110	233,121
Aviation Security Certification Fee	46,205	36,995
<b>Total</b>	<b>1,984,362</b>	<b>1,354,844</b>
<b>Economic Regulation Fees</b>		
Air Service Licensing	365,854	183,229
Short Term Licensing Fee	3,340,929	4,258,917
Administration Fees	860,985	927,979
Ground handling Licensing	281,779	23,211
<b>Total</b>	<b>4,849,547</b>	<b>5,393,336</b>

## 16 OTHER REVENUE

	2021/22 TZS '000	2020/21 TZS '000
Fines and Penalties	43,406	144,519
English proficiency fee	5,851	7,817
Rent Recovery	-	6,400
Sale of Tender Documents	-	2,927
Miscellaneous Income	129,537	82,710
Realised Exchange Gain/Loss***	49,840	-
Un-realized Exchange Gain/Loss***	36,518	3,381
Debt relief**&***	-	69,978
Sales of Fixed Assets - Furniture & Fittings	28,555	-
Sales of Fixed Assets - Computer	1,454	-
Gratuity Expense-Provision***	-	4,812
Recovery from doubtful debts***	5,133,397	-
Other Revenue - Equipment Grants***	-	17,281,067
<b>Total</b>	<b>5,428,558</b>	<b>17,603,611</b>

# TANZANIA CIVIL AVIATION AUTHORITY

## Other receipts (from other income)

	2021/22 TZS '000	2020/21 TZS '000
Other revenue for the year	5,428,558	17,603,611
Less: Non-Cash Items***	(5,219,755)	(17,359,238)
Add: Unearned Revenue	709,216	446,843
Total receipts for the year	918,019	691,216

## NOTES

\*Miscellaneous Income refers to revenue other than the main sources of TCAA revenue which includes dividends, sale of publication, sale of tender and other income of the same nature.

\*\*Debt relief relates to a loan liability the Authority had with African Civil Aviation Commission which was fully waived by African Civil Aviation Commission as at 30 June 2021.

### \*\*\*\*Non-Cash Items

Revenue has increased in general because of the relief from COVID-19. This is due to the fact that Air transport service has resumed after most of countries opening up their Airspaces. Hence more Aircraft movements, issues of Licenses, Permits, Inspections etc.

## 17. SALARIES, ALLOWANCES AND OTHER STAFF BENEFITS

	2021/22 TZS'000	2020/21 TZS'000
Salaries expense	17,371,150	15,674,350
Long service award expenses	508,973	32,500
Provision for Long Service Award- Expense	-	180,312
Casual labour & wages	55,458	50,473
Leave passage	1,379,906	1,312,867
PSSSF employer contribution	2,471,380	2,300,792
SDL TCAA contribution	657,579	605,974
NHIF - TCAA contribution	493,433	460,462
Gratuity expense-provision	67,538	-
Workmen's compensation	67,973	75,730
House allowance	180,900	176,960
House water allowance	2,100	1,200
Meal and ration Allowance	695,950	684,707
Shift and on call Allowance	173,406	168,242
Transport allowance	149,731	131,209
Acting allowance	115,610	100,774
Furniture allowance	46,000	142,000
Outfit allowance	6,000	-
Management allowance	32,631	37,306
Special allowance to pilots & AME	202,266	181,513
Extra duty/overtime	662,444	577,648
Cashier allowance	10,100	6,900
Entertainment allowance	7,923	6,000
House electricity allowance	101,060	99,718
House telephone	87,230	86,148
Staff retirement expenses	61,877	70,695
Staff recruitment expenses	53,987	33,243
Staff uniforms	2,000	210,737
Death & condolences	56,830	80,485
Subsistence allowance	207,164	27,901
Transfer of staff expenses	221,342	105,916

Controller and Auditor General

AR/PA/TCAA/2021/22



# TANZANIA CIVIL AVIATION AUTHORITY

Per diem relieve duties	3,780	3,593
Total	26,153,721	23,626,355

Employee costs paid during the year:		
Salaries, allowances and other staff costs	26,153,721	23,626,355
Less: Gratuity Expense- Provision	(67,538)	-
Unpaid salaries and other benefits 2021/22: 2020/21	1,194	(614,246)
Add: Unpaid salaries and other benefits 2020/21: 2019/20	(614,246)	378,993
Total	25,473,131	23,391,102

Salaries, Allowances & Other Staff Benefit are expenses incurred by the Authority to cover employee salary, allowances, benefits and other regulatory activities done by employees.

