



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



Annual Report
2023/24



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



**Annual Report
2023/24**





TABLE OF CONTENTS

LIST OF ABBREVIATION.....	ii
LETTER OF TRANSMITTAL	iii
BOARD CHAIRMAN'S STATEMENT	iv
DIRECTOR GENERAL'S STATEMENT	viii
BOARD OF DIRECTORS.....	xiii
ORGANISATION STRUCTURE	xiv
SENIOR MANAGEMENT.....	xv
1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL....	1-6
2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE	7-79
3.0 STATEMENT OF DIRECTOR'S RESPONSIBILITIES.....	80
4.0 DECLARATION OF THE MANAGER OF FINANCE AND ACCOUNTS	81
5.0 FINANCIAL STATEMENTS.....	82-86
NOTES TO THE FINANCIAL STATEMENTS.....	87-150
LATRA REGIONAL OFFICES CONTACTS	151

LIST OF ABBREVIATION

AFUR	African Forum for Utility Regulators
AG	Attorney General
BRT	Bus Rapid Transits
eGA	e-Government Authority
FCC	Fair Competition Commission
FCT	Fair Competition Tribunal
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
MGR	Meter Gauge Railway
MoF	Ministry of Finance
MoT	Ministry of Transport
NBAA	National Board of Accountants and Auditors
NCDs	Non-Communicable Diseases
OTR	Office of Treasury Registrar
PSSSF	Public Service Social Security Fund
RRIMS	Railways and Roads Information Management System
SACCOS	Savings and Credits Co-operative Societies
SARA	Southern African Railway Association
SASB	Sustainability Accounting Standards Board
SGR	Standard Gauge Railway
SUMATRA	Surface and Marine Transport Regulatory Authority
TASAC	Tanzania Shipping Agencies Corporation
TAZARA	Tanzania Zambia Railway Authority
TIRA	Tanzania Insurance Regulatory Authority
TRC	Tanzania Railways Corporation
TV	Television
TZS	Tanzania Shillings
UDA-RT	Usafiri Dar es Salaam - Rapid Transit
USD	United States Dollar
VTS	Vehicle Tracking System



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



Hon. Prof. Makame M. Mbarawa (MP),
Minister for Transport,
Government City Mtumba,
1 Ujenzi Street,
P. O. Box 638,
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 2024.

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 2025

Land Transport Regulatory Authority, P.O.Box 1742, 41104 Tambukareli. Dodoma
Tel: +255 262 323 930, Email: dg@latra.go.tz, info@latra.go.tz, Web: www.latra.go.tz

BOARD CHAIRMAN'S STATEMENT



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

It is with great privilege and a sense of profound responsibility that I present my statement as Chairman of the Board of Directors of the Land Transport Regulatory Authority (LATRA), in this 6th Annual Report for the financial year ended 30 June 2024, since LATRA became operational on 29 April 2019. The Annual Report for the financial year 2023/24 is comprised 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 2024. Furthermore, the Annual Report comprises of the operational performance of the Authority, which provide insights to stakeholders on the value created from the strategies implemented during the financial year 2023/24.

The Board has executed its mandate with unwavering commitment to the principles of good corporate governance, strategic oversight, and accountability. Our primary focus has been to ensure that the Authority not only complies with its establishing legislation but also strategically advances its mission to regulate the land transport sector for the welfare of all Tanzanians.

Board Composition and Governance

A robust and effective governance structure is the bedrock of LATRA's success. During the year under review a new Board was constituted, comprising a Chairman and six non-executive members, bringing a diverse range of expertise in law, business administration, transport management, engineering, finance, and community development. The Board Secretary, who is also the Director General of the Authority, provided a crucial linkage between the Board and Management. The Board enhanced its Charter and operated under a reviewed Board Charter, aligned with guidelines from the Treasury Registrar, which clearly delineates roles, responsibilities, and delegated authorities.

To enhance its oversight efficiency, the Board established three specialized committees: the Audit and Risk Committee for provision of oversight on financial reporting, internal controls, risk management, and internal and external audit processes; the Safety and Regulation Committee, which focused on the core regulatory functions, including fare reviews, safety standards, and the development of new regulations; and the Finance and Administration Committee

BOARD CHAIRMAN'S STATEMENT (CONTINUED)

to oversee budgetary performance, procurement plans, ICT matters, human resources policies, and infrastructural development projects. These committees held a combined total of 12 meetings, diligently examining key issues and making recommendations for the Board's final approval.

Implementation of the Five-Year Strategic Plan



LATRA Core
e-Ticketing
System (CeTS)
developed

The Authority was in the 4th year of implementation of its Five-Year Strategic Plan (2020/21 to 2024/25) with a vision of making Tanzania “A country with safe, reliable and eco-friendly land transport services”, through its mission “To regulate land transport services through licensing, monitoring and promoting competition for the welfare of Tanzanians”. The Authority's Five-Year Strategic Plan had five (5) 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*. These objectives were set to be achieved annually through the implementation of the Authority's Annual Plans and Budgets in line with the Vision 2025 and the ruling Party's manifesto.



Internal Policy
on HIV/AIDS
and NCDS
established

The Board focused its efforts throughout the period on ensuring existence of the good corporate governance practices, prudent resource allocation and management, and strategic institutional reforms aimed at enhancing service delivery. In this regard, during the year, the Board approved key policy instruments, including the Authority's Internal Policy on HIV/AIDS and Non-Communicable Diseases, Records Retention and Disposal Schedule and the Accounting Procedures Manual for implementation. Furthermore, the Board overseen the development of LATRA's Core e-Ticketing System (CeTS) which integrates e-ticketing systems of all vendors to enhance regulatory functions, development of *Safari Tiketi* App, and enhancement of LATRA App. Furthermore, the Railways and Roads Information Management System (RRIMS), Vehicles Tracking System (VTS), and the use of Drivers Identification Buttons (i-buttons) were emphasized to enhance safety.

BOARD CHAIRMAN'S STATEMENT (CONTINUED)

Oversight and Key Deliberations

The Board held seven meetings during the year, exercising its fiduciary and strategic duties. The Board deliberations were extensive and centred on steering the Authority towards achieving its strategic objectives. Key resolutions and oversight activities included:



New Fares for commuter, intercity buses and SGR train were approved

- **Strategic Direction:** Approved the Authority's Revised Plan and Budget for 2023/24 and the Procurement Plan for 2024/25, ensuring resource allocation aligns with strategic priorities;
- **Regulatory Oversight:** Determined and approved fares for commuter and intercity buses as well as for the Standard Gauge Railway (SGR), balancing the interests of consumers and the regulated service providers;
- **Governance and Policy:** Approved critical internal policies, including the Records Retention and Disposal Schedule and the HIV/AIDS and NCD Policy, strengthening our institutional frameworks;
- **Performance Monitoring:** Received and reviewed quarterly performance reports, internal audit reports, and reports from the Complaints Handling Committee, ensuring continuous performance improvement and accountability;
- **Infrastructure Development:** Provided guidance on the strategic project to construct the LATRA Head Office in Dodoma and regional offices, a key step towards operational efficiency and sustainability; and
- **Stakeholder Engagement:** Commended management on initiatives to transform motorcycle operations through the use of Authorized Agents, especially cooperative societies in the form of SACCOS by engaging motor cycles and motor try-cycles operators, and noted efforts to engage stakeholders on newly established legislation.

The strategic direction and accomplishments of the Authority's strategic objectives during the year under review has been profoundly shaped and inspired by the visionary 4R (Reconciliation, Resilience, Reform and Rebuild) philosophy of Her Excellency, Dr Samia Suluhu Hassan, the President of the United Republic of Tanzania. This framework has provided a clear, and robust blueprint for the Authority's governance practices.

BOARD CHAIRMAN'S STATEMENT (CONTINUED)**Compliance and Integrity**

The Board confirms that the Authority has operated in compliance with the Land Transport Regulatory Authority Act, Cap. 413, the Public Finance Act, the Public Procurement Act, and all other applicable legislation. The Board upholds the highest standards of integrity and ethical conduct. All Board members and key management personnel have made formal declarations of any related party transactions, ensuring transparency and avoiding conflicts of interest.

Appreciation

On behalf of the Board of Directors, I extend my heartfelt appreciation to Her Excellency, Dr. Samia Suluhu Hassan, the President of the United Republic of Tanzania, for her exemplary leadership, patient, and unwavering dedication to reviving our economy and advancing Tanzania's socio-economic development. Similarly, I extend my gratitude to Prof. Makame Mnyaa Mbarawa (MP), the Minister for Transport, for his continued guidance and tireless support. Furthermore, I wish to express my sincere gratitude to my fellow Board Members for their wisdom, dedication, and constructive counsel throughout the year. Our collaborative efforts have been instrumental in providing sound governance.

In addition, I commend the Secretary to the Board, the entire LATRA management and staff for their relentless effort, professionalism, and commitment in implementing the Board's directives and managing the day-to-day operations of the Authority. Finally, I extend my profound appreciation to the Government in general, the Office of the Controller and Auditor General, and all our stakeholders for their invaluable support and collaboration during the financial year 2023/24. The Board remains confident that LATRA is well-positioned for future growth and is steadfast in its commitment to providing robust oversight as the Authority continues to deliver on its critical mandate.



Prof. Ahmed M. Ame (Phd)

BOARD CHAIRMAN

DIRECTOR GENERAL'S STATEMENT



CPA Habibu J.S. Suluo

It is with great pleasure that I present this statement for the Land Transport Regulatory Authority (LATRA) for the financial year ended 30 June 2024. This statement provides a summary of our operational performance, financial health, and strategic advancements as we continue to build a safe, reliable, and eco-friendly land transport sector. The financial year 2023/24 was marked by significant progress in fulfilling our mandate to enhance the welfare of Tanzanian society through the regulation of land transport services. Our achievements are a testament to the unwavering dedication of the LATRA Board, management, and staff, and the invaluable support from the Ministry of Transport, other Government institutions, and our stakeholders.

