



THE UNITED REPUBLIC OF TANZANIA
MINISTRY OF TRANSPORT
LAND TRANSPORT REGULATORY AUTHORITY



Annual Report 2022/23



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LIST OF ABBREVIATIONS

AFUR	African Forum for Utility Regulators
BRT	Bus Rapid Transit
DFC	Dar Financial Consultants
e-GA	e-Government Authority
EWURA	Energy and Water Utilities Regulatory Authority
FCC	Fair Competition Commission
FCT	Fair Competition Tribunal
GePF	Government Employees Provident Fund
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
LATRA	Land Transport Regulatory Authority
LATRA CCC	LATRA Consumers Consultative Council
LGA	Local Government Authority
MoFP	Ministry of Finance and Planning
MoWT	Ministry of Works & Transport
NBAA	National Board of Accountants and Auditors
NCDs	Non-Communicable Diseases
NEMA	National Environment Management Act
NEMC	National Environment Management Council
NEP	National Environment Policy
OTR	Office of Treasury Registrar
PSSSF	Public Service Social Security Fund
PSV	Passenger Service Vehicle
RRIMS	Railways and Roads Information Management System
SARA	Southern African Railway Association
SGR	Standard Gauge Railway
SUMATRA	Surface and Marine Transport Regulatory Authority
TABOA	Tanzania Bus Owners Association
TASAC	Tanzania Shipping Agencies Corporation
TAZARA	Tanzania-Zambia Railways Authority
TIRA	Tanzania Insurance Regulatory Authority
TRC	Tanzania Railways Corporation
TV	Television
TZS	Tanzania Shillings
UDA-RT	Usafiri Dar es Salaam – Rapid Transport
USD	United States Dollar
VTS	Vehicle Tracking System



Hon. Prof. Makame M. Mbarawa (MP),
Minister for Transport,
Government City Mtumba,
1 Ujenzi Street,
P.O. Box 2888,
40470 DODOMA.



Honorable Minister,

LETTER OF TRANSMITTAL

Pursuant to section 38 of the Land Transport Regulatory Authority Act, Cap 413, I am honoured and pleased to submit the Annual Report of the Land Transport Regulatory Authority (LATRA) for the financial year ended 30 June 2023.

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

Respectfully submitted,

Prof. Ahmed M. Ame (Phd)
CHAIRMAN OF THE BOARD
31 March 2024

BOARD CHAIRMAN'S STATEMENT



**Prof. Ahmed M.
Ame (Phd)**

It is with great privilege that, on behalf of the Board of Directors of the Land Transport Regulatory Authority (LATRA), I present my Statement to the LATRA Annual Report for the financial year ended 30 June 2023. This is the 5th Annual Report since LATRA became operational on 29 April 2019. The Annual Report consists of the Independent Report of the Controller and Auditor General (CAG), the Report by Those Charged with Governance, and the Audited Financial Statements of the Authority for the financial year ended 30 June 2023. The report also narrates the operational performance of the Authority, providing insights to stakeholders on the implemented strategies towards value creation during the year.



Strategic Plan
Revised
2022/2023

The financial year 2022/23 marked the 3rd year of implementation of the LATRA's Five-Year Strategic Plan (2020/21 to 2024/25). The five-year Strategic Plan was revised in the financial year 2022/23 and the Revised version has five (5) strategic objectives namely: (i) *Health Services improved and HIV/AIDS infections reduced*; (ii) *Effective implementation of the National Anti-Corruption Strategy enhanced and sustained*; (iii) *Land transport service availability enhanced*; (iv) *Capacity to execute land transport regulation enhanced*; and (v) *Safety and environmental preservation in land transport enhanced*. The Board is committed to lead the Authority in achieving the five revised strategic objectives in the remaining period

The financial year 2022/23 was the year of Population and Housing Census in Tanzania. The results from the Census have indicated a higher annual increase in urban population by 4.8% in the period of 2012/22 compared to 3.2% in the period of 2002/12; a situation that highlights the need for strengthening urban and interurban transport services to support growth in socio-economic activities. The Authority has noted on these dynamics and it is responding positively by organizing the land transport services to accommodate the changes in demands.

BOARD CHAIRMAN'S STATEMENT (CONTINUE)

Expanded and
Increased Road
Passenger
Services

Our performance indicators demonstrate progress, with increased availability of licensed vehicles and improvements of quality of service and safety in the road and railway transport sub-sectors. To enhance service availability, the Authority established new bus routes and increased licensing of commercial vehicles. In enhancing safety of driving, the Authority expanded centres for certifying driver competences from one centre to five centres during the year.

Ban on Night-Bus
Services partially
lifted from December

2022

The Authority began implementing the Government decision to lift the ban on night-bus services starting from December 2022 by providing pilot permissions to a limited number of compliant operators of intercity buses to depart from 5:00 AM to 3:00 AM with additional operating conditions to enhance safety and efficiency of bus services. The Authority, in collaboration with other stakeholders, is planning to allow 24-hour intercity bus services during the next financial year, 2023/24.



21%
Financial Resources
increase to
TZS
34.8 billion

Furthermore, during the financial year 2022/23, the Board continued to govern the Authority's financial, human and operational resources. In this role, the Authority recorded a clean audit certificate, while financial resources increased by 21 percent, reaching TZS 34.8 billion compared to an 11 percent increase recorded in the financial year 2021/22. Consequently, the Authority successfully financed its mandate from its own sources, fully transferring its Head Office to Dodoma effective from 26 September 2022 and recruiting 29 new employees. Additionally, in pursuit of good corporate governance, the Board initiated review of its Charter to align with guidelines for public and statutory corporations issued by the Office of the Treasury Registrar, ensuring effective governance and accountability in its undertakings.

BOARD CHAIRMAN'S STATEMENT (CONTINUE)

Despite the noted achievements, the land transport sector faced challenges such as global rise of fuel price and exchange rate fluctuations as a result of the ongoing war between Russia and Ukraine. These factors impacted the operational costs of regulated services, prompting requests for tariff reviews. Consequently, the Board approved revisions to the tariffs for ride hailing passenger services and Bus Rapid Transit services in December 2022 to enhance fair competition.



In conclusion, on behalf of the Board, I wish to extend my sincere gratitude to Her Excellency, Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania, for her excellent leadership and dedication in reviving our economy for socio-economic development. Similarly, we appreciate the guidance and tireless support of Hon. Prof. Makame M. Mbarawa (MP), the Minister for Transport. In addition, we appreciate cooperation we received from the regulated service providers, esteemed customers, consumers of land transport services, local and international stakeholders, Management and staff of the Authority. We remain steadfast in our mission to ensure *availability of safe and affordable land transport services in Tanzania.*

Prof. Ahmed M. Ame (Phd)

BOARD CHAIRMAN

DIRECTOR GENERAL'S STATEMENT



CPA Habibu J.S. Suluo

On behalf of the Management of Land Transport Regulatory Authority (LATRA), I am pleased to present my Statement on the 5th issue of LATRA's Annual Report. The 5th issue of the report consists of the Report of the Controller and Auditor General (CAG), the Report by Those Charged with Governance and the Audited Financial Statements for the financial year ended 30 June 2023. The report also presents operational performance of the Authority in the 3rd year of implementation of its Five-Year Strategic Plan (2020/21 to 2024/25) in regulating road, railway and cable transport services.



Budget for 2023/24 will be drawn from the revised Strategic Plan

During the financial year ended 30 June 2023, the Authority revised its Five-Year Strategic Plan (2020/21 - 2024/25) at its mid-point of implementation in order to accommodate national and international strategic developments relating to land transport services. The revision incorporated views of several stakeholders from public as well as private sector. The plans, in the next financial year 2023/24, will be drawn from the revised Five-year Strategic Plan with these five strategic objectives: (i) *Health Services improved and HIV/AIDS infections reduced*; (ii) *Effective implementation of the National Anti-Corruption Strategy enhanced and sustained*; (iii) *Land transport service availability enhanced*; (iv) *Capacity to execute land transport regulation enhanced*; and (v) *Safety and environmental preservation in land transport enhanced*.



284,158
Road Service
Licenses
were issued

In enhancing land transport service availability, during the financial year 2022/23, the Authority issued a total of 284,158 road service licenses to commercial vehicles (2021/22: 239,953 licenses) and 3,427 timetables for intercity passenger service vehicles (2021/22: 4,670 timetables). Further, the Authority established 610 new routes for commuter bus services (2021/22: 156 routes).

DIRECTOR GENERAL'S STATEMENT (CONTINUE)



New
610
routes for
commuter
buses were
established

Furthermore, to enhance safe driving, the Authority registered 6,806 (2021/22: 4,089) while the first year of driver testing had accommodated 1,914 drivers of commercial road services. To enhance compliance to licensing conditions; a total of 104 regular roadside inspections (2021/22: 26 inspections) and 6 inspections on TAZARA and TRC (2021/22: 7 inspections) were implemented during the financial year. In addition, the Authority investigated two (2) major railway accidents and incidents related to infrastructure (2021/22:8). As well, the Authority conducted 4 sensitization seminars covering 180 TRC's Safety Critical Workers at Dodoma, Mwanza, Kigoma, Tabora and Morogoro stations; and 4 seminars for TAZARA workers at Mbeya, Mlimba, Makambako and Dar es Salaam stations, covering 50 Safety Critical Workers.

The Vehicle Tracking System (VTS), which was installed into train locomotives and buses, serves to enhance control of over-speeding buses, monitoring driving behaviours and real-time monitoring of buses in order to impart safe driving among drivers. During the financial year 2022/23, a total of 2,009 buses (2021/22: 1,351 buses) and 18 locomotives (2021/22:17 locomotives) were successfully integrated into this system.

2009
buses were
installed
with VTDS

The Authority continued to leverage on the application of Information Technology solutions to facilitate availability of and access to the regulated services. During the financial year 2022/23, in collaboration with eGA, the Authority continued to improve the *Railway and Road Information Management System* (RRIMS) to facilitate online vehicle license application and issuance, registration of commercial vehicle drivers and crew. Additionally, the Authority continued to enhance the Drivers Testing System (DTS) and deploying it to four more regions of Arusha, Dodoma, Mbeya and Mwanza in addition to Dar-es-Salaam centre that was established a year before; and with plans to expand to all regions in the coming financial year.

DIRECTOR GENERAL'S STATEMENT (CONTINUE)

Resource-wise, the Authority recorded achievements in enhancing regulatory framework, operations, financial and human resource mobilization; whereby its revenues increased by 21% from TZS 28.82 recognized in 2021/22 to 34.80 billion in 2022/23.

In addition, 29 new staff (2021/22: 6 staff) were recruited and deployed to the Authority's offices to strengthen operational efficiency while the Head Office was fully transferred to Dodoma on 26 September 2022. As well, the Authority established offices in strategic locations within Dar es Salaam, which are Magufuli Bus Terminal, Mbagala and Tegeta bus stands.

On improving human resources in order to strengthen service delivery; staff training was implemented at 60% compared to the target of 50%; whereby 93 employees were provided with short-term and long-term training. In enhancing the regulatory framework, the Authority engaged stakeholders who participated in drafting of proposed eight (8) regulations under the leadership of the Ministry of Transport. The regulations target the functions of *Facilitation of Service Provision, Mandatory Vehicle Inspection, Compounding of Offences, Transportation of Dangerous Goods, Terms and Conditions for Provision of Regulated Services Rules, Complaints Handling Procedures Rules, Electronic Ticketing System and Vehicle Tracking System*.

Eight (8)

New
Regulations
were drafted

In improving stakeholder collaborations, the Authority teamed up with development partners to implement activities which aimed at reducing the challenge of multitude of proprietary small passenger service providers (85% of all have one or two buses) by promoting them to be organized into operators' cooperatives and companies, in Dar es Salaam and Dodoma, as the starting points.

DIRECTOR GENERAL'S STATEMENT (CONTINUE)

Further, the Authority took some steps in regulating the environment-friendly cable transport through capacity building, research and consultation with investors in Arusha, Kilimanjaro, Tanga, Iringa and Mbeya. These strategies seek to increase availability of quality land transport services, reducing regulatory burden and cut down on carbon emission.

To sum up, the achievements of the financial year 2022/23 underscores LATRA's commitment to regulatory excellence and innovation facilitated by growth in financial and human resources, capacity building, strategic partnerships, enhanced legal framework and deployment of technology among many others; all of which aim at ensuring the availability of safe and affordable land transport services in Tanzania. The success was a result of good governance in the role of the Board of Directors, support and guidance provided by the Ministry of Transport, the cohesion of employees and cooperation from the Authority's local and international stakeholders.



We remain grateful to all stakeholders for continued cooperation during the year. I extend my special recognition to the Board of Directors, Management, and employees of the Authority for their endless support and cooperation and adherence to our Core Values and strategic goals. With the same zeal in part of Management, employees and stakeholders, I call upon all to work harder to achieve bigger achievements in the years ahead.



CPA Habibu J.S. Suluo
DIRECTOR GENERAL

AUTHORITY'S INFORMATION

AUDITORS:

Controller and Auditor General,
National Audit Office,
Audit House,
4 Ukaguzi Road,
P.O. Box 950,
41104 Tambukareli,
DODOMA.

SUB – CONTRACTED AUDITORS: -

Dar Financial Consultants
(Certified Public Accountants),
Plot No.8, Block F6, F4, R04
4th Floor Mpaka Centre Building
Sam Nujoma Road, Mwenge
P O Box 13985,
DAR ES SALAAM, TANZANIA.

PRINCIPAL PLACE OF BUSINESS:

Head Office,
60 Lusinde Street,
41104 Tambukareli,
P. O. Box 1742,
DODOMA, TANZANIA.

BANKERS:

National Bank of Commerce (NBC)
Limited,
Samora Branch,
P. O. Box 9002,
DAR ES SALAAM, TANZANIA.

National Microfinance Bank (NMB)
Limited,
Bank House,
P. O. Box 9031,
DAR ES SALAAM, TANZANIA.

Banking Department of Bank of
Tanzania,
2 Mirambo Street 1184,
P. O. Box 2939,
DAR ES SALAAM, TANZANIA.

SECRETARY TO THE BOARD:

Director General,
LATRA Head Office,
60 Lusinde street,
41104 Tambukareli,
P. O. Box 1742,
DODOMA, TANZANIA.

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairman of the Board,
Land Transport Regulatory Authority,
P.O. Box 1742,
41104 Tambukareli
DODOMA.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Land Transport Regulatory Authority, which comprise the statement of financial position as at 30 June 2023, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Land Transport Regulatory Authority as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348

Basis for Opinion

I conducted my audit in accordance with the International Standards of Supreme Audit Institutions (ISSAIs). My responsibilities under those standards are further described in the section below entitled "Responsibilities of the Controller and Auditor General for the Audit of the Financial Statements". I am independent of Land Transport Regulatory 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.

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

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (Continued)

Other Information

Management is responsible for the other information. The other information comprises the report by those charged with governance, statement of management responsibility and Declaration by the Head of Finance but does not include the financial statements and my audit report thereon which I obtained prior to the date of this auditor's report.

My opinion on the financial statements does not cover the other information, and I do not express any form of assurance conclusion thereon which I obtained prior to the date of this auditor's report.

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

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

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

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

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

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

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

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (Continued)

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

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

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

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

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

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS (Continued)

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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

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

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

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

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

Conclusion

Based on the audit work performed, I state that procurement of goods, works and services of Land Transport Regulatory Authority is generally in compliance with the requirements of the Public Procurement laws in Tanzania.

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 Land Transport Regulatory Authority for the financial year 2022/23 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that Budget formulation and execution of the Land Transport Regulatory Authority is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.



Charles E. Kichere

**Controller and Auditor General,
Dodoma, United Republic of Tanzania.
March 2024**

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE

2.1. INTRODUCTION

Those Charged with Governance are pleased to submit this report together with financial statements of the Land and Transport Regulatory Authority (LATRA) for the financial year ended 30 June 2023. The financial statements disclose the financial position as at 30 June 2023 and state of affairs of LATRA.

This report is prepared in compliance with requirements of the Tanzania Financial Reporting Standard No. 1 (TFRS No. 1) as issued by the National Board of Accountants and Auditors (NBAA) on 22 June 2020 and became effective on 1 January 2021.

The report sets out analysis of the Authority's operations and financial review with a forward-looking orientation to assist primary users and stakeholders to assess the strategies adopted by the Authority and the potential of those strategies to succeed toward creating value over the short-, medium- and long-term period.

2.2. FUNCTIONS OF THE AUTHORITY

The objective of the Authority in carrying out its functions is to enhance the welfare of Tanzania society by-

- (a) to perform the functions conferred on the Authority by sector legislation;
- (b) to issue, renew and cancel permits or licences;
- (c) subject to sector legislation to-
 - (i) establish standards for regulated goods and regulated services;
 - (ii) establish standards for the terms and conditions of supply of the regulated goods and services; and
 - (iii) regulate rates and charges;
- (d) to coordinate land transport safety activities;
- (e) to register crew and certify drivers of regulated sector;
- (f) to certify worthiness of rolling stock and road worthiness of public service vehicles and goods vehicles;

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.2. FUNCTIONS OF THE AUTHORITY (CONTINUED)

- (g) to monitor the performance of the regulated sectors including-
 - (i) levels of investment;
 - (ii) availability of safe, quality and standards of services;
 - (iii) cost of services;
 - (iv) efficiency of production and distribution of services; and
 - (v) other matters relevant to the Authority;
- (h) to facilitate resolution of complaints and disputes;
- (i) to disseminate information about matters relevant to the functions of the Authority;
- (j) to consult with other regulatory authorities or bodies or institutions discharging functions similar to those of the Authority in Mainland Tanzania or elsewhere; and
- (k) to perform such other functions as may be conferred on the Authority by this Act or any other law.

THE CULTURE OF THE AUTHORITY

The culture of the Authority is guided by shared vision, mission and core values. The Authority's aspiration is set out in its vision statement while the mission statement shows means of achieving the vision. The core values represent employees' moral boundaries in their conduct while implementing the mission. These are narrated as follows;

(a) Vision Statement

The Authority's vision is to have: *"A country with safe, reliable and eco-friendly land transport services."*

(b) Mission Statement

The Authority's mission is: *"To regulate land transport services through licensing, monitoring and promoting competition for the welfare of Tanzanians."*

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

(c) Core Values

In the pursuit of its vision, the Authority's employees undertake to uphold the following core values:

(i)	Professionalism:	We demonstrate knowledge, skills and positive attitude in our work;
(ii)	Accountability:	We endeavour to take responsibility for our actions;
(iii)	Teamwork:	We work together to achieve our common goals;
(iv)	Integrity:	We are honest and fair in serving our stakeholders;
(v)	Transparency:	We perform our duties in an open and collaborative manner; and
(v)	Innovativeness:	We strive to find better ways of adding value to our services.

2.3. NATURE OF THE OPERATIONS

The Land Transport Regulatory Authority (LATRA) is a Government Regulatory Authority mandated to enhance welfare of Tanzania society through promoting competition, safety and availability of regulated services while ensuring protection of interests of consumers of all types, investors and preservation of environment. The Authority is set to regulate land transport services particularly transportation of goods and passengers In so doing, LATRA regulates commercial land transport services categorized as commuter buses, intercity buses, goods carrying vehicles, taxis, motorcycles and tricycles, railway infrastructure, locomotives and cable cars

a) The Legislative and Regulatory Environment in which the Organization Operates

In undertaking its mandate, the Authority is required to protect interests of consumers and efficient service providers while preserving the environment. To achieve this, LATRA conduct its affairs in line with the LATRA Act CAP.413 and its regulations.

Through the Act, nine (9) regulations were gazetted and are operational since 2020. During the financial year 2022/23, the Authority participated in the process of drafting eight (8) new rules and regulations under the supervision of the Ministry of Works and Transport.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

b) Industry in which the Entity Operates.

The key stakeholders to the operations of LATRA are the Ministry of Transport, Tanzania Police Force, Tanzania Revenue Authority (TRA), Tanzania Insurance Regulatory Authority (TIRA), National Identification Authority (NIDA) and Local Government Authorities (LGAs). Other key stakeholders include the Tanzania Roads Agency (TANROADS), Tanzania Rural and Urban Roads Agency (TARURA), Tanzania Bureau of Standards (TBS), Fair Competition Commission (FCC), Fair Competition Tribunal, insurance companies, the private sector, training institutions, consumers of regulated services, trade unions, media and the public.

For all the years, the dominant mode of land transportation has been by road or railways. Recently, the need for cable transport has gained momentum especially in tourism attraction areas where investors have shown interest. To lead the initiatives, the Authority decided to review its organisation structure to align with the growing demand. The revised structure was submitted to the Treasury Registrar in April 2023 and it is expected to be considered and deliberated by the end of the financial year 2023/2024. Once in place, the Authority will be in a good position to promote and regulate cable transport across the country.

c) Main Products, Services, Customers, Business Processes and Distribution methods

The Authority is a regulator of land transport in Mainland Tanzania. As a regulator, the Authority provides operating licenses to regulated service providers. Moreover, the Authority certify competencies of drivers and register crew for commercial vehicles to enhance safety and quality of services.

To enhance safety of intercity buses, the Authority has deployed an automated system known as Vehicle Tracking System (VTS). The system provides real-time data for monitoring driving behaviour, location and speed of buses and trains.

The Authority customers include, public corporation, private companies and individuals who provide passenger and goods transport services in road, railways and cable transport, vendors of VTS, drivers and crew.

LATRA operates in the 26 regional offices, at the primary level, providing regulatory service especially licensing, monitoring and public awareness to customers, other stakeholders and the general public.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

c) Main Products, Services, Customers, Business Processes and Distribution methods (Continued)

The Authority's business processes are interlinked horizontally and vertically. Vertically, each business process has its hierarchy from the Head Office to regional offices. Horizontally, the Directorates and Units exchange information and complement controls.

Each year, The Authority organize collaborative planning and budgeting sessions to prioritize on annual targets and distribute resources to ensure LATRA's short, medium and long-term objectives are met.

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

The overall Management of LATRA is vested in the Board of Directors as the governing board under the supervision of the Minister responsible for Transport. The Director General is Secretary to the Board and responsible for day-to-day operations of the Authority.

The Management, which is under the supervision of the Director General, is organized into five (5) Directorates and five (5) Units. The Director General is Secretary to the Board. All Directors and Head of Units report to the Director General.

The Authority Head Office was shifted from Dar es Salaam to the Capital City, Dodoma from 26 September 2022. The head office is accommodated at the Mkandarasi Building owned by the Contractors Registration Board (CRB). The shift to Dodoma is expected to enhance coordination of regulatory activities across the country and to improve service delivery.

In addition to its head office, the Authority operates in twenty-six (26) regions of Mainland Tanzania. To expand its regulatory activities, especially to areas with high number of regulates services, the Authority opened offices at Makambako town in Njombe, Kahama town, Shinyanga and in Dar es Salaam at Magufuli Bus Terminal and VTS Control Centre, Mikocheni.

e) Effectiveness and Efficient Utilization of resources

The Authority utilize tangible and intangible resources including intellectual resources, human resources, social and relationship resources, natural resources, financial resources and others.

The Board is responsible for ensuring efficient utilization of resources through budgetary controls, recruitment of human resources with right skills, acquisition and disposal of intellectual and physical resources as

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

e) Effectiveness and Efficient Utilization of resources (Continued)

well as oversight on Management and operations. Efficiency is achieved through deployment of internal policies and procedures on management of resources, automation of business processes, building staff capacity and regular employee performance management.

The Revised LATRA Strategic Plan (2020/21 - 2024/25) provides linkage with relevant national and international frameworks to ensure operations are effective and meet the goal of enhancing welfare of Tanzania society as stipulated in the LATRA Act Cap 413. Annual plans and budgets are drawn from the plan in order to ensure effective utilization of resources in line with Government priorities.

Details of the resources are provided in relevant section of the report.

f) Macro and Micro Economic Conditions

During the year 2022/23 the transport sector was affected by the rising prices of fuel which was largely attributed by the war between Russia and Ukraine. Russia is one of the world's largest producers of fossil fuel. Ban of Russian oil, gas and diesel caused a steep spike in prices of fuel across the globe. In the country, fuel prices were high at the beginning of the financial year which prompted the Government to intervene by subsidizing cost of fuel which in turn stabilized transport costs and reduced inflation.

Through subsidization, the price declined to TZS 2,819/litre of petrol and TZS 3,295/litre for diesel in January 2023. The global and local dynamics in prices of fuel has impact on overall transport costs because fuel is the major cost element that contributes an average of 40%.

The exchange rate fluctuations have impact on cost of fuel, imported spare parts and other consumables. The general and specific inflation rates have been stable at around 5% in most months of the year 2022/23. Fuel inflation was small at 2.1% for most of the year due to the Government intervention. However, transport-related annual average inflation was around 5.5% which was higher than overall inflation. Due to that, the Authority received requests to review tariffs for passenger train services, freight charges for petroleum products in the local market and Bus Rapid Transit services.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

g) Market Forces and Competitive Position

The sector is dominated by small operators with small fleet size. Among licensed passenger service transport market, proprietary individuals constitute 95% with average fleet size of two vehicles

The ownership situation pose challenges in terms of regulation as it attracts high costs for enforcing compliance, low quality of services and erratic entry and exit from market. To change the situation, LATRA initiated strategies for promoting formation of cooperatives and companies which will reverse the situation.

There are geographical advantages for Tanzania as the Dar-es-Salaam port is better positioned to serve the land linked countries of Burundi, Democratic Republic of Congo, Malawi, Rwanda, Uganda and Zambia. Currently, over 90% of the cargo passing the port to the land linked countries is carried by road and the remaining portion is by railway. The cost of transportation by road is higher than railways, thus prompting the Government to upgrade the existing railways and construct new Standard Gauge Railway.

There are also issues of Non-Tariff Barriers (NTB) which affect cross-border trading and the transport sector. The issues are being resolved through bilateral and multilateral agreements that LATRA is involved. In the year 2022/23, LATRA collected information from transit service providers to determine issues for strategy development.

The market for passenger transport services is characterized by stiff competition within a particular type of service and between different types of services, and seasonality. Regular market surveys indicated that competition on intercity and commuter buses has resulted to fares being lower than maximum (cap) by around 20%. There are also scramble for passengers among operators of commuter buses, motorcycles and tricycles, a situation that threatens sustainability of commuter bus services in major cities. The month of December is characterised by fare hikes for some routes such as DSM-Moshi and DSM-Lushoto. The situation calls for interventions every year to stabilize fares and ensure availability of services.

In the liquid freight market, transporters submitted to LATRA request for determination of tariff for transportation of petroleum products that will reflect market behaviours and reasonable return on investment.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

h) The Speed and Effect of Technological Change

The Authority continued to increase the use of Information and Communication Technology (ICT) solutions in facilitating implementation of its activities and in providing access of its services to customers. During the financial year, LATRA continued with automation of its business processes with focus on linking stakeholders such as e-Ticketing providers, weighbridges, vendors of VTS, bus terminals and government institutions with roles to facilitate regulatory functions.

The ICT system in use for providing regulatory services includes:

- i. The Vehicle Tracking System (VTS) which is connected to locomotives and buses. By 30 June 2023, a total of 8,734 buses and 18 locomotives were connected to this system. The use of VTS has strengthened control of speed at all times and wherever these units are located. In addition, the system will enhance confidence to allow buses to operate for 24 hours.
- ii. The Railways and Roads Information Management System (RRIMS): This is the core system, which is used to issue licenses for all vehicles and registration of drivers for commercial vehicles as well as crew. Through the system, service provider can register and apply for licenses online from anywhere. Applicants can also pay license fee through the system which is integrated with Government Electronic Payment Gateway (GePG). After payment, license can be collected at any of LATRA offices. During the year, the Authority in collaboration with eGA continued to improve the system.
- iii. The Drivers Testing System (DTS). This system was developed to facilitate implementation of Section 5(1)(e) of the Land Transport Regulatory Authority Act, Cap.413 which requires the Authority to register crew and certify drivers of regulated sector. The system was piloted starting on 1 June 2022 and the first testing centre was established at LATRA DSM Office at SUMATRA House. Until 30 June, 2023, a total of 1,914 drivers were tested through the system, among them 1,092 drivers passed and were certified. In its bid to ensure drivers are tested in their respective regions, during the year the Authority opened centres in Arusha, Dodoma, Mbeya and Mwanza.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

h) The Speed and Effect of Technological Change (Continued)

- iv. Other IT solutions that are in use are:
- Mobile Phones Online Inquiry System for Bus Fares,
 - Electronic Document Management System (EDMS),
 - Mfumo wa Ulipaji Serikalini (MUSE),
 - Integrated Payroll & Human Resource Management System, and
 - Time Attendance (Biometric) System.

i) Societal Issues

The financial year 2022/23 was a population and housing census for Tanzania. The preliminary results of census show growth in population at level of 3.2% per annum and increase in urbanization by 4.8% per annum. These dynamics have implication on demand for interurban and urban transport services to facilitate social and economic activities.

On the other hand, when adjourning the Parliament in Dodoma in June 2023, the Government, through the His Excellence the Prime Minister, Mr Kassim Majaliwa Majaliwa officially lifted ban on night-bus-services, past 24:00hours, that was imposed in 1992. The announcement to lift the ban provided condition that owners must apply for permits. The ban was imposed in 1992, due to incidents of hijacking and accidents that costed people's lives and damage to property, including infrastructure.

The Prime Minister's decision formalized the decision made by the Authority in December 2022, which allowed buses to start their journey at 3.0 am. Despite the move, bus owners continued to demand permission to operate for 24 hours, while LATRA provided trial permission for some buses. During the trial period, LATRA cancelled timetables of nine buses that were given permission, including six of Ally's Star busses and three of Katarama Express for violating terms of their licenses. The decision was publicly announced on 19 June 2023.

The Authority, while implementing the Government decision, shall continue to ensure terms of licences are adhered with for safety of passengers and properties.

In carrying out its functions of enhancing welfare of the Tanzania society, the Authority has been participating and providing financial support to special social programs through its Corporate Social Responsibility (CSR) program whose details are provided in respective section of this report.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

j) Environmental Challenges

The transport sector relies on diesel motive power among regulated vehicles. Diesel engines contribute to environmental pollution through the emission of carbon gases and oil spillage. Pollution is further exacerbated by littering and a lack of toilet facilities along highways for environmental preservation. To address these issues, the Authority, in collaboration with other stakeholders, has prepared Environmental Guidelines. These guidelines are utilized to enforce environmental management of railway services, as well as garages for the maintenance of locomotives and wagons. Using these guidelines, the Authority conducted inspections during the year for both TRC and TAZARA railways, and it is satisfied with the measures taken by the railway undertakings to preserve the environment.

During the year, the Authority developed an the Authority developed an Environmental, Social and Governance (ESG) strategy. This strategy includes an ESG Matrix used to evaluate the performance of TRC for the year 2022/23 concerning environmental, social, and sustainable development. Details of the guideline and the strategy are provided in later sections of this report.