## 18.REGULATORY EXPENSES

	2021/22 TZS '000	2020/21 TZS '000
Airworthiness Inspections-Scheduled	10,177	28,903
Accident Investigation	48,042	13,817
Search & Rescue	2,850	5,484
Per Diem Inspection Economic Regulation	26,776	7,151
Consumer Complaint Handling	1,960	2,100
Adhoc Inspection-AIW & AMD	344,947	25,196
Adhoc Inspection Aerodromes & Ans	141,275	206,577
Adhoc Inspections-ANS	28,623	27,785
Routine Audit -MET & SAR	653	-
Adhoc Inspections-Flight Operations	39,452	5,772
Ramp Inspection Expenses	5,196	6,128
AMD/ATO Inspection Expenses	117,558	9,564
Basa Meetings	113,250	6,154
Airport Security Audit-Scheduled	13,487	28,014
Airport Inspection -Scheduled	10,564	9,759
Aviation security Screeners Exp	16,508	16,268
Aviation Security Board	22,309	73,331
Sensitisation Workshops	249,226	55,758
Flight OPs Inspection-Scheduled	14,337	1,716
Allowances Review of Laws & Regulations	238,592	185,661
Advertisements-Licensing	-	18,911
Customer Survey	1,440	-
Aviation Security Expenses	46,441	14,529
Perdiem Foreign Inspection	14,823	-
Perdiem Domestic Inspection	94,546	68,417
Air Ticket Foreign Inspection	148,324	-
Air Ticket Domestic Inspection	281,710	135,999
Instrument rating Test	42,309	50,055
Sitting Allowance AATO meetings	3,279	-
Controller and Auditor General		AR/PA/TCAA/2021/22

# TANZANIA CIVIL AVIATION AUTHORITY

Sitting Allowance ATC Rating Board	20,153	9,954
Study and Survey	155,677	137,048
English Proficiency Test	15,317	18,080
Per Diem CASSOA Meetings	77,380	10,096
Air Ticket CASSOA Meetings	4,841	-
<b>Total</b>	<b>2,352,022</b>	<b>1,178,227</b>

\*Inspection costs have increased due to the opening of different countries' Air spaces. This has enabled the Inspectors to travel more for work thus the inspection costs.

## 19. AIR NAVIGATION EXPENSES

	2021/22 TZS'000	2020/21 TZS'000
Procedures Design	236,494	86,543
Leased Circuits	525,984	562,977
Printing Flight Strips and Log Books	39,674	45,754
Safety Management System	43,143	48,942
Technical Site Upkeep	14,352	8,875
Per Diem Routine Station Visits	277,452	193,071
Commission Charges IATA	28,702	293,164
Per Diem EAC Upper Air Space Task Force	17,816	22,854
Air Ticket EAC Upper Air Space Task Force	-	-
Per Diem CANSO Meetings	66,164	-
Air Ticket CANSO Meetings	-	-
Repair & Maintenance Tech Building	216,163	5,849
Repairs & Maintenance Telecomm & NAVAID*	1,751,934	791,387
Repairs & Maintenance Flight Calibration**	562,512	-
Realised Exchange Gain/Loss	-	237,268
<b>Total</b>	<b>3,780,390</b>	<b>2,296,684</b>

\*TZS 588 million worth spares were paid during the financial year hence the increase in the cost of Repairs & Maintenance Telecomm & NAVAID.