Operational Highlights and Performance

The financial year 2023/24 has been one that recorded significant achievements and experienced challenges of the strategic transformation, which subsequently strengthened compliance, and enhanced forward looking initiatives in the regulatory frameworks of the land transport services. Throughout the dynamic times, LATRA remained steadfast in its mandate to regulate, promote and develop a safe, efficient and sustainable land transport system for the benefit of consumers and regulated service providers. As well, the Management executed its functions amid the dynamic challenges in the land transport sector, specifically in addressing challenges driven by the Government decision to allow public service vehicles to travel at nights (24/7) after a ban since early 1990s, quick technological advancements and adoption, and environmental changes as well as public demands.

Throughout the financial year under review, the Board, Management and the staff of the Authority remained motivated and committed to ensure internal compliance with the institutional requirements that enhanced compliance of the regulated service providers to the regulatory instruments and statutory

DIRECTOR GENERAL'S STATEMENT (CONTINUED)



Cable
Transport
Regulations
developed

requirements. Apart from these, the Authority was also engaged by the relevant authorities in the process of drafting the National Vision 2050, the new National Transport Policy and regulatory instruments including the Cable Transport Regulation. In general, the financial year 2023/24 was one of substantial achievement across our core operational functions.

Guided by the Five-Year Strategic Plan (2020/21-2024/25), the Authority made significant strides in the following key areas:

(a) **Enhancement of Service Availability and Safety:**

- **Licensing and Certification:** We issued a total of 326,576 licenses to the operators of the commercial vehicles, a significant increase from the previous year, ensuring a larger, compliant fleet is available to serve the public. Furthermore, we certified 1,820 drivers through our Head Office and regional offices centres by using Drivers Testing System (DTS), bringing the total number of certified drivers to 3,879, directly contributing to improved road safety.
- **Safety Enforcement:** We conducted 85 roadside inspections and 12 rigorous safety inspections on the railways of TRC and TAZARA. Our investigation of a major road accident in Nzega underscored our commitment to understanding the causes of accidents and implementing preventive measures.
- **Vehicle Tracking System (VTS):** The safety of intercity buses was significantly enhanced with the expansion of our VTS. By year-end, 10,772 buses and 18 locomotives were connected to the system, enabling real-time monitoring of speed and driver behaviour.



326,576
licenses to
commercial
vehicles were
issued

85
roadside inspections
and **12** rigorous
safety inspections
were conducted on
the railways of TRC
and TAZARA



10,772
buses and 18
locomotives were
connected

(b) **Technological Advancement and Innovation:**

We commenced the development of our own Core e-Ticketing System (CeTS) to integrate electronic ticketing systems of all vendors onto a single platform. This initiative, led by a team of experts from various government institutions, was poised to revolutionize

DIRECTOR GENERAL'S STATEMENT (CONTINUED)

for passengers and streamline revenue collection for operators upon its completion in December 2024. In addition, our integrated online system, the Railways and Roads Information Management System (RRIMS), continued to facilitate efficient online application and issuance of licenses, integrated with the Government Electronic Payment Gateway (GePG) for seamless transactions.



Six (6) New
Regulations
and one
(1) Rules
gazetted

(c) Regulatory Framework Development:

The Authority in collaboration with the Ministry of Transport were in the process of drafting six new Regulations and one Rule which were successfully gazetted during the year. These crucial instruments, including those for Electronic Ticketing System, and Vehicle Tracking Systems, provided a solid legal framework to enhance compliance, safety, and service quality in the land transport sector.



26
regional offices
and new
11
sub-offices across
Mainland Tanzania
were opened

(d) Expansion of Regulatory Reach:

To bring our services closer to the people, we continued to operate through our 26 regional offices and opened new 11 sub-offices across Mainland Tanzania. We also acquired plots for the construction of new offices in Makambako and Rukwa. The Authority had an advanced plans for constructing its Head Office in Dodoma and regional offices in Simiyu and Songwe.

(e) Enhancing Service Delivery and Customer Focus:

Service delivery to the satisfaction of customers and our stakeholders was set as a key priority. The Authority took initiatives which strongly focus to improve customer services and satisfaction through the implementation of a Quality Management System (QMS), and become ISO 9001:2015 certified. The documentation of key process, and preparation of Quality Manual was completed, and implementation of QMS started during the year. The certification audit was planned for 2024/25. In addition, the

LATRA
became
ISO
9001:2015
certified

DIRECTOR GENERAL'S STATEMENT (CONTINUED)



Customers
Call Centres which
operates 24/7
were opened

Authority established Call Centre which operates 24/7 to attend customers' inquiries, complains and challenges. These initiatives, among others, enable LATRA to benchmark its key processes and service delivery against the international standards and best practices, thus, reinforcing operational excellence.

(f) Public Awareness and Education Programs:

The Authority implemented public awareness and education programs through stakeholders consultative meetings, weekly Television programs – every Tuesday from 09:30 pm through Tanzania Broadcasting Corporation (TBC1), LATRA Online TV and social media. Furthermore, the Authority enhanced its Studio for production of programs internally for broadcasting to other media.



TZS
37.06
billion
Total revenue was
collected

Financial Performance

The Authority maintained a strong financial position. Total revenue collected during the financial year amounted to TZS 37.06 billion, exceeding the revised annual target and representing a 6.5% growth from the previous year. Our total expenditure was TZS 35.78 billion, resulting in a healthy surplus of TZS 1.28 billion. This performance underscores our commitment to fiscal discipline and efficient resource utilization, ensuring the Authority's sustainability and capacity to execute its mandate effectively.

The Future Outlook

Despite the recorded achievements, the Authority acknowledges several challenges, including the highly fragmented nature of the road transport industry, the persistence of non-tariff barriers affecting cross-border trade, and the need for continued investment in green transportation initiatives amidst economic constraints. Looking forward to the financial year 2024/25, our focus will be on finalizing and operationalizing the Core E-Ticketing System, commencing construction of the LATRA Head Office in Dodoma, achieving ISO 9001:2015 Certification for our Quality Management System, implementing the newly gazetted regulations

DIRECTOR GENERAL'S STATEMENT (CONTINUED)

and continuing to develop a robust legal framework, including regulations for the nascent cable transport sector, and finalizing and implementing the reviewed organizational structure to better address evolving needs of the land transport sector.

Appreciation

On behalf of the Management and staff of LATRA, I extend my deepest gratitude to the LATRA Board of Directors under the chairmanship of Prof. Ahmed Mohamed Ame for their steadfast guidance and oversight. I also wish to thank the Hon. Prof. Makame Mbarawa (MP), the Minister for Transport, Prof. Godius Kahyarara, the Permanent Secretary, and the entire team at the Ministry of Transport for their continued support and collaboration. Our appreciation further extends to all our stakeholders, regulated service providers, other government agencies, development partners, and the general public, for their support and cooperation during the financial year 2023/24. Finally, and of importance, I extend my heartfelt and sincere gratitude to LATRA Management and all staff who have been a beacon for these successful stories. I really value their true commitment and motivation to work hard and sometimes beyond normal hours, without being tempted with pressures. With this good team around, LATRA will shortly rise to a new height!