In its efforts to promote the use of renewable energy, the Authority has forged a partnership with the German Cooperation Agency (GIZ) for technical support. This collaboration aims to explore possibilities for introducing renewable energy in urban transport and the Standard Gauge Rail (SGR) by sourcing financing from the National Aligned Mitigation Action (NAMA), a multilateral basket funding initiative for climate financing.

k) Political Environment

The Revised Five Year Strategic Plan made sure to reflect visions of the Third National Five Year Development Plan (FYDP III), which itself provides leadership to implement ruling political party (Chama cha Mapinduzi) manifesto. Annual plans that were drawn from the Revised Five-Year Strategic Plan (2020/2021 - 2024/2025) are therefore clearly linked to political visions

The political environment in the Country is calm for the Authority to perform its functions without political challenges. As well, there was no political interference to the Authority in exercising its mandate.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

I) Compliance with Laws and Regulations

The Land and Transport Regulatory Authority Act, Cap. 413 and its Regulations have been effective in facilitating discharge of Authority's mandate. Section 5(1)(f) of the Act requires LATRA to certify worthiness of rolling stock and road worthiness of public service vehicles and goods vehicles. In implementing this requirement, the Authority coordinated establishment of mandatory vehicle inspection centres by conducting feasibility study. It also identified plots for construction of the centres in the regions of Mwanza, Arusha, Pwani, Dodoma and Mbeya. The inspection centres are expected to enhance quality and safety of regulated commercial vehicles through inspections using specialised equipment.

However, the project has delayed paving way for discussions regarding conflicting law between Section 5(f) of the Land Transport Regulatory Act, CAP 413 and Sections 81,82 and 83 of the Road Traffic Act, 1973. The sections provides that both LATRA and Tanzania Police Force should undertake vehicle inspection.

Following amendment of Section 5(1)(c)(i) of the LATRA Act by removing the word "*establish*" and replacing it with "*enforcing*" with subsequent amendment of the Law (TBS Act) through the Finance Act, 2022, the Authority continued with the role of enforcing standards in the regulated sectors during the year.

2.4. SERVICE PERFORMANCE INFORMATION

The statement of service performance information is intended to provide insight into the operations of the Authority for the Financial Year 2022/23 and enable users to assess the extent to which those charged with governance have been able to use the available resources in achieving targets which were set for that financial year. The targets were derived from the Authority's Five Years Corporate Strategic Plan 2020/21 – 2024/25. Hence, attainment of the targets is a step towards achieving the Authority's strategic objectives.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4. SERVICE PERFORMANCE INFORMATION (CONTINUED)

The reporting is based around the following elements:

- (a) **Objectives, Strategies and Targets:** These are derived from LATRA Five years Corporate Plan.
- (b) **Risk, Impact and Mitigation:** Comes from Risk Registers and identifies key risks and provide mitigations to lessen their impacts on attainment of the objectives; and
- (c) **Input, Processes, Outputs and Outcomes:**
 - Inputs:** These are resources used by LATRA to produce outputs.
 - Process:** The activities which transform inputs to outputs.
 - Output:** The services that the Authority delivered during the year.
 - Outcomes:** Impacts expected in improving welfare of the Tanzania society through provision of the regulatory services.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

Table 1 below provides a summary of service performance information. The information is further explained in respective sections.

Table 1: Service Performance Information

Objectives	Strategies	Target	Risk	Impact	Mitigation	Input	Process	Outputs	Outcome	KPIs	Implementation Status	Budget TZS 000	Actual TZS 000
1. HIV/AIDS infections and non-communicable diseases reduced, and supportive services improved.	Short term: • HIV/AIDS and NCDs seminars conducted. • Supportive services to staff living with HIV/AIDS and NCDs provided.	• HIV/AIDS and NCDs seminars conducted to 150 staff annually. • Supportive services to staff living with HIV/AIDS provided annually.	Failure to develop and implement HIV/AIDS interventions/mechanisms.	Possible increase of HIV/AIDS infection and NCDs among staff.	• HIV/AIDS and NCD seminars conducted. • Supportive services to staff living with HIV/AIDS provided.	• Staff involved in awareness and training. • Financial Resource. Fund to facilitate activity. • Social and relationship resource. • Facilitators from other institutions.	• Training. • Lab testing. • Counselling. • Nutrition facilitation.	• Increased readiness to test for HIV/AIDS and NCDs. • Readiness to disclose status on HIV/AIDS and NCDs	• Decrease on HIV/AIDS among staff • Increased number of staff declaring their HIV/AIDS status. • Improved health of infected staff.	• Number of staff attended seminars. • Percentage of staff covered by NCDs prevention programs. • Percentage of infected staff that tested for HIV/AIDS.	Awareness seminar was conducted for six (6) zones through e-Mkurano on 26 November 2022 covering all regions. A total of 180 staff (permanent and contract) attended the seminars.		
	Medium term: Program for prevention of NCDs facilitated.	Program for prevention of NCDs facilitated by June 2023.	Failure to implement program for prevention of HIV/AIDS and NCDs.	Possible increase of HIV/AIDS infection and NCDs among staff.	Program for prevention of non-communicable diseases facilitated	• Staff involved in preparation and implementation of the program. • Financial Resource. fund to facilitate activity. • Social and relationship resource.	• Request funds to facilitate the program. • Implementation of the program. • Resource, fund to facilitate activity. • Social and relationship resource.	• Program for prevention of HIV/AIDS and NCDs. • Activities to prevent HIV/AIDS and NCDs	• Reduction in the number of NCDs. • Improved health of staff.	• Number of programs facilitated. • Percentage of staff participating in physical exercises.	• Program for prevention of NCDs was facilitated. • A total 68 employees from LATRA participated in physical exercises in Uchukuzi Sports Club.	86,188	74,496
	Long term: Development of HIV/AIDS Policy.	HIV/AIDS policy developed and approved by June 2025.	Failure to develop and implement HIV/AIDS policy.	Possible increase of HIV/AIDS and NCDs among staff.	Development of the HIV/AIDS Policy.	• Staff involved in preparation and implementation of the policy. • Financial Resource. Fund to facilitate activity.	• Meetings for policy preparation, and • Wellness program development. • Wellness program development.	• HIV/AIDS policy. • Wellness program.	• Institutionalized procedure for prevention of HIV/AIDS. • Increased productivity.	• Percent (%) of staff voluntarily tested for HIV. • Percent (%) of NCD among staff	Not implemented. Planned to start in the FY 2023/24.		
2. National anti-corruption strategy implemented and sustained.	• Enhance capacity of the Authority to fight against corruption. • Enhance transparency and accountability in discharging regulatory duties.	• Ethics awareness for LATRA staff implemented by June 2025. • Training for Integrity Committee conducted by June 2025.	• Failure to make objective decision by LATRA staff. • Failure by LATRA Staff to execute sector regulations. • Failure to disseminate information on corruption to stakeholders.	• Poor regulation of the transport sector. • Tarnished image and reputation of LATRA.	• Regular training on ethics and corruption to staff and stakeholders. • Implementation of Customer Service Charter. • Clear and transparent procedures and segregation of duties in service provision.	• Funds. • Trainers. • Conference facilities. • Training materials.	• Training. • Ethics Committee meetings.	Staff trained to fight against corruption.	• Reduced number of corruption cases reported. • Reduced number of complaints related to ethics. • Improved ethical conduct among staff	• Percentage of complaints on corruption tendencies reported. • Percentage departmental meetings and change in corruption incidences	• Ethics awareness Programs was facilitated to 24 newly recruited employees. • PCCB facilitated departmental meetings and presented on National anti-corruption policy.	30,450	22,585
	• Anti-corruption awareness for customers implemented by June 2025.	• Anti-corruption awareness for customers implemented by June 2025.									• Meeting for ethics and integrity committee were facilitated.		

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

Table 1: Service Performance Information (Continued)

Objectives	Strategies	Target	Risk	Impact	Mitigation	Input	Process	Outputs	Outcome	KPIs	Implementation Status	Budget TZS 000	Actual TZS 000
3.Authority's capacity to execute its regulatory functions enhanced.	Short term <ul style="list-style-type: none">Percentage increase in revenue collection.ICT Infrastructure for road services integrated with LATRA systems.Regulatory tools reviewed and developed.	<ul style="list-style-type: none">Annual revenue collection increased by 20%;One Revenue sources introduced each year.ICT Infrastructure for connecting bus terminals, weigh bridges, vehicles and drivers.	<ul style="list-style-type: none">Failure to achieve budgeted collections.Failure of ICT application software system or application hardware due to cyber-attacks or system failures.	<ul style="list-style-type: none">Inability to achieve financial, human resource and administrative goals.Failure to provide regulatory services.	<ul style="list-style-type: none">Use of Electronic Ticketing by bus operators.Enhanced monitoring inspection on strategic locations along highways.Develop ICT Infrastructure for connecting regional bus terminals, weigh bridges.	<ul style="list-style-type: none">Financial Resource, Fund to facilitate activities.Social and relationship resource.	<ul style="list-style-type: none">Development of universal application for eTicketing.Engagement of MoWT, TABOA and other stakeholders.Connecting weigh bridged, and driver testing centers.	<ul style="list-style-type: none">Revenue increase by 20%.One Revenue sources introduced by June 2023.GePG, MUSE and RRMS integrated by June 2023.	<ul style="list-style-type: none">LATRA capacity to execute its regulation enhanced.	<ul style="list-style-type: none">Percentage increase of revenue collection.Level of staff performance.Number of business processes automated.	<ul style="list-style-type: none">During the FS 2022/23 revenue increased by TZS 5.36 billion (18.6%) being below the target of 20.0% by 1.4%. The increase in collection is above that of last year of 11% by 7.6%.Bus terminal of Magufuli (DSM) and Nanenane (Dodoma) were connected.		
	Medium term <ul style="list-style-type: none">Financial Regulations and Accounting Procedures Manual developed.Organization structure developed, approved and implemented.Cyber security governance framework developed and implemented.Keyword filing management system developed and implemented.Whistle Blower Policy developed and implemented.	<ul style="list-style-type: none">Financial Regulation and Accounting Procedures Manual developed and implemented by June 2023.Approved organization Structure implemented by June 2025.Keyword filing management system developed and implemented by June 2025.Whistle Blower Policy developed and implemented by June 2025.	<ul style="list-style-type: none">Failure to develop, review and implement policies relating to finance, human resource, and administration.Failure of ICT application software system or application hardware due to cyber-attacks or system failures.Failure to enhance controls around financial, human and physical resources.	<ul style="list-style-type: none">The Authority's financial capacity to finance its operations may be affected.Inability to achieve financial, human resource and administrative goals.Failure to provide regulatory services.	<ul style="list-style-type: none">Financial Regulation and Accounting Procedures Manual developed by June 2023Approved organization Structure by June 2023.Keyword filing management system developed and implemented by June 2023.Whistle Blower Policy developed and implemented by June 2023.	<ul style="list-style-type: none">Financial Resource, Fund to facilitate activities.Social and relationship resource.	<ul style="list-style-type: none">Meetings for development of the manuals.Engagement of other institutions in the development of the Manuals.	<ul style="list-style-type: none">Financial Regulation and Accounting Procedures Manual.Approved organization Structure.Keyword filing management system developed.Whistle Blower Policy developed and implemented.	<ul style="list-style-type: none">Enhanced controls on Human Resources, Finance and Administration.Increased compliance with working procedures.Authority risks reduced.	<ul style="list-style-type: none">A total of 5 internal guidelines developed and implemented.The Accounting Procedures Manual was developed in 2021 and is in operation.The Accounting Procedures Manual was developed in 2023 and approved by the Board and submitted to the Treasury Registrar.LATRA organization Structure was approved and is under implementation.Keyword filing management system was developed and approved by the Board in 2023.Whistle Blower Policy was developed and implemented.	<ul style="list-style-type: none">Financial Regulation was developed in 2021 and is in operation.The Accounting Procedures Manual was developed in 2023 and approved by the Board and submitted to the Treasury Registrar.	22,105	6,547

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

Table 1: Service Performance Information (Continued)

Objectives	Strategies	Target	Risk	Impact	Mitigation	Input	Process	Outputs	Outcome	KPIs	Implementation Status	Budget TZS 000	Actual TZS 000
	Long term <ul style="list-style-type: none"> Enterprise Risk Management (ERM) system developed. Quality Management System (QMS) Certification ISO 9000:15000 operationalized by June 2025. 	<ul style="list-style-type: none"> Enterprise Risk Management operationalized by June 2025. Quality Management System (QMS) Certification ISO 9000:15000 operationalized by June 2025. 	<ul style="list-style-type: none"> Failure to identify and mitigate risks. Failure to provide uniform regulated service to customers. 	<ul style="list-style-type: none"> Disruption of Regulated services. Tarnished image of the Authority. 	<ul style="list-style-type: none"> Enterprise Risk Management (ERM) system developed. Quality Management System (QMS) developed. 	<ul style="list-style-type: none"> Financial resources. Human resources. Social and relationship resources. Government Regulators. Customers. Suppliers including. 	<ul style="list-style-type: none"> Prepare Risk Registers, Risk Policy and Manual. Documenting all key processes. Conduct Review of the documents. 	<ul style="list-style-type: none"> Management (ERM) system developed. Quality Management System (QMS) developed. 	<ul style="list-style-type: none"> Authority risks identified and mitigated/reduced. Timely delivery of regulatory services. Consumer complaints reduced. 	<ul style="list-style-type: none"> Development and approval of the ERM and QMS. 	<ul style="list-style-type: none"> The Enterprise Risk Management (ERM) system was developed. Key processes were developed as a prerequisite for Quality Management System (QMS). 98% of tenders procured 	5,900,000	4,800,000
	Facilitate availability of goods, works and service, consultant services and non-services	Quality goods, works and services procured by June 2025;	<ul style="list-style-type: none"> Financial Loss Failure to attain value for money Substandard goods and services Failure to implement Authority's mandated functions 	<ul style="list-style-type: none"> Qualified audit report Depraved reputation of the organization Increased litigation matters 	<ul style="list-style-type: none"> Ensure availability of effective laws and regulations to match with business environment Development and upgrading procurement ICT systems HR Capacity building on procurement matters Developing and upgrading procurement processes 	<ul style="list-style-type: none"> Financial Resources Competent human resources Reliable ICT equipment 	<ul style="list-style-type: none"> Develop procurement processes and manuals Training programs Timely preparation and publication of Annual Procurement Plans 	<ul style="list-style-type: none"> Timely procurement Cost effective procurement (Value for money) Competent procurement human resources 	Efficient procurement process	Number of Implemented tenders Absence of stock out			
4. Competition in the regulated sectors strengthened.	<ul style="list-style-type: none"> Promote effective competition in the regulated sectors Enhance research and statistical information sharing Strengthen performance monitoring of regulated sector. Improve performance monitoring of the Authority 	<ul style="list-style-type: none"> Two (2) surveys analysis for applicable market rates and charges for road passenger services conducted June 2023. One (1) Annual survey on freight charges along two (2) major transport corridors conducted by June 2023. 	<ul style="list-style-type: none"> Failure to coordinate the review, analysis and resolutions of complaints and disputes in the regulated sectors. Failure to provide cap fares of the regulated services as required by Regulations made under the LATRA Act. CAP-413. 	<ul style="list-style-type: none"> Poor quality of regulated services Fare hikes. Lack of mandate to regulate TAZARA railways. 	<ul style="list-style-type: none"> Appointment of a special committee to deal with complaints and disputes in line with section 33 of the Transport Regulatory Authority Act. 	<ul style="list-style-type: none"> Funds. Conference facilities. Training materials. Analytical tools. Research Assistants. Reference books and reports. Regulations. Transport. 	<ul style="list-style-type: none"> Conduct research. Organize stakeholder meetings Prepare tariff proposals Prepare budget meetings. 	<ul style="list-style-type: none"> Research reports. Approved tariff. Training reports Stakeholder meeting consultative Approved Plans and Budgets. Corporate performance reports. 	Increased availability of quality land transport services.	Number of surveys conducted.	<ul style="list-style-type: none"> TRC tariff application was analyzed and approved by the Board. Five-Year Strategic Plan (SP 2020/21 - 2024/25) was reviewed. Data for regulated land transport sectors were collected. 	907,003	511,403

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

Table 1: Service Performance Information (Continued)

Objectives	Strategies	Target	Risk	Impact	Mitigation	Input	Process	Outputs	Outcome	KPIs	Implementation Status	Budget TZS 000	Actual TZS 000
5. Safety of Land transport Improved.	Short term <ul style="list-style-type: none"> Monitoring inspection on strategic locations along highways. Inspections of infrastructure, rolling stock and operations of railways conducted. Driver's aptitude test procedures developed and implemented. 	<ul style="list-style-type: none"> Conduct 248 roadside inspections of commercial vehicles periodically along highways. Inspections of infrastructure, rolling stock and operations of railways conducted quarterly. Mechanism for certification of commercial vehicle drivers developed and implemented by June 2025. 	<ul style="list-style-type: none"> Failure to monitor compliance to road regulations. Failure to conduct quarterly safety inspection of TRC and TAZARA operations infrastructure and equipment. Failure to monitor driver's certification process. 	<ul style="list-style-type: none"> Non-compliance to regulations. Possibility of increase in road and railway accidents. 	<ul style="list-style-type: none"> Regular monitoring inspections of commercial vehicles to reduce accidents. Inspections on TRC and TAZARA conducted quarterly. Review and document procedure for driver certification. 	<ul style="list-style-type: none"> Financial Resources, Human resources, Conference facilities, Training materials, Inspection tools, Safety Regulations Driver testing facilities, Vehicle Tracking System 	<ul style="list-style-type: none"> Monitoring of commercial road vehicles. Conduct quarterly inspection of railway infrastructure, rolling stock and operation. Develop aptitude test procedures. 	<ul style="list-style-type: none"> Inspection of commercial vehicles. Inspections of infrastructure, rolling stock and operations of railways. Approved procedure for driver's aptitude test. 	<ul style="list-style-type: none"> Increase in compliance to safety conditions. Reduction of road crashes. Increased ridership. Increased railway freight transported. Reduction of operation costs to service providers. 	<ul style="list-style-type: none"> Number of roadside inspections. Number of inspections of infrastructure, rolling stock and operations of railways conducted. One approved procedure for driver's aptitude test. 	<ul style="list-style-type: none"> During the year ended on 30 June 2023, 104 roadside inspections were conducted. A total of four (4) inspections were conducted as planned on TAZARA and TRC. Procedure for drivers testing was developed and approved by Management. 	343,050	948,177
	Medium term <ul style="list-style-type: none"> Safety training programs for commercial vehicle drivers operationalized. Preparation of feasibility study and operationalization of mandatory vehicle inspection centers. 	<ul style="list-style-type: none"> Training on road safety to service providers by June 2025, Enforce mandatory inspection of vehicles and monitor performance of inspection centers by June 2025. 	<ul style="list-style-type: none"> Inadequate enforcement of laws and regulations for regulated road transport services. Failure to establish and enforce Mandatory vehicle inspection. 	<ul style="list-style-type: none"> Possible noncompliance to regulations and increase in road accidents. Possible noncompliance to quality of standards. 	<ul style="list-style-type: none"> Timely engagement of Police, TABOA and facilitators for training of drivers. Form a team for preparation of pre-feasibility study and Concept Note. 	<ul style="list-style-type: none"> Conference facilities. Training materials. Inspection Assistants. Funds for inspection allocated in the budget. 	<ul style="list-style-type: none"> Organize training sessions. Identify plots for establishment of vehicle inspection facilities. Conduct pre-feasibility study and prepare Concept Note. 	<ul style="list-style-type: none"> Certified drivers. Training reports. Pre-feasibility study report. Concept Note for establishment of mandatory vehicle inspection arrangement. 	<ul style="list-style-type: none"> Increase in compliance to licensing safety conditions Reduction of road crashes Reduction of operation costs to service providers 	<ul style="list-style-type: none"> Number of safety training conducted. Preparation of pre-feasibility study and concept note for implementation of Mandatory Vehicle Inspections under PPP arrangements 	<ul style="list-style-type: none"> Four (4) safety trainings were conducted. Pre-feasibility study and concept note for implementation of Mandatory Vehicle Inspections under PPP arrangements was prepared and submitted to the Ministry responsible for transport. 	343,050	948,177
	Long term <ul style="list-style-type: none"> Regulations on driver fatigue management developed. Regulations on mandatory vehicle inspection developed. 	<ul style="list-style-type: none"> Regulations on driver fatigue management developed and implemented by June 2025. Regulations on mandatory vehicle inspection developed by June 2025. 	<ul style="list-style-type: none"> Failure to develop Regulations on driver fatigue management. Failure to develop Regulations on mandatory vehicle inspection. 	<ul style="list-style-type: none"> Possible increase in road accidents. Possible noncompliance to quality of standards. 	<ul style="list-style-type: none"> Engagement of Attorney General, Ministry of Works and Transport and other experts to develop regulations. Coordinate development of the regulations. 	<ul style="list-style-type: none"> Funds for preparation of the regulations. Conference facilities. Legal and other experts from LATRA, the Ministry of Works and Transport and Office of Attorney General. 	<ul style="list-style-type: none"> Organize sessions for preparation of the regulations. Conduct stakeholder meetings. 	<ul style="list-style-type: none"> Approved fatigue management regulations Approved regulations on mandatory vehicle inspection 	<ul style="list-style-type: none"> Reduction of occurrences and road crashes. Reduction of operation costs to service providers 	<ul style="list-style-type: none"> One driver fatigue regulations developed. One Mandatory vehicle inspection regulations developed. 	<ul style="list-style-type: none"> Fatigue management regulations was developed. Mandatory vehicle inspection regulations pending amendment of LATRA and Road Traffic Acts. 		

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

Table 1: Service Performance Information (Continued)

Objectives	Strategies	Target	Risk	Impact	Mitigation	Input	Process	Outputs	Outcome	KPIs	Implementation Status	Budget T25 000	Actual T25 000
6. Environmental sustainability of Land transport Improved.	<ul style="list-style-type: none"> Guidelines for environmental preservation in railways developed and implemented. Promote use of alternative energy in commuter services. Environmental compliance inspection for commercial vehicles conducted. Environmental compliance inspection for railway-undertaking conducted. High occupancy in rail vehicles established. 	<ul style="list-style-type: none"> Railway environmental guidelines developed and implemented by June 2025. Alternative energy in commuter services in use by June 2025. Environmental compliance inspection for commercial vehicles conducted by June 2025. Environmental compliance inspection for railway-undertaking conducted by June 2025. High occupancy in rail vehicles established by June 2025. 	<ul style="list-style-type: none"> Failure to develop environmental guidelines for railways. Failure to protect environment in the regulated sectors. 	<ul style="list-style-type: none"> Increase in environmental pollution. 	<ul style="list-style-type: none"> Promoting use of natural gas to power commercial vehicles. Promote construction of social amenities along highways. Conduct inspection and enforcing use of dust bins in buses. Conduct environmental inspection at railway undertakings in TAZARA and TRC. 	<ul style="list-style-type: none"> Funds for preparation of guideline, monitoring compliance and promoting use of alternative energy. Experts from NEMC, LATRA, the Ministry of Works and Transport and other institutions. Conduct environmental compliance inspections. Conference facilities. Staff for conducting inspection. Reference books and reports. 	<ul style="list-style-type: none"> Meetings for development of the guideline. Engagement of experts from NEMC, Ministry of Works and Transport, Police and other institutions. Conduct environmental compliance inspections. Environmental compliance inspection for railway-undertaking conducted. Use of high occupancy buses in major cities. 	<ul style="list-style-type: none"> One guideline for environmental preservation on railway developed. Number of environmental compliance inspection conducted. Number of high occupancy buses in major cities. 	<ul style="list-style-type: none"> Reduced fuel and oil spillage. Increased compliance with emission standards. Increased level of hygiene on railway and road infrastructure. Decrease of fossil oil bill. 	<ul style="list-style-type: none"> One guideline for environmental preservation on railway developed. Number of environmental compliance inspection conducted. Number of high occupancy buses in major cities. 	<ul style="list-style-type: none"> Draft Guideline was developed. The Authority forged partnership with German Cooperation Agency (GIZ), Agency (GIZ), support to explore possibilities of introducing renewable energy in urban transport and the SGR through sourcing financing from National Aligned Mitigation Action (NAMA). Two (2) number of environmental compliance inspection for railway-undertaking were conducted 	62,275	48,719
7. Availability of quality land transport services enhanced.	<ul style="list-style-type: none"> Facilitate availability of quality regulated services. Enhance compliance of licensing conditions. Enhance use of modern technology 	<ul style="list-style-type: none"> 12 Joint Roadside inspections of licensed vehicles conducted by June, 2023. Open access regime for delivery services developed by June, 2025. Training on quality of service-to-service provider conducted by June, 2025. Monitoring of Vehicle Tracking System- VTS is conducted by June, 2025. Licensing conditions for railways developed and implemented by June, 2025. 	<ul style="list-style-type: none"> Failure to monitor compliance of licensing conditions. Failure to acquire modern railways inspection tools. Failure to monitor quality of motorcycles and tricycles operators 	<ul style="list-style-type: none"> Poor regulated Transport services. Poor railways infrastructure and rolling stocks. Low quality motorcycle and tricycle transport service 	<ul style="list-style-type: none"> Implementation of VTS to monitor driving behavior and bus timetables. Regular monitoring inspections to enforce compliance of stakeholders in the enforcement of licensing conditions. Use of modern tools to quarterly inspect both TRC and TAZARA. Shortfalls reported to the railway undertaking and the Ministry responsible for transport. 	<ul style="list-style-type: none"> Standard Gauge Railway operational plans. TRC Act and PPP policies. International SGR benchmarks. Training materials. Training facilities. Roadside inspection system. Vehicle Tracking System. Railway inspection tools. 	<ul style="list-style-type: none"> Prepare Standards for SGR. Prepare Railway Open access regulations, crew on quality. Train drivers and crew on quality. Service providers roadside inspections. Licensing of road and railways operations. 	<ul style="list-style-type: none"> Approved railway Open access regulations Trained drivers and crew on quality services Roadside inspection reports 	<ul style="list-style-type: none"> Increased compliance with licensing conditions. Improved quality of land transport services. Improved licensing of Motor Cycles. 	<ul style="list-style-type: none"> Number of inspections. Approved strategy. Improved amended quality of transport services. Facilities availability of quality related services. Enhance compliance of licensing conditions Enhance use of modern technology 	<ul style="list-style-type: none"> The Authority issued a total of 220,881 road service licenses. The performance was 10% above previous year of 190,358 	2,285,015	1,879,391

Source: LATRA Five Years Corporate Strategic Plan 2020/21 – 2024/25.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4. SERVICE PERFORMANCE INFORMATION (CONTINUED)

The reporting of service performance information is provided in the following sections:

SECTION 01: The link between all service performance objectives with respective inputs, outputs and outcomes

The Authority's key objectives are provided in the above table and summarised as follows; to enhance its capacity to execute regulatory functions, strengthen competition in the regulated sectors, improve safety and availability of quality land transport services and preserving the environment. Narrated below is the link between objectives with inputs, outputs and outcomes:

Inputs

The Authority uses inputs such as, human resources, cash and other financial assets, capital assets such as land, buildings and vehicles, ICT equipment and software.

The human resources is one of the key inputs in implementing regulatory functions. At 30 June 2023, the Authority had 154 employees (2021/22: 125) with adequate skills and competence on regulation.

The Authority earned a total of TZS 34.80 billion during the year, (2021/22: TZS 28.82 billion) which covered expenses of TZS 33.88 billion for the year (2021/22: TZS 27.07 billion). With regards to intangible resources, the Authority depends on its Act, CAP 413 and regulations as well as ICT applications to implement its mandate. The Ministry of Works and Transport in collaboration with the Authority developed eight (8) regulations which were gazetted in the year 2020. Another eight (8) regulations were drafted during the financial year 2022/23 and were submitted to the stakeholders' meetings for comments. Among them are regulations for mandatory vehicle inspection, electronic ticketing, vehicle tracking system and transportation of dangerous goods. The Authority has also created good working relationships with stakeholders both internal and external. The relationship facilitates effective implementation of its mandate.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4. SERVICE PERFORMANCE INFORMATION (CONTINUED)

Outputs

According to Section 5 (1)(b) of the Act, the Authority is mandated to issue, renew and cancel permits and licences. These are key outputs in providing regulated services. To enhance safety, the Authority certify competencies of drivers and register crew for commercial vehicles. In addition, LATRA establishes new routes, provide bus timetables for passenger service vehicles and enforce compliance through inspections. The outputs for 2022/23 are summarised as follows:

- 284,158 (2021/22: 239,953) licenses were issued to commercial vehicles.
- A total of 6,806 (2021/22: 4,089) drivers were registered.
- Issued 3,427 (2021/22: 4,670) timetables for intercity passenger service vehicles.
- Established 610 (2021/22: 156) new routes for commuter services.
- 104 (2021/22: 26) regular roadside inspections were conducted to enforce compliance.
- 2 (2021/22:8) major accidents and incidents related to railway infrastructure were reported and investigated.
- 6 (2021/22:7) inspections on TAZARA and TRC were conducted.

Outcomes

The overall expected outcome of LATRA performance is enhancing welfare of the Tanzania society. These is evident on increased availability of quality land transport services where operating licenced vehicles increased by 18.4% (2021/22: 4.2%), enhanced safety of road and railway transport services where 246 road (2021/22: 289) and 2 railways (2021/22: 8) accidents were reported during the year. There is also notable improvement on the quality of passenger service vehicles and train services hence increased customers and passenger satisfaction.

SECTION 02: Assessment of whether service performance objectives have been achieved; and inter-period and inter-entity comparisons of service performance.

In achieving objectives, the following planned activities were implemented to achieve targets in 2022/23.

(a) Authority's capacity to execute its regulatory functions enhanced:

- Planned to increase revenue collection by 21% from TZS 28.82 to 34.80 billion by 30 June 2023. During the period, a total of TZS 34.80 billion was collected (2021/22: TZS 28.82 billion). The annual target was attained by 98.89% (2021/22: 95.0%).