\*\*Flight Calibration was done during the year as budgeted.

## 20. CATC RUNNING EXPENSES

	2021/22 TZS '000	2020/21 TZS '000
CATC Teaching Allowance	24,220	88,400
CATC Other Running Expenses	116,562	177,425
Accreditation to NACTVET	2,000	-
CATC Promotion Tour	250	-
CATC Re-Imbursement*	1,044,737	394,783
<b>Total</b>	<b>1,187,769</b>	<b>660,608</b>

\*CATC Re-imbursement costs has increased because of increase in Courses especially In-house training.



## TANZANIA CIVIL AVIATION AUTHORITY

## 21. ADMINISTRATIVE EXPENSES

	2021/22 TZS '000	2020/21 TZS '000
Per Diem Training Local	566,058	463,911
Per Diem Training Abroad	145,671	681,002
Office Telephones & Fax	152,142	77,843
Postage Charges	17,912	19,909
Courier Charges**	4,388	15,477
Email and Internet Expense	257,331	172,081
Stationery Consumables	203,661	297,805
Advertisement & Publicity	35,971	57,932
Newspapers & Periodicals	27,058	28,584
Mobile Phones	334,919	331,681
HIV/AIDS Seminars	5,450	-
Per Diem EAC Meetings	13,704	-
Per Diem Regional Task Force	214,932	189,608
Per Diem ICAO & other International Meetings	128,505	1,206
Sitting Allowance Facilitation Meetings	487,514	391,905
Sitting Allowance Disciplinary Committee	50,723	59,305
Advertisement -Recruitment****	-	1,183
Advertisement-Tender***	500	3,269
Sitting Allowance Ministerial Planning Meetings	129,610	53,743
Printing Annual Reports	7,300	13,503
Water Sewerages	1,549	9,979
Website Design & Hosting Expenses	47,493	2,570
Membership Fee to Professional Bodies	13,808	21,791
Conference Facility Domestic	31,782	6,277
Air Ticket Local	664,118	448,001
Air Ticket Foreign	289,585	-
Participation & Tuition Fee Local	137,426	119,269
Food and Refreshment	260,054	263,587
Participation & Tuition Fee Foreign	156,200	13,607
Surface and Marine Transport	305	-
Electrical Supplies Expense	40,599	47,941
Cleaning of Offices -(Indoor)	145,751	123,431
Cleaning of Surroundings (Outdoor)	70,570	59,293
Computer Consumables	256,774	329,921
Fumigation Expenses	12,364	29,319
Office Sundries	304,284	236,702
Sitting Allowance Tender Board Meetings Expenses	161,159	156,162
Per Diem Seminars & Workshops Local	240,060	265,642
Per Diem Seminars & Workshops Abroad	41,812	-
Legal Charge	3,326	1,192
Visa Expenses	3,852	-
Fine & Penalty paid	-	-
Electricity Charges	511,933	521,304