CPA Habibu J.S. Suluo
DIRECTOR GENERAL

BOARD OF DIRECTORS



Prof. Ahmed Mohamed Ame
Board Chairman



Mrs. Tumaini E. Silaa
Deputy Board Chairman



Mr. Allen T. Marwa
Board Member



Ms. Neema J. Ringo
Board Member



Mr. Nuru M. Ngoma
Board Member



Eng. Lucian H. Kilewo
Board Member



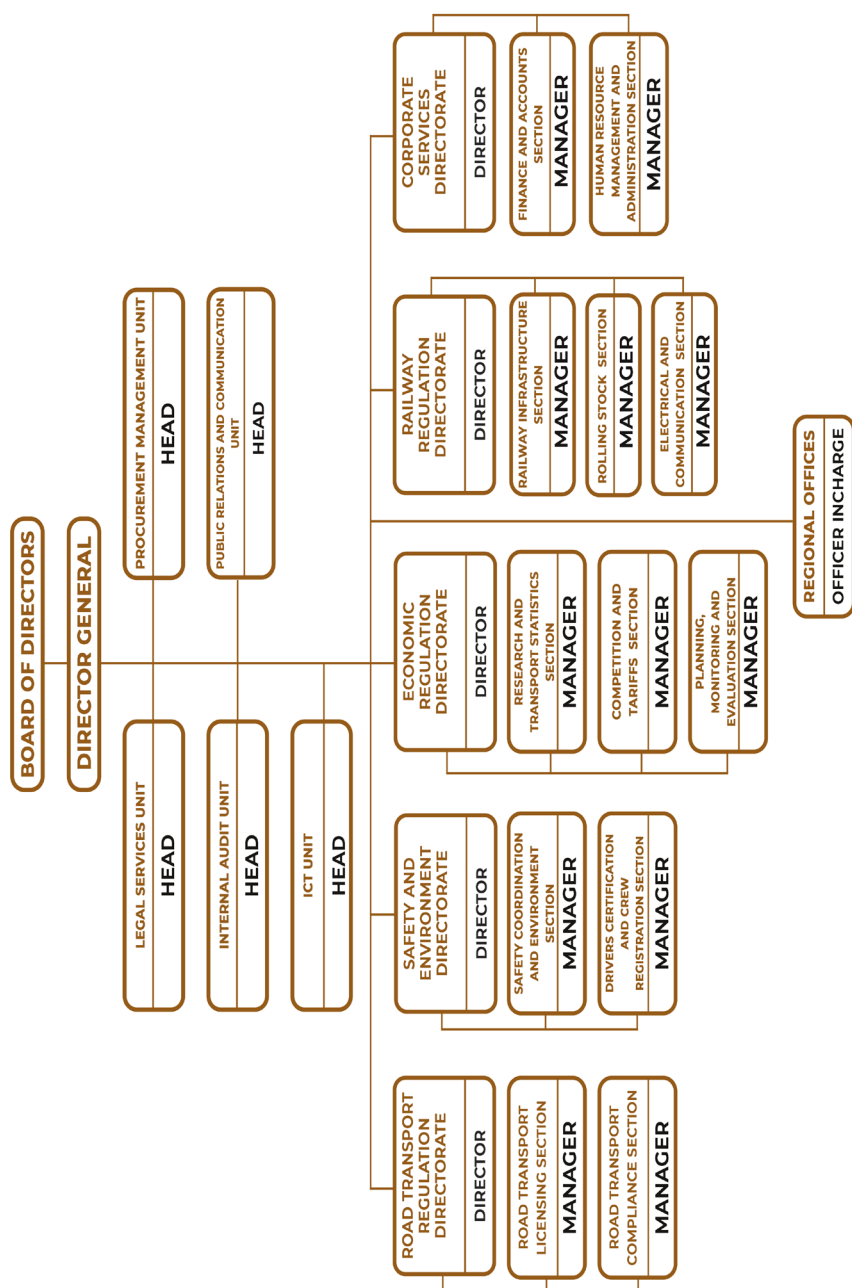
Eng. Dr. Michael P. Kisaka
Board Member



CPA Habibu J. Suluo
Board Secretary

ORGANISATION STRUCTURE

APPROVED ORGANIZATION STRUCTURE OF THE LAND TRANSPORT REGULATORY AUTHORITY (LATRA)



SENIOR MANAGEMENT



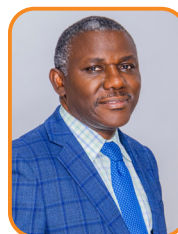
CPA Habibu J. S. Suluo
Director General



Mr. Abdallah A. Mhagama
Director, Economic Regulation



Eng. Hanya M. Mbawala
Director, Railway Regulation



DCP. Johansen J. Kahatano
Director, Road Transport Regulation



Mr. Athuman M. Kwikima
Director, Corporate Services



Ms. Mwadawa S. Sultan
Head, Legal Services Unit



CPA Peter J. Mbelwa
Chief Internal Auditor



Eng. Eliud H. Kataraihya
Head, Information and Communication Technology Unit



Mr. Jumanne A. Swavila
Head, Procurement Management Unit



Mr. Salum S. Pazy
Head, Public Relations and Communication Unit

AUTHORITY'S INFORMATION

AUDITORS:

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

SUB – CONTRACTED AUDITORS:

Dar Financial Consultants,
4th Floor Mpakani Centre Building,
Plot No. 8, Block 46, Room Suit, F4, R04,
Sam Nujoma Road, Mwenge,
P O Box 13985,
DAR ES SALAAM, TANZANIA.

PRINCIPAL PLACE OF BUSINESS:

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

CRDB Bank Plc,
Lumumba Branch,
Ushirika Tower,
P. O. Box 2318,
DAR ES SALAAM, TANZANIA.

SECRETARY TO THE BOARD:

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

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairman of the Board,
Land Transport Regulatory Authority,
P.O. Box 1742,
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 2024, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly in all material respects, the financial position of Land Transport Regulatory Authority as at 30 June 2024, and its financial performance and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards (IPSAS) Accrual basis of accounting and the manner required by the Public Finance Act, Cap. 348

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of financial statements as a whole and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

No.	Key audit matter	How my audit addressed the key audit matter
1.	Slow pace noted on licensing vehicle registered by TRA	Licensing Efficiency Objective Auditors aimed to assess LATRA's capacity to license all commercial vehicles registered by TRA. A five-year data sample (2019 to 2023) was used for the evaluation. Procedures Taken • Requested data from LATRA regarding the registration and licensing status of commercial vehicles. • Compared LATRA's data on licensed commercial vehicles with TRA's data on registered commercial vehicles. • Assessed LATRA's capacity to license all registered commercial vehicles within the sampled period. Findings Identified a significant licensing gap between the number of vehicles registered by TRA and those licensed by LATRA. Management Response Management acknowledged challenges in obtaining accurate licensing data. Auditors' Comments LATRA should ensure they have accurate and relevant data to enhance its ability to assess and improve licensing performance

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.

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)

Responsibilities of the Controller and Auditor General for the Audit of the 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 requires me to satisfy myself that the accounts have been prepared in accordance with the appropriate accounting standards.

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

1.0 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 (Continued)

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 of the Land Transport Regulatory Authority for the financial year 2023/24 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that procurement of goods, works and services for 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 of the Land Transport Regulatory Authority for the financial year 2023/24 as per the Budget Act and other Budget Guidelines.

Based on the audit work performed, I state that Budget formulation and execution for 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 2025



2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE

2.1 INTRODUCTION

Those Charged with Governance are pleased to submit this report together with the financial statements of the Land and Transport Regulatory Authority (LATRA) for the financial year ended 30 June 2024. The financial statements disclose the financial position and state of affairs of LATRA as of 30 June 2024.

This report is prepared in compliance with the Tanzania Financial Reporting Standard No. 1 (TFRS No. 1) requirements 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 an analysis of the Authority's operations and financial review with a forward-looking orientation to assist primary users and stakeholders in assessing the strategies adopted by the Authority and the potential of those strategies to succeed toward creating value over the short-, medium- and long-term periods.

2.2 DUTY OF THE AUTHORITY

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

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

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.3 THE CULTURE OF THE AUTHORITY

The culture of the Authority consists of a shared vision, mission, and core values. The Authority's aspiration is set out in its vision statement. The mission statement provides a means of achieving the vision and the core values represent employee's moral boundaries. These are narrated as follows

Vision Statement

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

(a) Mission Statement

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

(b) 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 a 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 openly and collaboratively; and
(vi)	Innovativeness:	We strive to find better ways of adding value to our services.

2.4 NATURE OF THE OPERATIONS

The Land Transport Regulatory Authority (LATRA) is a Government Regulatory Authority mandated to enhance the welfare of Tanzania society through promoting competition, safety, and availability of regulated services. The Authority is set to regulate the land transport sectors particularly, the transportation of goods and passengers (commuter buses, intercity buses, goods-carrying vehicles, taxis, motorcycles, and tricycles), railways, and cable transport.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4 NATURE OF THE OPERATIONS (CONTINUED)

In undertaking its mandate, the Authority is required to protect the interests of consumers and efficient service providers while preserving the environment.

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

The Authority conducts its affairs in accordance with the LATRA Act CAP. 413 and its regulations. Additionally, Section 5(1) mandates that LATRA perform the functions conferred upon it under the sector legislation, the Transport Licensing Act No. 1 of 1973 and the Railway Act of 2017.

Sections 41 and 45 of the LATRA Act mandate the Authority to make rules and regulations respectively. During the financial year 2023/24, the Ministry of Transport, in collaboration with the Authority, gazetted five new regulations and two new rules.

b) The Industry in which the Authority Operates.

The Land Transport Regulatory Authority (LATRA) operates within the transport industry, regulating commercial land transport services, in road, railway, and cable transport.

In road transport, LATRA oversees commercial operators of buses, taxis (including ride-hailing services), trucks, and motorcycles. The Authority ensures adherence to safety standards, service quality and availability, and fare regulations. In rail transport, the Authority is responsible for regulating infrastructure maintenance, fare setting, and the implementation of safety standards.

For all the years, the dominant means of land transportation was either through road or railways. Recently, the need for cable transport has gained momentum, especially in tourist attraction areas where investors have shown interest in introducing cable transport services. To lead the initiatives, the Authority is working with the MoT in drafting the Cable Transport Regulations for submission to the stakeholders for opinions. As well, the Authority's organization structure was reviewed to introduce a cable transport unit aligned with the emanating new demands. The revised structure was approved by the Board of Directors and submitted to the Treasury Registrar in March 2024 for scrutiny and onward submission to the relevant authorities for approval. It is expected to be considered deliberated and approved by the end of the financial year 2024/2025. Once in place, the Authority will be in a good position to promote and regulate cable transport across the country.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4 NATURE OF THE OPERATIONS (CONTINUED)

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

The Authority is the regulator of land transport in Mainland Tanzania. As a regulator, the Authority provides transport licenses and permits to service providers. Moreover, it allocates routes for buses, certifies the competencies of drivers, and registers crew for commercial vehicles to enhance the safety and quality of services. To enhance compliance, LATRA conducts roadside inspections, audits, and investigations to establish the causes of accidents.

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

LATRA operates in 26 regional offices and has established 11 sub-offices at the district level, providing regulatory services, especially licensing, monitoring, and public awareness to customers, other stakeholders, and the general public.

The Authority customers include regulated service providers, vehicle owners, drivers, and crew of commercial vehicles and trains.

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

Each year, the Authority organizes collaborative planning and budgeting sessions to prioritize 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 the day-to-day operations of the Authority.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4 NATURE OF THE OPERATIONS (CONTINUED)

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

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

The Authority's Head Office is in the Capital City, Dodoma, since 27 September 2022. The head office is located in the Mkandarasi Building, which is owned by the Contractors Registration Board (CRB).