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4. SERVICE PERFORMANCE INFORMATION (CONTINUED)

(a) Authority's capacity to execute its regulatory functions enhanced (Continued):

- The target was not achieved fully mainly due resistance of service providers to pay Regulatory Levies. Efforts to collect levies through engagement of the Government and other stakeholders is in progress.
- The Authority planned to Train 126 employees by June 2023. However the Authority implemented training of 93 employees which is 76.2% of the target. The target was affected by the program of shifting LATRA Head Office to Dodoma.
- The Authority planned to conduct Five (5) sensitization seminars for key stakeholders on legislations and enforcement procedures by June 2023. Six (6) sensitization seminars were implemented. The achievement surpassed the target by 120%.
- Publication of Five (5) LATRA new regulations were planned by June 2023. During the year, the Authority facilitated development and translation of eight (8) draft regulations. The performance was 160% of the target.
- One (1) Policy namely, LATRA Document Disposal was planned to be developed by June 2023. LATRA Document Retention and Disposal Policy was developed and approved. The target was achieved by 100%.
- The Authority planned to relocate LATRA Head office to Dodoma by June 2023. The Head office was relocated to Dodoma on 26 September 2022. The target was achieved by 100%.
- The Authority planned to disseminate 100 TV Programs for corporate information to the public by June 2023. The Authority implemented a total of 115 TV programs. The performance was achieved by 115%.
- The Authority planned to improve three (3) ICT applications by June 2023. During the year, the billing module of RRIMS was improved to accommodate approved fares. In addition, VTS database engine was upgraded for security purposes and LATRA Mobile Application (LATRA App) was developed and published in the Google Android PlayStore. The performance was achieved by 100%.
- The Authority planned to install information screens and ICT back born on two (2) bus terminals by June 2023. The installation of Passenger Information System (PIS) screens were implemented at Magufuli Bus Terminal in Dar es Salaam and Nanenane Bus Terminals in Dodoma.
- Planned to conduct audit of licensing activities for 32 Local Government Authorities by June 2023. A total 31 LGAs were audited. The Performance was 96.8% of the target.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4. SERVICE PERFORMANCE INFORMATION (CONTINUED)

(b) Competition in the regulated sectors strengthened

Mid-Term review of the Authority's Five Years Corporate Strategic Plan 2020/21 -2024/25 conducted by June 2023. The Strategic Plan was reviewed in collaboration with experts from MoWT, MoFP and President Office - Public Service Management and Good Governance pending submission to stakeholders. The performance was 95% of the target.

Six (6) Quality service monitoring visits on regulated land transport services conducted by June 2023. Seven (7) Monitoring survey visits were conducted two (2) for interurban bus services in November and December 2022, three (3) monitoring surveys on quality of TRC passenger services from Dar es Salaam to Kigoma and deluxe passenger train from Dar es Salaam to Moshi and Arusha was conducted in June 2023, two (2) monitoring on quality of road freight services for Central Corridor and Dar es Salaam Corridor were conducted in May and June 2023. The performance was 116.7% of the target.

Two (2) research on regulated land transport services conducted by June 2023. Two studies were conducted, on passenger and freight services to establish market bus fares, freight rates and bus travel time and study to establish socio-economic impact of commercial motorcycles and motor-tricycle offering private hire transport services in urban and sub-urban centres. The performance was 100%.

(c) Safety of land transport improved

One (1) Annual Railway Audit Inspection for TRC and TAZARA conducted by June 2023. The Annual Railway Audit inspection on TAZARA was conducted in August and September 2022 and safety inspection for Tanzania Railways Corporation (TRC) was conducted in December 2022 from Tabora to Kigoma and Tanga line from Dar es Salaam to Moshi–Arusha including link line Ruvu Junction to Mruazi Junction. The performance was attained by 100%.

Quarterly safety Inspection on TRC and TAZARA Passenger Trains conducted by June 2023. A total of four (4) inspections were conducted as planned. For TAZARA passenger train from Dar es Salaam to Mbeya was conducted in October 2022, inspections of TRC infrastructure and equipment were conducted in December 2022, inspections of central line from Tabora to Kigoma and Tabora to Mwanza and Dar es Salaam to Moshi and Arusha was conducted in March 2023 and inspection of the TAZARA passenger train from Dar es Salaam to– Tunduma was conducted in April 2023.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4. SERVICE PERFORMANCE INFORMATION (CONTINUED)

(c) Safety of land transport improved (Continued)

Commissioning of TRC SGR infrastructure, electrical and rolling stock by June 2023. Pre-commissioning inspection of Standard Railway Gauge (SGR) for lot one from Dar es Salaam to Morogoro was conducted in November 2022. The Authority commissioned electrical system for lot 1 (DSM-MOR) and conducted static inspection for commissioning of 14 new coaches as well as 6 used refurbished coaches at Pugu station yard. The performance was attained by 100%

At least 4000 licensed interurban buses fitted with Vehicle Tracking Devices (VTDs) monitored by June 2023. A total number of 8734 interurban buses were installed with VTDs. The performance was above the target.

100% of the Reported Railway Accidents investigated by June 2023. Two (2) major accidents were reported and investigated. These are train accident on TAZARA line that involved capsizement of Train No 0129 at km 518 between Lumumwe-Mpanga in Mlimba District and TRC passenger train No. S54 which was involved in an accident at Km 345/6 between Fela and Bukwimba stations causing derailment and capsizement of Loco 9002 and coach 3620 on 3 May 2023.

Four (4) Railway safety awareness seminars to safety critical workers conducted by June 2023. Four (4) sensitization seminars for TRC Safety Critical Workers were conducted from in September 2022 at Dodoma, Mwanza, Kigoma, Tabora and Morogoro centers where a total of 180 workers participated. In addition, four (4) seminars were conducted for TAZARA workers at Mbeya, Mlimba, Makambako and Dar es Salaam in March 2023. Marking a total of 230 safety critical workers who attended the trainings. The performance was above the target.

(d) Environmental sustainability of Land transport

Four (4) monitoring inspections on waste management in railway operations conducted by June 2023. Four (4) waste Management inspection were conducted in four centres of Mbeya and Mlimba for TAZARA; and Tabora and Morogoro for TRC. The performance was 100% of the target.

Four (4) monitoring inspections on road waste management conducted by June 2023. Four (4) monitoring inspection were conducted on Dar es Salaam to Iringa highway in March 2023, on the Iringa to Tunduma highway in March to April, 2023, on the Dar es Salaam to Mtwara highway in June 2023 and on the Mtwara to Njombe high way in June 2023. The target was achieved by 100%.

(e) Availability of quality land transport services strengthened

Two (2) stakeholder meetings to promote high occupancy buses in cities and towns conducted by June 2023. Two (2) stakeholders' meeting were conducted in Mwanza and Dar es Salaam to promote high occupancy vehicles through formation of cooperatives. Among the attendees were members from UWADAR and DARCOBOA.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4. SERVICE PERFORMANCE INFORMATION (CONTINUED)

(c) Safety of land transport improved (Continued)

SECTION 03: The services that the Authority provides

The Authority is mandated to regulate land transport services by performing the following key functions;

- (i) issue, renew and cancel permits or licenses;
- (ii) enforce standards for regulated goods and regulated services;
- (iii) establish terms and conditions of supply of the regulated goods and services;
- (iv) regulate rates and charges;
- (v) coordinate land transport safety activities;
- (vi) register crew and certify drivers of regulated sector;
- (vii) certify worthiness of rolling stock and road worthiness of public service vehicles and goods vehicles;
- (viii) to facilitate resolution of complaints and disputes;
- (ix) to disseminate information about matters relevant to the functions of the Authority;

SECTION 04: The nature of the entity

The Land Transport Regulatory Authority (LATRA) is a Government Regulatory Authority established by the Act of Parliament No. 3 of 2019. The Act repealed the act of the former regulator, SUMATRA. Section 5 (1) (b) of the Act requires the Authority to perform functions conferred to it by sector legislations, the Transport Licensing Act, Railways Act and other sector legislation.

As a regulator, the Authority provides license to regulated service providers and register drivers and crew of commercial vehicles. The Authority customers include, regulated services providers, vehicles owners, drivers and crew of commercial vehicles and trains.

SECTION 05: The regulatory environment in which the entity operates

The Authority is the sole regulator of land transport services in Mainland Tanzania. However, section 5(f) of the Land Transport Regulatory Act, CAP 413 and sections 81,82 and 83 of the Road Traffic Act, 1973 provides that both LATRA and Tanzania Police Force should undertake vehicle inspection.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4. SERVICE PERFORMANCE INFORMATION (CONTINUED)

(c) Safety of land transport improved (Continued)

To address the challenge and ensure there is effective coordination of vehicle inspections, a team of experts from the Office of the Attorney General, LATRA and the Police Force convened at Morogoro to review the legislations and propose amendments. The amendments are expected to be

Despite the fact that the Civil Case No. 87/2019 between Umoja wa Madereva Tanzania (UWAMATA) and SUMATRA at High Court of Tanzania in which Madereva alleged wrong charging of fine arising from VTS was concluded in favour of the Authority, LATRA decided not to start charging fines until regulations on VTS are approved. The decision is aimed to ensure a good framework is put in place to enhance compliance and improve safety of regulated vehicles.

SECTION 06: Service performance objectives

The service performance objectives for LATRA are derived from its Five Years Strategic Plan (2020/21-2025/26). Details of the objectives are provided under Part 6.0 of this report.

SECTION 07: Performance indicators - Planned and actual information for the reporting period; and actual information for the previous reporting period.

The Authority's Key Performance Indicators (KPIs) are reported based on the implementation of Annual Plan and Budget derived from the Corporate Strategic Plan (2020/21-2024/25). The KPIs for the year ended 30 June 2023 are given in the Table 2 above.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4. SERVICE PERFORMANCE INFORMATION (CONTINUED)

Table 2: Key Performance Indicators for the Year 2022/23

Objective	Target for 2021/22	Target for 2022/23	Performance Indicator	Implementation Status 30 June, 2023	Actual 2022/23 (TZS '000')	Budget 2022/23 (TZS '000')	Actual 2021/22 (TZS '000')
HIV/AIDS infections and non-communicable diseases reduced, and supportive services improved.	Six (6) HIV/AIDS and Non-communicable diseases awareness seminars conducted by June 2022.	HIV/AIDS and NCDs awareness seminars conducted to 150 employees by June 2023.	Number of staff attended seminars.	Awareness seminar was conducted for six (6) zones through e-Mkutano on 26 November 2022 covering all regions. A total of 180 staff (permanent and contract) attended the seminars	21,912	23,400	35,693
	Supportive services to staff living with HIV/AIDS provided by June 2022.	Supportive services to staff living with HIV/AIDS provided by June 2023.	Percentage of staff covered.	All staff with HIV/AIDS were supported with allowance for special in each month.	1,800	12,000	7,200
	One (1) Program for prevention of non-communicable diseases facilitated by June 2022.	One (1) Program for prevention of non-communicable diseases facilitated by June 2023.	Number of programs facilitated.	One (1) program was facilitated. The program involved sports and physical exercise after office hours on Tuesdays and Fridays.	50,785	50,788	58,756
	Three (3) awareness seminar on corruption to LATRA employees conducted by June 2022.	Three (3) awareness seminar on corruption to LATRA employees conducted by June 2023.	Number of corruption incidences.	Three (3) seminars were conducted in Bagamoyo (10 July 2021), Morogoro (4 Dec.2021) and Dar es Salaam (19 Mar. 2022). They were facilitated by PCCB.	-	6,300	9,791
Effective implementation of National Ant-Corruption Strategy enhanced and sustained.	Areas prone to corruption within the Authority identified by June 2022.	Facilitate quarterly meetings of Integrity Committee by June 2023.	Number of meetings.	The meetings of Ethics and Integrity Committee were facilitated where four (4) meetings were held one each quarter.	3,000	3,000	4,345

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4. SERVICE PERFORMANCE INFORMATION (CONTINUED)

Table 2: Key Performance Indicators for the Year 2022/23 (Continued)

Objective	Target for 2021/22	Target for 2022/23	Performance Indicator	Implementation Status 30 June, 2023	Actual 2022/23 (TZS '000')	Budget 2022/23 (TZS '000')	Actual 2021/22 (TZS '000')
Capacity to execute Regulatory Function Enhanced.	Revenue collection increased by 20% from TZS 25.85 to 31.0 billion by June, 2022	Revenue collection increased by 20% from TZS 25.95 to 31.0 billion by June 2023.	Percentage increase of revenue collection.	Revenue increased by 20.7% to TZS 34.79 billion. The collections could have been higher if levy was collected as required. Engagement of Government institutions to find solution is in progress.	13,759	21,000	28,512
	90% of Training Plan implemented by June, 2022	Training of 126 employees by June 2023.	Number of staff attended trainings.	A total of 93 employees attended trainings. The training program was affected by shifting of Head Office to Dodoma in September 2022.	174,150	190,492	-
	Two (2) sensitization seminars of 60 key stakeholders on Legislations and Enforcement Procedures conducted by June, 2022	Five (5) sensitization seminars of key stakeholders on Legislations and Enforcement Procedures conducted by June, 2023	Number of stakeholders meetings.	Six (6) sensitization seminars on Authority's Laws and Regulations were conducted.	31,080	32,100	36,688
	Six (6) LATRA new regulations facilitated by June, 2022	Five (5) LATRA new regulations facilitated by June 2023.	Number of regulatory instruments developed.	Eight (8) Rules and Regulations under the Land and Transport Regulatory Authority Act, Cap. 413 were drafted.	58,332	96,250	74,490
	Eighty (80) TV Programs for disseminating corporate information to the public produced by June 2022.	100 TV Programs for disseminating corporate information to the public produced by June 2023.	Number of TV programs for public awareness.	115 TV programs were produced and aired through TBC1, Cloud Media, LATRA online TV, Instagram and You Tube.	209,883	210,000	58,414
	Two (2) bus terminals installed with Passenger Information Screens and LATRA ICT backbone by June 2022.	Two (2) bus terminals installed with Passenger Information Screens and LATRA ICT backbone by June 2023.	Number of installed passenger information systems.	Passenger Information System (PIS) screens were installed at Magufuli Bus Terminal in Dar es Salaam and Nananane Bus Terminals in Dodoma.	14,977	24,300	56,000

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4. SERVICE PERFORMANCE INFORMATION (CONTINUED)

Table 2: Key Performance Indicators for the Year 2022/23 (Continued)

Objective	Target for 2021/22	Target for 2022/23	Performance Indicator	Implementation Status 30 June, 2023	Actual 2022/23 (TZS '000')	Budget 2022/23 (TZS '000')	Actual 2021/22 (TZS '000')
Effective competition in the regulated sectors strengthened.	Two (2) ICT Applications (RRIMS, Drivers Testing and Mobile Applications) developed and implemented by June 2022.	Two (2) ICT Applications (RRIMS, Drivers Testing and Mobile Applications) developed and implemented by June 2023.	Number of automated business processes.	Two (2) Applications of Driver Testing System (DTS) and Mobile App. were developed and operationalized. DTS was launched on 1 June 2023.	147,730	400,000	37,288
	Licensing Activities for thirty-two (32) Local Government Authorities (LGAs) audited to assess compliance with MoU, Policies, and Rules by June 2022.	Licensing Activities for 32 Local Government Authorities (LGAs) audited to assess compliance with MoU, Policies, and Rules by June 2023.	Number of audits conducted.	A total of 31 LGAs were audited to assess compliance with the MoU, Policies, Procedures, Rules and Regulations regarding licensing of motorcycles and tricycles and revenue collections.	51,795	53,795	50,823
	Two (2) surveys analysis for applicable market rates and charges for road passenger services conducted June 2022.	Two (2) surveys analysis for applicable market rates and charges for road passenger services conducted June 2023.	Number of surveys conducted.	Two (2) surveys were conducted for inter urban bus routes. The surveys indicated the approved bus fares were stable with minor variations.	1,000	23,500	2,719
	One (1) Annual survey on freight charges along two (2) major transport corridors conducted by June 2022.	One (1) Annual survey on freight charges along two (2) major transport corridors conducted by June 2023.	Number of surveys conducted.	One (1) survey was conducted on the routes of DMS to Kigali, Bujumbura, Lilongwe, Nairobi, Lubumbashi, Goma and Lusakawere. It was established, the average freight charges were USD 117 per ton or USD 0.0739 per ton kilometre.	8,500	6,000	NILL

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4. SERVICE PERFORMANCE INFORMATION (CONTINUED)

Table 2: Key Performance Indicators for the Year 2022/23 (Continued)

Objective	Target for 2021/22	Target for 2022/23	Performance Indicator	Implementation Status 30 June, 2023	Actual 2022/23 (TZS '000')	Budget 2022/23 (TZS '000')	Actual 2021/22 (TZS '000')
	Key Railway Performance Indicators (KPIs) for TAZARA and TRC reviewed by June 2022	Key Railway Performance Indicators (KPIs) for TAZARA and TRC reviewed by June 2023.	Number of indicators developed for each railway undertaking.	KPIs for TRC - Meter Gauge Railway (MGR) and TAZARA - Cap Gauge Railway were developed. Development of KPIs for Standard gauge are waiting Business Plan from TRC.	-	-	11,256
	Four (4) Quality of Service Monitoring surveys for passenger train and intercity bus services conducted by June 2022	Four (4) Quality of Service Monitoring surveys for passenger train and intercity bus services conducted by June 2023.	Number of quality-of-service monitoring conducted.	Seven (7) survey were conducted, two (2) for interurban bus services in November and December 2022, three (3) on quality of TRC passenger services from DSM to Kigoma and deluxe passenger train from DSM to Moshi and Arusha in June 2023, two (2) monitoring on quality of road freight services for Central Corridor and DSM Corridor in May and June 2023.	6,151	8,300	5,658
	Two (2) research on land transport services conducted by June, 2022	Two (2) research on land transport services conducted by June, 2023.	Number of research conducted.	Two studies were conducted, on passenger and freight services to establish market bus fares, freight rates and bus travel time and study to establish socio-economic impact of commercial motorcycles and motor-tricycle.	-	-	1,070

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4. SERVICE PERFORMANCE INFORMATION (CONTINUED)

Table 2: Key Performance Indicators for the Year 2022/23 (Continued)

Objective	Target for 2021/22	Target for 2022/23	Performance Indicator	Implementation Status 30 June, 2023	Actual 2022/23 (TZS '000')	Budget 2022/23 (TZS '000')	Actual 2021/22 (TZS '000')
Safety of Land transport improved	One (1) Drivers Testing Centre established by June, 2022	Four (4) Drivers Testing Centre established by June 2023.	Drivers testing procedure.	Four (4) driver testing centres were established in the regions of Dodoma, Arusha, Mbeya and Mwanza.	-	-	136,081
	One (1) Annual Railway Audit Inspection for TRC and TAZARA conducted by June, 2022	One (1) Annual Railway Audit Inspection for TRC and TAZARA conducted by June 2023.	Number of inspections for TAZARA and TRC.	Annual Railway Audit inspection on TAZARA was conducted in August and September 2022 and safety inspection for TRC was conducted in December 2022 from Tabora to Kigoma and Tanga line from Dar es Salaam to Moshi –Arusha including link line Ruvu Junction to Mruzi Junction. The performance was attained by 100%.	10,864	12,200	27,141

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4. SERVICE PERFORMANCE INFORMATION (CONTINUED)

Table 2: Key Performance Indicators for the Year 2022/23 (Continued)

Objective	Target for 2021/22	Target for 2022/23	Performance Indicator	Implementation Status 30 June, 2023	Actual 2022/23 (TZS '000')	Budget 2022/23 (TZS '000')	Actual 2021/22 (TZS '000')
	Four (4) Quarterly safety Inspection of TRC and TAZARA Passenger Trains Operations Infrastructure and Equipment conducted by June 2022.	Four (4) Quarterly safety Inspection of TRC and TAZARA Passenger Trains Operations Infrastructure and Equipment conducted by June 2023.	Number of inspections for TAZARA and TRC.	Four (4) inspections were conducted. TAZARA passenger train from DSM to Mbeya in October 2022, TRC infrastructure and equipment in December 2022, central line from Tabora to Kigoma and Tabora to Mwanza and DSM to Moshi and Arusha in March 2023 and inspection of the TAZARA passenger train from DSM to Tunduma in April 2023.	23,015	24,900	108,5634
	Operating Procedures for Drivers Testing Prepared by June 2022.	Operating Procedures for Drivers Testing Prepared by June 2023.	Approved procedure on Drivers Testing.	Standard Operating Procedures for locomotive driver's testing were developed and approved.	-	-	-
	Framework for Land Transport Safety Coordination activities developed by June 2022	Framework for Land Transport Safety Coordination activities developed by June 2023	Approved framework for safety coordination.	The Land Transport Safety Committee is in place comprising TPF-Traffic Division, TAZARA, TRC, TARURA, TEMESA, Fire and Rescue Force, TANROADS, EWURA, TBS, TIRA, DART, NIT, VETA. Eight (8) meetings of the committee were conducted.	17,520	17,520	75,246

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4. SERVICE PERFORMANCE INFORMATION (CONTINUED)

Table 2: Key Performance Indicators for the Year 2022/23 (Continued)

Objective	Target for 2021/22	Target for 2022/23	Performance Indicator	Implementation Status 30 June, 2023	Actual 2022/23 (TZS '000')	Budget 2022/23 (TZS '000')	Actual 2021/22 (TZS '000')
	SGR Safety Standards (infrastructure and Rolling stock) and SGR commissioning Checklist developed by June 2022.	Commissioning of TRC SGR infrastructure, electrical and rolling stock by June 2023.	Number of pre-commissioning inspection of the SGR.	Pre-commissioning of Standard Railway Gauge (SGR) for lot one from DSM to Morogoro was conducted in November 2022. LATRA commissioned electrical system for lot 1 (DSM-MOR) and conducted static inspection of 14 new coaches as well as 6 used refurbished coaches at Pugu station.	-	-	8,076
	100% of buses and locomotives installed with Vehicle Tracking Devices (VTDs) by June 2022.	At least 4000 licensed interurban buses fitted with Vehicle Tracking Devices (VTDs) monitored by June 2023.	Number of buses installed with VTDs.	A total number of 8734 interurban buses were installed with VTDs. The performance was above the target	1,400	2,100	-
	100% of the Reported Railway Accidents on (TAZARA/TRC) investigated by June 2022.	100% of the Reported Railway Accidents on (TAZARA/TRC) investigated by June 2023.	Percentage of reported accidents investigated.	Two (2) major accidents were reported and investigated (100%). These are train accident on TAZARA line that involved capsizement of Train No 0129 at km 518 between Lumumwe-Mpanga in Mlimba District and TRC passenger train No. S54 which was involved in an accident at Km 345/6 between Fela and Bukwimba stations causing derailment and capsizement of Loco 9002 and coach 3620 on 3 May 2023.	-	-	78,155

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4. SERVICE PERFORMANCE INFORMATION (CONTINUED)

Table 2: Key Performance Indicators for the Year 2022/23 (Continued)

Objective	Target for 2021/22	Target for 2022/23	Performance Indicator	Implementation Status 30 June, 2023	Actual 2022/23 (TZS '000')	Budget 2022/23 (TZS '000')	Actual 2021/22 (TZS '000')
Environmental sustainability of Land transport improved.	Four (4) Railway safety awareness seminars to TRC and TAZARA Train Drivers, Crew and safety critical workers conducted by June 2022.	Four (4) Railway safety awareness seminars to safety critical workers conducted by June 2023.	Number of railway safety seminars conducted.	Four (4) sensitization seminars for TRC Safety Critical Workers were conducted from in September 2022 at Dodoma, Mwanza, Kigoma, Tabora and Morogoro centers where a total of 180 workers participated. In addition, four (4) seminars were conducted for TAZARA workers at Mbeya, Mlimba, Makambako and Dar es Salaam in March 2023. Marking a total of 230 safety critical workers who attended the trainings.	-	-	NIL
	Guidelines for Railway Environmental Inspection developed by June 2022.	Guidelines for Railway Environmental Inspection developed by June 2023.	Approved guidelines.	The Draft Guidelines for Railway environment were developed in February 2022 awaiting presentation to stakeholders.	8,038	15,550	N/A
	Strategy for promoting alternative energy in commercial vehicles developed by June 2022.	Strategy for promoting alternative energy in commercial vehicles developed by June 2023.	Number of initiatives undertaken.	Draft Strategy document for Dar es Salaam was prepared awaiting inputs from TPDC, DIT and NEMC for the purpose of preparing a national document.	27,389	31,600	-
	Four (4) inspections on waste management on TAZARA/TRC operations conducted by June 2022.	Four (4) inspections on waste management on TAZARA/TRC operations conducted by June 2023.	Number of monitoring inspections conducted.	Four (4) waste Management inspection were conducted in four centers of Mbeya and Mlimba for TAZARA; and Tabora and Morogoro for TRC.	-	-	6,589

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4. SERVICE PERFORMANCE INFORMATION (CONTINUED)

Table 2: Key Performance Indicators for the Year 2022/23 (Continued)

Objective	Target for 2021/22	Target for 2022/23	Performance Indicator	Implementation Status 30 June, 2023	Actual 2022/23 (TZS '000')	Budget 2022/23 (TZS '000')	Actual 2021/22 (TZS '000')
Availability of quality land transport services increased.	Four (4) monitoring inspections on road waste management conducted by June 2022.	Four (4) monitoring inspections on road waste management conducted by June 2023.	Number of inspections conducted on waste management.	Four (4) monitoring inspection were conducted on Dar es Salaam to Iringa highway in March 2023, on the Iringa to Tunduma highway in March to April, 2023, on the Dar es Salaam to Mtwara highway in June 2023 and on the Mtwara to Njombe highway in June 2023. The target was achieved by 100%.	-	-	13,520
	12 Joint Roadside inspections (involving LATRA and Police) to 80% of licensed vehicles conducted by June, 2022.	12 Joint Roadside inspections (involving LATRA and Police) to 80% of licensed vehicles conducted by June, 2023.	Number of inspections.	Twenty (20) joint inspections involving Traffic Police and LATRA were conducted at various strategic check points along major corridors on 24/7 basis.	-	-	834,384
	Strategy for promoting mass transit buses in cities developed by June 2022.	Two (2) stakeholder meetings to promote high occupancy buses in cities and towns conducted by June 2023.	Approved strategy.	Two (2) stakeholders' meetings were conducted in Mwanza and Dar es Salaam to promote high occupancy vehicles through formation of cooperatives. Among the attendees were members from UWADAR and DARCOBOA.	6,470	6,680	6,423
	MoU to license motorcycles and tricycles reviewed and signed by June, 2022	MoU to license motorcycles and tricycles reviewed and signed by June, 2023	Improved amended MoU.	The MoU between LATRA and LGAs was reviewed and submitted to all 185 LGAs for signature.	-	-	89,444

Source: LATRA Corporate Strategic Plan (2020/21-2024/25) and Quarterly Performance Reports for the year 2022/23.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.5. OBJECTIVES AND STRATEGIES

The Corporate Strategic Plan for the Authority is the leading instrument for planning, priority setting and decision making. The Plan facilitates discharging of the role and functions of the Authority for the period of five (5) year's starting from 1 July 2020.

The Strategic Plan sets out strategic goals and objectives, targets and performance measures. Specifically, the Plan places emphasis on strategies to be executed to achieve the strategic objectives, and Results Based Management (RBM) approach, which emphasizes on the desired outcomes of the activities rather than the activities themselves. The Plan has the following strategic goals:

- (a) HIV/AIDS infections and non-communicable diseases reduced and supportive services improved;
- (b) National anti-corruption strategy implementation enhanced and sustained;
- (c) Authority's capacity to execute its regulatory functions enhanced;
- (d) Competition in the regulated sectors strengthened;
- (e) Safety of Land transport improved;
- (f) Environmental sustainability of Land transport improved; and
- (g) Availability of quality land transport services enhanced.

In order to realize the strategic goals, the Authority prepares annual plan and budget with a result-based management orientation as envisioned in the five years strategic plan.

During the year, the Authority conducted a mid – term review of the strategic plan. The review was conducted in October 2022 with collaboration of experts from the MoWT, MoFP and President Office- Public Service Management and Good Governance.

The team developed a revised Authority's Five Years Corporate Strategic Plan 2020/21 -2024/25 which was presented to the Management and Workers Council in January 2023 before being approved by the Board of Directors in March 2023.

Table 3 below provides detailed strategies for implementation of six (6) objectives of the corporate strategic plan 2020/21 – 2024/25. The strategies are grouped according to the period of implementation of short-term, medium-term and long-term.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.5. OBJECTIVES AND STRATEGIES (CONTINUED)

Table No. 3: LATRA Objectives and Strategies

No.	Objectives	Strategies
a)	HIV/AIDS infections and non-communicable diseases reduced, and supportive services improved.	<p>Short-Term Strategies</p> <ul style="list-style-type: none"> • HIV/AIDS and Non-communicable diseases awareness seminars conducted. • Supportive services to staff living with HIV/AIDS and non-communicable diseases provided. • Training of Ethics and Integrity Committee conducted. <p>Medium-Term Strategies</p> <ul style="list-style-type: none"> • Program for prevention of non-communicable diseases established and implemented. • Supportive services to staff living with HIV/AIDS and non-communicable diseases provided. • Ethics awareness programs for LATRA staff developed and implemented. <p>Long-Term Strategies</p> <ul style="list-style-type: none"> • Employee awareness on HIV/AIDS and Non-communicable diseases enhanced. • Supportive services to staff living with HIV/AIDS and non-communicable diseases provided.
b)	National anti-corruption strategy implementation enhanced and sustained.	<ul style="list-style-type: none"> • Enhance capacity of the Authority to fight against corruption. • Enhance transparency and accountability in discharging regulatory duties.
c)	Authority's capacity to execute its regulatory functions enhanced	<p>Short Term Strategies</p> <ul style="list-style-type: none"> • Percentage increase of revenue collection. • Financial Regulations and Accounting Procedures Manual developed. • Audits of draft financial statements conducted, and assurance reports issued. • Organization structure developed, approved and implemented. • Scheme of Service developed and implemented. • Staff Regulations developed and implemented. • Working tools, equipment and facilities acquired. • Keyword filing management system developed and implemented. • ICT Infrastructure for supporting road services integrated with LATRA systems. • Cyber security governance framework developed and implemented. • Enterprise Risk Management (ERM) system developed. • Quality Management System (QMS) developed. • Whistle Blower Policy developed and implemented. • Fraud Policy Developed and Implemented. • Communication Strategy developed and implemented. • Regulatory tools reviewed and developed.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.5. OBJECTIVES AND STRATEGIES (CONTINUED)

Table No. 3: LATRA Objectives and Strategies (Continued)

No.	Objectives	Strategies
		<p>Medium Term Strategies</p> <ul style="list-style-type: none"> • New sources of revenue introduced. • Approved manuals disseminated and implemented. • Implement audit recommendations. • Manpower requirement established and vacant positions filled. • Slotting of staff to new scheme of service, approved and implemented. • LATRA Employees Incentive Scheme approved and implemented. • Working tools, equipment and facilities acquired. • Office documents retention and disposal policy developed and implemented. • ICT Infrastructure for connecting regional bus terminals and weigh bridges operationalized. • Training to staff on cyber security facilitated. • Governance, Risk Management & Controls audited. • Facilitate training on QMS to employee. • Facilitate training on whistle blower policy to employee. • Facilitate training of Fraud to employee. • Stakeholders' meetings conducted. • Sensitization program on the Authority's legislation conducted. <p>Long Term Strategies</p> <ul style="list-style-type: none"> • Financial sustainability of the Authority enhanced. • Employees' compliance to procedures, rules and regulations enhanced. • Audit observations on LATRA F/Statements and operations reduced. • Human resource capacity strengthened through recruitment and training. • Staff turnover reduced through implementation of retention scheme. • Staff morale enhanced through implementation of Incentive Scheme. • Construction of LATRA 3 regional offices implemented. • Keyword filing system and LATRA document retention policy facilitated. • ICT systems for supporting business processes developed. • ICT equipment and software examined and updated. • Authority's Governance, Risk Management and Controls enhanced. • Implementation of QMS facilitated. • Implementation of whistle blower policy facilitated. • Implementation of fraud policy facilitated. • Authority's information dissemination facilitated. • Legal framework and guidelines improved.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.5. OBJECTIVES AND STRATEGIES (CONTINUED)

Table No. 3: LATRA Objectives and Strategies (Continued)

No.	Objectives	Strategies
d)	Competition in the regulated sectors strengthened	<ul style="list-style-type: none"> Promote effective competition in the regulated sectors. Enhance research and statistical information sharing Strengthen performance monitoring of regulated sector. Improve performance monitoring of the Authority.
e)	Safety of Land transport improved.	<p>Short Term Strategies</p> <ul style="list-style-type: none"> Regulations on driver fatigue management developed. Inspections of infrastructure, rolling stock and operations of railways conducted. Driver's aptitude test procedures developed and implemented. Regulations on mandatory vehicle inspection developed. <p>Medium Term Strategies</p> <ul style="list-style-type: none"> Environmental compliance inspection for railway-undertaking conducted. Emission testing for commercial vehicles and public awareness conducted. High occupancy in major cities established. Standards for operations of SGR developed and implemented. Training on quality of service-to-service providers conducted. <p>Long Term Strategies</p> <ul style="list-style-type: none"> Mechanism for Coordination of land transport safety activities developed. Follow up to ensure safety of railways is improved through implementation of safety recommendations. Monitor driver's certification process. Enforce mandatory inspection of vehicles and monitor performance of the inspection centres.
f)	Environmental sustainability of Land transport improved.	<p>Short Term Strategies</p> <ul style="list-style-type: none"> Guidelines for environmental preservation in railways developed and implemented. Stakeholders' meetings to promote investment on social amenities along highways conducted. Promote use of alternative energy in commuter services. <p>Medium Term Strategies</p> <ul style="list-style-type: none"> Environmental compliance inspection for railway-undertaking conducted. Emission testing for commercial vehicles and public awareness conducted. High occupancy in major cities established. <p>Long Term Strategies</p> <ul style="list-style-type: none"> Monitor compliance to ensure preservation of environment is enhanced. Environmental compliance inspection for commercial vehicles conducted. Alternative energy usage in commuter services increased

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.6. STAKEHOLDERS' RELATIONSHIP

The Authority believes that the stakeholders and customers are what make the Authority exist. Several measures have been taken to institute a responsible behaviour towards members of the Authority and other stakeholders. These measures include, but not limited to, holding interactive meetings, seminars and workshops; provide education through media and improving customer services at our offices.