Controller and Auditor General

AR/PA/TCAA/2021/22

TANZANIA CIVIL AVIATION AUTHORITY

Water Charges	33,810	38,501
Consultancy Fees	656,071	10,363
Technical Guidance Material	198,655	225,451
Sitting Allowance Budget Preparation	72,627	100,227
Provision for Doubtful Debts	-	-
Per Diem Internal Audit Expenses	5,139	14,690
Audit Fees	219,037	187,000
Audit Team Expenses	97,798	41,010
Sitting Allowance Strategic Plan	182,561	69,953
Cash Handling Expenses	6,444	8,848
Security Charges	401,310	443,590
Repairs & Maintenance Buildings	123,162	272,693
Repairs & Maintenance Furniture & Fittings	62,945	70,396
Repairs & Maintenance Computer	172,730	125,008
Motor Vehicle - Fuel & Oils	561,896	400,404
Repairs & Maintenance - Motor Vehicles	506,168	403,372
Generator Fuels & Oils	71,866	69,433
Duty Mailage Allowance	50	435
Insurance Aviation House*****	23,966	-
Motor Vehicle - Hire Charges	298,416	367,365
Motor Vehicle - License & Parking	8,017	8,539
Motor Vehicle -Night security Charges	13,646	17,528
Motor Vehicle- Cleaning	34,003	38,376
Repairs & Maintenance Equipment	261,159	263,326
Publications of Journals	-	-
Government Hospitality	17,096	30,550
Donations & Assistances	20,997	-
Publicity and Promotional	62,932	33,966
Social Responsibility	45,933	1,804
Medical Expenses	62,573	55,143
Computer Software	670	-
Software User License*	169,504	-
Computer Software Upgrade	500	-
Land Rent	1,055	2,311
Property Tax and Rates	-	9,827
Coding of Fixed Assets	7,859	47,175
Familiarization Tour & Bench Marking	12,807	7,390
Mayday Celebrations	42,106	35,323
Utumishi Week Exhibition	-	-
Other Exhibitions	36,538	22,162
World Women's Day Event	8,556	8,325
TUGHE Expenses	19,508	10,532
Workers Council expenses	161,029	95,823
Shimiwi& Other Sports	50,737	6,810
ICAD & Other Events	35,181	-

Controller and Auditor General

AR/PA/TCAA/2021/22



# TANZANIA CIVIL AVIATION AUTHORITY

MoT Expenses	58,251	20,344
Asset Disposal Expenses	20,204	2,378
Stock Taking Expense	30,951	22,820
Bank Charges	65,266	43,729
Fixed Assets Revaluation Expense	7,531	-
Bad Debts	-	449,542
Loss on disposal of fixed assets:	-	-
Sale of Fixed Assets-Equipment (loss)	3,272	-
Sale of Fixed Assets-Telecom & Navaids (loss)	72	-
<b>Total</b>	<b>11,130,757</b>	<b>9,598,397</b>

\*Restatement (review of useful life) was done on Software that had zero (0) value hence the increase in value

\*\*Courier charges have decreased due to the introduction of e-Office where documents are processed through the system instead of being sent via couriers.

\*\*\*Advertisement for Tender has decreased due to the use of TANEPS.

\*\*\*\*Advertisement for Recruitment has decreased because the recruitments are done through Secretariat Recruitment Portal.

\*\*\*\*\*The Authority has paid Insurance for HQ building and some furniture in the building.

	2021/22 TZS '000	2020/21 TZS '000
<b>22. TECHNICAL AUDIT EXPENSES</b>		
ICAO & Others Technical Audit*	28,414	2,531
ISO 9000 Certification	44,923	6,119
<b>Total</b>	<b>73,337</b>	<b>8,650</b>

\*Technical Audit has increased because of the fee and other supporting costs paid for the Audit from ICAO and Quality Management audit.

	2021/22 TZS '000	2020/21 TZS '000
<b>23. BOARD EXPENSES</b>		
Sitting Allowance Board of Directors**	90,302	57,870
Air Ticket Board Members	6,655	12,756
Per Diem Board Meetings	32,698	5,000
Board Fee*	65,333	52,000
Air time for Board Members	12,884	13,889
Finance and Admin Committee of Board	19,386	29,460
Audit Committee of Board	33,714	24,610

Controller and Auditor General

AR/PA/TCAA/2021/22

# TANZANIA CIVIL AVIATION AUTHORITY

CATC Advisory Board Expenses	-	-
Regulatory Committee of Board	4,150	23,720
<b>Total</b>	<b>265,122</b>	<b>219,305</b>