In addition to its head office, the Authority operates in twenty-six (26) regions of Mainland Tanzania. To expand its regulatory activities, especially in areas with a high number of regulated services, the Authority established 11 sub-offices in various locations, including Mikocheni for the Vehicle Tracking System (VTS), Magufuli Bus Terminal, Tegeta and Mbagala in Dar es Salaam, Kahama Town in Shinyanga, Makambako Town in Njombe, Ifakara Town in Morogoro, Nzega Town in Tabora, Masasi Town in Mtwara, Same Town in Kilimanjaro, and Korogwe Town in Tanga.

e) Effectiveness and Efficient Utilization of Resources

The Authority utilizes 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 the right skills, acquisition and disposal of intellectual and physical resources as well as oversight on Management and operations. Efficiency is achieved through the deployment of internal policies and procedures on the management of resources, automation of business processes, building staff capacity, and regular employee performance management.

The LATRA Five-Year Corporate 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 the welfare of Tanzania society as stipulated in the LATRA Act Cap 413. Annual plans and budgets are drawn from the plan to ensure effective utilization of resources in line with Government priorities.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4 NATURE OF THE OPERATIONS (CONTINUED)

e) Effectiveness and Efficient Utilization of Resources (Continued).

During the year, the Authority developed its own HIV, AIDS, and Non-Communicable Diseases (NCDs) Internal Policy, which was approved by the Board on 13 June 2024, with implementation expected to begin in the following financial year, 2024/25. The Board also approved the LATRA Accounting Manual in April 2024. Details of the resources are provided in the relevant sections of the report.

f) Macro and Micro Economic Conditions

In the year 2023/24, Tanzania's economy grew by 6%, with growth in the transport sector averaging 11.6%. This growth in the transport sector was driven by continued government investments in road and railway infrastructure, an increase in industrial activities, and a recovery in sectors affected by previous global disruptions, notably the war between Russia and Ukraine. The commencement of SGR passenger service operations from Dar es Salaam to Morogoro effective from 14 June 2024, followed by the train services from Dar es Salaam to Dodoma effective from 25 July 2024, is expected to enhance socio-economic activities by reducing travel time and costs.

Exchange rate fluctuations and shortages of foreign exchange have impacted the cost of fuel, imported spare parts, and other consumables. General and specific inflation rates remained stable at around 3.1% for most months of 2023/24. Fuel inflation was relatively low at 2.1% for most of the year. However, transport-related annual average inflation was high at around 5.2%.

g) Market Forces and Competitive Position

The sector is dominated by small operators with small fleet sizes. Among licensed goods-carrying vehicles, 85% are owned by individual operators, with an average fleet size of 2 vehicles while companies represented 15% with an average fleet size of 14 vehicles.

The situation poses a challenge in terms of regulation as it attracts high costs for enforcing compliance and low quality of services due to poor business management. To change the situation, LATRA initiated strategies for promoting the formation of cooperatives and companies which will reverse the situation.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4 NATURE OF THE OPERATIONS (CONTINUED)

g) Market Forces and Competitive Position (Continued).

On the other hand, there are geographical advantages for Tanzania as the Dar-es-Salaam port is better positioned to serve the land-linked countries of Burundi, the Democratic Republic of Congo, Malawi, Rwanda, Uganda, and Zambia. However, over 90% of the cargo passing through Tanzanian ports to the land-linked countries is carried by road and the remaining portion is by railway. The cost of transportation through road is higher prompting the Government to upgrade the existing railways and construct a 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.

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 in fares being lower than capped fares by around 20%. There is also a scramble for passengers among operators of commuter buses, motorcycles, and tricycles, a situation that threatens the sustainability of the services in major cities. The month of December is characterized 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 the availability of services.

h) The Speed and Effect of Technological Change

During the financial year 2023/24, LATRA began developing its own core ticketing engine to address the challenges of unintegrated ticketing systems and to facilitate easier access to tickets. The system is expected to be completed before end of December 2024 and will enable eTicketing vendors to exchange information.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4 NATURE OF THE OPERATIONS (CONTINUED)

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

The ICT systems in use for providing regulatory services include:

- i. **The Vehicle Tracking System (VTS)** is connected to locomotives and buses. Until 30 June 2024, a total of 10,772 (30 June 2023:8,734) buses and 18 locomotives (30 June 2023:8) were connected to this system. The use of the system has strengthened control of speed at all times and wherever these units are located.
- ii. **The Railways and Roads Information Management System (RRIMS).** This is the main system used to issue licenses for commercial vehicles and registration of drivers and crews for commercial vehicles. Through the system, regulated service providers can register and apply for licenses online from anywhere. Applicants can also pay license fees through the system which is integrated with GePG. After payment, the license can be printed online by the service providers or can be collected at any of the LATRA offices in Tanzania.
- iii. **The Drivers Testing System (DTS).** This system was developed to facilitate the 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. Until 30 June 2024, a total of 3,879 (30 June 2023: 1,704) drivers were tested through the system, among them 1,820 (30 June 2023:1,092) drivers passed and were given certificates. In its bid to ensure drivers are tested in their respective regions, during the year ended 30 June 2024 the Authority opened testing facilities in all 25 regions of Mainland Tanzania.
- iv. **Other IT solutions that are in use are:**
 - Mobile Phones Online Inquiry System for Bus Fares,
 - Electronic Document Management System (EDMS),
 - Integrated Payroll & Human Resource Management System, and
 - Time Attendance (Biometric) System.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4 NATURE OF THE OPERATIONS (CONTINUED)

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

- v. LATRA has also adopted for use the following Government-wide information systems until 30 June 2024:
- Planning and Reporting System (PLANREP),
 - Mfumo wa Uhasibu Serikalini (MUSE),
 - Electronic Office (e-office),
 - National Project Management Information System (NPMIS),
 - National e-Procurement System (NeST),
 - Human Capital Management Information System (HCMIS),
 - Public Employees Performance Management System (PEPMIS),
 - Public Institutions Performance Management System (PIPMIS), and
 - Government Asset Management Information System (GAMIS),

i) Societal Issues

The Authority is required under Section 6(f) to raise public knowledge, awareness, and understanding of the regulated sectors, including the rights and obligations of consumers and regulated suppliers, how complaints and disputes may be resolved, and the duties, functions, and activities of the Authority.

In fulfilling this responsibility to society, the Authority participated in and was awarded first place among regulatory authorities at the 48th Dar es Salaam International Trade Fair (DITF), commonly known as Saba Saba, that was held in Dar es Salaam from June 28 to July 13, 2024.

Additionally, the Authority took part in the International Agricultural Fair (Nanene) held in Mbeya, which concluded on 8 August 2023. On 10 October 2023, LATRA also participated in Rail Safety Week celebrations held under the auspices of the Southern African Railways Association (SARA) for member countries. In Tanzania, these celebrations were held nationally in Tabora region.

In carrying out its functions of enhancing the welfare of Tanzanian societies, the Authority has been participating in activities organized by societies and providing financial support through the corporate social responsibilities (CSR) fund whose details are provided in the respective section of this report.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4 NATURE OF THE OPERATIONS (CONTINUED)

j) Environmental Challenges

Due to inherent factors affecting some road transport companies, implementing green transportation initiatives faces challenges. These challenges stem from both internal and external factors, complicating the transition to more sustainable practices.

External challenges include insufficient parking spaces and limited routes from the port of Dar es Salaam, which disrupt vehicle operations and increase congestion and emissions. Additionally, a lack of road signage contributes to inefficiencies and safety problems, further complicating efforts to improve environmental outcomes.

Internal challenges involve inadequate route planning and scheduling, leading to inefficient travel patterns, higher fuel consumption, and increased emissions. Suboptimal vehicle maintenance exacerbates the problem by reducing vehicle efficiency and further raising emissions. Addressing these internal issues could reduce the environmental impact of road transport operations. Financial constraints and outdated technology also hinder companies' ability to implement advanced green technologies.

In the railways sector, the Authority, in collaboration with other stakeholders, has prepared Environmental Guidelines for review of environmental management in railway services and locomotive and wagon maintenance. Using these guidelines, the Authority inspected both TRC and TAZARA railways during the year and is satisfied with the measures taken by railway operators to preserve the environment.

k) Political Environment

The plans and budgets of the Authority are prepared and implemented while observing the ruling political party (Chama cha Mapinduzi) manifesto.

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

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.4 NATURE OF THE OPERATIONS (CONTINUED)

I) Compliance with Laws and Regulations

The Land Transport Regulatory Authority Act, Cap. 413, and its regulations have been effective in facilitating the discharge of the Authority's mandate. In the financial year 2023/24, the Authority managed to perform its functions in accordance with its Act, and existing laws and regulations, including the Public Finance Act, CAP. 348; the Public Procurement Act No. 10 of 2023; the Public Service Act, CAP. 298; the Public Service Regulations of 2022; and relevant circulars and guidelines issued from time to time.

Section 5(1)(f) of the Act requires LATRA to certify the worthiness of rolling stock and road worthiness of public service vehicles and goods vehicles. In implementing this requirement, the Authority coordinated the establishment of mandatory vehicle inspection centers by conducting a feasibility study. It also identified plots for the construction of the centers in the regions of Mwanza, Arusha, Pwani, Dodoma, and Mbeya. The inspection centers are expected to enhance the quality and safety of regulated commercial vehicles through inspections using specialized equipment that will be installed at the centers.

2.5 SERVICE PERFORMANCE INFORMATION

The statement of service performance information is intended to provide insight into the operations of the Authority for the Financial Year 2023/24 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, the attainment of the targets is a step towards achieving the Authority's strategic objectives.