In this regard, the Authority has identified five (5) categories of stakeholders; the General Public, Ministries, Independent Departments and Executive Agencies (MDAs), Mass media, Parliament and Land Transport Service Providers.

Before making its decisions, the Board considers the interests of the stakeholders and ensures that engagement with stakeholders is deliberate and planned and that communication is always transparent and effective.

Table 4 below provides details of their interests/concerns and the value we create to each category.

Table No. 4: Stakeholders Relationship

S/n	Stakeholders	Their Interests / Concerns	Value we create
1	General Public	<ul style="list-style-type: none"> • Information on regulatory services provided • Corporate Social Responsibilities (CSR) • Redressing consumer complaints on regulated services • Affordable and reliable land transport services 	<ul style="list-style-type: none"> • Increased public trust • Shared responsibility for safety and environmental preservation in land transport • Reduced accidents and their impacts • Increased regulatory levies
2	Ministries, Independent Departments and Executive Agencies (MDAs) Parastatal organization,	<ul style="list-style-type: none"> • Reliable and timely information and data sharing • Cooperation in matters related with land transport • Timely performance reporting • Provision of Government remittance • Budget support to Regulatory Authorities and contributions to affiliated international organizations 	<ul style="list-style-type: none"> • General understanding and support. • Improved political will • Cooperation • Budget support and funding • Shared responsibilities and costs • Improved compliance

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.6. STAKEHOLDERS' RELATIONSHIP (CONTINUED)

Table No. 4: Stakeholders Relationship (Continued)

S/n	Stakeholders	Their Interests / Concerns	Value we create
3	Mass media	<ul style="list-style-type: none"> Provision of information to the Public Awareness creation on Authorities functions 	<ul style="list-style-type: none"> Public understanding Increased consumers Reduced complaints Quality services
4	Parliament	<ul style="list-style-type: none"> To review performance of LATRA in line with Act and budget To review/harmonize legislations Public and economic order 	<ul style="list-style-type: none"> Political support Positive advocacy Timely legislative reviews
5	Land Transport Service Providers	<ul style="list-style-type: none"> Market information Timely release of operating licenses Profitable business Smooth business operations Opinions to be heard 	<ul style="list-style-type: none"> Improved economic services Increased regulatory finances Customer retention Compliant services Effective competition

2.7. OPERATING AND FINANCIAL REVIEW

(a) Analysis of Financial Performance

Revenue

During the year ended 30 June 2023, the Authority earned revenue amounting to a total of TZS 34.80 billion (2021/22: TZS 28.82 billion) comprising of Exchange and Non-Exchange Revenue Transactions. Table 5 below summarizes the revenue collection.

Table 5: Revenue Collection (All figures in TZS "000")

Revenue Item	2022/23	2021/22	Change	%
	TZS	TZS	TZS	Change
Road Transport Licensing Fees	19,269,429	17,082,484	2,186,945	12.8
Service Provider Annual Levy	1,177,545	479,941	697,604	145.4
Fines and Penalties	13,454,632	10,557,535	2,897,097	27.4
Revenue from various receipts	895,187	704,651	184,971	26.2
Total	34,796,793	28,824,611	5,966,617	20.7

Source: LATRA Financial Statements

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.7. OPERATING AND FINANCIAL REVIEW (CONTINUED)

Expenses

The expenditure of the Authority for the financial year ended 30 June 2023 was TZS 33.88 billion (2021/22: TZS 27.07 billion) which is TZS 1.75 billion above the final budget of TZS 32.10 billion. The major items of expenditure are provided below:

(i) Wages, Salaries and Employees Benefits

Expenditure on this category was TZS 11.58 billion (2021/22: TZS 8.75 billion). The increase was attributed by implementation of new salary structure in June 2022 and addition of 19 staff (in aggregate), 27 new staff were recruited during the year.

(ii) Social Benefits

This category comprises of payments to NHIF, WCF and statutory contributions to Pension Fund. During the year, TZS 2.23 billion (2021/22: TZS 1.60 billion) were paid.

(iii) Supplies and Consumables

During the year ended on 30 June 2023 the Authority incurred TZS 9.49 billion (2021/22: TZS 7.51 billion) on supplies of goods and services. The supplies included: payment of rent, travel tickets and related expenses, courier services, fuel, utilities, stationary, cleanliness and communication expenses. The increase is largely attributed to rent payment and partitions of new LATRA Head Office at Mkandarasi House, Dodoma.

(iv) Contributions and Transfers

During the financial year 2022/23 the Authority contributed TZS 6.72 billion (2021/22: TZS 6.02 billion) to National and International bodies. Contribution of TZS 5.22 billion (2021/22: TZS 4.67 billion) was paid to the Government Consolidated Fund and TZS 1.50 billion (2021/22: TZS 1.33 billion) was paid to other National and International bodies.

Surplus

The Authority recorded a surplus of TZS 0.92 billion during the year (2021/22: TZS 1.75 billion) which is a decrease of 0.83 billion (47.43%). This is due to the increase of new recruitment where 29 employees were recruited during the year 2021/22 resulting to the rise of wage bill.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.7. OPERATING AND FINANCIAL REVIEW (CONTINUED)

(b) Analysis of Financial Position

Cash and Cash Equivalents

The cash and cash equivalents on 30 June 2023 were TZS 4.23 billion (2021/22: TZS 5.26 billion) which is a decrease of TZS 1.03 billion, equivalent to 19.50%.

Inventories

Inventories consist of stationery and other consumables. The value of inventory as of 30 June 2023 was TZS 595.79 million (2021/22: TZS 391.75 million).

Other Financial Assets

These are staff benefits for SUMATRA employees held at the PSSSF as Trustees. During the year interest income of TZS 118.90 million (2021/22: NIL) was reported by PSSSF. All eligible staff were paid their entitlements in the previous periods.

Prepayments

The prepayments on 30 June 2023 were TZS 340.39 million (2021/22: TZS 667.08 million). Comprising of TZS 30.94 million to Malindi Printing Press for supplying licenses, TZS 25.83 million to GPSA for motor vehicle fuel, TZS 96.56 million to NHIF for supplementary package, TZS 5.11 million to ATCL on account of air tickets, TZS 73.7 million to landlords for office rent. In addition, tuition fees paid to Galilee Institute, University of Florida and Creece University (TZS.108.27 million) was still outstanding.

Receivables

The major portion of receivables are unpaid notifications and outstanding service providers levy expected from TRC and UDA-RT. At 30 June 2023 receivable stood at TZS 7.46 billion (2021/22: TZS 3.76 billion). The increase is provision made on levy during the reporting period.

Intangible Assets

The intangible assets as at 30 June 2023 was TZS 191.29 million (2021/22: TZS 154.63 million) the difference was attributed by cost for development of Drivers Testing System.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.7. OPERATING AND FINANCIAL REVIEW (CONTINUED)

Property and Equipment

The property and equipment during the year ended 30 June 2023 stood at TZS 13.27 billion (2021/22: TZS 14.27 billion). Despite purchase of motor vehicles, furniture and fittings and ICT equipment, the closing balance decreased due to depreciation.

Non-Current Asset Held for Sale

During the year ended 30 June 2023 the Board of Directors approved the disposal of asset with a book value TZS 232.98 million. The Board of Condemnation was appointed by the Minister of Finance in 12 October 2023 through letter Ref. No. KA.54/538/01'A/143. The disposal is expected to be completed before end of the current financial year.

Overall Performance

The Statement of Financial Position as at 30 June 2023 reported increase in the Net Assets of the Authority by TZS 0.70 billion (2021/22: TZS 1.75 billion) to TZS 20.00 billion (2021/22: TZS 19.30 billion). The Authority's Net Assets comprised of Capital Fund of TZS 17.05 billion (2021/22: TZS 17.05 billion) and Accumulated Surplus of TZS 2.95 billion (2021/22: TZS 2.25 billion).

The changes in the Net Assets as at 30 June 2023 are attributed to increase in Total Assets by TZS 1.94 billion (2021/22: TZS 1.73 billion) while liabilities increased by TZS 1.24 billion million (2021/22: TZS 21.85 million).

Review of Key Ratios

The Authority's key performance ratios for the Last three (3) years are shown in Table 6 below.

Table 6: The Authority's Key Performance Ratios, 2019/20-2022/23

Ratio	Purpose	2022/23	2021/22	2020/21	2019/20	Remarks
Current Ratio	Ability to pay short term liabilities with current assets	2.0:1	2.0:1	2.3:1	1.6:1	High Liquidity.
Quick Ratio	Ability to pay current liabilities without realization of inventory	1.9:1	1.8:1	2.1:1	1.5:1	High Liquidity except 2019/20.
Equity Ratio	Measure proportion of owners' investment in total assets of the Authority.	0.85	0.78	0.86	0.84	Equity financed total assets by more than 50%.

Source: LATRA Financial Statements.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.7. OPERATING AND FINANCIAL REVIEW (CONTINUED)

Payables and Accrued Expenses

The payables and accrued expenses as at 30 June 2023 were TZS 3.45 billion (2021/22: TZS 2.81 billion). The major portion are funds due to other institution amounting to TZS 1.68 billion (2021/22: TZS 2.81 billion) and amounts accrued for preceding year expenses of TZS 1.74 billion (2021/22: TZS 0.99 billion).

(c) Analysis of Cash Flows

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

Cash Flows from Operating Activities

The net cash flows from operating activities indicated excess payment of TZS 256.49 million (2021/22: TZS 3.04 billion), derived as the difference between cash receipts amounting to TZS 32.03 billion (2021/22: TZS 28.53 billion) from Service Providers Levy, Fees, Licenses and Penalties, Other income; and payments amounting to TZS 32.28 billion (2021/22: TZS 25.48 billion) for wages, salaries and employee benefits; Directors fees and other Board expenses; travelling, training and other facilitation expenses; services, supplies and consumable expenses; repairs and maintenance expenses; contribution to the Consolidated Fund; contribution and subscription to other bodies and bank charges.

Cash Flows from Investing Activities

The net cash flows used in investing activities of TZS 768.59 million (2021/22: TZS 2.37 billion), was derived from capital expenditures including acquisition of property and equipment amounting to TZS 683.65 million (2021/22: TZS 2.28 billion) and acquisition of intangible assets amounting to TZS 107.33 million (2021/22: TZS 93 million). During the year 2022/23 the Authority sold two Motor Vehicles amounting TZS 24.03 million. However, the proceeds from sale of STK 4376 were received in 2021/22.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.7. OPERATING AND FINANCIAL REVIEW (CONTINUED)

Cash Flows from Financing Activities

There were no cash flows from financing activities during the financial year ended 30 June 2023 (2021/22: Nil).

(d) Budget Performance

The final revenue budget for the year ended 30 June 2023 was TZS 35.20 billion (2021/22: TZS 30.23 billion). Revenue recognized for the year was TZS 34.79 billion (2021/22: TZS 28.82 billion) which is TZS 0.41 billion (2021/22: TZS 1.41 billion) below the final budget. This is under-performance by 1.16% (2021/22: 4.66%). The major reason for this underperformance is delays in operationalization of Electronic Ticketing System due to resistance of bus owners to use the system.

The final expenditure budget of the Authority for the financial year ended 30 June 2023 was TZS 32.10 billion (2021/22: TZS 27.7 billion) and the actual expenditure was TZS 33.17 billion (2021/22: TZS 28.53 billion), which was above the final budget by TZS 1.78 billion (2021/22: TZS 0.83 billion). The over expenditure is attributed to decision to shift LATRA Head Office to Dodoma.

(e) Future Plans

This section provides the Authority's current and future development and performance with reference to significant features of the financial statements and the budget. It also provides analysis of main factors which are likely to impact on future prospects of the Authority.

Review of LATRA Five Years Corporate Strategic Plan 2020/21-2024/25

The financial year 2022/23 was the mid-period of implementing the LATRA First Five-Years Corporate Strategic Plan (SP, 2020/21 to 2024/25). As such, the Authority was required to conduct a mid-term review in order to align the strategic plan with socio-economic and operational dynamics experienced during implementation. The review was conducted in October 2022 in collaboration with experts from the President's Office, Public Service Management and Good Governance. The sessions were held at LATRA Head Offices in Dodoma from 3 to 8 October 2022 and from 21 to 27 October, 2022. During the process, the Revised LATRA Corporate Strategic Plan 2020/21 to 2024/25 was prepared and presented to Management, Workers Council and approved by the Board for submission to stakeholder for collecting views.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.7. OPERATING AND FINANCIAL REVIEW (CONTINUED)

Review of LATRA Five Years Corporate Strategic Plan 2020/21-2024/25 (Continued)

The revised strategic plan is proposing revision of the Vision and Mission Statements as well as Core Values among others. The proposals are as follows:

Vision Statement: A country with safe, reliable and eco-friendly land transport services.

Mission Statement: To regulate land transport services through licensing, monitoring and promoting competition for the welfare of Tanzanians.

Core Values: Professionalism; Accountability; Teamwork; Integrity; Transparency; Innovativeness.

Review of LATRA Organization Structure

LATRA Organization Structure was approved on 26 December 2021. During implementation a number of shortfalls were identified including absence of function for regulation of cable transport. The need for cable transport has gained significance especially on tourist attraction areas where investors have shown interest. In order to lead the initiatives, the Authority decided to review its organisation structure to align with the growing demand. The revised structure was submitted to the Treasury Registrar in May 2023 and it is expected to be approved and put to use before end of the financial year 2023/2024.

Determination of Fares for TRC, MGR and SGR Railways

The Tanzania Railways Corporation (TRC) submitted two separate tariff applications proposing fares for SGR passenger train (Lot I and Lot II) and review of train fares for Ordinary and Deluxe passenger trains which proposed an increase of fares by 15%. The Authority conducted analysis of the applications taking into consideration provisions of the LATRA Act, CAP 413 and LATRA Tariff Regulations, 2020.

The Authority's made determination of appropriate fares which were submitted to stakeholders seeking their views during meetings which were scheduled for Dar es Salaam, Arusha, Mwanza and Kigoma in September 2022.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.7. OPERATING AND FINANCIAL REVIEW (CONTINUED)

Investigation of Major Road Accidents

Pursuant with Section 21(1) of LATRA Act, Chapter 413, the Authority in collaboration with other key road safety stakeholders conducted investigation of the following road accidents:

- i) road crash involving a school bus with registration number T207CTS which occurred on 26 July 2022 in Mtwara Region. In that accident ten (10) pupils and (3) adults' lost lives and nineteen (19) others were seriously injured
- ii) road accident which occurred on 10 June 2022 involving a Toyota Coaster minibus travelling from Dar es salaam to Mbeya. The minibus crashed into a rolled over lorry at Majinja bridge, Changarawe area in Mafinga, Iringa region leading into multiple fatalities and injuries.
- iii) Accident which occurred on 3 February 2023 at 22:24 hrs, involving a Minibus Toyota Coaster T863DXN carrying 25 passengers travelling from Dar es salaam to Rombo Kilimanjaro. The minibus collided head with a Mitsubishi Fuso Truck T673CUC which was travelling from Moshi to Dar es Salaam leading to 17 fatalities and 12 injuries.
- iv) On 09 February 2023 at around 00h46, a passenger bus by the name Frester with registration number T415DPP collided with a cement Lorry truck with registration number T128DUB/T677DVX at Pandambili, Kongwa district in Dodoma Region causing 12 fatalities and 63 injuries.

The investigation established causes of the accidents which among others included, overtaking in blind spots, fatigue due lack of rest, over speeding, lack of safety culture and poor condition of vehicles. To address the challenges the Authority recommended expediting implementation of mandatory inspection of vehicles and speeding up testing and certification of drivers among other measures.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.7. OPERATING AND FINANCIAL REVIEW (CONTINUED)

(f) Capital Structure

Section 50(1) of the Land and Transport Regulatory Authority Act, Cap. 413 provides that all assets, interest, rights, privileges, liabilities or obligations of the former Surface and Marine Transport Regulatory Authority (SUMATRA) not related to maritime transport shall be transferred to and vested with LATRA. Therefore, all assets and liabilities were taken over by the Authority and resulted to a net asset of TZS 17.05 billion forming the Capital Fund. The Authority's capital structure for the year ended 30 June 2023 consists of the Capital Fund of TZS 17.05 billion (2021/22: TZS 17.05 billion) and Accumulated Surplus of TZS 2.95 billion (30 June 2021/22: TZS 2.25 billion).

LATRA Capital Structure:

	2022/23	2021/22
	TZS (000)	TZS (000)
Capital Fund	17,047,108	17,047,108
Accumulated Surpluses	2,950,822	2,252,116
TOTAL NET ASSETS/EQUITY	19,997,930	19,299,224

(g) Treasury Policies and Objectives

LATRA treasury policies involve mechanisms established by the Board, which delegates financial decisions to Management in a controlled manner. The control instruments in place include LATRA Financial Regulations 2020, The Public Finance Act, Cap. 348, Government Circulars, Guidelines and the Board resolutions on opening, operating and signing mandate to the bank accounts.

The main objective is to ensure proper control and safeguard of the Government financial resources. Under these mechanisms, the Authority's revenue is collected and remitted directly to the Authority's revenue collection accounts maintained at designated commercial banks using GePG system; and weekly, on Monday, to the Authority's revenue collection accounts maintained at BoT. All expenditures of the Authority are incurred within the approved limits in the approved annual budget.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.7. OPERATING AND FINANCIAL REVIEW (CONTINUED)

(h) Liquidity of the Entity

During the financial year ended 30 June 2023, the Authority managed its liquidity level to ensure there is sufficient funds to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Authority's reputation. This was achieved through prudent liquidity management which includes maintaining sufficient cash and cash equivalents.

The Authority's trend of key liquidity ratios for the last three (3) years is shown in Table 7 below.

Table 7: LATRA Trend of Liquidity Ratios, 2019/20-2022/23

Ratio	Purpose	2022/23	2021/22	2020/21	2019/20	Remarks
Current Ratio	Ability to pay short term liabilities with current assets	2.0:1	2.0:1	2.3:1	1.6:1	The Authority is highly liquid
Quick ratio	Ability to pay current liabilities without realization of inventory	1.9:1	1.8:1	2.1:1	1.5:1	The Authority is highly liquid except for year 2019/20.

Source: LATRA Financial Statements.

The Authority's Liquidity gap which is the excess of current assets over current liabilities for the financial year ended 30 June 2023 was TZS 12.89 billion (2021/22: TZS 10.23 billion). All the above ratios, shows the Authority was able to fund its current liabilities when they fall due.

In the next financial year 2023/24, due to the ongoing efforts to implement the e-ticketing system, the Authority expects revenue to increase by 46%. On similar grounds, liquidity level is expected to increase by the same percentage.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.8. RESOURCES

The Authority has tangibles and intangibles resources, which includes intellectual resources, human resources, social and relationship resources, financial resources and other resources. These resources are used by the Authority in the performance of its functions to achieve the objectives. They are explained below:

(a) Financial Resources

The Authority's sources of revenue are provided under Section 35 (1) of the Land and Transport Regulatory Authority Act, Cap. 413. The funds and resources of the Authority consist of:

- (i) Fees collected by the Authority including fees payable for the grant and renewal of licenses;
- (ii) Levies collected from regulated suppliers;
- (iii) All other payments or property due to the Authority in respect of any matter incidental to its functions;
- (iv) Any grants/donations bequests or other contributions made to the Authority; and
- (v) Any other monies legally acquired or received by the Authority for the execution of its functions.

Factors that may affect financial resources includes change in Law and resistance of regulated service providers to pay levies and other fees. Nevertheless, the Authority will take administrative and legislative measures to ensure financial resources are available to finance existing and future operations of the Authority.

(b) Human Resources

The Authority has a strong Management team supported by competent and motivated employees. By 30 June 2023, the Authority had operating offices in all the 26 regions of Mainland Tanzania and had a total of 154 employees (2021/22: 125 employees). Most of the employees were transferred from the former regulator SUMATRA and those who joined the Authority in the years 2019-2023 came from public institutions or were recruited through the Public Service Recruitment Secretariat (PSRS). The recruitment was made after obtaining approvals of the Board of Directors and permits from the PS - Establishment. Hence, the employees were sourced to meet specific requirements of the Authority in accordance with skills, knowledge and experience required for regulation of land transport services.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.8. RESOURCES (CONTINUED)

(b) Human Resources (Continued)

The Authority has in place incentive scheme to motivate its employees and training plan which ensures at least 50% of all employees undergo short-term training to build capacity and improve employees' performances.

Factors that may affect this resource includes transfers of employee to LATRA which do not commensurate with the needs of the Authority and inadequate financial resources to implement the incentive scheme. However, the Authority has in place strategies to ensure financial resources are available and right employees are recruited.

(c) Intellectual Resources

The intellectual resources include ICT application systems which has automated and modernized Authority's operations, thus, improved provision of regulatory services. The ICT systems in operation include the following:

- Drivers Testing System (DTS)
- Passenger Service Vehicles Tracking System (VTS),
- Electronic Ticketing System (Tiketi Mtandao),
- Road and Railways Information Management System (RRIMS),
- Mobile Phones Online Inquiry System for Bus Fares,
- Electronic Document Management System (EDMS),
- Mfumo wa Ulipaji Serikalini (MUSE),
- Integrated Payroll & Human Resource Management System, and
- Time Attendance (Biometric) System.

In general, the ICT application systems have improved efficiency in service delivery. The Authority shall continue to use ICT related solutions to enhance efficiency and reduce costs of operations. Factors that may affect availability of ICT systems includes cyber-attacks and failures of software and hardware as well as internet connections. However, the Authority has Business Continuity Plan (BCP) in place and alternative procedures to ensure business continue even in occurrence of such events.

(d) Social and Relationship Resources

This resource was created over years basing on core values of the Authority and trust and respect among both internal and external stakeholders. LATRA has established transparent relationship with the Government, regulators, customers, suppliers including providers of regulated services, policy makers and the society in general.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.8. RESOURCES (CONTINUED)

(d) Social and Relationship Resources (Continued)

Factors that may affect social and relationship resources includes Authority's failure to refund timely the 50% share to LGAs, non-payment of contributions to respective organs and low level of engagement with stakeholders. Despite these, the Authority commits to meet its obligations and implement initiatives which will foster the social relationship resource.

(e) Other Resources

In the discharge of its regulatory duties and functions, the Authority is guided by the Land and Transport Regulatory Authority Act, Cap. 413 and sector legislations under Roads and Railway Transport.

During the financial year 2022/23, the Authority participated in the drafting of the following rules and regulations: -

- (i) The Land Transport Regulatory Authority (Facilitation of Service Provider) Regulations, 2023;
- (ii) The Land Transport Regulatory Authority (Mandatory Vehicle Inspection) Regulations, 2023;
- (iii) The Land Transport Regulatory Authority (Compounding of Offences) Regulations, 2023;
- (iv) The Transport Licensing (Dangerous Goods Carrying Vehicles) Regulations, 2023;
- (v) The Land Transport Regulatory Authority (Terms and Conditions for Provision of Regulated Services) Rules, 2023;
- (vi) The Land Transport Regulatory Authority (Complaints Handling Procedures) Rules, 2023;
- (vii) The Land Transport Regulatory Authority (Electronic Ticketing System) Regulations, 2023; and
- (viii) The Land Transport Regulatory Authority (Vehicle Tracking System) Regulations, 2023.

Factors that may affect other resources include time taken to review and approve the draft rules and regulations. The Authority will collaborate with the Ministry of Works and Transport (Transport sector) to ensure the draft rules and regulations are authorised for publication within the next financial year 2023/24

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.9. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

2.9.1 Principal Risks and Uncertainties

The Authority has in place the Risk Management Policy and Framework which guides on risks matters and has developed Risk Registers prioritizing a range of specific risks that are likely to occur and categorizing them into Strategic, Operational and ICT risks. Table 8 below provides key risks and uncertainties, their impact and mitigation measures.

Table 8: Key Authority's Risks, Impacts and Mitigation

S/N	OBJECTIVE	RISK	IMPACT	RISKS MITIGATION
1	HIV/AIDS infections and non-communicable diseases reduced, and supportive services improved.	Failure to develop and implement HIV/AIDS and NCDs interventions/mechanisms.	Possible increase of HIV/AIDS infection and NCCDs among staff.	<ul style="list-style-type: none"> • Program for prevention of non-communicable diseases facilitated. • HIV/AIDS and Non - Communicable diseases awareness seminars conducted. • Supportive services to staff living with HIV/AIDS provided. • Healthily supportive working tools (Chairs, Tables etc.) acquired.
2	Effective implementation of National Ant-Corruption Strategy enhanced and sustained.	Failure of the Authority to institute and enforce control mechanisms to prevent unethical practices and fraud.	Possible increase in unethical and fraudulent incidences leading to loss of reputation and credibility	<ul style="list-style-type: none"> • Whistle blowing policy developed. • Automation of LATRA business processes in order to reduce human interactions. • Enhanced compliance to internal controls E.g., segregation of duties. • Compliance to Legislations requirements and other documents i.e., Financial Regulations, Staff Regulations and Client Service Charter. • Ethics, fraud and corruption education and awareness programs prepared and implemented.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.9. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES (CONTINUED)

Table 8: Key Authority's Risks, Impacts and Mitigation (Continued)

S/N	OBJECTIVE	RISK	IMPACT	RISKS MITIGATION
3	Effective competition in the regulated sectors strengthened.	Failure to coordinate the review, analysis, and resolutions of complaints and disputes in the regulated sectors.	Poor quality of regulated services leading to loss of trust and credibility.	<ul style="list-style-type: none"> • Appointment of a special committee to deal with complaints and dispute in line with Section 33 of the Land and Transport Regulatory Authority Act. • Establishment of complaint registers in each office. • Resolving of conflicts amicably as per the Act. • Timely communication of feedback to parties associated in a conflict.
		Failure to provide cap fares of the regulated services as required by Regulations made under the LATRA Act. CAP 413.	Complaints of fare hikes and failure to protect the low income and under privileged citizens.	<ul style="list-style-type: none"> • The following costing models were developed: - Costing Model for Inter urban bus services. Costing Model for commuter bus services. Costing model for BRT services. Costing model for economic freight charges on transportation of petroleum products. • The Authority approved ride hailing taxi fares through Order No. LATRA/01/2022. • Approved fares for urban and interurban bus services. • Processed TRC's and UDART tariff application for Ordinary and Deluxe trains' fares and fares for the DART systems.
		Non recognition of the Regulator in the TAZARA Act.	Lack of mandate to regulate TAZARA railways.	<ul style="list-style-type: none"> • Amendment of the TAZARA Act to recognize the role of Regulator. The draft Act is pending approval by the Zambia Government. • Inspections of TAZARA operations basing on best practices. • Enhanced cooperation with the operator and the Ministry responsible for transport

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.9. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES (CONTINUED)

Table 8: Key Authority's Risks, Impacts and Mitigation (Continued)

S/N	OBJECTIVE	RISK	IMPACT	RISKS MITIGATION
4	Safety of Land transport improved	Inadequate enforcement of laws and regulations for regulated road transport services.	Possible noncompliance to regulations and possibility of increase in road accidents.	<ul style="list-style-type: none"> Implementation of Vehicle Tracking System (VTS) to monitor buses on real-time. Establishment of Drivers Testing System (DTS) to certify drivers. Regulator monitoring inspections of commercial vehicles to reduce accidents. Engagement of stakeholders such as Police, TABOA and other institutions in the enforcement of road safety.
		Failure to conduct quarterly safety inspection of TRC and TAZARA Passenger Trains Operations Infrastructure and Equipment.	Possible noncompliance to quality of standards and possibility of accidents and incidents.	<ul style="list-style-type: none"> Funds for inspection is allocated in the budget. Inspections on TRC and TAZARA are conducted quarterly. Identified shortfalls are reported to the railway undertaking and the Ministry responsible for transport. Follow up measures on implementation of recommendations is made regularly.
5	Environmental sustainability of Land transport improved.	Failure to protect environment in the regulated sectors.	Increase in environmental pollution.	<ul style="list-style-type: none"> Promoting use of natural gas to power commercial vehicles Promoted construction of social amenities along highways Enforcing use of dust bins in buses.
6	Capacity to execute Regulatory Function Enhanced.	Failure to achieve budgeted collections.	The Authority's financial capacity to finance its operations may be affected.	<ul style="list-style-type: none"> Use of Electronic Ticketing by bus operators effective from 1 July 2022. Collaboration with the MoWT, TRA, NIDC and other stakeholders in the implementation of the Electronic Ticketing system. Enhanced monitoring inspection of commercial vehicles using joint teams of officers on strategic locations along highways. Integration of Electronic Ticketing System with MUSE, GePG, RRIMS and bank accounts.
7	Capacity to execute Regulatory Function Enhanced.	Failure to develop, review and implement policies relating to finance, human resource, and administration.	Inability to achieve financial, human resource and administrations goals.	<ul style="list-style-type: none"> Financial Regulation 2021 and Staff Regulations 2021 were developed and approved. Scheme of Service & Salary Structure were developed, approved and implemented. LATRA Employees Incentive Scheme was developed approved and implemented.
		Failure of ICT application software system or application hardware due to cyber-attacks or system failures.	Failure to provide regulatory services.	<ul style="list-style-type: none"> Conducted security awareness seminars to its staff. Strengthened access controls to LATRA ICT applications. Engagement of relevant authorities to conduct assessments including penetration tests.