\*Board Fee has increased because of the new Board member

\*\*Sitting allowance include Management Team who attend the Board meetings

24. CONTRIBUTION TO GOVERNMENT AND OTHER BODIES	2021/22	2020/221
	<b>TZS '000</b>	<b>TZS '000</b>
Contribution to CGF	8,428,220	6,533,514
Contribution to ICAO	1,294,825	110,937
TCAA CCC Expense	-	-
Contribution to CCC	47,623	496,343
Contribution to CASSOA	793,632	1,049,145
Pilot & AME training	40,709	93,097
Contribution to AFCAC	249,445	81,459
Contribution to Fair Competition Tribunal	40,000	0
Contribution to Fair Competition Commission	20,000	30,000
Contribution to CANSO	44,882	46,220
Contribution to AATO	22,858	17,146
Contribution to Professional Associations	33,719	30,000
SADC/COSCAP Membership		12,485
Contribution to AFPP	91,560	22,870
Membership Fee Trainair Plus		12,332
<b>Total</b>	<b>11,107,473</b>	<b>8,535,548</b>

<b>25. Depreciation and Amortization</b>		
Depreciation - Motor Vehicles	630,254	779,043
Depreciation Building	247,417	294,207
Depreciation-Technical Buildings	113,696	116,474
Depreciation - Office Equipment	1,782,325	943,374
Depreciation - Furniture & Fittings	129,484	153,730
Depreciation - Telecomm & NAVIAD*	4,652,341	9,709,476
Depreciation Computers	1,181,105	1,725,804
Depreciation Office Partition and Studies	5,744	-
<b>Sub Total</b>	<b>8,742,366</b>	<b>13,722,108</b>
Amortization		
Amortization- Software	409,483	385,131
<b>Total Depreciation and Amortization expenses</b>	<b>9,151,849</b>	<b>14,107,239</b>

<b>26. PAYMENT TO SUPPLIERS</b>	<b>2021/22</b>	<b>2020/21</b>
	<b>TZS '000</b>	<b>TZS '000</b>
Air Ticket Foreign Inspection	148,324	-
Air Ticket Domestic Inspection	281,710	135,999
Per Diem CASSOA Meetings	77,380	10,096

Controller and Auditor General

AR/PA/TCAA/2021/22



# TANZANIA CIVIL AVIATION AUTHORITY

Air Ticket CASSOA Meetings	4,841	-
Procedures Design	236,494	86,543
Leased Circuits	525,984	562,977
Printing Flight Strips and Log Books	39,674	45,754
Technical Site Upkeep	43,144	48,942
Air Ticket EAC Upper Airspace	-	-
Air Ticket CANSO Meetings	-	-
Repair & Maintenance Tech Building	211,473	5,849
Repairs & Maintenance Telecomm & NAVAID	1,751,381	787,139
Repairs & Maintenance Flight Calibration	562,512	-
Office Telephones & Fax	152,142	77,843
Postage Charges	17,912	19,909
Courier Charges	4,388	15,477
Email and Internet Expense	257,331	172,081
Stationery Consumables	200,576	297,805
Advertisement & Publicity	35,971	57,414
Newspapers & Periodicals	27,058	28,584
Advertisement -Recruitment	-	1,183
Advertisement-Tender	500	3,269
Printing Annual Reports	7,300	13,503
Water Sewerages	1,549	9,979
Website Design & Hosting Expenses	47,493	2,570
Membership Fee to Professional Bodies	13,808	21,791
Conference Facility Domestic	31,782	6,277
Air Ticket Local	664,118	431,709
Air Ticket Foreign	289,585	-
Participation & Tuition Fee Local	137,426	119,269
Food and Refreshment	260,054	258,260
Participation & Tuition Fee Foreign	156,200	13,607
Surface and Marine Transport	305	-
Electrical Supplies Expense	40,599	47,941
Cleaning of Offices - (Indoor)	145,751	123,431
Cleaning of Surroundings (Outdoor)	70,570	59,293
Computer Consumables	256,774	329,921
Fumigation Expenses	12,364	29,319
Office Sundries	304,284	237,726
Legal Charge	3,326	1,192
Visa Expenses	3,852	-
Fine & Penalty paid	-	-
Electricity Charges	511,933	521,304
Water Charges	33,810	38,501
Consultancy Fees	656,071	-
Technical Guidance Material	198,655	225,451
Sitting Allowance Budget Preparation	72,199	100,227
Audit Fees	219,037	187,000
Cash Handling Expenses	6,444	8,848
Security Charges	401,310	443,590
Repairs & Maintenance Buildings	123,162	272,693
Repairs & Maintenance-Furniture & Fittings	62,945	70,394
Controller and Auditor General		