The reporting is based on the following elements:

- (a) **Objectives, Strategies, and Targets:** These are derived from the LATRA Five-Year Corporate Plan.
- (b) **Risk, Impact, and Mitigation:** Comes from Risk Registers and identifies key risks and provide mitigations to lessen their impacts on the 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 into 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)

2.5 SERVICE PERFORMANCE INFORMATION (CONTINUED)

A summary of service performance information is provided in Table 1 below, and further explanations of the service performance information are provided under respective sections of this report.

Table 1: Service Performance Information

Objectives	Strategies	Target	Risk	Impact	Mitigation	Input	Process	Outputs	Outcome	KPIs	Implementation Status	Budget	Actual
1. HIV/AIDS infections and non-communicable diseases reduced, and supportive services improved.	Short-term:												
	HIV/AIDS and NCDs seminars conducted.	Awareness seminar on HIV/AIDS and NCD conducted for 150 staff by June 2024.	Failure to develop and implement HIV/AIDS and NCDs intervention	Increase in HIV/AIDS infection and NCDs among staff.	HIV/AIDS and NCD seminars conducted.	Financial Resource, Fund to facilitate activity.	Training, Lab testing, Counselling, Nutrition facilitation.	Increased Readiness to test for HIV/AIDS and NCDs.	Decrease in HIV/AIDS among staff	Number of staff attended seminars.	One seminar was held on 26 Dec. 2023. A total of 258 staff (permanent and contract) attended.	208,716	155,425
	Supportive services to staff living with HIV/AIDS and NCDs provided.	Supportive services to staff living with HIV/AIDS provided annually.	Failure to provide support services.	Unwillingness of staff to disclose their status.	Supportive services to staff living with HIV/AIDS provided.	Facilitators from other institutions.	Requesting for funds and allocation as required.	Readiness to disclose the status of HIV/AIDS and NCDs	Improved health of infected staff.	Percentage of staff tested for HIV/AIDS	65% of staff tested for HIV/AIDS.		
	Medium term:												
	Program for prevention of NCDs facilitated.	Program for prevention of NCDs facilitated by June 2024.	Failure to implement a program for NCDs.	Possible increase of NCDs among staff.	Program for prevention of NCDs facilitated	Staff and Funds for preparation and implementation.	Appoint and facilitate a team to prepare the program.	Program for prevention NCDs.	Reduction in the number of NCDs.	Number of ummari facilitated.	One program for physical exercises was facilitated.		
Development of HIV/AIDS Policy.	Long-term:												
	HIV/AIDS policy developed and approved by June 2025.		Failure to develop and implement HIV/AIDS policy.	Possible increase in HIV/AIDS and NCDs cases...	Development of the HIV/AIDS Policy.	Staff are involved in the preparation and implementation of the policy.	Meetings for policy preparation.	HIV/AIDS policy.	Institutionalized procedure for prevention of HIV/AIDS.	One policy ummarize.	One HIV/AIDS policy was developed and approved by the Board in June 2024.		
	NCD guidelines developed and implemented by June 2025.		Failure to develop NCD guidelines.	Possible increase of NCDs among staff.	Guideline for prevention of NCDs developed.	Financial Resource, Fund to facilitate activity.	Appoint and facilitate a team to prepare the program.	Program for prevention NCDs.	Reduction in the number of NCDs.	One policy ummarize.	The guideline is planned for 2024/25.		

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.5 SERVICE PERFORMANCE INFORMATION (CONTINUED)

Table 1: Service Performance Information (Continued)

Objectives	Strategies	Target	Risk	Impact	Mitigation	Input	Process	Outputs	Outcome	KPIs	Implementation Status	Budget	Actual
2. National anti-corruption strategy implementation enhanced and sustained.	Short-term: Enhance awareness of staff on corruption	Ethics awareness for LATRA staff implemented by June 2024.	Failure to make ummarize decisions by LATRA staff.	Poor regulation of the transport sector.	Regular training on ethics and corruption to staff and stakeholders.	Facilitators and funds for training.	Organise and facilitate training.	Staff trained to fight against corruption.	Reduced number of corruption ummarize.	Number of seminars Staff attended seminars.	One seminar was conducted. 132 employees attended from DCS, DTR.	25,650	18,840
		Enhance staff ethical conduct	Failure by LATRA Staff to execute sector regulations.	Tarnished image and reputation of LATRA.	Implementation of Customer Service Charter.	Trainers and funds.	Organise training for the Ethics Committee.	Committee meeting on Ethics and Integrity	Reduced number of complaints related to ethics.	Percentage reduction in complaints.	In 2023/24 no complaint was reported.		
	Long-term:												
3. Land ummarize service availability enhanced	Short-term:	Whistle-blower Policy implemented by June 2025.	Failure to implement the Policy	Persistence of unlawful misconduct.	Implementation of whistle-blower policy.	Intranet and funds for meetings	Intranet and meetings to disseminate the policy to staff.	Implemented policy	Increased number of reported misconducts	The number of reported misconducts.	There was no reported misconduct in the FY 2023/24.		
		Anti-corruption Action plan developed by June 2025	Failure to develop Anti-corruption Action plan.	Possible increase in corruption cases.	Anti-corruption Action plan developed.	Staff and Funds to facilitate activity.	Appoint and facilitate a team to develop the plan	One anti-corruption Action plan.	Reduction in the number of corruption cases.	One anti-corruption Action plan developed	The plan will be developed in FY 2024/25.		
	Short-term:												
	Commercial vehicles licensed.	All commercial vehicles licensed	Failure to issue licenses	Unmatched demand against regulated units.	Regular monitoring inspections of commercial vehicles.	Human Resources.	Use of online application for licenses.	Road licenses for all commercial vehicles	Increase in compliance to ummarize.	Number of licenses issued for commercial vehicles.	A total of 326,576 licenses were issued to commercial vehicles	310,022	310,833
		Compliance to road licensing conditions attained.	Failure to monitor compliance to road regulations.	Possibility of increase in road accidents.	Regular monitoring inspections to reduce accidents.	Financial Resources.	Conduct monitoring inspections of commercial road vehicles.	Quality and safe transport services	Improved quality and safety of transport services	Number of roadside inspections.	During the year ended on 30 June 2024, 85 roadside inspections were conducted.		

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.5 SERVICE PERFORMANCE INFORMATION (CONTINUED)

Table 1: Service Performance Information (Continued)

Objectives	Strategies	Target	Risk	Impact	Mitigation	Input	Process	Outputs	Outcome	KPIs	Implementation Status	Budget	Actual
	One exclusive routes created annually.	At least one license is issued annually.	Failure to issue exclusive license.	Unregulated Rapid Transport System	Timely follow-up and engagement of MoT.	Office Vehicles for inspections	Regulated suppliers to submit applications and pay fees.	Exclusive license	Regulated Rapid Transport Services	One exclusive license issued	One exclusive route from Tabata to Kivukoni was formed.		
	Medium-term: Customer feedback managed.	Conduct customer feedback survey.	Failure to conduct the survey.	Unsatisfactory regulated services.	Customer feedback survey conducted.	Customers/ Stakeholders	Prepare questions and use ICT systems to conduct surveys.	Customer survey	Consumer complaints reduced.	One survey	The customer feedback survey was successfully conducted in June 2024.		
	ISO 9001:2015 certificate obtained.	Implement a Quality Management System (QMS) based on ISO 9000:2015 by June 2025.	Failure to provide uniform regulated service.	Tarnished image of the Authority.	Key processes for Directorates and Units documented, implemented, and monitored.	Financial resource.	Documenting all key processes. Conduct periodic reviews of the documentation.	QMS ummarize.	Timely delivery of ummarize service.	ISO Certification	Certification is planned for 2024/25. In 2023/24, QMS processes based on ISO 9001:2015 were developed.		
	Long-term: Terms and Conditions of service provision developed	Terms and Conditions of service provision developed by June 2025	Failure to develop Terms and Conditions of service provision.	Possible increase in road accidents.	Engagement of Attorney General, MoT and other experts.	Legal and other experts from LATRA, the MoT and Office of AG.	Organize sessions for preparation of the regulations.	Approved Terms and Conditions of service provision	Reduction in road crashes.	Number of reduced road crashes.	Road crashed increased to 1,086 from 1,069 of FY 2022/23.		
	Three (3) exclusive routes created	Three (3) exclusive routes created by June 2025	Failure to issue three (3) exclusive routes created	Possible non-compliance to quality of standards.	Timely follow-up and engagement of MoT.	Conference facilities.	Conduct stakeholder meetings.	Three (3) exclusive routes created	Improved commuter services in major cities	Three (3) exclusive routes created	One route was created in FY 2023/24. The other routes were not formed due to UWADAR readiness to organize its members.		
	Research agenda implemented	Research agenda implemented by June 2025	Failure to develop research agenda	Possibility research which do not address challenges	Coordinate development of the Agenda	Funds for facilitating the activities.	Meetings for preparation of the agenda	Research agenda implemented	Reduction on operation costs to service providers	One research agenda implemented	The agenda will be developed in the FY 2023/24.		