Source: LATRA Risk Registers

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.9. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES (CONTINUED)

2.9.2 Opportunities

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

- (i) Government support from the parent Ministry (MoWT) and other ministries such as MoFP and the MoHA, specifically the Tanzania Police Force – Traffic Police Department and the OTR. The support has been key in facilitating discharge of regulatory activities.
- (ii) Existence of Draft Open Access Regulation which once approved, will open the Standard Gauge Railway Line (SGR) to multiple operators. This will facilitate competition which in turn will increase utilization of the railway line to its capacity. Construction of the SGR is intended to ease the transfer of goods between the port of Dar es Salaam and the cities of Kigali, in Rwanda and subsequently to Bujumbura in Burundi, and to Goma in the Democratic Republic of the Congo. The cost of the project is high which calls for effective utilization of the investment. LATRA has a role in this by ensuring the Regulations are approved and used to facilitate competition.
- (iii) Technological advancement and avenues for integration of LATRA systems with key stakeholders such as TAMISEMI, TRA, BRELA, TIRA and the Police Force – Traffic Police Department. The Authority has potential of enhancing quality service delivery and increase revenue generation by taking advantage of new technology in making transformative changes in its operations and processes.
- (iv) Availability of media outlets with wide coverage. The Authority has been conducting road safety education awareness through Radio and Television programs including ‘Safiri Salama’ program and ‘Usafiri na Maendeleo’ aired by TBC every Saturday and Thursday respectively. It has also engaged Clouds TV as alternative channel and established a mini studio at LATRA Head Office. The Authority shall continue to widen use of media outlets to enhance visibility of its activities to the public.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.9. PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES (CONTINUED)

2.9.3 Uncertainties and Assumptions

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

- (i) macro- economic factors or conditions like Inflation, Interest rates, Gross Domestic Product, per capital income, economic growth rate, and exchange rates will continue to perform well and remain fairly stable;
- (ii) political environment will remain stable and political support to the land transport sub-sector will prevail;
- (iii) stable and predictable regulatory environment like Policies, Laws and Regulations will exist during the implementation of LATRA functions;
- (iv) competent, skilled and motivated staff will be available during the Strategic Plan implementation period;
- (v) availability of sufficient financial and physical resources like buildings, working tools for the implementation of the Corporate Strategic Plan; and
- (vi) the current organization structure will remain for the implementation of Corporate Strategic Plan, subject to minor review to accommodate cable transport regulation, one of the core functions of the Authority.

2.10. LATRA OPERATING MODEL

The Authority's operating model is the system of transforming inputs, through its operating activities, into outputs and outcomes that aims to fulfil LATRA's strategic purposes and create value over the short, medium and long term. The LATRA Operating Model is explained in Table 9 below:-

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.10. LATRA OPERATING MODEL (CONTINUED)

Table 9: LATRA Operating Model

No.	Objective	Inputs	Processes	Outputs	Outcome
a)	Objective A: HIV/AIDS and non-communicable diseases programmes in the transport sector strengthened	i) Funds, ii) Trainers, iii) Conference facilities, iv) Training materials, v) Time, vi) Laboratory equipment, vii) Medical personnel	i) Training, ii) Lab testing, iii) Counselling, iv) Policy preparation, i) Nutrition facilitation, ii) Physical exercises.	i) Training reports, ii) Disbursed funds, iii) Physical exercise time and persons covered iv) Approved policy document.	i) Increased productivity ii) Healthy lifestyles
b)	Objective B: National anti-corruption strategy implementation enhanced.	i) Funds, ii) Trainers, iii) Conference facilities, iv) Training materials, v) Time, vi) Laboratory equipment.	i) Training, ii) Corruption assessment, iii) Policy preparation, iv) Ethics Committee meetings	i) Training reports, ii) Corruption assessment reports, iii) Approved policies, iv) Committee meeting reports	i) Increased productivity ii) Improved customer services iii) Increased sustainability
c)	Objective C: Authority's capacity to execute its regulatory functions enhanced	i) Funds, ii) Trainers, iii) Conference facilities, iv) Training materials, v) Technology, vi) Internal policies, vii) Procurement committees.	i) Systems development ii) Policy preparation, iii) Report writing iv) Organizing training sessions, v) Procurement, vi) Construction vii) Physical exercises	i) ICT systems and applications, ii) Approved internal policies, iii) Procured equipment, iv) Office buildings v) Finances vi) Employee's performance report.	i) Increased productivity ii) Improved customer services
d)	Objective D: Effective and fair competition in the transport sector promoted	i) Funds, ii) Conference facilities, iii) Training materials, iv) Analytical tools, v) Research Assistants, vi) Reference books and reports, vii) Regulations, viii) Transport.	i) Conduct research processes, ii) Organize stakeholder meetings iii) Prepare tariff proposals preparation iv) Organize planning and budgeting meetings	i) Research reports, ii) Approved tariff, iii) Training reports, iv) Stakeholder consultative meeting reports, v) Approved Plans and Budgets, vi) Corporate performance reports	i) Sector efficiency improved ii) Consumer satisfaction attained

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.10. LATRA OPERATING MODEL (CONTINUED)

Table 9: LATRA Operating Model (Continued)

No.	Objective	Inputs	Processes	Outputs	Outcome
e)	Objective E: Safety management capacity of land transport improved	<ul style="list-style-type: none"> i) Funds, ii) Conference facilities, iii) Training materials, iv) Inspection tools, v) Inspection Assistants, vi) Road Traffic Act, vii) Safety Regulations viii) Driver testing facilities, ix) Vehicle Tracking System 	<ul style="list-style-type: none"> i) Conduct inspection, ii) Conduct investigations, iii) Organize training sessions iv) Establish vehicle inspection facilities, v) Real-time on the road vehicle monitoring. 	<ul style="list-style-type: none"> i) Certified drivers, ii) Inspection reports, iii) Safety Training reports, iv) Accident Investigation reports, v) Stakeholder meeting reports. 	<ul style="list-style-type: none"> i) Safety of land transport improved ii) Consumer satisfaction attained
f)	Objective F: Environmental sustainability of land transport improved	<ul style="list-style-type: none"> i) Funds, ii) Conference facilities, iii) Training materials, iv) Inspection tools, v) Inspection Assistants, vi) Environment Management Act, vii) Environment Management Regulations viii) Emission testing equipment ix) Carbon-level assessment models 	<ul style="list-style-type: none"> i) Conduct environment inspection ii) Conduct environment surveys, iii) Organize stakeholder sessions, iv) Vehicle emission testing, v) Engage corporates to invest in high occupancy buses and alternative energy 	<ul style="list-style-type: none"> i) Environment Inspection reports, ii) Environmental preservation Training reports, iii) Approved environment compliance guidelines, iv) Stakeholder engagement reports, v) Licensed high-occupancy buses vi) Corporate contracts on alternative energy promotion 	<ul style="list-style-type: none"> i) Contribution on carbon-level Reduced ii) Consumer satisfaction attained
g)	Objective G: Promotion of quality land transport services ensured	<ul style="list-style-type: none"> i) Standard Gauge Railway operational plans, ii) TRC Act and PPP policies; iii) International SGR benchmarks; iv) Training materials; v) Training facilities vi) Roadside inspection system; vii) Vehicle Tracking System, viii) Railway inspection tools 	<ul style="list-style-type: none"> i) Conduct meetings to prepare Standards for SGR; ii) Conduct meetings to prepare Railway Open access regulations; iii) Train drivers and crew on quality service provision iv) Conduct roadside inspections; v) Licensing of road and railways operations and units; 	<ul style="list-style-type: none"> i) Approved railway Open access regulations ii) Trained drivers and crew on quality services iii) Road-side vehicle inspection reports 	<ul style="list-style-type: none"> i) Increased efficiency ii) Improved customer care of PSV iii) Increased railway freight market share.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.11. CORPORATE GOVERNANCE MATTERS

2.11.1. Corporate Governance Statement

The Authority is committed to the principles of effective corporate governance. The Directors also recognize the importance of integrity, transparency and accountability. The Board has the overall responsibility for the activities of the Authority, including responsibility for identifying key risk areas, considering and monitoring investment decisions, significant financial matters and reviewing performance of management business plans and budgets.

2.11.2. Membership of Those Charged with Governance

The Board is established under Section 7 of the Land and Transport Regulatory Authority Act, Cap. 413. The Board is formed with seven members: Chairman (non-executive) and six non-executive members.

On 15 January 2023, Her Excellency, Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania, appointed Prof. Ahmed Mohamed Ame as the Chairman of the Board of Directors for the period of four (4) years upto 14 January 2027. Following the appointment, the Minister responsible for transport, Hon. Prof. Makame Mnyaa Mbarawa (MP), appointed six (6) members of the Board. The appointments marked the end of tenure of the first Board of Directors which served from 13 September 2019 under Chairmanship of Eng. Dr. John S. Ndunguru. The members served the Authority as shown in the Table 10 below.

In addition, CPA Habibu J. S. Suluo, the Director General, was appointed, on 6 July 2022 following expiry of the tenure of the former Director General. The appointment of CPA Suluo was announced publicly on 9 July 2022 and he reported for duty on Monday, 11 July 2022. The Director General is the Secretary to the Board in accordance with Section 7(3) of the Act.

No conflict of interest existed between the Directors and the Authority during the year. Key management personnel, including the Board Chairman and the Board Members, made declarations by completing a Form for Declaration of Related Party Transactions.

The form was designed as issued by NBAA for the purpose of making sure that every transaction done by an entity with related parties is adequately disclosed and thus provide users of financial statements with adequate information for decision making. The amount incurred for the Board of Directors were TZS 144 million (2021/22: TZS 174 million) and amount for key Management employees TZS 2.74 billion (2021/22: TZS 2.26 billion) respectively. The details on related party transactions of TZS 2.89 Bill are disclosed in Note 27 of the financial statements.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.11. CORPORATE GOVERNANCE MATTERS (CONTINUED)

Table 10: Board Members and Board Secretary of the Authority for the year 2022/23

S/n	Name	Position	Nationality	Qualification	Age	Service Period to 30 June 2023	Meetings Attended
1	Eng. Dr. John S. Ndunguru	Chairman	Tanzanian	Registered Professional Engineer (T), Engineers Registration Board; PhD in Design and Development of Systems (2009); MSc. Production Engineering (2005); and BSc. Mechanical Engineering (1984).	67	13 Sept. 2019 – 15 January, 2023	2/4
2	Prof. Ahmed Mohamed Ame	Chairman	Tanzanian	PhD. (Business Administration)-University of Dar es salaam; Master of Business Administration (With a Bias in Production and Operations Management)-University of Dar es Salaam. B.A; Statistics (Hons)-University of Dar es Salaam; Diploma-Statistical Training Diploma, with specialization in computer programming and data processing-International Statistical Education Centre Calcutta, India.	61	15 January to 30 June 2023	1/4
3	Dr. Stephen L. Mwakajumilo (FMA-UK)	Member	Tanzanian	Registered Member of NBAA, PhD. In Microfinance (2011), MBA Finance (2003), PGD in Accountancy (2001), Advanced Diploma in Accountancy (1998).	57	13 Sept. 2019 – 12 Sept. 2022	4/4
4	Mr. Henry M. Bantu, FCILT	Member	Tanzanian	Fellow member of Chartered Institute of Logistics & Transport (FCILT), Certified Transport & Traffic Management (CTTM), Master of Business Administration (Milpark Business School), Diploma in Road Accidents Prevention & Analysis (DRAPA), Certificate of Professional Competence (Instructor).	74	13 Sept. 2019 – 10 May 2023	4/4
5	Eng. Michael J. Kyando	Member	Tanzanian	Master of Engineering in Maintenance Management (2017), Degree in Automobile Engineering (2011), Certificate in Motor Vehicle Mechanics (2007), Diploma in Automobile Engineering (2001).	51	13 Sept. 2019 – 12 Sept. 2022	4/4
6	Mr. Victor J. Kahangwa	Member	Tanzanian	Advocate of the High Court, LLB, Certificate in translation - Patrice Lumumba University (1997) and MATI (1986).	59	13 Sept. 2019 – 10 May 2023	4/4

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.11. CORPORATE GOVERNANCE MATTERS (CONTINUED)

Table 10: Board Members and Board Secretary of the Authority for the year 2022/23 (Continued)

S/n	Name	Position	Nationality	Qualification	Age	Service Period to 30 June 2023	Meetings Attended
7	Mrs. Tumaini E. Silaa*	Member	Tanzanian	Advocate of the High Court (1996), LL.M, Open University of Tanzania (2012); Master's degree in Business Administration (MBA(ESAM))-(2006); Bachelor of Laws, University of Dar es Salaam (1989).	59	1 April 2022 - 30 June 2023	3/4
8	Ms. Neema Joseph Ringo	Member	Tanzanian	Advocate of the High Court; LL.M-Cyber Law: Information Technology, Law & Society, University of Leeds (UK) (2006); LLB (Hons), University of Dar es Salaam (1997).	53	10 May 2023- 30 June 2023	-
9	Mr. Nuru Mohamed Ngoma	Member	Tanzanian	Master of Business Administration (Corporate Management), Mzumbe University (2009); Advanced Diploma in Transport Management, the National Institute of Transport (1991); Full Technician Certificate in Automobile Engineering, the National Institute of Transport (1985).	59	10 May 2023- 30 June 2023	-
10	Eng. Dr. Michael Paul Kisaka	Member	Tanzanian	Doctor of Business Management (Honorary Directorate Award), Africa Graduate University, Uganda (2012); Master of Business Administration (Corporate Management), Mzumbe University (2013), 11Diploma in Engineering, Dar es Salaam Technical College (1987), Full Technician Certificate in Mechanical Engineering, Arusha Technical College (1982).	66	10 May 2023- 30 June 2023	-
11	Mr. Allen Thobias Marwa	Member	Tanzanian	Master of Community Economic Development, the Open University of Tanzania (2014); Master of Science in Accounting & Finance, Mzumbe University (2012); Advanced Diploma in Accountancy, Institute of Accountancy Arusha (2007)	42	10 May 2023- 30 June 2023	-
12	Eng. Lucian Mafikiri Henry Kilewo	Member	Tanzanian	Bachelor of Science Degree (Civil Engineering), University of Dar es Salaam (1989); Registered Professional Engineer (IT), Engineers Registration Board (1998).	64	1 June 2023- 30 June 2023	-
13	CPA Habibu J.S. Suluo	Secretary to the Board	Tanzanian	Master of Business Administration (MBA) in Management from the University of Sheffield, UK; Bachelors of Commerce in Finance from the University of Dar es Salaam; Fellow Certified Public Accountant (FCPA); Certified Director by IoT and a Certified Balanced Scorecard Professional (BSCP) issued by the Balanced Scorecard Institute and The George Washington University College of Professional Studies and; Diploma in International Public Sector Accounting Standards (Diploma in IPSAS) issued by NBAA.	58	6 July 2022 - 30 June 2023	4/4

Source: Curriculum Vitae and Letters of Appointment for Board Chairman, Board Members and the Secretary to the Board

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.11. CORPORATE GOVERNANCE MATTERS (CONTINUED)

The tenure of service of the Board Chairman is four (4) years, for two (2) Board Members is three (3) years, the other two (2) Board Members is four (4) years, and one (1) Board Member is five (5) years. The tenure of service of the Secretary to the Board (Director General) is four (4) years.

Membership of previous Board came to an end on the dates indicated in Table 11 below.

Table 11: Board Members whose tenure ended during the year 2022/23

S/N	Name	Position	Service Period
1	Eng. Dr. John S. Ndunguru	Chairman	13 Sept 2019 – 15 January 2023
2	Dr. Stephen L. Mwakajumilo (FMA-UK)*	Member	13 Sept 2019 – 12 September 2022
3	Eng. Michael J. Kyando*	Member	13 Sept 2019 – 12 September 2022
4	Mr. Henry M. Bantu, FCILT	Member	13 Sept 2019 – 10 May 2023
5	Mr. Victor J. Kahangwa	Member	13 Sept 2019 – 10 May 2023

This was the first Board of Directors of the Land Transport Regulatory Authority. The Board had seven members. The Members had served the Board with great distinction and commitment during their tenure. The Board had lost two of its esteemed members during the financial year ended on 2021/22. These are, Eng. Leonard Kapongo, who demised on 17 July 2021 and Mrs. Roxana Kijazi who demised on 24 June 2022. As LATRA community, we extend our tributes, condolences and commitment to uphold their legacy of integrity, strong values and high standards.

(a) Board Charter

The Board has in place Charter which set parameters within which it will operate to ensure the proper application of principles of good corporate governance. The Charter sets out the specific responsibilities to be discharged by the Board collectively, as well as the roles and responsibilities of the Board and its established Committees. Furthermore, the Charter sets out the responsibilities that may be delegated to its committees or to the Management; and it provides for internal organization of the Board, Board Meetings and proceedings.

During the year, the Board decided to review the Charter to comply with the Board Charter Guidelines for Public and Statutory Corporations, 2015 issued by the Office of the Treasury Registrar. The revised draft Charter shall be shared with relevant Authorities for review and comments before being approved in the next financial year.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.11. CORPORATE GOVERNANCE MATTERS (CONTINUED)

(b) Compliance with Laws and Regulations

The principal functions and operations of the Authority are governed by the Land and Transport Regulatory Authority Act.

The Directors confirm that the activities and operations of the Authority were conducted in accordance with the Act and there was no information of non-compliance with other applicable laws and regulations that would have material impact on the Authority.

(c) Board Meetings

During the year under review, the Authority complied with all aspects of good corporate governance principles which include Board operations and control; rights of the Government and general public; stakeholder relations; ethics and social responsibility; accountability, risk management and internal control; and transparency and disclosure.

The Board held a total of Four (4) meetings during the year ended 30 June 2023. Out these, three (3) were ordinary and one (1) was special meeting. In these meetings, the Board discussed and deliberated on the following main issues:

- (i) Report of used SGR Rolling Stock imported from German;
- (ii) Status of new 22 MGR and 14 SGR coaches imported from Korea;
- (iii) TRC reviewed fares for Ordinary Deluxe Passenger Services;
- (iv) Tariff Review for Ride-Hailing Transport Services;
- (v) Bus fare review for BRT System in Dar es Salaam;
- (vi) Report of the Complaints Handling Committee;
- (vii) Proposal to appoint Review Panel Members;
- (viii) Report of Safety Coordinating Committee;
- (ix) Proposal to combine Maritime Consumer Consultative Council and Land Transport Regulatory Authority Consumer Consultative Council (LATRA CCC);
- (x) Report of road accidents which occurred on 10 and 27 June 2022 in Iringa and Mtwara;
- (xi) Authority's Budget and Procurement Plan for the Financial Year 2023/24;
- (xii) Authority's Revised Budget for the Financial Year 2022/23;
- (xiii) Risk Based Internal Audit Plan for the year 2022/23 and quarterly audit reports;
- (xiv) Financial Statements for the Financial Year 2021/22; and
- (xv) Reviewed LATRA Five Years Strategic Plan 2020/21-2024/25

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.11. CORPORATE GOVERNANCE MATTERS (CONTINUED)

(d) Board Resolutions

After deliberation on the agenda items above, the following were the Board's resolutions,

- (i) Adopted reports of SGR Rolling Stock, MGR and SGR Coaches and directed Management to submit the reports to relevant bodies and follow up implementation of recommendations;
- (ii) Approved fares for ordinary deluxe passenger service train, ride-hailing transport services and fares for BRT System in Dar es Salaam;
- (iii) Adopted report of the Complaints Handling Committee;
- (iv) Approved appointment of member of review panel;
- (v) Noted proposal for combining Maritime Consumer Consultative Council and Land Transport Regulatory Authority Consumer Consultative Council (LATRA CCC) and directed Management to consult with TASAC and the Ministry;
- (vi) Approved Authority's Budget and Procurement Plan for the Financial Year 2023/2024;
- (vii) Approved the Authority's Revised Budget for the Financial Year 2022/23;
- (viii) Approved the Risk Based Internal Audit Plan for the year 2022/23; and
- (ix) Approved for issue and signed the Authority Financial Statements for the year ended on 30 June 2022.

2.11.3. Committees of Those Charged with Governance

The Board of Directors during its 1st Special Meeting held on 24 September 2019 formed three Board Committees: Audit and Risk Committee, Safety and Regulation Committee and Finance and Administration Committee.

The following were members of the Board Committees who served the Committees during the financial year under review for stated period, and the number of meetings attended:

(a) Audit and Risk Committee

Below are members of the Audit and Risk Committee who served as indicated in Table 12 below.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.11. CORPORATE GOVERNANCE MATTERS (CONTINUED)

Table 12: Members of Audit and Risk Committee

S/n	Name	Position	Nationality	Service Period to 30 June 2023	Meetings Attended
1	Dr. Stephen L. Mwakajumilo (FMA-UK)	Chairman Outgoing	Tanzanian	13 Sept. 2019 – 12 Sept. 2022	1/3
2	Mr. Allen Thobias Marwa	New Chairman	Tanzanian	10 May, 2023- 30 June, 2023	0
3	Adv. Victor J. Kahangwa	Member	Tanzanian	13 Sept. 2019 – 10 May 2023	2/3
4	Eng. Dr. Michael P. Kisaka	Member	Tanzanian	10 May, 2023- 30 June, 2023	0
5	Mrs. Tumaini E. Silaa	Member	Tanzanian	1 April 2022 – 30 June 2023	3/3

Capital During the year, the Committee held three (3) ordinary meetings. In these meetings, the Committee discussed and deliberated on the following main issues:

- (i) Risk Based Internal Audit Plan for the year 2022/23
- (ii) Quarterly audit reports.
- (iii) Status of the Land Transport Regulatory Authority Risk Management Report.
- (iv) Audit Plan and Audit fees for external auditor (CAG).
- (v) Draft LATRA Financial Statements for the year ended 30 June 2022. and
- (vi) Management Letter and Financial Statements and Financial Year for 2021/22.

The following were the Committee's resolutions:

- (i) Endorsed for submission to the Board, the Risk Based Internal Audit Plan for the financial year 2022/23.
- (ii) Adopted recommendations from the Quarterly Audit reports for submission to the Board of Directors.
- (iii) Adopted the Authority Risk Management Report for submission to the Board.
- (iv) Endorsed the Audit Plan and Audit fees for submission to the Board. and
- (v) Endorsed the audited LATRA Financial Statements for submission to the Board for adoption.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.11. CORPORATE GOVERNANCE MATTERS (CONTINUED)

(b) Safety and Regulation Committee

Below are members of the Safety and Regulation Committee who served as indicated in Table 13 below.

Table 13: Members of Safety and Regulation Committee

S/n	Name	Position	Nationality	Service Period to 30 June 2023	Ordinary Meetings
1	Mrs. Tumaini E. Silaa	Chairman	Tanzanian	1 April 2022 – 30 June 2023	3/3
2	Mr. Henry M. Bantu, FCILT	Member	Tanzanian	13 Sept. 2019 – 10 May 2023	2/3
3	Eng. Michael J. Kyando	Member	Tanzanian	13 Sept. 2019 – 12 September 2022	1/3

During the year, the Committee held three (3) ordinary meetings and one special meeting. In these meetings, the Committee discussed and deliberated on the following main issues:

- (i) Report of used SGR Rolling Stock imported from German;
- (ii) Status of new 22 MGR and 14 SGR coaches imported from Korea;
- (iii) TRC reviewed fares for Ordinary Deluxe Passenger Services;
- (iv) Tariff Review for Ride-Hailing Transport Services;
- (v) Bus fare review for BRT System in Dar es Salaam;
- (vi) Report of the Complaints Handling Committee;
- (vii) Proposal to appoint Review Panel Members;
- (viii) Report of Safety Coordinating Committee;
- (ix) Proposal to combine Maritime Consumer Consultative Council and Land Transport Regulatory Authority Consumer Consultative Council (LATRA CCC); and
- (x) Report of road accidents which occurred on 10 and 27 June 2022

The following were the Committee's resolutions:

- (i) Endorsed reports of SGR Rolling Stock, MGR and SGR Coaches for submission to the Board after incorporating Committee's recommendations;
- (ii) Approved fares for ordinary deluxe passenger service train, ride-hailing transport services and fares for BRT System in Dar es Salaam;
- (iii) Adopted report of the Complaints Handling Committee;
- (iv) Approved appointment of member of review panel;

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.11. CORPORATE GOVERNANCE MATTERS (CONTINUED)

(b) Safety and Regulation Committee (Continued)

- (v) Noted proposal for combining Maritime Consumer Consultative Council and Land Transport Regulatory Authority Consumer Consultative Council (LATRA CCC) and directed Management to consult with TASAC and the Ministry; and
- (vi) Board Order for Ride-hailing taxi services.

(c) Finance & Administration Committee

Below are members of the Finance & Administration Committee who served as indicated in Table 14 below.

Table 14: Members of Finance & Administration Committee

S/n	Name	Position	Nationality	Service Period to 30 June 2023	Ordinary Meetings Attended	Extra Ordinary Meeting
1	Mr. Victor J. Kahangwa	Chairman	Tanzanian	13 Sept. 2019 – 10 May2023	3/3	1/1
2	Eng. Michael J. Kyando	Member	Tanzanian	13 Sept. 2019– 12 Sept 2022	1/3	0/1
3	Mr. Henry M. Bantu, FCILT	Member	Tanzanian	13 Sept. 2019 – 10 May 2023	2/3	1/1

The Committee held a total of four (4) meetings during the year ended 30 June 2023. Out these, three (3) were ordinary and one (1) was special meeting. In these meetings, the Committee discussed and deliberated on the following main issues:

- (i) Authority's Budget and Procurement Plan for the Financial Year 2023/2024;
- (ii) Authority's Revised Budget for the Financial Year 2022/23;
- (iii) The Authority's Quarterly Performance Reports;
- (iv) Staff matters including performance contracts and appraisals; and
- (v) The revised Authority's Corporate Strategic Plan (2020/21-2024/25).

The following were the Committee's resolutions:

- (i) Endorsed the Annual Plan and Budget for the financial ear 2021/22 for submission to the Board;
- (ii) Adopted and endorsed the Authority's Quarterly Performance Reports for submission to the Board;
- (iii) Endorsed report on staff matters and performance contracts for submission to the Board; and
- (iv) Adopted and endorsed for submission to the Board the Authority's Corporate Strategic Plan (2020/21-2024/25).

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.11. CORPORATE GOVERNANCE MATTERS (CONTINUED)

2.11.4. Environmental Social and Governance Issues.

According to Section 5(g) of the LATRA Act, Cap 413, the Authority is tasked with the responsibility of preserving the environment. In pursuit of this goal, the Authority developed the Regulator's Environmental Guidelines, which provide a comprehensive framework ensuring environmentally responsible development, operation, and maintenance of railway infrastructure. These guidelines serve as a reference for setting environmental standards, evaluating compliance, and fostering continuous improvement in environmental performance.

The Guidelines cover a wide range of environmental aspects, including but not limited to:

- (a) Emissions Reduction and Air Quality Management: Addressing greenhouse gas emissions, particulate matter, and energy efficiency measures;
- (b) Noise and Vibration Control: Providing strategies to monitor, assess, and mitigate noise and vibration impacts;
- (c) Waste Management and Recycling: Guidelines for waste minimization, handling hazardous and non-hazardous waste, and promoting recycling practices;
- (d) Water Resource Management: Addressing water conservation, storm-water management, and wastewater treatment and discharge;
- (e) Biodiversity and Ecological Preservation: Promoting habitat conservation, wildlife protection, and vegetation management;
- (f) Reporting, Monitoring, and Compliance: Establishing requirements for environmental reporting and compliance;
- (g) Stakeholder Engagement and Collaboration: Outlining strategies for public consultation, stakeholder engagement, and collaborative initiatives; and
- (h) Training and Capacity Building: Providing guidance on training programs and capacity-building initiatives for regulatory personnel and railways.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.11. CORPORATE GOVERNANCE MATTERS (CONTINUED)

2.11.5. Railway Environmental Assessment and Management

To reflect the growing importance of Environmental, Social, and Governance (ESG) to its investor base, the Authority integrated ESG into all its business operations with TRC. The Authority is directly responsible for TRC's ESG performance and monitoring of ESG is a key part of the regulator's governance structure. For the financial year 2022/23, the assessment was conducted in May 2023, and an ESG report was prepared to inform the public on TRC's performance in relation to Environment, Social, and Governance. The report covered the following areas:

(a) Energy Consumption:

During the reporting period, TRC used diesel fuel by 100% to transport passengers and freight trains. However, TRC plans to use Electric Energy during the financial year 2023/2024 when Standard Gauge Rail operations commence.

(b) Emissions:

Railway undertakings do not use any special equipment for collecting statistics on carbon emissions. Therefore, TRC was unable to provide an accurate report on carbon emission statistics emanating from train operations. However, there was no incidence related to environmental pollution or excessive emissions.

(c) Waste Disposal:

Most wastes generated during maintenance and repair of track and rolling stock are disposed of properly. To reduce waste, TRC is closely improving maintenance procedures by providing state-of-the-art machines.

(d) Water Conservation:

TRC has adopted measures to minimize the use of water and has cultivated the concept of saving water among its employees. Several water conservations measures have been adopted by TRC employees, such as reporting leaky taps, proper use of toilets, and reusing or recycling water where possible.

(e) Community Charity:

TRC has been involved in several community activities for the FY2022/23.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.11. CORPORATE GOVERNANCE MATTERS (CONTINUED)

The implementation status of TRC Metrics for the financial year 2022/23 is provided in the Table 15 below.