AR/PA/TCAA/2021/22

# TANZANIA CIVIL AVIATION AUTHORITY

Repairs & Maintenance Computer	172,730	60,889
Motor Vehicle - Fuel & Oils	561,896	400,046
Repairs & Maintenance - Motor Vehicles	506,168	403,372
Generator Fuels & Oils	71,866	69,433
Duty Mailage Allowance	50	435
Insurance Aviation House	23,966	-
Motor Vehicle - Hire Charges	298,416	367,365
Motor Vehicle - License & Parking	8,017	8,539
Motor Vehicle - Night security Charges	13,646	17,528
Motor Vehicle- Cleaning	34,003	38,376
Repairs & Maintenance Equipment	261,159	263,325
Publications of Journals	-	-
Government Hospitality	17,096	30,550
Donations & Assistances	20,997	-
Publicity and Promotional	62,932	33,966
Social Responsibility	45,933	1,804
Medical Expenses	62,573	55,143
Computer Software	670	-
Software User License	169,504	-
Computer Software Upgrade	500	-
Land Rent	1,055	2,311
Property Tax and Rates	-	9,827
Coding of Fixed Assets	7,859	47,175
Familiarization Tour & Bench Marking	12,807	7,390
Mayday Celebrations	39,971	35,323
Utumishi Week Exhibition	-	-
Bank Charges	65,335	43,729
Air Ticket Board Members	6,655	12,756
Air Time Board Member	12,884	13,889
<b>Sub Total</b>	<b>11,790,189</b>	<b>7,853,831</b>
Less: Trade Payable 2021/22 & 2020/201	1,804,690	1,997,655
Add: Trade Payable 2020/21 & 2019/20	1,997,655	930,693
Add: Prepayment to suppliers	14,490	148,969
<b>Total</b>	<b>11,997,644</b>	<b>6,935,835</b>

## 27. OTHER PAYMENTS

	2021/22	2020/21
	TZS'000	TZS'000
Airworthiness Inspections-Scheduled	10,177	28,903
Accident Investigation	48,042	13,817
Search & Rescue	2,850	5,484
ICAO & Others Technical Audit	28,415	2,531
ISO 9000 Certification	44,923	6,119
Per Diem Board Meetings	32,698	5,000
Regulatory Committee of Board	4,150	-
Per Diem Inspection Economic Regulation	26,266	7,151
Consumer Complaint Handling	1,960	2,100
Adhoc Inspection-AIW & AMO	344,947	25,196