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.5 SERVICE PERFORMANCE INFORMATION (CONTINUED)

Table 1: Service Performance Information (Continued)

Objectives	Strategies	Target	Risk	Impact	Mitigation	Input	Process	Outputs	Outcome	KPIs	Implementation Status	Budget	Actual
	Communication strategy implemented	Communication strategy implemented by June 2024	Failure to implement the communication strategy	High costs and low public understanding of LATRA ummariz	Coordinate development of the strategy.	Funds for facilitating the activities.	Implementing the strategies.	Communication strategy implemented	High understanding of LATRA functions	Communication strategy implemented	Communication strategy was developed and approved by the Board in June 2024.		
	Information Centre for land transport services established.	Information Centre for land transport services established by June 2024	Failure to establish information center.	Possibility of public awareness reduced	Information center to be available	Funds for facilitating the activities.	Information center for Land Transport Service establishing	Information Centre for land transport services established.	High understanding of LATRA functions	One Information Centre established.	The Information Centre for Land Transport Services was established		
4. Safety and environmental preservation in land ummarize enhanced	Short-Term:												
	Commercial vehicle drivers certified.	Certification of commercial vehicle drivers implemented by June 2024.	Failure to monitor driver's certification process.	Increase in road accidents caused by drivers.	Increase the number of drivers testing centres .	New driver testing facilities.	Monitor aptitude test procedures.	Increase in the number of certified drivers .	Decrease in number of accidents caused by human errors	Number of new certified drivers.	In 2023/24 a total of 1,820 drivers (30 June 2023:1,092) were certified.	1,380,905	948,177
	Monitoring inspection for commercial vehicles conducted.	Conduct roadside inspections of commercial vehicles periodically.	Failure to monitor compliance to road regulations.	Non-compliance to regulations.	Regular inspections of commercial vehicles to reduce accidents.	Staff, Funds, and Motor Vehicles.	Monitoring of commercial road vehicles.	Inspection of commercial vehicles.	Increase in compliance to safety conditions.	Number of roadside inspections.	During the year ended on 30 June 2024, a total of 85 roadside inspections were conducted.		
	Monitoring inspection for railway undertaking conducted.	Inspections of ummarized, rolling stock, and operations of railways conducted quarterly	Failure to conduct quarterly safety inspections of TRC and TAZARA.	Possibility of an increase in road and railway accidents.	Inspections on TRC and TAZARA conducted quarterly.	Staff, Funds, and Motor Vehicles	Conduct quarterly inspections of railway infrastructure, rolling stock, and operation.	Inspections of infrastructure, rolling stock, and operations of railways.	Reduction of occurrences of road crashes.	Number of inspections of infrastructure, rolling stock, and operations of railways conducted.	A total of 12 inspections were conducted as planned on TAZARA and TRC.		
	Medium-term:												

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.5 SERVICE PERFORMANCE INFORMATION (CONTINUED)

Table 1: Service Performance Information (Continued)

Objectives	Strategies	Target	Risk	Impact	Mitigation	Input	Process	Outputs	Outcome	KPIs	Implementation Status	Budget	Actual
	Environmental compliance inspection for railway-undertaking conducted.	Environmental compliance inspection for railway-undertaking conducted by June 2025.	Failure to conduct monitoring inspections on railway undertakings.	Increase in spillages and pollution	Conduct environmental inspection at railway undertakings of TAZARA and TRC.	Staff for conducting monitoring inspections.	Conduct environmental compliance inspections.	Environmental compliance inspection for railway undertaking conducted.	Decrease of fossil oil bill. Decreased environmental degradation	Number of compliance inspections conducted.	Two (2) waste inspections were conducted from 30 Aug. to 20 th Sept. 2023 and 17 th July 2023 to 5 th Aug. 2023 at TRC and TAZARA.		
	Environmental compliance inspection for commercial vehicles conducted.	Environmental compliance inspection for commercial vehicles conducted by June 2025.	Failure to monitor compliance to road regulations.	Increase in air and noise pollution	Conduct inspection and enforce the use of dust bins in buses.	Conference facilities.	Conduct environmental compliance inspections.	Compliance inspections for commercial vehicles conducted.	Increased level of hygiene on railways and roads.	Number of compliance inspections – undertaken.	Four (4) environmental compliance inspection were undertaken on the road transport.		
	High occupancy buses in major cities established.	Promote the use of high-occupancy buses by June 2025	Failure to promote high occupancy buses.	Increase in road congestion in major cities.		Reference books and reports.	Conduct sensitization for high occupancy buses.	Use of high occupancy buses in major cities.	Decrease of fossil oil bill. Decrease in air pollution	Number of high occupancy buses in major cities.	In DSM 56 and Arusha 154 licenses for high-occupancy buses (above 40 pax) were issued.		
	Long-term:												
	Compliance with fatigue management unmarized attained.	Regulations on driver fatigue management developed and implemented by June 2025.	Failure to develop Regulations on driver fatigue management.	Possible increase in road accidents.	Engagement of AG, MoT and other experts to develop the regulations.	Funds for preparation of the regulations.	Organize sessions for the preparation of the regulations.	Approved fatigue management regulations	Reduction of occurrences and road crashes.	One driver Fatigue management regulations unmarize.	One driver fatigue management regulations was developed.		
	Land transport safety coordination framework implemented.	Land transport safety coordination framework developed by June 2025.	Failure to develop land transport safety coordination framework.	Uncoordinated, ineffective, high-cost efforts to enhance safety.	Coordinate development of land transport safety coordination framework.	Legal and other experts from LATRA, the MoT, and the Office of AG.	Conduct stakeholder meetings.	Approved transport safety coordination framework.	Reduction of operation costs to service providers	One transport safety coordination framework unmarize.	One transport safety coordination framework was developed.		

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.5 SERVICE PERFORMANCE INFORMATION (CONTINUED)

Table 1: Service Performance Information (Continued)

Objectives	Strategies	Target	Risk	Impact	Mitigation	Input	Process	Outputs	Outcome	KPIs	Implementation Status	Budget	Actual
5. Authority capacity to execute its regulatory functions enhanced	Short-term												
	Annual Procurement plan implemented	Quality goods, works and services procured by June, 2024	Failure to attain value for money	Qualified audit report	Laws and regulations to match with business environment	Financial Resources	Develop procurement processes and manuals	Timely procurement	Efficient procurement process	Percentage of Implemented tenders	98% of tenders procured	230,403	203,144
	Training plan implemented annually	LATRA training plan developed, approved and implemented annually.	Inadequate skills for regulation.	Possible noncompliance to Laws and Regulations.	Conducting Training Need Assessment and allocation of budget.	Financial Resources	Organize training sessions.	Training plan with 50% of staff attend training	Increase in compliance to Laws and Regulations.	Number of training programs conducted.	27 training programs were conducted in which 125 staff attended.		
	Percentage increase in revenue collection.	Annual revenue collection increased by 20%	Failure to achieve budgeted collections.	Inability to achieve financial goals.	Use of Electronic Ticketing by bus operators.	Financial Resource, Fund to facilitate activities.	Development of universal application for eTicketing.	Revenue increase by 20%.	LATRA capacity to execute its regulation enhanced.	Percentage increase of revenue collection.	For FY 2023/24 revenue increased by 10.4% being below the target of 20.0% by 9.6%.		
	Authority's activities monitored and evaluated	Development of Monitoring and Evaluation Framework	Failure to Monitoring and Evaluation Framework.	Inadequate Monitoring and Evaluation.	Coordinate development of monitoring and evaluation framework.	Engagement of M & E experts.	Conduct meetings.	Approved M & E framework.	Reduction of operation costs to service providers	One M & E framework ummarize.	One M&E framework was developed.		
	Medium term:												
	Review of three (3) ummarized facilitated	Five (5) LATRA new regulations facilitated by June 2025	Failure review legislation	Lack of instruments to regulate the sector.	Engagement of AG, MoT and other experts to develop the regulations.	Experts, Staff and Funds.	Organise preparation sessions/ meetings	Number of regulatory instruments ummarize.	Enhance ummarize environment	Number of legislation reviewed/ drafted.	Five (5) LATRA new regulations facilitated by June 2024		

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.5 SERVICE PERFORMANCE INFORMATION (CONTINUED)

Table 1: Service Performance Information (Continued)

Objectives	Strategies	Target	Risk	Impact	Mitigation	Input	Process	Outputs	Outcome	KPIs	Implementation Status	Budget	Actual
	Stakeholders' sensitization program on legislation implemented by June 2024	Consultation Program with Stakeholders established and implemented by June 2025	Failure to prepare stakeholders' sensitization program.	Lack of stakeholders' engagement in decisions	Preparation of the program	Staff, conference facilities.	Form a team to prepare the program.	Sensitization program prepared.	Enhanced collaboration with stakeholders	One sensitization program prepared.	Program was established, reaching 445 Stakeholders in 6 regions, including 30 Members of Parliament.		
	Long term: Construction of LATRA Head office and two (2) regional offices.	Head office and two (2) regional offices constructed by 2025.	Failure to construct the LATRA Head Office and regional offices	High renting costs and a non-conducive working environment	Preparation of ToR, the Concept Note, drawings, and initiation of the tender process	Experts, Staff, NeST, and Funds.	Solicit funds, seek construction approvals, and supervise the process.	Number of offices constructed.	Reduction in renting costs and improved working environment.	3 Offices constructed.	Construction not started. In 2023/24, funds were secured, project registered and procurement of a consultant initiated.		
	Infrastructure and systems upgraded and integrated to key stakeholders by June 2025.	Infrastructure and systems upgraded and integrated with TRC, UDART and MoF	Failure to upgrade ICT systems	High costs in the provision of regulatory services.	Upgrade LATRA ICT Infrastructure to connect with key stakeholders.	Engagement of eGA, TRC, UDART, and MoF.	Connecting TRC, UDART, and other stakeholders.	GePG, MUSE, and RRMS integrated.	Efficiency in revenue collection and provision of services.	Number of stakeholders connected.	TRC is already connected and levy for MGR is collected using universal control numbers.		

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

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.5 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 summarized 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 preserve 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. As of 30 June 2024, the Authority had 184 employees as compared to 154 employees in 2022/23. All have pre-requisite skills and competence on regulatory functions.