Table 15: TRC ESG Implementation Matrix

S/N	Metrics	Implementation Status	Remarks
1	Review TRC's energy usage in rail operations and determine possible improvements to policies and procedures.	TRC is in the process of reviewing its procedures and policies for energy use.	To be reported in the next financial year 2023/2024.
2	Formalize and re-brief policy to conduct meetings to passengers and other train users whenever possible.	TRC conducted several meetings with passengers in stations to remind them on the use of amenities and dustbins for disposal of wastes.	The Regulator will make follow up.
3	Seek to enhance monitoring of environmentally friendly during train operations, maintenance of rolling stock and infrastructure.	TRC complied	-
4	Strengthen criteria to select operators with modern equipment (locomotives, earth moving and maintenance equipment) which minimizes carbon emission and with commitment to minimize air pollution.	Under implementation	The Regulator will make follow up.
5	Improve environmental reporting to the Regulator and NEMC.	After getting environmental guidelines for railway operations, TRC are on the way of implementing reporting mechanism	The Regulator will make follow up.
6	Improve reporting of waste management information during design, construction, maintenance and operations.	Under implementation	The Regulator will make follow up.
7	Strengthen understanding of physical risk from climate change by mapping TRC asset footprint to flooding and climate prediction models.	TRC undertaking more studies on flood prone areas such as Kilosa – Gulwe section.	The Regulator will make follow up.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.11. CORPORATE GOVERNANCE MATTERS (CONTINUED)

Table 15: TRC ESG Implementation Matrix (Continued)

S/N	Metrics	Implementation Status	Remarks
8	Determine how to more publicly demonstrate how the risk of forced and child labor is evaluated and eliminated from TRC's business operations and investment portfolios possibly in a broader sustainability report or annual company statement.	Under implementation	The Regulator will make follow up.
9	Engage with local users on the routes to support deployment of fleet to greater benefit to local communities.	TRC conducted several meetings with Local Government Authorities to oversee possibility of increasing train services.	
10	Apply environmental guidelines which are provided by Regulator to enhance environmentally friendly operations.	Under implementation	The Regulator will make follow up.
11	Undertake strategic research, in collaboration with equipment manufacturers, to understand how to minimize the emerging safety risk associated with security threats to TRC's assets.	Under implementation	The Regulator will make follow up.
12	Undertake further training and assessment of environmental data protection requirements.	Under implementation	The Regulator will make follow up.
13	Develop specific rules on political contributions in line with National Transport Policy.	Under implementation	
14	Including public statements on ESG in TRC financial statement for FY 2022/23.	Under implementation	
15	To enhance provision of amenity facility to people with special needs in railway stations.	Under implementation	The Regulator will make follow up.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.11. CORPORATE GOVERNANCE MATTERS (CONTINUED)

2.11.6. Health and hygiene in transportation

Passengers can cause pollution by dumping waste indiscriminately or helping themselves into the wild if the transportation facilities they use do not have proper sanitation systems and procedures. In addition, passengers may experience “nuisance” contamination or health impacts if the transportation containers they used contain insecticide, scrap, and do not meet transportation standards. These challenges, along with the risk of fires or accidents, are fuelling the importance of ensuring cleanliness and safety within transportation facilities for passengers throughout the journey.

2.11.7. Owners and Managers of commercial vehicles will ensure:

- The presence of solid waste storage facilities inside transportation facilities;
- The presence of special containers with lids to store other contaminants such as vomit and baby faeces;
- The presence of fire extinguishers that have been inspected and verified by the relevant authorities;
- Control of sewage from transportation facilities, especially buses with toilets Presence of personnel with knowledge about the proper use of fire extinguishers;
- The presence of a first aid box for passengers containing soap, unused razors, scissors, bandages, plasters, pain medications, wound cleaning medications, glucose and blood pressure tests;
- Spraying of insecticides such as cockroaches and ticks “fumigation” takes place every six months and have a certificate certifying the service;
- Passengers have access to toilet facilities at official service stations for travellers;
- Transportation facilities meet Tanzania’s standards for passenger transportation;
- Vessels should be in good condition of durability and hygiene to avoid accidents of cutting themselves, slipping, falling or contracting infectious diseases;
- Protect passengers from noise, dust, smoke, moisture and polluted air;
- Loading passengers according to the capacity of the transport vessel;
- Avoiding unloading hard items and other unwanted luggage into the passenger area;

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.11. CORPORATE GOVERNANCE MATTERS (CONTINUED)

2.11.7. Owners and Managers of commercial vehicles will ensure: (Continued)

- Avoid loading live animals such as chickens, ducks, goats etc into human trafficking containers to avoid outbreaks of animal-to-human landfills;
- Allow enough air to enter to ensure proper air circulation and avoid the spread of infectious airborne infections;
- Having audio, photo, video and text advertisements prohibiting the indiscriminate disposal of waste, supporting informal areas and emphasizing the use of a waste container that is located within the relevant transport container;
- Workers on board, including the driver, inform the authority or health care facility about any passenger or attendant with symptoms of a disease declared by the Government as an epidemic;
- Any product for human consumption loaded onto a transport vessel should be in an environment that will not be contaminated or damaged to the extent that it will be detrimental to human health if used; and
- The transport vessel should be filled with fuel or repairs when passengers are on board the vessel

2.12. EMPLOYEES' WELFARE

(a) Management and Employees' Relationship

There was harmonious relationship between the employees of the Authority and the Management during the year under review. There were no unresolved complaints received by the Board from the employees during the year. A healthy relationship continues to exist between Management and COTWU-Branch.

(b) Medical Assistance

During the year, the Authority used National Health Insurance Fund (NHIF) to provide medical services to its staff and their dependents. Medical expenses during the year amounted to TZS 42.86 million (2022: TZS 43.56 million). Furthermore, the Authority continued to raise awareness to staff on HIV/AIDS issues. The expenditure for HIV/AIDS Awareness Seminars and support to People Living with HIV/AIDS (PLWHA) during the year was TZS 21.91 million (2022: TZS 35.69 million).

(c) Training Facilities

Training programs are continually being developed to ensure employees are adequately trained at all levels. Employees are given opportunity to attend short and long training programs to upgrade their skills and enhance career development. During the year, two staff attended long term training (2021/22: 2)

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.13. SOCIAL AND COMMUNITY ISSUES

The Authority did not make any political donations during the year ended 30 June 2023. Donations were made as part of corporate social responsibility to institutions and charitable organizations to acknowledge LATRA's responsibility to community social needs as guided by its Donation Policy. The policy provides scope and manner in which Authority shall respond to social and community needs.

The list of beneficiaries for corporate social responsibilities funds for the financial year 2022/23 is provided in Table 16 below:

Table 16: Beneficiaries for Corporate Social Responsibilities, 2022/23

S/N	Beneficiary	Purpose of the Donation/ Contribution	Amount (TZS '000')
1	Traffic Police Tanzania	Support for printing and designing books and brochures for disseminating road safety information.	5,000
2	National Road Safety Council of Tanzania (RSA)	Contribution to facilitate Road Safety Ambassadors Day in Mbeya on 17 September 2022	3,000
3	UBOJA	Contribution to facilitate meeting for <i>Umoja wa Bodaboda</i> in Arusha	2,000
4	National Road Safety Council of Tanzania (RSA)	Donation to facilitate road safety week 2023 in Mwanza from 20 to 24 March.	5,000
5	ARUSHA Subtreasury Dep Elect	Donation to facilitate Arusha regional Business council meeting to promote business opportunities.	3,000
6	Raphael Frank Mndeme	Award to NIT best student for the year 2022.	1,000
7	RUKWA Sub-Treasury Misc Dev Exp Electronic Account	Facilitation of Rukwa Investment Forum to promote business opportunities in the region.	2,000
8	TCAA Consumer Consultative Council.	Donation to facilitate TCCA Consumers Day in Mwanza in March 2023 Motto: Empowering Consumer through clean energy	1,500

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.13. SOCIAL AND COMMUNITY ISSUES

Table 16: Beneficiaries for Corporate Social Responsibilities, 2022/23
(Continued)

S/N	Beneficiary	Purpose of the Donation/ Contribution	Amount (TZS '000')
9	Serikali ya Kijiji cha Nyamikoma	Donation of Iron sheet for construction of Dispensary of Nyamikoma Village.	1,000
10	Chama cha Marafiki wa Oljoro.	Donation for Supporting Construction of Kitchen and a Food Court in Shalom Orphans Center -Kibaha	1,000
11	TLB Uyui	Support to blind people in Tabora	895
12	NYASA District Council	Donation to facilitate Roofing of six Classes at Mipoyopoto Secondary School	3,000
13	Marafiki wa Maendeleo Handeni	Donation to facilitate breast cancer check-up to women of Handeni.	3,500
14	Viziwi Dodoma Region	To facilitate awareness training on LATRA and Road Safety Laws to VIZIWI in Dodoma Region	3,405
15	Accident Investigation Committee-Tanga	Investigation of Accident at Handeni Tanga.	3,952
Total			39,252

Source: LATRA Financial Records

2.14. GENDER PARITY

The Authority had 154 employees during the year ended 30 June 2023 (2021/22: 125). Most of the employees were transferred to the Authority from the former regulator SUMATRA as required by Section 49 of the Land Transport Regulatory Authority Act, Cap. 413. Some employees were transferred from Government Institutions while others were recruited through the Public Service Recruitment Secretariat (PSRS). During the year, 24 new employees joined the Authority through PSRS. Out of the 154 employees, 124 (80.5%) were male and 30 (19.5%) were female as shown in Table 17 below.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.14. GENDER PARITY (CONTINUED)

Table 17: Number of LATRA Employee

Gender	30.06.2023		30.06.2022	
	No.	%	No.	%
Male	124	80.5	98	78.4
Female	30	19.5	27	21.6
Total	154	100.0	125	100.0

Source: LATRA Human Resources Records

Generally, the Authority gives equal opportunity to all people on recruitment process to fill vacant employment positions.

2.15. ESSENTIAL/MAJOR CONTRACTUAL OR OTHER ARRANGEMENTS

The Authority had major procurement contracts with persons and other entities, which were essential to its operations during the financial year ended 30 June 2023. The list of the major procurement contracts of above TZS 50 million is summarized under Table 18 below:

Table 18: Major Procurement Contracts, 2022/23

S/N	Contract Title	Name of Supplier/ Service Provider	Type of Contract	Contract Value (TZS '000')
1	Supply of ICT Equipment.	M/s Emerging Communications Limited.	Fixed Price Contract	146,159
2		M/s IVO Solutions Limited	Fixed Price Contract	242,416
3		M/s Dolphin Professional Services Limited	Fixed Price Contract	50,775
4		M/s Computer Centre Tanzania Ltd	Fixed Price Contract	51,540
5	Supply of Promotion Materials.	M/s Professional Photo Lab Limited	Fixed Price Contract	115,314
6	Improvement of RRIMS	M/s e-Government Authority (eGA)	Fixed Price Contract	189,390
7	Partitioning of Dodoma Office	M/s Tanzania Building Agency (TBA)	Fixed Price contract	319,573
8	Provision of Security Services	M/s SUMA JKT Guard Company	Fixed Price Contract	308,940

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.15. ESSENTIAL/MAJOR CONTRACTUAL OR OTHER ARRANGEMENTS (CONTINUED)

Table 18: Major Procurement Contracts, 2022/23 (Continued)

S/N	Contract Title	Name of Supplier/ Service Provider	Type of Contract	Contract Value (TZS '000')
9	Airing Television Program	M/s Tanzania Broadcasting Corporation (TBC)	Fixed Price Contract	113,280
10	Supply of Computer Consumables	M/s Jamii Grouped Solution (T) Limited	Fixed Price Contract	103,520
11	Supply of Generator sets	M/s Car and General Trading Company Limited	Fixed Price Contract	61,242
12	Provision of consultancy services to carry out a study on demand and supply of commuter services in the city of Dar-es-salaam and Mwanza. Tanzania	M/s Institute of Finance Management	Fixed Price Contract	128,266
Total				1,663,040

Source: LATRA Procurement records

2.16. APPOINTMENT OF AUDITOR

The Controller and Auditor General (CAG) is the statutory auditor of the Land Transport Regulatory Authority (LATRA) by virtue of Article 143 of the Constitution of the United Republic of Tanzania as amplified by sections 9 of the Public Audit Act (PAA) No 11 of 2008. However, in accordance with Section 33(1) of the same Act, M/s Dar Financial Consultants with TIN NO 111 524 548, VRN NO 40-041249-M and NBAA registration No PF 231 was appointed and authorized to carry out the audit of the Authority jointly with the CAG. The appointment was communicated to LATRA through letter Ref:No. CB.35/38/79 dated 30 June, 2023.

2.17. RESPONSIBILITY OF THE AUDITOR

The CAG has a statutory responsibility to report to the stakeholders as to whether, in his opinion, the financial statements of the Authority present fairly the financial position, financial performance and cash flows for the year then ended in accordance with the International Public Sector Accounting Standards (IPSASs), the Tanzania Financial Reporting Standard (TFRS 1) and in the manner required by the Land Transport Regulatory Authority Act, Cap. 413 and the Public Finance Act, Cap. 348. The CAG is also responsible to report on the Authority's compliance with the Public Procurement laws.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.18. STATEMENT OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

Those Charged with Governance (TCWG) accept responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the financial statements, pursuant to section 37(1) of the Land Transport Regulatory Authority Act, Cap. 413. Furthermore, Those Charged with Governance accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Public Sector Accounting Standards (IPSAS), the Public Finance Act, Cap. 348, NBAA's Pronouncements and the requirements of the Land Transport Regulatory Authority Act, Cap. 413.

Therefore, TCWG are of the opinion that the financial statements of the Authority give a true and fair view of the Authority's state of the financial affairs and of its operating results for the year ended 30 June 2023.

2.19. POLITICAL AND CHARITABLE DONATIONS

The Authority did not make any political donations during the year ended 30 June 2023. Donations were made as part of corporate social responsibility to institutions and charitable organizations to acknowledge LATRA's responsibility to community social needs.

The list of beneficiaries for corporate social responsibilities funds for the financial year 2022/23 is provided in Table 16 above under section 13.6 of this report:

2.20. PERSONS WITH DISABILITIES

LATRA is an equal opportunity employer and as a matter of policy, recruitment processes are transparent and competitive. In case of applications for employment by persons with disabilities, will be considered bearing in mind the results of aptitude test, if any, and performance on the oral interviews. In the event of members of staff becoming disabled, every effort shall be made to ensure that their employment with the Authority continues.

The Employee Incentive Scheme provides for Disabled Allowance of TZS 150,000/- per person per month. The allowance is aimed to facilitate them with communication, transport or any other support that are needful to them. During the year 2022/23 two (2021/22: Nil) were facilitated with the allowance

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.21. PREJUDICIAL ISSUES

The prejudicial issues at the end of the financial year 2022/23 included the following; -

- (a) A litigation in the High Court of Tanzania at Mbeya by Rabia Isiaka Jafari vs LATRA and Attorney General, Civil Case No. 2/2022. In this matter, the Plaintiff claims against 1st and 2nd defendants for unlawfully detention of his motor vehicle Toyota Hiace T253ANB. The claims are specific and general damages amounting to TZS 310,500,000/-. The defendants raised preliminary objection on point of law that were argued by way of written submissions and the ruling date was set to 18 August, 2022. On 18 August 2022 the Ruling came in favour of the Authority and the matter was dismissed.
- (b) Appeal No. 9/2022 at Fair Competition Tribunal by Uber (T) Limited vs Land Transport Regulatory Authority. The Authority received a Notice No. 9 of 2022 regarding an Intended Appeal by Uber (T) Limited to the Fair Competition Tribunal after being dissatisfied with the decision of the Board of the Authority in issuance of Order No. LATRA/01/2022 for ride-hailing taxi services fares on 14 March 2022 that set the fare and commission cap prices. On 28 June 2022 Uber filed a Notice to withdraw the intended Appeal No.9 of 2022. On 2 September 2022 the Fair Competition Tribunal marked the appeal withdrawn.
- (c) A litigation at Kisumu Regional Magistrate; Republic vs Ashraf Mustafa Maumba and another pertaining forgery of Authority documents, Criminal Case no. 271 of 2016. The Authority's Manager of Safety Coordination and Environment (MSCE) appeared as witness on behalf of the Authority and prosecution case was heard on 20 June 2023.
- (d) Mention of Civil Case No. 8 of 2023 in the High Court, Morogoro Registry between LATRA vs Kelvin Samwel and another claiming for damaged vehicle STL 8921 the property of the Authority. The mention was on 21 June 2023.

2.22. STATEMENTS OF COMPLIANCE

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

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.23. APPROVAL


The Report by Those Charged with Governance has been approved and authorized for issue by the Board of Directors and signed on its behalf by:

Signature.....

Name: Prof. Ahmed M. Ame

Title: Board Chairman

Date: 25/03/2024

Signature.....

Name: CPA Habibu J.S. Suluo

Title: Director General

Date: 25/03/2024

3.0 STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Pursuant to Section 37 (1) of the Land Transport Regulatory Authority Act, Cap. 413, the Authority is required to keep proper books of account and maintain proper records of its operations. Those Charged with Governance (TCWG) accept the responsibility for the maintenance of accounting records, which may be relied upon in the preparation of the financial statements. TCWG understand that the Authority's system of internal control is effective to provide reasonable, but not absolute, assurance that the transactions recorded in the books of account, which were used to prepare these financial statements, are free from material misstatement.

Furthermore, TCWG accept responsibility for the financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with the International Public Sector Accounting Standards (IPSAS), the Public Finance Act, Cap. 348, NBAA's Technical Pronouncements and in the manner required by the Land Transport Regulatory Authority Act, Cap. 413. In addition, TCWG are of the opinion that the financial statements give a true and fair view of the Authority's state of the financial affairs and of its operating results for the year ended 30 June 2023.

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


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

Signature.....


Name: Prof. Ahmed M. Ame

Title: Board Chairman

Date: 25/03/2024

Signature.....


Name: CPA Habibu J.S. Suluo

Title: Director General

Date: 25/03/2024

4.0 DECLARATION OF THE MANAGER OF FINANCE AND ACCOUNTS

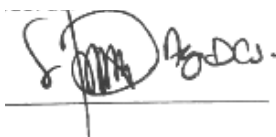
The Auditors and Accountants (Registration) Act. No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance and Accounting responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors and Management to discharge the responsibility of preparing financial statements showing true and fair view of the Authority's position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements. Full legal responsibility for the preparation of financial statements rests with the Board of Directors under the Statement of Directors Responsibility on the above page.

I, CPA Samuel D. Keenja, being the Manager of Finance and Accounts of LATRA, hereby acknowledge my responsibility of ensuring that financial statements for the year ended 30 June 2023 have been prepared in compliance with applicable accounting standards and statutory requirements.

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

Signature:



Signed by: CPA Samuel D. Keenja

Position: Manager of Finance and Accounts

NBAA Membership No.: ACPA 1866

Date: 25/03/2024

5.0 FINANCIAL STATEMENTS

5.1. STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

ASSETS		2022/23	2021/22
Current Asset	Note	TZS ('000)	TZS ('000)
Cash and Cash Equivalents	15	4,233,318	5,260,527
Inventories	16	595,793	391,750
Other Financial Assets	17	267,295	148,395
Prepayments	18	340,391	667,079
Receivables	19a	7,461,519	3,760,025
Total Current Asset		12,898,316	10,227,776
Non-Current Asset Held for Sale	42	232,982	-
Non-Current Asset			
Intangible Assets	21	191,289	154,626
Property, Plant and Equipment	20	13,265,138	14,266,237
Total Non-Current Asset		13,456,427	14,420,862
TOTAL ASSETS		26,587,725	24,648,638
LIABILITIES			
Current Liabilities			
Provision for Expected Credit Loss	19b	3,137,515	2,536,358
Payables and Accruals	24a	3,452,280	2,813,056
Total Current Liabilities		6,589,795	5,349,414
TOTAL LIABILITIES		6,589,795	5,349,414
NET ASSETS		19,997,930	19,299,224
NET ASSETS/EQUITY			
Capital Contributed by:			
Capital Fund	44	17,047,108	17,047,108
Accumulated Surplus		2,950,822	2,252,116
TOTAL NET ASSETS/EQUITY		19,997,930	19,299,224

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

Signature.....
Name: Prof. Ahmed M. Ame
Title: Board Chairman
Date: 25/03/2024

Signature.....
Name: CPA Habibu J.S. Suluo
Title: Director General
Date: 25/03/2024

5.0 FINANCIAL STATEMENTS (CONTINUED)

5.2 STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

		2022/23	2021/22
REVENUE	Notes	TZS ('000)	TZS ('000)
Revenue from Non-Exchange Transaction	6	34,250,869	28,119,960
Revenue from Exchange Transaction	7	545,924	704,651
TOTAL REVENUE		34,796,793	28,824,611
EXPENSES AND TRANSFERS			
Expenses			
Wages, Salaries and Employee Benefits	9	11,583,469	8,749,414
Social Benefits	10	2,229,236	1,596,230
Supplies and Consumables used	11	9,492,563	7,505,246
Bank charges and Commissions	12	15,601	15,414
Maintenance Expenses	13	1,764,120	663,867
Amortization of Intangible Assets	21	70,666	47,440
Board Remuneration and other expenses	27a	144,636	173,872
Depreciation of Property, Plant and Equipment	20	1,467,333	1,778,790
Impairment of PPE	20	-	104,190
Expected Credit Loss from Receivables and Bank Balances	37	386,766	417,725
Total Expenses		27,154,390	21,052,188
Transfer			
Contribution and other Transfer	14	6,721,658	6,022,488
Total Transfer		6,721,658	6,022,488
TOTAL EXPENSES AND TRANSFERS		33,876,049	27,074,676
Surplus		920,744	1,749,935

5.0 FINANCIAL STATEMENTS (CONTINUED)

5.3 STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2023

	Capital Fund	Accumulated Surplus	Total
	TZS '000	TZS '000	TZS '000
At 01 July 2022	17,047,108	2,252,116	19,299,224
Impact of IPSAS 41	-	(220,401)	(220,401)
Writing off the Vehicle Disposal Last Year	-	(1,637)	(1,637)
Restated opening balance	17,047,108	2,030,078	19,077,186
Surplus	-	920,744	920,744
At 30 June 2023	17,047,108	2,950,822	19,997,930
As at 01 July 2021	17,047,108	502,181	17,549,289
Surplus		1,749,935	1,749,935
At 30 June 2022	17,047,108	2,252,116	19,299,224

During the year, the Authority recorded a surplus of TZS 0.92 billion (2021/22: TZS 1.75 billion). The Net Assets of the Authority as of 30 June 2023 stood at TZS 20.00 billion (2021/22: TZS 19.30 billion).

5.0 FINANCIAL STATEMENTS (CONTINUED)

5.4 CASH FLOWS STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

CASH FLOW FROM OPERATING ACTIVITIES	NOTES	30/06/2023	30/06/2022
RECEIPTS		<u>TZS ('000)</u>	<u>TZS ('000)</u>
Fines, penalties and Forfeits	40	13,439,704	10,557,535
Road Transport Fees and Levies	19c	17,574,369	17,182,912
Receipts from Exchange Transactions	19d	481,944	614,190
Other Receipts	19e	534,132	171,910
Total Receipts		32,030,149	28,526,547
PAYMENTS			
Social benefits	10	2,229,236	1,596,230
Bank charges and Commissions	12	15,601	15,414
Maintenance Expenses	13	1,764,120	663,867
Grants, Subsidies and other Transfer Payments	14	6,721,658	6,022,488
Board Remuneration and other expenses	27a	144,636	173,872
Supplies and Consumables Used	24b	8,647,065	7,097,899
Wages, Salaries and Employee Benefits	24c	11,465,327	8,813,939
Other payments	39	1,299,000	1,099,295
Total Payments		32,286,643	25,483,004
NET CASH FLOW FROM OPERATING ACTIVITIES	37	(256,494)	3,043,543
CASH FLOW FROM INVESTING ACTIVITIES			
Investing Activities			
Acquisition of Property and Equipment	45	(683,652)	(2,278,514)
Acquisition of Intangibles	21	(107,329)	(93,118)
Sale of Government Assets	8	22,390	-
Total Investing Activities		(768,591)	(2,371,632)
NET CASH FLOW USED IN INVESTING ACTIVITIES		(768,591)	(2,371,632)
Net Increase		(1,025,085)	671,911
Cash and cash equivalent at beginning of period		5,260,527	4,588,616
Cash and cash equivalent at end of period		4,235,442	5,260,527
Provision for Expected Credit Loss		(2,124)	0
Cash and cash equivalent at end of period	15	4,233,318	5,260,527

The amount of cash and cash equivalent at the end of the period of TZS 4.23 billion did not include the expected credit losses on bank balances of TZS 2.12 million. Hence, the amount differs with that reported on the Statement of Financial Position by that amount.

5.0 FINANCIAL STATEMENTS (CONTINUED)

5.5 STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 30 JUNE 2023

Budget approved	Original budget	Adjustment	Final budget	Actual amount on accrual basis	Accrued amount	Actual amount on Comparable Basis	Difference Final Budget Vs Actual	Reasons
	[A]	[B]	[C=A-B]	[D]	[E]	[F=D-E]	[C-F]	
	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	
Revenue from Non-Exchange Transactions								
Road Transport Licensing Fees	21,195,318	(1,330,682)	22,526,000	19,269,429	-	19,269,429	(3,256,571)	Note 36
Levies	10,202,782	7,033,782	3,169,000	1,177,545	-	1,177,545	(1,991,455)	
Certification of drivers and cruel	1,796,640	1,791,640	5,000	545,924	-	545,924	540,924	
Other Income	8,522,982	(977,018)	9,500,000	13,803,854	-	13,803,854	4,303,854	Note 36
Total Revenue	41,717,722	6,517,722	35,200,000	34,796,752	-	34,796,752	(403,248)	
Payments:								
Maintenance Expenses	672,250	(338,202)	1,010,452	1,236,526	-	1,236,526	(226,074)	
Social Benefits	4,675,174	524,439	4,150,735	2,229,236	-	2,229,236	1,921,499	Note 36
Supplies and Consumables Used	12,378,033	945,226	11,432,806	9,562,291	-	9,562,291	1,870,515	Note 36
Wages, Salaries Benefits	12,191,777	2,982,780	9,208,997	11,583,469	-	11,583,469	(2,374,472)	
Grants, Subsidies and other Transfer Payments	7,775,908	1,474,659	6,301,249	6,629,556	-	6,629,556	(328,307)	
Total payments	37,693,142	5,588,902	32,104,239	31,241,078	-	31,241,078	863,161	
Surplus/(deficit) for the year	4,024,580	928,820	3,095,761	3,555,674	-	1,630,909	658,356	
Staff loans issued	-	-	-	1,299,000	-	1,299,000	(1,299,000)	
Cash flow from operating activities								
Acquisition of Non-Current Assets	4,318,650	787,860	3,312,680	768,591	-	768,591	2,544,089	

The Authority prepared its budget on cash basis. As such the above statement has included adjustments to align the financial statements to the budget. The explanations for the differences between budgeted and actual expenditures are provided in **Note 36**.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS

1. ESTABLISHMENT AND PRINCIPAL ACTIVITIES

1.1 Establishment

Land Transport Regulatory Authority (LATRA) was established by the Land Transport Regulatory Authority Act, Cap. 413 as a regulatory body in relation to the land transport sectors and came into operation effective from 29 April 2019 as per Government Notice No.358 published on 26 August 2019.

The current address of the Head Office of the Authority is:

Director General,
Land Transport Regulatory Authority,
Head Office,
60 Lusinde Street,
P. O. Box 1742,
41104 Tambukareli,

DODOMA, TANZANIA.

1.2 Principal Activities

The Authority sectorial scope covers regulatory functions under road transport, rail transport, cable and underground transport sectors. The principal activities of the Authority are provided under section 5 and 6 of the Land Transport Regulatory Authority Act, Cap. 413.

2. AUTHORISATION OF FINANCIAL STATEMENTS

The Authority's financial statements for the year ended 30 June 2023 were approved and authorized for issue by the Board of Directors during its 10th Special Board Meeting held on 21 December 2023.

3. STATEMENT OF COMPLIANCE

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

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. BASIS OF PREPARATION

The financial statements have been prepared on historical cost basis. The cash flows statement is prepared using the *direct method*. The financial statements are prepared on an IPSAS accrual basis of accounting.

4.1. REPORTING PERIOD

The reporting period for these financial statements is the financial year of the Authority which runs from 1 July 2022 to 30 June 2023.

4.2. ADOPTION OF IPSAS 41 – FINANCIAL INSTRUMENTS

The Authority decided to adopt the International Public Sector Accounting Standards (IPSAS) 41 in the current financial year, before it becomes compulsory in the next financial year, 2024. The adoption enables the Authority to take advantage of the available expertise. The IPSAS 41, Financial Instruments, was issued in August 2018 by the International Public Sector Accounting Standards Board (IPSASB) and is effective from 1 January 2023. The adoption of IPSAS 41 resulted into increase in expected credit losses for trade receivables and cash and bank balances.

The Authority shall disclose the nature and extent of risks arising from Financial Instruments, provide a qualitative and quantitative analysis of the entity's exposure to various risks, including credit risk, liquidity risk, and market risk. The Authority shall also disclose information about the terms and conditions of significant financial instruments, including any contractual obligations. In addition, the Authority shall disclose the accounting policies and methodologies used to assess impairment, as well as any impairment losses recognized during the reporting period. On derecognition, the Authority shall provide information about the criteria for derecognition of financial assets and liabilities and any significant derecognition events during the period. Comparative information for the previous period shall be provided to enhance the understanding of changes in financial instruments over time.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.3. SUSTAINABILITY STANDARDS IFRS S1 AND S2

The International Sustainability Standards Board (ISSB), established by the IFRS Foundation (IFRS), issued a global baseline of disclosure standards to facilitate consistent and comparable disclosures on risks and opportunities related to sustainability and climate, referred to as IFRS S1 and IFRS S2, respectively. The standards are to be adopted on or after January 1, 2024. Transitional reliefs, such as limiting reporting in the first year to climate-related matters, are encouraged. Hence, LATRA decided to adopt early the standard. The standard overview is provided below while the limiting reporting are found under section 12.4 (Environmental Social and Governance Issues).

Standards Overview:

IFRS S1 facilitates disclosures in general-purpose financial reports about sustainability risks and opportunities, while IFRS S2 encourages disclosure of how entities manage negative effects of climate change and opportunities related to positive effects. Both standards focus on short, medium, and long-term impacts on corporate value and decisions.

Disclosures Framework:

Disclosures under IFRS S1 and S2 cover governance, strategy, risk management, and metrics/targets. While both standards share similarities, S2 encourages additional disclosures on cross-industry and industry-based metrics, as well as qualitative and quantitative targets and metrics set by the entity or required by law.

Conceptual Foundations for Reporting:

Companies are urged to consider fair presentation, materiality, and the disclosure of connected information. Direct and indirect dependencies, along with stakeholder, societal, and natural resource interactions throughout value chains, should be assessed.

This approach helps entities to evaluate how these interactions impact overall corporate value from an owner-focused perspective.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

IFRS S1 AND S2 DISCLOSURES IN THE REPORT

(a) Environmental Management Initiatives

In alignment with IFRS S1, LATRA discloses its efforts in developing Environmental Guidelines to review and manage environmental aspects of railway services. The Authority conducted inspections, expressing satisfaction with measures taken by railway undertakings to preserve the environment.