Controller and Auditor General

AR/PA/TCAA/2021/22



# TANZANIA CIVIL AVIATION AUTHORITY

Adhoc Inspection Aerodromes & Ans	141,074	206,577
Adhoc Inspections-ANS	27,061	27,785
Routine Audit -MET & SAR	653	-
Adhoc Inspections-Flight Operations	39,452	5,772
Ramp Inspection Expenses	5,196	6,128
AMO/ATO Inspection Expenses	117,558	9,564
Basa Meetings	113,250	6,154
Airport Security Audit-Scheduled	13,487	28,014
Airport Inspection -Scheduled	10,564	9,759
Aviation security Screeners Exp	16,508	16,268
Aviation Security Board	22,309	73,331
Sensitization Workshops	249,226	55,758
Flight OPs Inspection-Scheduled	14,337	1,716
Allowances Review of Laws & Regulations	238,592	185,661
Advertisements-Licensing	-	18,911
Customer Survey Expenses	1,440	-
Aviation Security Expenses	46,441	14,529
Periderm Foreign Inspection	14,823	-
Periderm Domestic Inspection	94,546	52,402
Instrument rating Test	42,309	50,055
Sitting Allowance AATO Meetings	3,279	-
Sitting Allowance ATC Rating Board	20,153	9,954
SADC/ICAO Office Expense	-	-
Technical Library Expenses	-	-
Study and Survey	155,677	4,078
English Proficiency Test	15,317	18,080
Safety Management system	14,352	8,875
Per Diem Routine Station Visits	277,452	193,071
Commission Charges IATA	28,702	293,164
Per Diem EAC Upper Air Space Task Force	17,817	22,854
Per Diem CANSO Meetings	66,164	10,096
CATC Student Allowances	-	-
CATC Teaching Allowance	24,220	88,400
CATC Other Running Expenses	116,564	177,425
Accreditation to NACTE	2,000	-
CATC Promotion Tour	250	-
CATC Re-Imbursement	1,044,737	394,783
Per Diem Training Local	565,410	416,879
Per Diem Training Abroad	145,671	32,005
Mobile Phones	334,919	331,681
HIV/AIDS Seminars	5,450	-
Per Diem EAC Meetings	13,704	-
Per Diem Regional Task Force	214,932	189,608
Per Diem ICAO & other International Meetings	128,505	1,206
Sitting Allowance Facilitation Meetings	487,514	329,862
Sitting Allowance Disciplinary Committee	50,723	59,305
Sitting Allowance Ministerial Planning Meetings	129,610	41,006
Sitting Allowance Tender Board Meetings Expenses	161,159	154,162
Per Diem Seminars & Workshops Local	240,060	238,664
Controller and Auditor General		

AR/PA/TCAA/2021/22

# TANZANIA CIVIL AVIATION AUTHORITY

Per Diem Seminars & Workshops Abroad	34,327	-
Per Diem Internal Audit Expenses	5,139	14,690
Audit Team Expenses	97,798	41,010
Sitting Allowance Strategic Plan	182,561	69,953
Other Exhibitions	36,538	22,161
World Women's Day Event	8,556	8,325
TUGHE Expenses	19,508	10,532
Workers Council expenses	161,029	95,823
Shimiwi & Other Sports	50,467	6,810
ICAD & Other Events	35,181	-
MoT Expenses	58,251	20,344
Asset Disposal Expenses	20,204	2,378
Stock Taking Expense	30,951	22,820
Sitting Allowance Board of Directors	90,302	57,870
Provision for Doubtful Debts	-	-
Finance and Admin Committee of Board	19,386	29,460
Board Fee	65,333	52,000
Audit Committee of Board	33,714	24,610
CATC Advisory Board Expenses	-	-
Contribution to CGF	8,428,219	6,532,589
Contribution to ICAO	1,294,825	110,937
TCAA CCC Expense	-	-
Contribution to CCC	47,623	496,343
Contribution to CASSOA	793,632	1,049,145
Depreciation and Amortization expenses	-	-
Pilot & AME training	40,709	93,097
Fixed assets Revaluation Expense	-	-
Contribution to AFCAC	249,445	81,459
Contribution to Fair Competition Tribunal	40,000	-
Contribution to fair Competition Commission	20,000	30,000
Contribution to CANSO	44,882	46,220
Contribution to AATO	22,858	17,146
Contribution to AFPP	91,560	22,870
SADC/COSCAP Membership	-	12,485
Contribution to Professional Associations	33,719	30,000
Membership Fee Train air Plus	-	12,331
Met Charges	4,634,902	4,657,888
<b>Sub Total</b>	<b>22,709,214</b>	<b>17,551,139</b>
Less: Other Payable 2021/22 & 2020/21	15,256,156	14,209,696
Add: Other Payable 2020/21 & 2019/20	14,209,696	6,008,951
<b>Total payment</b>	<b>21,662,754</b>	<b>9,350,394</b>

## 28. RELATED PARTY TRANSACTIONS AND BALANCES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.



# TANZANIA CIVIL AVIATION AUTHORITY

The Authority transacts with entities related to it by virtue of common ownership.