The Authority earned a total of TZS 37.06 billion during the current financial year while the previous year 2022/23 the revenue was TZS 34.79 billion. The expenses in this financial rose to TZS 35.82 billion compared to TZS 33.87 billion of previous year 2022/23. Regarding intangible resources, the Authority relies on its Act, CAP 413, and regulations, as well as ICT applications, to implement its mandate. The Ministry of Transport, in collaboration with the Authority, developed eight regulations that were gazetted in 2020. During the financial year 2023/24, the Ministry of Transport, in collaboration with the Authority, gazetted five new regulations and two rules. The Authority has also established strong working relationships with both internal and external stakeholders, which facilitates the effective implementation of its mandate.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.5 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 2023/24 are summarized as follows:

- A total of 326,576 licences were issued to commercial vehicles compared to 284,154 licences that were issued in the previous year 2022/23.
- A total of 9,539 drivers were registered as compared to 6,806 drivers registered in similar period last year.
- Issued 3,427 intercity passenger service vehicles timetables against 4,670 issued in the similar period last financial year.
- Established 610 new routes for commuter services as compared to 156 that were established in the similar period last financial year.
- Conducted 85 regular roadside inspections to enforce compliance against 104 that were conducted in the previous financial year.
- Two major accidents/incidents related to railway infrastructure were reported and investigated, similar to the previous year.
- 12 safety inspections on TAZARA and TRC rolling stocks and infrastructures were conducted against 6 that were conducted in the similar period last year.

Outcomes

The overall expected outcome of LATRA's performance is to enhance the welfare of Tanzanian society. The number of licensed vehicles available for land transport services increased by 14.9% in the current financial year, compared to an 18.4% increase in the same period last year.

The safety of road and railway transport services has also improved. Only one major road accident was reported and investigated this year, compared to four accidents in the same period last year. In the railway sector, two accidents were reported and investigated this year, the same as in the last financial year.

Additionally, there has been a notable improvement in the quality of passenger service vehicles and train services, contributing to increased customer and passenger satisfaction.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.5 SERVICE PERFORMANCE INFORMATION (CONTINUED)

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 targets narrated under each objective, were implemented in 2023/24.

(a) Land transport service availability enhanced

The Authority planned to conduct 16 roadside joint inspections during the year. As a result, a total of 22 roadside joint inspections were conducted, exceeding the target by 37.5%.

The Authority planned to allocate one exclusive bus route for Dar es Salaam city by June 2024. In this regard, one exclusive route from Tabata Chang'ombe to Kivukoni was created and allocated to DARCOBOA.

The Authority planned to conduct surveys of the number of motorcycles and motor tricycles in Dar es Salaam and Mwanza regions. During the year ending on June 30, 2024 two surveys were conducted on the number of motorcycles and motor tricycles in Dar es Salaam and Mwanza. The survey established a total of 107,677 and 56,876 motor/tricycles for Dar es Salaam and Mwanza respectively.

It was planned to produce and disseminate 100 programs on public awareness and education through TV and LATRA's YouTube channel by June 2024. As a result, a total of 109 programs were produced and disseminated through TV and LATRA's YouTube channels by 30 June 2024, exceeding the target by 9%.

A survey on the demand and supply of inter-city buses was planned for five major routes by 30 June 2024. The survey was conducted on five major routes from 27 May 2024 to 1 June 2024.

Our target was to licence 80% of registered commercial vehicles by TRA, by 30 June 2024. Performance by 30 June 2024 shows that 90% of registered commercial motor vehicles were licensed, with 326,576 Road Service licenses issued, representing an increase of 12.5%.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.5 SERVICE PERFORMANCE INFORMATION (CONTINUED)

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

The Quality Management System (QMS) based on ISO 9001:2015 was planned for implementation by 30 June 2024. At the end of the year, documentation of key QMS processes based on ISO 9001:2015 for the Directorates and Units was completed, and staff training on QMS as well as internal reviews of the documented processes was conducted. Progress stands at 75%, with certification planned for 2024/25.

(b) Safety and environmental preservation in land transport enhanced

The establishment of drivers/crew facilities in the remaining regional offices was planned by 30 June 2024. During the year, three driver certification centers and 18 examination facilities (a total of 21) were established by June 2024, making the total number of driver testing facilities 25, of which five are centers.

Our target was to conduct quarterly Safety Inspection for TRC and TAZARA Rolling Stock & Equipment by June 2024: During the year, four (4) inspections of rolling stock and equipment were conducted for TAZARA at Mbeya (3 August 2023), TRC at Tabora (8th and 9th September 2023), TAZARA in DSM Marshalling yard (8 November 2023), TRC at DSM Ilala yard for pre-departure train (20 October 2023).

The Authority planned to conduct two (2) pre-shipment safety inspections of new or leased equipment by June 2024. As planned, two pre-shipment inspections of eight (8) Class 91 new locomotives for TRC were conducted in Malaysia from 7th to 14th May 2024.

It was planned for at least 9,000 licensed buses to be fitted with Vehicle Tracking Devices (VTDs) by June 2024. A total of 10,772 inter-urban buses were fitted with VTDs.

The Authority targeted to investigate 100% of reported major railway accidents by 30 June 2024: During the year under review, one major railway accident reported on the TAZARA network was investigated.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.5 SERVICE PERFORMANCE INFORMATION (CONTINUED)

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

Planned for six (6) seminars involving TRC and TAZARA safety critical workers by June 2024: In this regard, four (4) seminars were conducted. At Makambako on 23 May 2024, and Mbeya on 24 May 2024 in the TAZARA network. Similar seminars on Human error prevention were conducted at Tanga on 28 May and Moshi on 30 May 2024 in the TRC network.

Inspection on waste management for TRC and TAZARA operations were planned to be conducted by June 2024: Two (2) waste management Inspections were conducted from 30 August to 20 September 2023, and from 17 July 2023 to 5 August 2023 at TRC and TAZARA respectively.

Our target was to conduct four (4) monitoring inspections on waste management in road operations by June 2024. As planned, In June 2024, four (4) monitoring inspections on waste management were conducted along the Dar es Salaam-Arusha, Dar es Salaam-Mwanza, Dar es Salaam-Mtwara, and Lindi – Makambako routes.

Planned for all reported major road accidents investigated by June 2024: During the period one major road accident which occurred on 21 October 2023 at Nzega was investigated as planned.

(c) Authority capacity to implement land transport regulation improved

The Authority targeted a 6.5% increase in revenue collections, from TZS 34.80 billion (2022/23) to TZS 40.1 billion by June 2024. Revenue amounting to TZS 37.06 billion was recorded, against revised target of TZS 35.5 billion, achieving the revised target at 97.8%.

Planned to facilitate five (5) LATRA new regulations by June 2024: During the year, eight (8) Rules and Regulations under the LATRA Act, Cap. 413, were drafted.

Our plan was to audit licensing activities in 32 LGAs by June 2024: As a result, thirty-seven (37) LGAs were audited, surpassing the target by 15.6%.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.5 SERVICE PERFORMANCE INFORMATION (CONTINUED)

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

(c) Authority capacity to implement land transport regulation improved (Continued).

Six (6) monitoring surveys on the quality of regulated land transport services were planned by June 2024: During the year, eight (08) monitoring surveys were conducted on the following routes; DSM -Arusha (22nd to 28th Nov. 2023). Arusha-Bariadi, Bariadi-DSM, DSM-Njombe (22nd to 28th March 2024), Njombe-Mbeya (22 to 28 March 2024), Mbeya-Tabora (22nd to 28th March 2024), Tabora-Dodoma (22 to 28 March 2024). Train passenger route of Tabora-DSM (20th and 22nd Dec.2023).

Universal e-ticketing system was planned to be developed by June 2024: Approval of the project was granted by eGA on 29 November 2023 and implementation began in June 2024 to be completed in December 2024.

Construction works for the Head Office Building in Dodoma was planned to start by June 2024: The Project Concept Note, design works, consultant, and cash flow projections were approved, and the project was registered with the Ministry of Finance, which granted the commitment of financing. The procurement of a consultant through Nest is ongoing.

Planned Two (2) regional office buildings by June 2024: During the year the following were implemented in the construction of offices at Simiyu and Songwe; approved ToR for the project supervision team, the Concept Note, the architectural drawings, the appointment of the supervision team, and the tender evaluation for the contractor.

The Authority planned to acquire two (2) plots for construction of LATRA offices by 30 June 2024: Two plots were acquired during the year at Makambako in Njombe region, and Rukwa region as planned.

Annual customer feedback survey conducted by 30 June 2024: The annual customer feedback survey was conducted as planned, indicating positive feedback by 81% of the surveyed customers.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.5 SERVICE PERFORMANCE INFORMATION (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 services;
- (iii) establish terms and conditions for 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) facilitate resolution of complaints and disputes;
- (ix) 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 LATRA Act repealed the SUMATRA Act. Section 5 (1)(b) of the LATRA Act requires the Authority to perform functions conferred to it by sector legislations, the Transport Licensing Act, the Railways Act, and other sector legislation.

As a regulator, the Authority issues licenses and permits to regulated service providers and registers drivers and crew of commercial vehicles. The Authority's customers include regulated service providers, vehicle owners, drivers and crew of commercial vehicles, and train operators.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.5 SERVICE PERFORMANCE INFORMATION (CONTINUED)

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 provide that both LATRA and the Tanzania Police Force should undertake vehicle inspection. 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 legislation and propose amendments. The amendments are expected to be implemented on the proposed amendments of the legislation.

Five regulations were issued in 2024 to ensure a solid framework is put in place to enhance compliance and improve the safety of regulated vehicles.