(b) Environmental, Social, and Governance (ESG) Strategy

LATRA aligns with IFRS S1 by formulating an ESG strategy, including an ESG Matrix, to evaluate the performance of the Tanzania Railways Corporation (TRC). This strategy aims to create higher value for stakeholders and society, emphasizing the entity's commitment to sustainable development.

(c) Partnership for Renewable Energy

LATRA's collaboration with the German Cooperation Agency (GIZ) to explore renewable energy in urban transport and the Standard Gauge Rail (SGR) aligns with IFRS S1 by disclosing initiatives to manage climate-related risks and opportunities.

(d) Monitoring and Inspections on Waste Management

LATRA's monitoring inspections on waste management in railway and road operations demonstrate its commitment to sustainability, aligning with IFRS S1's call for entity-specific information on how sustainability risks and opportunities impact corporate value.

(e) Regulator's Environmental Guidelines

Guided by Section 5 (g) of the LATRA Act, LATRA discloses comprehensive Regulator's Environmental Guidelines, aligning with IFRS S1's emphasis on disclosing information about sustainability risks and opportunities in general-purpose financial reports.

(f) Railway Environmental Assessment and Management

In line with IFRS S2, LATRA integrates ESG into all business operations with TRC. The ESG report for 2022/23 covers energy consumption, emissions, waste disposal, water conservation, and community charity, providing transparency on TRC's environmental performance and how it manages potential negative effects of climate change.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

IFRS S1 AND S2 DISCLOSURES IN THE REPORT (Continued)

(g) Compliance with Environmental Metrics

LATRA provides a detailed table outlining the implementation status of TRC's ESG metrics for the financial year 2022/23, reflecting its commitment to IFRS S2's encouragement of disclosures on how an entity manages potential negative effects of climate change.

(h) Future Initiatives and Reporting

LATRA discloses ongoing and planned initiatives, including the review of energy usage policies, stakeholder engagement, reporting mechanisms, and environmental training, aligning with IFRS S2's focus on how risks and opportunities will affect overall corporate value and influence decisions.

(i) Health and Safety Measures

LATRA outlines specific health and safety measures for transportation facilities, emphasizing their importance in managing potential negative effects of climate change and promoting sustainable development, as encouraged by IFRS S2.

(j) Prevention of Environmental Contamination

LATRA emphasizes measures to prevent pollution and contamination during transportation, aligning with IFRS S2's encouragement of disclosures on how an entity manages potential negative effects of climate change, including physical risks.

(k) Disclosure of Implementation Status

LATRA provides a detailed table outlining the implementation status of each ESG metric for TRC, reflecting transparency and accountability in managing potential negative effects of climate change, as encouraged by IFRS S2.

(l) Future Disclosures

LATRA discloses its ongoing efforts to include public statements on ESG in TRC's financial statement for FY 2022/23 and to enhance amenities for people with special needs in railway stations, aligning with IFRS S2's encouragement of entity-specific information about how these risks and opportunities will affect overall corporate value and influence decisions.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.4. NEW STANDARDS ON ISSUE NOT YET ADOPTED BY THE AUTHORITY

There were seven (7) new Standards issued by the International Public Sector Accounting Standards Board (IPSASB) but, up to the date when the Authority's financial statements were authorised for issue, the new standards were not effective for implementation and the Authority did not opt for early adoption. The new Standards are:

- a) **IPSAS 43 – Leases**, which was issued in January 2022 and become effective on or after 1 January 2025. The standard introduces a right-of-use model that replaces the risks and rewards incidental to ownership model in IPSAS 13, *Leases*. For lessors, IPSAS 43 substantially carries forward the risks and rewards incidental to ownership model in IPSAS 13.
- b) **IPSAS 44 - Non-current assets held for sale and discontinued operations**, which was issued in May 2022 and become effective on or after 1 January 2025 specifies the accounting for assets held for sale and the presentation and disclosure of discontinued operations. It requires assets that meet the criteria to be classified as held for sale to be:
 - Measured at the lower of carrying amount and fair value less costs to sell and depreciation on such assets to cease; and
 - Presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.
- c) **IPSAS 45 - Property, Plant, and Equipment**, which was issued in May 2023 and become effective on or after 1 January 2025. IPSAS 45 replaces IPSAS 17, *Property, Plant, and Equipment* by adding current operational value as a measurement basis in the updated current value model for assets within its scope, identifying the characteristics of heritage and infrastructure assets, and adding new guidance on how these important types of public sector assets should be recognized and measured.
- d) **IPSAS 46 - Measurement**, which was issued in May 2023 and become effective on or after 1 January 2025. IPSAS 46 is a new standard which brings measurement guidance together in a single standard.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4.4. NEW STANDARDS ON ISSUE NOT YET ADOPTED BY THE AUTHORITY (CONTINUED)

- e) **IPSAS 47 - Revenue**, which was issued in May 2023 and become effective on or after 1 January 2026. This new Standard provides focused guidance to help entities apply the principles to account for public sector revenue transactions.
- f) **IPSAS 48 – Transfer Expenses**, which was issued in May 2023 and become effective on or after 1 January 2026. This new Standard fills a significant gap in the IPSASB's literature and provides guidance to help entities account for public sector transfer expense transactions.
- g) **IPSAS 49 – Retirement Benefit Plans**, which was issued in November 2023 and become effective on or after 1 January 2026. IPSAS 49 guides the accounting and reporting by a retirement benefit plan from the perspective of the plan itself.

5. THE OTHER APPLIED ACCOUNTING POLICIES AND ESTIMATES

The other accounting policies and estimates outlined below have been consistently applied by the Authority to all the presented years.

5.1 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. They are translated into Tanzanian Shillings at the exchange rate ruling at the dates of the transactions. 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.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.2 REVENUE RECOGNITION

Revenue from exchange transactions

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

The Authority recognizes revenue from sales of publications, miscellaneous receipts, and interest from bank accounts when transactions occur, or revenue receivable can be measured reliably.

Revenue from non-exchange transactions

i) Fees and fines

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

ii) Transfers from other government entities

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

iii) Other transfers

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

iv) Service Providers Levy

Service Providers Levy are recognized when the asset recognition criteria are met.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.3 PROPERTY AND EQUIPMENT

Recognition

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

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

Repairs and maintenance of property and equipment are recognized in the statement of financial performance during the financial period in which they are incurred.

The Authority stop to recognize items of property and equipment upon disposal or when no future economic benefits or service potential is expected from its continuing use.

The gain or loss arising on de-recognition of an item of property and equipment is included in the statement of financial performance, unless where IPSASs requires otherwise on a sale and leaseback arrangement.

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

Depreciation

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

Depreciation on property and equipment is charged on a straight-line basis over the useful life of the items of the property and equipment. Depreciation is charged at the rates calculated to allocate the cost of item less any estimated residual value over its

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Table of Useful Life (Years)

Description of Asset Category	Useful Life (Years)
Buildings	50
Generators & Machinery	15
Motor Vehicles	05
Office Equipment	05
Computers and Accessories	04
Furniture and Fittings	05
Residential Furniture and Equipment	05

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

5.4 INTANGIBLE ASSETS

Recognition

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

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

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

Amortization

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

Description of Intangible Asset Category	Useful Life (Years)
Application software	03

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.4 INTANGIBLE ASSETS (CONTINUED)

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

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

5.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

An impairment loss is recognized when the carrying amount of the assets exceeds its recoverable service amount. An asset's recoverable service amount is the higher of the non-cash generating asset's fair value less costs to sell and its value in use. In assessing value in use, the Authority has adopted the restoration cost approach as it has determined this to be appropriate because of the nature of the assets. Under this approach, the present value of the remaining service potential of the asset is determined by subtracting the estimated restoration cost of the asset from the current cost of replacing the remaining service potential of the asset before impairment.

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

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.4 IMPAIRMENT OF NON-FINANCIAL ASSETS (CONTINUED)

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

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

5.5 LEASES

(i) The Authority as a Lessee

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

(ii) The Authority as a Lessor

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

Rent received from an operating 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.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.6 FINANCIAL INSTRUMENTS

Financial assets

2023 – IPSAS 41

The IPSAS 41 classifies financial assets into three categories: amortized cost, fair value through other comprehensive income (FVOCI), and fair value through profit and loss (FVPL) in our case, surplus or deficit.

The Authority recognizes financial assets initially at fair value, and subsequent measurement depends on their classification. Amortized cost assets are measured using the effective interest method, while FVOCI assets recognize fair value changes in other comprehensive income, with interest and impairment in the surplus or deficit. FVPL assets recognize fair value changes in the surplus or deficit. Derecognition occurs when contractual rights expire, or the asset is transferred. Impairment is assessed based on expected credit losses for assets measured at amortized cost or FVOCI, and a simplified approach is available for certain receivables. Hedge accounting is allowed under specific criteria. Disclosures cover accounting policies, risk nature and extent, fair value details, credit quality, and other relevant information.

The subsequent measurement of financial assets depends on their classification.

Amortised cost

Loans and receivables are financial assets that fall under the category of amortized cost. The Authority's amortised cost includes cash and bank balances and trade and other receivables.

These financial assets meet both of the following conditions:

- (a) Contractual Cash Flows: The financial asset is held to collect contractual cash flows.
- (b) Solely Payments of Principal and Interest: The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.6 FINANCIAL INSTRUMENTS (CONTINUED)

Initially loans and receivables are recognized at fair value plus any directly attributable transaction costs. Subsequently, loans and receivables are measured at amortized cost using the effective interest method, unless the asset is designated at fair value through profit or loss (surplus/deficit). For loans and receivables measured at amortized cost, entities assess the asset for impairment based on expected credit losses.

A financial asset (such as a loan or receivable) is derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset is transferred, and the transfer qualifies for derecognition.

Disclosures for loans and receivables should include information about accounting policies, risk management, and impairment. Entities should provide information about the carrying amount of loans and receivables, any impairment losses recognized, and any significant changes in the risk characteristics of these assets.

The Authority derecognized a financial asset when the contractual rights to the cash flows from the financial asset expire, or when the financial asset is transferred, and the transfer qualifies for derecognition.

Financial liabilities

Initial recognition and measurement financial liabilities within the scope of IPSAS 41 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 and provisions

Subsequent 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.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.6 FINANCIAL INSTRUMENTS (CONTINUED)

Gains or losses on liabilities held for trading are recognized in surplus or deficit, that is, in the statement of financial performance.

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, that is, the statement of financial performance.

Off-setting of financial instruments

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

2022 IPSAS 29

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

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

The Authority's financial assets include cash and short-term deposits and trade and other receivables.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.6 FINANCIAL INSTRUMENTS (CONTINUED)

Subsequent measurement.

The subsequent measurement of financial assets depends on their classification.

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

Impairment of financial assets

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

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

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.6 FINANCIAL INSTRUMENTS (CONTINUED)

2022 IPSAS 29

Financial assets carried at amortized cost

For financial assets carried at amortized cost, the Authority first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Authority determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in surplus or deficit. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery, and all collateral has been realized or transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other income in surplus or deficit.

Financial liabilities Initial recognition and measurement

Financial liabilities within the scope of IPSAS 29 are classified as financial liabilities at fair value through surplus or deficit or loans and borrowings, as appropriate. The Group determines the classification of its financial liabilities at initial recognition.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.6 FINANCIAL INSTRUMENTS (CONTINUED)

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.

Subsequent measurement

The measurement of financial liabilities depends on their classification. Financial liabilities at fair value through surplus or deficit.

5.7 CASH AND CASH EQUIVALENTS

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

Cash and cash equivalents are stated in the statement of financial position at face value. Cash and cash equivalents referred to in the statement of cash flows comprise cash on hand, cash at Bank, non-restricted current accounts with Bank of Tanzania, deposits held at call with banks with an original maturity of three months or less and investments with maturity periods of three months or less in money market instruments.

5.8 INVENTORIES

Inventories consist of stationery and other consumables. Inventory is measured at cost upon initial recognition. The cost of the inventory is its fair value at the date of acquisition. After initial recognition, inventory is measured at the lower of cost and current replacement cost. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Authority.

Cost is determined on Weighted Average basis. Provision for obsolete inventories is made on specific inventory items considered obsolete. Current replacement cost is the cost the entity would incur to acquire the asset on the reporting date.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.9 PROVISIONS

Provisions are recognized when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Authority expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement.

Provisions are recognized when the Authority has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Authority expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Financial Performance net of any reimbursement.

5.10 CONTINGENT LIABILITIES

The Authority does not recognize a contingent liability during the year ended 30 June 2023 but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

5.11 CONTINGENT ASSETS

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

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise, and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.12 IMPAIRMENT OF FINANCIAL ASSETS

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

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial re-organization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

5.13 ACCOUNTS PAYABLE

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

5.14 RELATED PARTIES

The Authority regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Authority, or vice versa. Members of key management are regarded as related parties and comprise the Board Members and Management employees. Related party transactions are disclosed under **Note 27**.

5.15 BUDGET INFORMATION

The annual budget is prepared on the cash basis, that is, all planned costs and income are presented in a single statement to determine the needs of the Authority. Adjustment for accrued amounts have been shown the statement of comparison of budget and actual amounts.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.15 BUDGET INFORMATION (CONTINUED)

Explanatory comments are provided under **Note 35** to the annual financial statements; first, the reasons for overall growth or decline in the budget, followed by details of overspending or under spending online items.

5.16 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Authority's financial statements requires estimates and assumptions of revenues, expenses, assets and liabilities. Management judgments is needed in establishing the assumptions and resulting estimates.

Estimates and 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 financial statements.

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

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 circumstances arising beyond the control of the Authority. Such changes are reflected in the assumptions when they occur.

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 discussed below.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.16 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

i) Useful Lives and Residual Values

Critical estimates are made by the management in determining depreciation rates for property and equipment and amortization rate of intangibles. The rates used are set out in the accounting policies section of these financial statements under Note 5.3 and Note 5.4 respectively.

ii) Impairment of financial assets

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

iii) Impairment of non-financial assets

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

iv) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.17 FINANCIAL RISK MANAGEMENT

Financial risk factors

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

(a) Market Risk

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

(b) Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. LATRA does not have long-term deposits or borrowings therefore surplus and deficit or the other comprehensive income and operating cash flows are not highly affected by changes in market interest rates.

(c) Credit Risk

Credit risk arises from cash and cash equivalents, deposits and outstanding receivables. The Authority mitigates risks on cash and cash equivalents by ensuring that all cash collections are transferred to the Authorities bank account at the central bank (The Bank of Tanzania) on weekly bases. Cash transfers to expenditure account in commercial bank is done in amounts for immediate use in periods not exceeding one month.

Management of risk associated with trade and other receivables includes use electronic means of collections where revenue is collected as earned, prompt billing and close follow up.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.17 FINANCIAL RISK MANAGEMENT (CONTINUED)

The amount that represents the Authority's exposure to credit risk at 30 June 2023 is made up as follows:

	Up to 1 month	Total
2022/23	TZS '000'	TZS '000'
Cash and equivalents	4,235,442	4,235,442
Receivables from Non-Exchange Transactions	7,461,478	7,461,478
2021/22		
Cash and equivalents	5,260,527	5,260,527
Receivables from Non-Exchange Transactions	3,760,027	3,760,027

Below is the Authority's maximum exposure to credit risk:

	30.06.2023	30.06.2022
	TZS'000'	TZS'000'
Cash & Cash Equivalents	4,235,442	5,260,527
Accounts receivable	7,461,478	3,760,027
	11,696,920	9,020,554

No collateral is held for any of the above assets and no receivables have had their terms renegotiated. The Authority's accounts receivable that are not impaired are mostly due from employees who are still working with the Authority.

(d) 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 Authority'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, receivables are settled within 30 days after the due date, and payables are settled within 30 days of invoice. Management monitors budgets of the Authority's liquidity reserve on the basis of expected cash flows.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5.17 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Liquidity Risk Management

The primary objective of managing the Authority's capital is to ensure that there is sufficient cash available to support the Authority's funding requirements, including capital expenditure, to ensure that the Authority remains financially sound. The Authority is Government owned entity; it ensures that expenditures are always as per the approved budget in order to ensure that is always in operations.

(f) Categorization of Financial Instruments

	Carrying Value	Loans and receivable	Total
Financial Assets	TZS '000'	TZS '000'	TZS '000'
30-Jun-23			
Cash and equivalents	4,235,442	4,235,442	4,235,442
Receivables	7,461,478	7,461,478	7,461,478
	11,696,920	11,696,920	11,696,920
30-Jun-22			
Cash and	5,260,527	5,260,527	5,260,527
Receivables	3,760,027	3,760,027	3,760,027
	9,020,554	9,020,554	9,020,554
	Carrying Value	At amortized cost	Total
Financial Liabilities	TZS '000'	TZS '000'	TZS '000'
30-Jun-23			
Current Liabilities-	6,589,796	6,589,796	6,589,796
	6,589,796	6,589,796	6,589,796
30-Jun-22			
Current Liabilities	5,349,414	5,349,414	5,349,414
	5,349,414	5,349,414	5,349,414

6. REVENUE FROM NON-EXCHANGE TRANSACTION

	2022/23	2021/22
(a) Main Source	TZS ('000)	TZS ('000)
Service Levy	1,177,586	479,941
Road Transport Licenses	19,269,429	17,082,484
	20,447,015	17,562,425
(b) Other Income	2022/23	2021/22
	TZS ('000)	TZS ('000)
Fines and Penalties – Road Transport	13,454,632	10,557,535
Non-Monetary Revenue – Capital	345,335	-
*Reversal of provision for impairment of Bank Balances	3,887	-
	13,803,854	10,557,535
Total	34,250,869	28,119,960

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. REVENUE FROM NON-EXCHANGE TRANSACTION (CONTINUED)

During the year ended 30 June 2023, TZS 34.25 billion was earned as non-exchange transactions (2021/22: TZS 28.12 billion). This category comprises of service providers levy, road transport licenses and other income. The Other Income consists of fines/penalties and Non-Monetary Revenue. The non monetary revenue contains assets from TASAC (TZS 39.59 million) and written off long outstanding payables and accrued expenses (more than 5 years), amounting to TZS 110.06 million and TZS 195.69 million respectively . The Road transport licences are the major source of revenue for LATRA while service levies are mainly provisions of expected collections from TRC and UDART. The fines and penalties originate mainly from fines charged to defaulters of licensing conditions.

The notable increase in fines and penalties is attributed to strategic roadside inspections and enhanced monitoring activities.

* Movement of Expected credit Loss from Bank Balances during the year are shown on **Note 20b**.

7. REVENUE FROM EXCHANGE TRANSACTIONS

	2022/23 TZS ('000)	2021/22 TZS ('000)
Receipt from sales of Publications	125,842	176,490
Vehicle tracking devices	143,390	-
Conference fee	56,190	-
Miscellaneous Receipts	78,976	485,602
Driver Certification Fees	75,150	-
Staff Loan Service Charges	66,376	42,559
TOTAL	545,924	704,651

An exchange transaction is one in which entity receives assets or services or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. During the year TZS 545.92 million (2021/22: TZS 704.65 million) was recorded as revenues from exchange transactions.

8. RECEIPT FROM SALE OF GOVERNMENT ASSETS

	2022/23 TZS ('000)	2021/22 TZS ('000)
Sale of Government Assets	22,390	-

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. RECEIPT FROM SALE OF GOVERNMENT ASSETS (CONTINUED)

During the year the Authority sold two Vehicles for TZS 24.03 million (2021/22: NIL) (STK 4376 at TZS 1.64 million and STL 4703 at TZS 22.39 million). However, the proceeds from the sale of STK 4376 were received in the year 2021/22, although the vehicle wasn't sold until 2022/2023, when the buyer took possession of the vehicle.

9. WAGES, SALARIES AND EMPLOYEE BENEFITS

	2022/23 TZS ('000)	2021/22 TZS ('000)
Civil Servants	7,805,946	5,979,603
Electricity Allowance	191,352	170,739
Extra-Duty	39,174	49,299
Housing allowance	1,500,254	1,183,908
Outfit allowance	8,500	800
Passages Allowances	750,932	520,861
Risk Allowance	296,460	260,759
Transport Allowance	926,851	583,445
Furniture Allowance	64,000	-
	11,583,469	8,749,414

The above expenses relate to employee wages, and other benefits. The expenses for the financial year 2022/23 stood at TZS 11.58 billion (2021/22: TZS 8.75 billion).

10. SOCIAL BENEFITS

	2022/23 TZS ('000)	2021/22 TZS ('000)
Health Costs	42,861	43,555
Retirement benefits	215,062	-
Statutory Contributions	1,971,313	1,552,675
	2,229,236	1,596,230

The health costs refer to staff medical expenses paid directly to hospitals for treatments not covered by NHIF. The statutory contributions include payment to NHIF, PSSSF, and WCF. While retirement benefit represents balance of the Employee Benefit Scheme which was established by SUMATRA. A total of TZS 2.23 billion was incurred in social benefits during the year 2022/23. (2021/22: TZS 1.60 billion).

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. SUPPLIES AND CONSUMABLES USED

	2022/23 TZS ('000)	2021/22 TZS ('000)
*Advertising and Publication	452,164	183,781
Air Travel Tickets	296,048	285,855
Audit Fees	150,466	120,000
Books, Reference and Periodicals	20,029	31,541
Burial Expenses	75,369	140,888
Computer Software	-	50,118
Computer Supplies and Accessories	80,520	24,980
Conference Facilities	108,742	80,395
consultancy fees	104,544	121,338
Courier Services	63,341	36,288
Diesel	518,936	354,093
Electricity	135,514	124,382
Exhibition, Festivals and Celebrations	9,329	16,426
Food and Refreshments	161,740	73,243
Gifts and Prizes	108,202	201,366
Ground travel (bus, railway taxi, etc.)	99,877	69,538
Insurance Expenses	87,830	50,155
Internet and Email connections	598,804	646,348
legal fees	10,595	3,850
Mobile Charges	151,805	151,983
Office Consumables (papers, pencils, pens & stationaries)	152,492	101,891
Outsourcing Costs (includes cleaning and security services)	393,748	198,220
Per Diem – Domestic	2,335,686	1,572,260
Per Diem – Foreign	95,621	62,364
Printing and Photocopying Costs	369,804	599,608
Remuneration of Instructors	6,700	15,751
Rent - Office Accommodation	1,107,672	437,073
Special Foods (diet food)	1,800	7,200
Special Operation Services	1,188,468	985,776
Subscription Fees	16,339	19,979
Tuition Fees	258,312	72,875
Uniforms and Ceremonial Dresses	68,158	19,370
Moving expenses	140,913	11,819
Water Charges	16,680	19,908
Wire, Wireless, Telephone, Telex Services	73,171	24,547
Training Allowances	29,382	581,024
Protective Clothing, footwear and gears	762	3,283
Court Attire	3,000	4,500
Registration Fee	-	1,230
	9,492,563	7,505,246

The expenditure for use of goods and services in the financial year 2022/23 are TZS 9.49 billion (2021/22: TZS 7.51 billion).

* The use Educational Radio and TV Broadcasting in the financial year 2022/23 are TZS 151.30 million (2021/22: TZS 46.57 million) have been included in the amount of Advertising and Publication.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. BANK CHARGES AND COMMISSIONS

	2022/23 TZS ('000)	2021/22 TZS ('000)
Bank charges and commissions	15,601	15,414
	15,601	15,414

During the year, TZS 15.60 million was paid (2021/22: TZS 15.41 million) as bank charges.

13. MAINTENANCE EXPENSES

	2022/23 TZS ('000)	2021/22 TZS ('000)
Computers, printers, scanners, and other computer related equipment	104,311	16,698
Mechanical, electrical, and electronic spare parts	-	17,906
Motor Vehicles and Watercraft	289,157	296,442
Plumbing Supplies and Fixtures	-	10,201
Small tools and implements	2,700	9,542
Cement, Bricks and Building Materials	304,821	26,746
Electrical and Other Cabling Materials	-	2,107
Portioning of offices	514,284	283,385
Roofing Materials	-	630
Equipment and licencing	293,192	-
Vehicle tracking system support	138,893	-
NIDA data sharing cost	59,820	-
TTCL Data storage	30,450	-
Hosting RRIMS	26,492	-
Wood and Timber Supplies	-	210
	1,764,120	663,867

The recorded expenditure on maintenance expenses during the year 2022/23 stood at TZS 1.76 billion (2021/22: TZS 663.87 million).

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14. CONTRIBUTIONS AND TRANSFERS

	2022/23 TZS ('000)	2021/22 TZS ('000)
Contributions (15% on Gross Revenue and other contributions)	5,218,684	4,683,739
Fair Competition Commission (FCC)	180,000	135,000
Fair Competition Tribunal (FCT)	180,000	180,000
LGAs Transfers (Historic)	506,004	411,513
Occupational Safety Health Authority (OSHA)	1,490	-
National Consumer Advocacy Council (NCAC)	600,000	559,978
Subscription to AFUR	21,500	19,435
Subscription to SARA	13,980	32,823
	6,721,658	6,022,488

Contributions stood at TZS 6.72 billion (2021/22: TZS 6.02 billion) made to the Government Consolidated Fund, other bodies and transfers. Transfers includes 50% refund to City/Municipal/Town councils on collections from Motor/Tricycle while contributions to others and international bodies included payments to finance budget of LATRA CCC, FCC and FCT as well as AFUR and SARA.

15. CASH AND CASH EQUIVALENTS

	2022/23 TZS ('000)	2021/22 TZS ('000)
BoT Own source Collection Account	784,781	2,574,232
Loan Cash Account	283,929	982,421
Own source Collection Account - NMB	56,322	50,130
Own source Development Expenditure	442,807	550,550
Own source Recurrent Expenditure GF	2,555,822	987,064
Petty Cash	8,626	6,680
Unapplied Cash Account	92,049	98,344
USD Commercial Collection Account*	11,106	11,106
	4,235,442	5,260,527
Provision for Expected Credit Loss	(2,124)	-
	4,233,318	5,260,527
*Exchange rate used: TZS 2,422.91/USD 1		
Analysis of expected credit loss		
Impact of IPSAS 41 -	6,011	-
	6,011	-
Charge during the year	(3,887)	-
	2,124	

*Exchange rate used: TZS 2,391.5/USD 1

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. CASH AND CASH EQUIVALENTS (CONTINUED)

The decrease in cash and cash equivalents is mainly attributed to payments to facilitate shift of LATRA Head Office to Dodoma and Provision for Expected Credit Loss. The difference could have been higher save for aggressive expenditure control to ensure the scarce financial resources are properly used. The notable decrease in the Loan Cash Account is a result of loans which were issued to employees during the financial year.

16. INVENTORIES

	2022/23 TZS ('000)	2021/22 TZS ('000)
Consumables	595,793	593,521
Provision for obsolete stock	-	(201,771)
	595,793	391,750

The above balances are for stock of consumable items purchased but not used in various LATRA offices. These includes printing materials, licenses, stationaries and office consumables. Licenses are usually purchased to cover requirements of three to six months.

17. OTHER FINANCIAL ASSETS

	2022/23 TZS ('000)	2021/22 TZS ('000)
Defined contribution scheme	267,295	148,395
	267,295	148,395

The above balances are for Employees Benefits Scheme which was established by SUMATRA for the purpose of motivating and retaining its employees. SUMATRA appointed the Board of Trustees of GEPF/PSSSF as fund managers. The benefits were paid to staff when their employment ended with SUMATRA between 2018 to 2019. *The amount remaining in the account of TZS 267.30 million (2021/22: TZS 148.40 million) is for staff whose employment were terminated and interest earned on the balance.*

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

18. PREPAYMENTS

	2022/23 TZS ('000)	2021/22 TZS ('000)
Subscription (SARA)	-	13,980
Rent - Office Accommodation	73,691	53,833
Training Fees	108,268	108,268
Fuel/M/Vehicles (GPSA)	25,832	277,041
Air Tickets (ATCL)	5,106	-
Medical (NHIF)	96,558	-
Licences (Malindi Printing Press)	30,936	193,187
Building Materials (Nabaki, ALAF)	-	20,770
	340,391	667,079

These are amounts paid in respect of services or goods to be provided after the year end. Specifically, TZS 30.94 million was paid to Malindi Printing Press for supplying licenses, TZS 25.83 million remaining with GPSA for supplying diesel, TZS 96.56 million was at NHIF for supplementary medical services, TZS 73.69 million was paid for Rent and TZS 5.11 million was at ATCL on account of air tickets. Tuition fees paid in 2021/22 to Galilee Institute, University of Florida and Creece University of TZS 108.27 million was still unutilised.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. RECEIVABLES

The receivables at 30 June 2023 was TZS 7.46 billion (2021/22: TZS 3.76 million). These comprises loan balances due from employees and amounts due from TRC, UDART, VTS vendors and ride hailing operators. The details of the receivables are provided below.