The transactions entered into with related parties during the year and balances outstanding with related parties at the end of the year are set out below:

(a) Due from related parties	2021/22 TZS '000	2020/21 TZS '000
Air Tanzania Company Limited	4,091,153	4,905,479
Commandant - SAK	-	-
Commanding Officer 601 KJ Ngerengere Morogoro	-	3,000
603 Air Transportation Station	-	-
Commanding Officer 603 KJ	-	-
Kilimanjaro Airport Development Company	1,100,273	1,391,942
Ministry of Natural Resources & Tourism	53,329	53,329
Ngorongoro Conservation Area	3,078	2,109
Tanzania National Parks	143,178	160,046
Tanzania Airport Authority	1,301,189	1,826,482
Tanzania Wild Life Research Institute	13,754	11,601
Tanzania Building Agency	11,989	-
Zanzibar Airport Authority	4,800	3,840
TPDF Airwing	15,980	-
<b>Total</b>	<b>6,738,723</b>	<b>8,357,828</b>
(b) Due to related party		
Tanzania Meteorological Agency	2,268,107	1,951,753
TEMESA	49,161	16,012
<b>Total</b>	<b>2,317,268</b>	<b>1,967,765</b>

## (c) Compensation to the members of the board of directors and key management personnel

The remuneration of six (6) key management staff and board members during the year was as follows:

	2021/22 TZS '000	2020/21 TZS '000
<b>Key management Compensation</b>		
Salaries	555,349	555,349
Allowances	124,558	124,558
<b>Total</b>	<b>679,907</b>	<b>679,907</b>

<b>Board Expenses</b>	2021/22 TZS '000'	2020/21 TZS '000'
i. Membership Fees	65,333	52,000
ii. Air time	12,884	13,889
iii. Air Ticket for Board Meetings	6,655	12,756
iv. Per Diem Board Meetings	32,698	5,000
v. Sitting allowances	90,302	57,870
vi. Finance and Admin committee of the Board	19,386	29,460
vii. Audit committee of Board	33,714	24,610
viii. Regulatory committee	4,150	23,720
<b>Total</b>	<b>265,122</b>	<b>219,305</b>

Controller and Auditor General

AR/PA/TCAA/2021/22

**NOTES**

- (1) Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Authority, directly or indirectly. Key management personnel have been defined as the executive directors of the Authority, and members of the Authority's senior management.
- (2) The meeting costs above include Management and other member present in the meeting.
- (3) Increase in membership fees due to increase in the number of Board members.

**29. CAPITAL COMMITMENTS**

	2021/22 TZS'000	2020/21 TZS'000
Approved but not contracted for	2,460,544	8,278,326
Approved and contracted for	17,390,246	10,068,141
<b>Total</b>	<b>19,850,790</b>	<b>18,346,467</b>

**30. CONTINGENT LIABILITIES**

The Authority had one pending court case as at financial year end. The Directors have assessed the pending court case and were of the opinion that if the liability is likely to occur it will cost the Authority an estimated amount of TZS 133.7 million as of 30 June 2022. The Directors are not aware of any other pending case as at 30 June 2022.

**31. ULTIMATE OWNER OF THE AUTHORITY**

The Tanzania Civil Aviation Authority is a body corporate established under The Civil Aviation Act No. 10 of 2003, now Civil Aviation Act, (Chapter 80 of the Laws [R.E. 2020]) (the "Act").

The Government of the United Republic of Tanzania is the ultimate owner of the Authority.

**32. EVENTS AFTER THE REPORTING DATE**

There were no events after the reporting date.

**33. REPORTING CURRENCY**

These financial statements are presented in Tanzania Shillings (TZS '000').

**34. DATE OF AUTHORISATION FOR ISSUE**

These financial statements are authorized for issue by Tanzania Civil Aviation Authority on ..... there is no anybody with the power to amend them once they are issued.