Note		2022/23 TZS ('000)	2021/22 TZS ('000)
19a	Receivables		
	Receivables from Exchange Transaction		
	Vehicle Tracking Devices data charges	281,445	217,465
	Receivables from Non-Exchange Transaction		
	Regulatory Levy Receivable	5,428,812	2,556,166
	Other Receivables		
	Principal Loan Receivables	1,680,349	943,835
	Loan Interest Receivable	70,913	42,559
		1,751,262	986,394
		7,461,519	3,760,025
19b	Movement of expected credit losses		
	Opening balance	2,536,358	2,118,633
	Impact of IPSAS 41	214,390	-
		2,750,748	2,118,633
	Charge during the year	386,767	417,725
		3,137,515	2,536,358
	Analysis of Expected credit loss		
	Offence	5,178	1,017
	VTD	257,846	213,039
	Levy	2,869,317	2,533,720
	Loans	5,174	2,974
		3,137,515	2,750,750
19c.	Analysis of cash received from Fees and Levies		
	Opening receivable from Non exchange transaction	2,556,166	2,176,653
	Revenue for the year	20,446,973	17,562,425
	Closing balance	(5,428,770)	(2,556,166)
	Cash received	17,574,369	17,182,912
19d.	Analysis of cash received from Exchange transaction		
	Opening receivable from exchange transaction	217,465	169,561
	Revenue for the year	545,924	662,094
	Closing balance	(281,445)	(217,465)
	Cash received	481,944	614,190
19e.	Analysis of Loan recovery Received		
	Opening receivable from Non exchange transaction	986,394	16,450
	Loans issued	1,299,000	1,099,295
	Closing balance	(1,751,262)	(943,835)
	Cash received	534,132	171,910

5.0 FINANCIAL STATEMENTS (CONTINUED)

	Cost / Revaluation			Accumulated depreciation and Accumulated impairment				Carrying value
	Cost		Balance	Balance	Adjusted	Depreciation	Impairment Loss	
2022/23	01-Jul	Additions	Disposal/ Adjustment	30-Jun	01-Jul	Accumulated Depreciation		30-Jun
	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Leasehold Land	3,342,546	26,579	-	3,369,124	-	-	-	3,369,124
Office Building	6,597,160	87,369	290,520	6,975,049	354,048	-	139,501	493,549
WIP (Dodoma)	290520	-	(290,520)	-	-	-	-	-
Motor vehicles	3,156,544	299,845	(130,210)	3,326,179	1,913,759	(106,183)	328,923	2,136,499
Property and machinery	268,899	-	-	268,899	147,076	-	18,016	165,092
Furniture & fittings	1,440,745	106,861	-199,613	1,347,993	868,961	-177,624	171,630	862,968
Computer equipment	2,046,580	5,800	-440,729	1,611,651	1,442,338	-425,676	227,713	1,244,376
Other equipment	4,152,072	196,789	-821,386	3,527,475	2,302,646	-625,446	581,550	2,258,750
Total	21,295,065	723,243	(1,591,938) ()	20,426,370	7,028,828	(1,334,929)	1,467,333	7,161,234
2021/22								13,265,138
Leasehold Land	3,120,622	221,923	-	3,342,545	-	-	-	3,342,545
Office Building	6,597,160		-	6,597,160	222,105	-	131,943	6,243,112
WIP (Dodoma)	-	290,520	-	290,520		-	-	290,520
Motor vehicles	2,391,918	764,626	-	3,156,544	1,296,469	-	513,100	1,913,759
Property and machinery	268,899	-	-	268,899	129,060	-	18,016	147,076
Furniture & fittings	1,077,012	363,733	-	1,440,745	631,592	-	237,369	868,961
Computer equipment	1,661,595	384,985	-	2,046,580	1,147,119	-	295,219	1,442,338
Other equipment	3,899,345	252,727	-	4,152,072	1,719,503	-	583,143	2,302,646
Total	19,016,551	2,278,514	-	21,295,065	5,145,848	-	1,778,790	7,028,828

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21.0 INTANGIBLE ASSETS (FIGURES IN TZS "000")

	Cost	Additions during the Year	Balance as at 30 June	Accumulated Amortization	Amortization charge for the year	Balance as at 30 June	Carrying value as at 30 June
2022/23							
Software - Administration Systems	636,344		636,344	636,344		636,344	-
Software - ICT Infrastructure & Operations Systems	2,759,468	107,329	2,866,797	2,604,842	70,666	2,675,508	191,289
Total	3,395,812	107,329	3,503,141	3,241,186	70,666	3,311,852	191,289
2021/22							
Software - Administration Systems	636,344		636,344	636,344		636,344	-
Software - ICT Infrastructure & Operations Systems	2,666,350	93,118	2,759,468	2,557,402	47,440	2,604,842	154,626
Total	3,302,694	93,118	3,395,812	3,193,746	47,440	3,241,186	154,626

5.0 FINANCIAL STATEMENTS (CONTINUED) NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

22.0 SEGMENTAL REPORTING ON THE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023 (ALL FIGURES IN TZS "000")

Simiyu			15	6591				6,606
Geita			-	4,156				4,156
Shinyanga			135	3,168				3,303
Mara			418	6,219				6,637
Kagera			18	4,408				4,426
Mwanza			185	8,112				8,297
Kigoma			145	4,271				4,416
Singida			365	2,667				3,032
Dodoma			79	2,610				2,689
Manyara			298	4,602				4,900
Arusha			368	6,524				6,892
Tabora			500	5,455				5,955
Moshi			482	5,857				6,339
Tanga			292	4,056				4,348
Mtwara			-	1,197				1,197
Lindi			11	6,091				6,102
Songwe			-	1,029				1,029
Katavi			-	2,964				2,964
Rukwa			168	3,408				3,576
Mbeya			498	3,333				3,831
Songea			-	9,075				9,075
Njombe			22	2,437				2,459
Iringa			259	3,037				3,296
Morogoro			204	5,720				5,924
Pwani			210	5,972				6,182
Head Office			4,230,770	488,581	267,295	269,700	4,486,395	9,742,741
Total			4,235,442	601,540	267,295	269,700	4,486,395	9,860,372
	ASSETS							
	Current Asset							
	Cash and Cash Equivalents							
	Inventories							
	Other Financial Assets							
	Prepayments							
	Receivables							
	Total Current Asset							

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23.0 SEGMENTAL REPORTING ON THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023 (ALL FIGURES IN TZS "000")

			-	6,606				-
			-	4,156				-
		125,823	125,823	129,126				-
		67,091	67,091	73,728				-
		84,274	84,274	88,700				-
		67,642	67,642	75,939				-
		62,576	62,576	66,992				-
		360,270	360,270	363,302				-
		95,484	95,484	98,173				-
		95,484	95,484	100,384				-
		988,137	988,137	995,029				-
		108,922	108,922	114,877				-
		329,786	329,786	336,125				-
		170,800	170,800	175,148				-
		137,111	137,111	138,308				-
		72,440	72,440	78,542				-
		111,287	111,287	112,316				-
		68,295	68,295	71,259				-
		119,611	119,611	123,187				-
		259,032	259,032	262,863				-
		78,138	78,138	87,213				-
		85,336	85,336	87,795				-
		112,164	112,164	115,460				-
		433,378	433,378	439,302				-
		277,551	277,551	283,733				-
	261,954	9,187,489	9,449,443	19,192,184				2,677,131
	261,954	13,498,121	13,760,075	23,620,447				2,677,131
Non-Current Asset	Intangible Assets	Property and Equipment	Total Non-Current Asset	TOTAL ASSETS		LIABILITIES	Current Liabilities	Payables and Accruals

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23.0 SEGMENTAL REPORTING ON THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023 (ALL FIGURES IN TZS "000")

0	0	6,606				-
0	0	4,156				-
0	0	129,126				-
0	0	73,728				-
0	0	88,700				-
0	0	75,939				-
0	0	66,992				-
0	0	363,302				-
0	0	98,173				-
0	0	100,384				-
0	0	995,029				-
0	0	114,877				-
0	0	336,125				-
0	0	175,148				-
0	0	138,308				-
0	0	78,542				-
0	0	112,316				-
0	0	71,259				-
0	0	123,187				-
0	0	262,863				-
0	0	87,213				-
0	0	87,795				-
0	0	115,460				-
0	0	439,302				-
0	0	283,733				-
2,677,131	2,677,131	16,515,053		17,047,108	3,896,208	20,943,316
2,677,131	2,677,131	20,943,316		17,047,108	3,896,208	20,943,316
Total Current Liabilities	TOTAL LIABILITIES	Net Assets	NET ASSETS/ EQUITY	Share Capital	Accumulated Surplus/ (Deficits)	TOTAL NET ASSETS/ EQUITY

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23.0 SEGMENTAL REPORTING ON THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023 (ALL FIGURES IN TZS "000")						
Simiyu		296,643	181,674		478,317	
Geita		304,198	186,301		490,499	
Shinyanga		368,612	225,751		594,363	
Mara		327,212	200,395		527,607	
Kagera		353,971	216,784		570,755	
Mwanza		775,768	475,107		1,250,875	
Kigoma		259,259	158,779		418,038	
Singida		342,343	209,718		552,061	
Dodoma		457,713	280,319		738,032	
Manyara		308,007	188,634		496,641	
Arusha		1,427,467	874,229		2,301,696	
Tabora		281,384	172,329		453,713	
Moshi		964,124	590,462		1,554,586	
Tanga		609,535	373,300		982,835	
Mtwara		296,541	181,612		478,153	
Lindi		687,710	421,177		1,108,887	
Songwe		250,776	153,584		404,360	
Katavi		140,435	86,007		226,442	
Rukwa		198,365	121,486		319,851	
Mbeya		642,133	393,264		1,035,397	
Songea		389,722	238,679		628,401	
Njombe		376,312	230,466		606,778	
Iringa		447,873	274,292		722,165	
Morogoro		911,744	558,383		1,470,127	
Pwani		997,555	610,936		1,608,491	
Head Office	479,941	4,667,082	2,953,868	704,651	8,805,542	
Total	1,177,545	19,269,429	14,000,556	343,697	34,791,227	
Non-Exchange Transactions:	Service Levy	Road Transport Licenses	Fines and Penalties	Exchange Transactions	Total Revenue	EXPENSES AND TRANSFERS

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23.0 SEGMENTAL REPORTING ON THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023 (ALL FIGURES IN TZS "000")

	-		-	5,018	-	-
	-	-	-	2,789	-	-
	-	-	-	3,250	-	-
	-	-	-	450	-	-
	-	15,682	-	2,182	-	-
	-	8,362	-	2,580	-	-
	-	10,504	-	3,932	-	-
	-	8,431	-	9,300	-	-
	-	7,799	-	9,400	-	-
	-	44,903	-	337	-	-
	-	11,901	-	741	-	-
	-	11,901	-	500	-	-
	-	123,159	-	9,400	-	-
	-	13,576	-	1,621	-	-
	-	41,104	-	-	-	-
	-	21,288	-	7,134	-	-
	-	17,089	-	3,078	-	-
	-	9,029	-	1,430	-	-
	-	8,512	-	4,830	-	-
	-	14,908	-	1,789	-	-
	-	32,285	-	1,331	-	-
	-	10,636	-	3,175	-	-
	-	13,980	-	546	-	-
	-	54,015	-	9,854	-	-
	-	34,593	-	9,500	-	-
	0	953,676	438,723	1,142,359	0	15,601
	0	1,467,333	438,723	1,236,526	0	15,601
Expenses	Amortization of Intangible Assets	Depreciation of Property and Equipment	Impairment of receivables	Maintenance Expenses	Impairment of PPE	Bank Charges

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23.0 SEGMENTAL REPORTING ON THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023 (ALL FIGURES IN TZS "000")

-	19,377	139,758	100,705	264,858		
-	11,856	143,318	59,619	217,582		
-	11,927	173,666	65,880	254,723		
-	13,175	154,161	67,446	235,232		
-	16,694	166,768	90,970	292,296		
-	17,433	365,491	94,000	487,866		
-	11,835	122,146	63,354	211,771		
-	28,955	161,333	153,707	361,726		
-	17,152	215,644	93,512	343,507		
-	21,630	145,113	114,624	326,607		
-	30,051	672,569	161,155	876,417		
-	20,294	132,569	115,351	280,615		
-	12,582	454,232	71,757	671,130		
-	20,292	287,173	105,964	428,626		
-	13,329	139,711	73,965	268,109		
-	20,529	324,004	111,031	483,986		
-	17,211	118,149	100,641	256,168		
-	18,310	66,164	99,049	193,982		
-	18,671	93,457	104,884	230,354		
-	31,635	302,531	163,822	514,685		
-	16,780	183,611	92,223	326,230		
-	25,826	177,293	139,597	356,527		
-	15,048	211,008	80,731	321,313		
-	24,902	429,554	129,314	647,639		
-	37,230	469,982	196,554	747,859		
144,636	1,736,512	3,552,649	8,933,614	16,917,771		6,629,556
144,636	2,229,236	9,402,054	11,583,469	26,517,579		6,629,556
Board Expenses	Social Benefits	Supplies and Consumables	Wages, Salaries and Employee Benefits	Total Expenses	Transfers:	Grants, Subsidies and other Transfer

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23.0 SEGMENTAL REPORTING ON THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023 (ALL FIGURES IN TZS "000")

0	264,858		213,459
0	217,582		272,917
0	254,723		339,640
0	235,232		292,375
0	292,296		278,459
0	487,866		763,009
0	211,771		206,267
0	361,726		190,335
0	343,507		394,525
0	326,607		170,034
0	876,417		1,425,279
0	280,615		173,098
0	671,130		883,456
0	428,626		554,209
0	268,109		210,044
0	483,986		624,901
0	256,168		148,192
0	193,982		32,460
0	230,354		89,497
0	514,685		520,712
0	326,230		302,171
0	356,527		250,251
0	321,313		400,852
0	647,639		822,488
0	747,859		860,632
6,629,556	23,547,327		(14,741,785)
6,629,556	33,147,135		1,644,092
Total Transfers	Total Expenses & Transfers		Surplus

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

24.0 PAYABLES AND ACCRUALS

	2022/23 TZS ('000)	2021/22 TZS ('000)
24a Payables from Exchange Transactions		
Accrued expenses*	1,769,667	995,891
Other employee benefit**	267,296	148,395
Other Payables***	2,616	110,055
Payables to other government entity	675,044	675,044
Staff Claim	44,230	29,443
Supplies of goods and services	311,745	450,291
Unapplied Deposit Account	91,231	97,940
Withholding tax	290,451	305,997
	3,452,280	2,813,056
24b Analysis of cash paid for supplies of goods and services		
Opening: payable for supplies and services	450,291	2,286,547
Amount expensed during the year	9,492,563	7,505,246
Closing payable for supplies and services	(311,745)	(2,329,221)
Opening Inventory	(593,521)	(672,641)
Closing Inventory	595,793	593,521
Opening Prepayment	(667,079)	(952,632)
Closing Prepayment	340,391	667,079
Opening Accrued expenses	995,891	-
Closing Accrued expenses	(1,769,667)	-
Opening Other Payables	110,055	-
Closing Other Payables	(2,616)	-
Opening Unapplied Deposit Account	97,940	-
Closing Unapplied Deposit Account	(91,231)	-
Cash paid	8,647,065	7,097,899
24c Analysis of cash paid for Wages, Salaries and Other employees' benefits		
Opening payable-Staff claims, WHT other benefits	483,835	548,360
Amount expensed during the year	11,583,469	8,749,414
Closing payable-Staff claims, WHT other benefits	(601,977)	(483,835)
Cash paid	11,465,327	8,813,939

* Accrued expenses are those incurred and claims for their settlements were not received until year end.

** Other Employee Benefits are staff benefits which were invested with PSSSF as Fund Manager by LATRA.

*** Payables to other Government entity are TASAC liability emanating from reconciliation exercise by the Office of the Treasury Registrar (OTR).

The remaining are deposits for supplies of goods and services and withholding taxes due for payment in the following financial year.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

25.0 ACCUMULATED SURPLUS

The Authority recorded a surplus of TZS 0.92 billion for the financial year ended 30 June 2023 (2021/22: TZS 1.75 billion). The balance of accumulated surplus account as at the year-end was TZS 2.95 billion (2021/22: TZS 2.25 billion).

26.0 TAXATION

The Authority is a public institution established for provision of regulatory services. Thus, the Authority's services are not taxable, thus, there was no corporation tax paid during the financial year. In addition, the Authority is not a VAT registered trader.

27.0 RELATED PARTY TRANSACTIONS

LATRA related parties of TZS 2,886,676, 000 include Government of Tanzania which is the ultimate controlling entity, other government entities, board of directors and key management personnel.

Transfer of resources and/or obligations between related parties in LATRA during the year ended 30 June 2023 included the following:

27a. Board Remuneration and Other Expenses

The Board of Directors is the body of appointed members who jointly oversee the activities of the Authority. Their expenses are set out below:

	2022/23 TZS ('000)	2021/22 TZS ('000)
Board Meetings and Related Expenses	93,955	106,872
*Directors Fees	50,681	67,000
	144,636	173,872

27b. Remuneration of Key Management Employees

Management personnel include Director General, Division Directors, Head of Units and Managers. Management have responsibility for planning, directing and controlling the activities of the Authority. Their remunerations during the year were as provided below:

	No. of People:	2022/23 TZS(000)	2021/22 TZS(000)
Basic Salary:			
Director General	1	132,070	115,500
Directors	4	433,620	370,522
Heads of Unit	5	395,429	358,145
Managers	9	728,364	637,307
Sub-total for Basic Salary		1,689,483	1,481,474

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

27b. Remuneration of Key Management Employees (Continued)

	<u>No. of People:</u>	2022/23 (TZS)	2021/22 (TZS)
<u>Allowances**:</u>			
Director General	1	74,877	49,860
Directors	4	199,795	128,634
Heads of Units	5	190,506	138,850
Managers	9	363,745	251,690
Sub-total for Allowances		828,923	569,034
<u>Contributions to Pension Fund (PSSSF)***</u>			
Director General	1	19,810	17,325
Directors	4	48,502	45,031
Heads of Unit	5	54,477	53,721
Managers	9	100,845	95,596
Sub-total for Contributions		223,634	211,673
Grand Total		2,742,040	2,262,181

The increase in remuneration of key Management employees is attributed by appointment of four (4) senior employees to fill on acting capacity, management positions as per the approved Organisation Structure. The permission was issued by the PS -Establishment and communicated to LATRA through letter Kumb. Na. CCD.22/273/03/AG/72 dated 11 July 2022.

Notes:

* The Board had seven (7) members as at 30 June 2023. During the year 2022/23, TZS 50.68 million (2021/22: TZS 67.00 million) was paid as director's fees.

** Allowances for Management Staff consists of housing allowance, utility allowance, transport allowance and motor vehicle maintenance allowance for Management staff using their own vehicles.

*** Contribution to PSSSF is made under defined contribution plans for Management staff who are on permanent and pensionable terms of employment.

**** The new Director General who was appointed on 6 July 2022 and is under permanent and pensionable scheme.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28 COMMITMENTS

28.1 Capital Commitments

The Authority had no capital commitment at the year end. In the previous year, capital commitments were TZS 299.00 million on payment of final certificates for construction of SUMATRA House on Plot No. 456/160 along Nkrumah Street Dar es-Salaam. The outstanding amounts were paid during the financial year after Final Accounts and submission of final certificates.

28.2 Procurement Commitments

These consists of procurement contracts which were awarded or under implementation as at 30 June 2023 whose budgets (carryover) were submitted to the Treasury Registrar and approved.

(a) Goods:

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Due within one year	653,357	349,260
Total	653,357	349,260

The amount committed of TZS 653.36 million includes contracted amounts for supply of ICT equipment such as computers, switches and pads (TZS 570.37 million), supply of generators (TZS 61.24 million) and supply of stationery (TZS 21.75 million).

(b) Works:

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Due within one year	68,745	134,213
Total	68,745	134,213

The amount committed comprises contracts for repairs and renovation of LATRA Offices of Katavi and Mtwara. The works were contracted to TBA (TZS 36.32 million) and SUMAJKT Construction Company Ltd (TZS 32.38 million).

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

28.2 Procurement Commitments (Continued)

(c) Consultancy Services:

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Due within one year	128,266	349,430
Total	128,266	349,430

The amount committed is for carrying out study on demand and supply of commuter services in the city of Dar-es-salaam and Mwanza.

(d) Non-Consultancy Services

	30.06.2023	30.06.2022
	TZS'000	TZS'000
Due within one year	1,234,497	535,972
Total	1,234,497	535,972

The amounts committed include airing of television (TV) programs with local TV broadcasting stations, improvement & support of Vehicle Tracking System, improvement of RRIMS, provision of air ticketing services, and provision of security and cleaning services at LATRA offices.

29. CONTINGENT ASSETS

The Authority had contingent assets arisen from unpaid compensation in respect of claim for a damaged motor vehicle of the Authority, Pick-up Double Cabin with registration No. STL 8921, which was involved in accident at Mikese area, Morogoro region, with a Scania truck registration no. T264CUN. The vehicle was acquired at the cost of TZS 99,948,206.86. The claim arises from Civil Case No.8 of 2023 between LATRA and Attorney General versus Kelvin Samuel and Justine Kavishe.

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30. CONTINGENT LIABILITIES

The Authority in collaboration with the Office of the Solicitor General handled a litigation at Kisutu Regional Magistrate; Republic vs Ashraf Mustafa Maumba and another pertaining forgery of Authority documents, Criminal Case no. 271 of 2016. The Authority's Manager of Safety Coordination and Environment (MSCE) appeared as witness of the Authority and prosecution case was heard on 20 June 2023.

There is a possible (but not probable) obligation to be confirmed by a future event that is outside the control of the Authority. However, the Authority relies on input from the team of state attorneys from LATRA and the Office of Solicitor General in assessing the probability of future obligations.

31. FUNCTIONAL CURRENCIES AND PRESENTATION CURRENCY

The functional currency of the Authority, which is also its presentation currency, is Tanzanian Shillings (TZS). The values in this report are rounded to the nearest thousand (TZS '000').

32. ULTIMATE CONTROLLING ENTITY

The Ministry of Transport is the Controlling Entity of the Authority, and the Government of the United Republic of Tanzania is the Ultimate Controlling Entity of the Authority.

33. ASSETS PLEDGED AS SECURITY FOR LIABILITIES

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

34. COMPARATIVE FIGURES

The figures in the financial statements are presented alongside the previous Period financials for comparison purpose.

35. EXPLANATIONS OF VARIANCE BETWEEN BUDGET AND ACTUAL AMOUNT

(a) Original Budget and Final Budget

The Authority's original budget for the financial year ended 30 June 2023 was adjusted during the half-year review to arrive at the final budget. Revenue collections was adjusted by TZS 6.52 billion (2021/22: TZS 3.41 billion) from TZS 41.72 billion (2021/22: TZS 33.64 billion) to TZS 35.20 billion (2021/22: TZS 30.23 billion).

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. EXPLANATIONS OF VARIANCE BETWEEN BUDGET AND ACTUAL AMOUNT (CONTINUED)

The adjustments were made based on under-performance of LGAs on issuing licenses to motorcycles and motor tricycles and reluctance of bus operators to use e-ticketing system.

The major adjustments to the budget involved decrease projected levy by TZS 7.03 billion, decrease in certification of drivers' fees by TZS 1.7 billion, increase in projected road transport licensing fees by TZS 1.33 billion and increase in other income by TZS 977.02 million.

The total expenditure was adjusted by TZS 5.59 billion (2021/22: TZS 2.05 billion) from TZS 37.69 billion (2021/22: TZS 29.52 billion) to TZS 32.10 billion (2021/22: TZS 27.47 billion). The adjustments were made as delays of implementation of new salary structure whose approval was granted for implementation from 01 June 2022 and delayed remittance of subscription to AFUR as the claim was not submitted in time.

(b) Final Budget and Actual Amounts

The Authority's recognized revenues for the year ended 30 June 2023 was TZS 34.79 billion (2021/22: TZS 28.82 billion) which was below the final budget of TZS 35.20 billion (2021/22: TZS 30.23 billion) by TZS 0.41 billion (2021/22: TZS 466.99 million). The major reason for this performance is attributed by low number of licenses issued by LGAs to motorcycles and motor tricycles and low compliance of majority of bus operators to use e-ticketing system which automatically deducts regulators levy.

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

36. EXPLANATIONS OF VARIANCE BETWEEN BUDGET AND ACTUAL AMOUNT

The Authority recognized revenue amounting to TZS 34.79 against the budget of TZS 35.20 billion for the year 2022/23. The major reason for the under-performance is under-collection of service providers' levy from bus operators through the use e-ticketing system whose implementation faced reluctance for change. The expenditure for the Authority amounted to TZS 33.15 billion, which is TZS 1.05 billion below the final budget of TZS 32.10 billion. The budget performance and explanations for variance are provided hereunder:

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36. EXPLANATIONS OF VARIANCE BETWEEN (CONTINUED) BUDGET AND ACTUAL AMOUNT

Budget approved	Original budget	Adjustment	Final budget	Actual amount on accrual basis	Accrued amount	Actual amount on Basis	Difference Final Budget Vs Actual	Reasons
	[A]	[B]	[C=A+B]	[D]	[E]	[F=D-E]	[C-F]	
	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	
Revenue from Non-Exchange Transactions								
Road Transport Licensing Fees	21,195,318	(1,330,682)	22,526,000	19,269,429	-	19,269,429	(3,256,571)	Attributed by low than expected collection of Motor/Tricycles licence fees
Levies	10,202,782	7,033,782	3,169,000	1,177,545	-	1,177,545	(1,991,455)	The under collection is mainly due to resistance to pay levy.
Certification of drivers and cruel	1,796,640	1,791,640	5,000	545,924	-	545,924	540,924	High response due to awareness provided to drivers
Other Income	8,522,982	(977,018)	9,500,000	13,803,854	-	13,803,854	4,303,854	Enhanced enforcement
Total Revenue	41,717,722	6,517,722	35,200,000	34,796,752	-	34,796,752	(403,248)	
Payments:								
Amortization of Intangible Assets	-	-	-	70,666	-	70,666	(70,666)	The expenditure was not budgeted
Bad Debt	-	-	-	438,723	-	438,723	(438,723)	The expenditure was not budgeted
Depreciation of PPE	-	-	-	1,467,333	-	1,467,333	(1,467,333)	The expenditure was not budgeted
Maintenance Expenses	672,250	(338,202)	1,010,452	1,236,526	-	1,236,526	(226,074)	Variation in costs of partitions for Dodoma and Geita/Katavi?
Social Benefits	4,675,174	524,439	4,150,735	2,229,236	-	2,229,236	1,921,499	Saving is due to expenditure control
Supplies and Consumables Used	12,378,033	945,226	11,432,806	9,562,291	-	9,562,291	1,870,515	Saving is attributed to expenditure control
Wages, Salaries Benefits	12,191,777	2,982,780	9,208,997	11,583,469	-	11,583,469	(2,374,472)	Attributed to implementation of new salaries structure from 1 June 2022
Contribution and Transfer Payments	7,775,908	1,474,659	6,301,249	6,629,556	-	6,629,556	(328,307)	Payment of subscription for AFUR was delayed.
Total payments	37,693,142	5,588,902	32,104,239	33,165,843	-	33,165,843	(1,061,604)	
Surplus/(deficit)	4,024,580	928,820	3,095,761	1,630,909	-	1,630,909	658,356	
Staff loans issued	-	-	-	1,299,000	-	1,299,000	(1,299,000)	Issued as approved by Loan Committee
Cash flow from operating activities								
Acquisition of Non-Current Assets	4,318,650	787,860	3,312,680	768,591	-	768,591	2,544,089	Saving is due to postponement of activities

5.0 FINANCIAL STATEMENTS (CONTINUED)**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****37. RECONCILIATION OF CASH FROM OPERATING ACTIVITIES TO NET SURPLUS**

	2022/23	2021/22
	TZS'000	TZS'000
Surplus for the year	920,744	1,749,935
Non-cash Movements:		
Depreciation	1,467,333	1,778,790
Amortization	70,666	47,440
Impairment of Receivables	386,766	417,725
Impairment of Motor Vehicles	-	104,190
Reversal of provision for Expected Credit Loss	(3,887)	-
Non-Monetary Revenue - Capital	(345,335)	-
Working capital movements:		
(Increase)/Decrease in Receivables	(3,701,494)	(1,397,361)
(Increase)/Decrease in Stationery Inventories	(204,043)	79,122
(Increase)/Decrease in Other Financial Assets	(118,900)	-
Increase/(Decrease) in Payables	639,224	(21,851)
Adjustment of Opening Other Payables (Non-Cash)	110,055	-
Adjustment of Opening Accrued expenses (Non Cash)	195,689	-
(Increase)/Decrease in prepayments	326,688	285,553
Net cash flow from operating activities	(256,494)	3,043,543

38. EXPECTED CREDIT LOSS FROM RECEIVABLES

	2022/23	2021/22
	TZS'000	TZS'000
Expected Credit Loss from Receivables (Levies, Loans, Fines, and VTS Vendors)	386,766	417,725
	386,766	417,725

The impairment of receivables in the year amounted to TZS 386.77 million (2021/22, TZS 417.73 million).

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

39. STAFF LOANS ISSUED AND OTHER PAYMENTS

During the year, the Authority continued to implement its loan policy. A total of TZS 1.30 billion was paid to 16 staff (2021/22: TZS 1.10 billion)

	2022/23	2021/22
	TZS'000	TZS'000
Staff Loans Issued	1,299,000	1,099,295
Amount Paid	1,299,000	1,099,295

40. FINES AND PENALTIES

	2022/23	2021/22
	TZS ('000)	TZS ('000)
Fines and Penalties – Road Transport	13,439,704	10,557,535
	13,439,704	10,557,535

41. ANALYSIS OF EXPENSES BY FUNCTION

	2022/23	2021/22
	TZS '000	TZS '000
Administrative Expenses	23,366,234	18,067,627
Regulatory Expenses	2,832,559	2,229,665
Training and Development Expenses	174,150	581,024
Directors Fees and Other Board Expenses	144,636	173,872
Contribution to the Government Fund	5,126,582	4,683,739
Contribution/Subscription to International Bodies	1,502,974	1,338,749
	33,147,135	27,074,676

42. NON-CURRENT ASSET HELD FOR SALE

	2022/23	2021/22
	TZS ('000)	TZS ('000)
Cost	199,613	-
Furniture & Fitting	440,729	
Computer Equipment	821,386	
Other Equipment	1,461,728	
Accumulated Depreciation		
Furniture & Equipment	177,624	
Computer Equipment	425,676	
Other Equipment	625,446	
	1,228,746	
NET BOOK VALUE	232,982	

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42. NON-CURRENT ASSET HELD FOR SALE (CONTINUED)

These are assets which were approved for disposal by the Board of Directors in March 2023. The assets were not disposed at the year end. The Board of Condemnation was appointed by the Minister of Finance in 12th October 2023 through letter Kumb. Na. KA.54/538/01'A/143. The disposal is expected to be completed before end of the current financial year.

43. OCCUPATION OF SUMATRA BUILDING

LATRA was temporarily occupying office accommodation at SUMATRA building, which is jointly owned by TASAC and LATRA along Nkrumah Street, Dar es Salaam. The two institutions have formerly agreed to let LATRA occupy the building and signed lease agreement on 26 October 2022. According to the agreement, LATRA rents TASAC's space for a period of one year from 1 July 2022 to 30 June 2023. Upon expiry of the contract, LATRA do not intend to occupy the TASAC space and most of its employees will be transferred to the Head Office in Dodoma.

44. CAPITAL FUND

Section 50(1) of the Land and Transport Regulatory Authority Act, Cap. 413 provides that all assets, interest, rights, privileges, liabilities or obligations of the former Surface and Marine Transport Regulatory Authority (SUMATRA) not related to maritime transport shall be

transferred to and vested with LATRA. Therefore, all assets and liabilities were taken over by the Authority and resulted to a net asset of TZS 17.05 billion forming the Capital Fund.

45. ACQUISITION OF PROPERTY, PLANT AND EQUIPMENTS

	2022/23 TZS ('000)	2021/22 TZS ('000)
Additional PPE	723,243	2,278,514
Donation Received (Non- Monetary)	(39,591)	-
	683,652	2,278,514-

The value of PPE acquired (additional) during the year and reflected in the Note 21 is TZS 723.24 million. This figure include assets of TZS 39.59 million received from TSAC as Donation

5.0 FINANCIAL STATEMENTS (CONTINUED)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

46. EVENTS AFTER REPORTING DATE

The Ministry of Works and Transport (MoWT) was split into the Ministry of Works and the Ministry of Transport. The Authority continue to operate under the Ministry of Transport. Hon. Prof. Makame Mnyaa Mbarawa (MP), the then Minister for Works and Transport was appointed by H.E. Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania, to be the Minister for Transport. These changes were effective from 30 August 2023.