The regulations are: The Land Transport Regulatory Authority (Application of Vehicle Tracking System) Regulations, 2024, GN No. 21, the Land Transport Regulatory Authority (Application of Electronic Ticketing) Regulations, 2024, GN No. 20, published on 12 January 2024, and the Land Transport Regulatory Authority (Facilitation of Service Providers) Regulations, 2024, GN No. 17, published on 12 January 2024.

SECTION 06: Service performance objectives

The service performance objectives for LATRA are derived from its Five Years Strategic Plan (2020/21-2024/25). Details of the objectives are provided under Part 2.6 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 the annual Plan and Budget derived from the revised Corporate Strategic Plan (2020/21-2024/25). The KPIs for the year ended 30 June 2024 are given in Table 1 above.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.6 OBJECTIVES AND STRATEGIES

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

The LATRA Five Years Corporate Strategic Plan 2020/21 -2024/25 was revised in the financial year 2022/23 at its mid-term of implementation. The review was conducted in October 2022 with the collaboration of experts from the MoT, MoF, and President's Office- Public Service Management and Good Governance. The revised plan was endorsed by the Workers' Council in January 2023 before being approved by the Board of Directors in March 2023. During the year, the Authority began the first implementation of the Revised Strategic Plan.

The Revised Strategic Plan sets out strategic goals and objectives, targets, and performance indicators. Specifically, the Plan emphasize strategies to be executed to achieve the strategic objectives, and Results Based Management (RBM) approach, which emphasizes the desired outcomes of the activities rather than the activities themselves. The Revised Plan have five (5) strategic goals as follows:

- (a) HIV/AIDS Infections and NCDs Reduced and Supportive Services Improved.
- (b) Implementation of National Anti-Corruption Strategy Enhanced and Sustained.
- (c) Land transport service availability enhanced.
- (d) Safety and environmental preservation in land transport enhanced.
- (e) Authority capacity to implement land transport regulation improved.

The short, medium and long term Strategies has been detailed in Section 1.5, Service Performance Information.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.7 STAKEHOLDER RELATIONSHIP

The Authority believes that the stakeholders and customers are what make the Authority exist. Several measures have been taken to institute responsible behavior towards members of the Authority and other stakeholders. These measures include, but are not limited to, holding interactive meetings, seminars, and workshops; providing 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 2** below provides details of their interests/concerns and the value we create to each category.

Table No. 2: Stakeholders Relationship

S/n	Stakeholders	Their Interests / Concerns	Value we create
1	General Public	- Information on regulatory services provided - Corporate Social Responsibilities (CSR) - Redressing consumer complaints on regulated services - Affordable and reliable land transport services	- Increased public trust - Shared responsibility for the safety and environmental preservation - Reduced accidents and their impacts - Safe and Quality transport Services.
2	Ministries, Independent Departments and Executive Agencies (MDAs) Parastatal organization	- Reliable and timely information and data sharing - Cooperation in matters related to land transport - Timely performance reporting - Provision of Government remittance - Budget support to affiliated international organizations	- General understanding and support. - Improved political will - Cooperation - Budget support and funding - Shared responsibilities and costs - Improved compliance
3	Mass media	- Provision of information to the Public - Awareness creation on the Authority functions	- Public understanding - Increased consumers - Reduced complaints - Quality services
4	Parliament	- To review the performance of LATRA in line with the Act and budget - To review/harmonize legislation - Public and economic order	- Political support - Positive Advocacy - Timely legislative reviews
5	Land Transport Service Providers	- Market information - Timely release of operating licenses - Profitable business - Smooth business operations - Opinions to be heard	- Improved economic services - Increased regulatory finances - Customer retention - Compliant services - Effective competition

Source: LATRA Strategic Plan 2020/21 and 2024/25

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.8 OPERATING AND FINANCIAL REVIEW

(a) Analysis of Financial Performance

Revenue

During the year ended 30 June 2024, the Authority earned revenue amounting to TZS 37.06 billion as compared to TZS 34.80 billion that was earned in the similar corresponding year of 2022/23 comprising of Exchange and Non-Exchange Revenue Transactions. Table 3 below summarizes the revenue collection.

Table 3: Revenue Collection (All figures in TZS “000”)

Revenue Item	2023/24	2022/23	Change	Change
	TZS	TZS	TZS	%
Road Transport Licensing Fees	23,252,780	19,269,429	3,983,351	20.7
Service Provider Annual Levy	660,718	1,177,545	(516,827)	(43.9)
Compliance Fees and Penalties	11,833,373	13,454,632	(1,621,259)	(12.0)
Revenue from various receipts	1,316,039	895,187	420,852	47.0
Total	37,062,910	34,796,793	2,266,117	6.5

Source: LATRA Financial Statements for the year 2022/23 and 2023/24

Expenses

The expenditure of the Authority for the financial year ended 30 June 2024 was TZS 35.82 billion as compared to TZS 33.87 billion for the previous year 2022/23 which was TZS 0.32 billion above the final budget of TZS 35.50 billion. The major items of expenditure are provided below:

(i) Wages, Salaries and Employees Benefits

Expenditure in this category was TZS 12.96 billion as compared to TZS 11.58 billion spent in previous year 2022/23. The increase was attributed to changes in the salary structure in June 2023 and the addition of 34 staff (in aggregate).

(ii) Social (Employee) Benefits

This category comprises of payments to NHIF, WCF and statutory contributions to Pension Fund. During the year under review, TZS 3.62 billion were paid against TZS 2.23 billion which were paid in year 2022/23. These were attributed by addition of 34 staff to cover the vacant posts.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.8 OPERATING AND FINANCIAL REVIEW (CONTINUED)

(iii) Supplies and Consumables

During the year ended on 30 June 2024, the Authority incurred TZS 9.23 billion as compared to TZS 9.49 billion spent in previous year 2022/23 on supplies of goods and services. The supplies included: payment of rent, travel tickets and related expenses, courier services, fuel, utilities, stationery, cleanliness, and communication expenses.

(iv) Contributions and Transfers

During the financial year 2023/24 the Authority contributed TZS 7.19 billion against TZS 6.72 billion which was spent in year 2022/23 to National and International bodies. Contribution of TZS 5.56 billion as compared to TZS 5.22 billion, was paid to the Government Consolidated Fund also TZS 1.62 billion was paid to other National and International bodies as compared to TZS 1.50 billion paid to similar bodies last year 2022/23.

(v) Surplus

The Authority recorded a surplus of TZS 1.20 billion during the year under review as compared to TZS 0.92 billion which was recorded in 2022/23 showing an increase of 0.32 billion. This is due to the increase in collection on account of strategies implemented by Management.

(b) Analysis of Financial Position

(i) Cash and Cash Equivalents

The cash and cash equivalents on 30 June 2024 were TZS 4.14 billion as compared to TZS 4.23 billion recorded in 2022/23 which is a decrease of TZS 0.09 billion, equivalent to 2.1%.

(ii) Inventories

Inventories consist of stationery and other consumables. The value of inventory as of 30 June 2024 was TZS 347.36 million against TZS 595.79 million that was recorded in the previous year 2022/23.

(iii) Other Financial Assets

Benefits for SUMATRA employees, held at the PSSSF as trustees, totaling TZS 267.30 million, were refunded to LATRA on 14 June 2024 following the Board's decision to close the fund.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.8 OPERATING AND FINANCIAL REVIEW (CONTINUED)

(iv) Prepayments

The prepayments as of 30 June 2024 were TZS 746.42 million (2022/23: TZS 340.39 million). This includes advance payment for office rent (TZS 198.61 million) and TZS 2.36 million was at ATCL on account of air tickets. TZS 395.10 million remained with GPSA for supplying diesel, and TZS 13.84 million remained on the account of Malindi Printing Press for supplying licenses. Tuition fees paid in 2021/22 to Galilee Institute, University of Florida, and Greece University of TZS 108.27 million were still unutilized. However, the board has given directives on the best way to utilize the outstanding fees a decision which is under implementation.

(v) Receivables

The major portion of receivables are unpaid notifications and outstanding service providers levy expected from TRC and UDA-RT. At 30 June 2024 receivable stood at TZS 5.84 billion while that of previous year 2022/23 was 4.32 billion. The increase is due to provision made on levy during the reporting period.

(vi) Intangible Assets

The intangible assets as at 30 June 2024 was TZS 253.72 million whereas in year 2022/23 it stood at TZS 191.29 million. The difference was attributed by cost for development of the Core e-Ticketing System and Road Side Cameras to facilitate inspections.

(vii) Property and Equipment

The property and equipment during the year ended 30 June 2024 stood at TZS 11.71 billion as compared to TZS 13.27 billion recorded in year 2022/23. Despite purchase of motor vehicles, furniture and fittings and ICT equipment, the closing balance decreased due to depreciation.

(viii) Non-Current Asset Held for Sale

The non-current assets held for sale at 30 June 2024 stood at TZS 109.78 million compared to TZS 232.98 million which was recorded in year 2022/23. Board of Directors had approved the disposal of asset with a book value TZS 232.98 million in 2022/23. The Minister of Finance through letter Kumb. Na. KA.54/538/01'A'/143 on 12 October 2023, appointed a Board of Condemnation. The disposal is expected to be completed before end of the current financial year 2024/25.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.8 OPERATING AND FINANCIAL REVIEW (CONTINUED)

(ix) Payables and Accrued Expenses

The payables and accrued expenses as at 30 June 2024 were TZS 2.70 billion as compared to TZS 3.45 billion that was recorded in year 2022/23. The major portion are accrued expenses of TZS 1.07 billion under the year under review as compared to TZS 1.77 billion recorded in the previous year of 2022/23 and payable to other institution amounting to TZS 1.08 billion compared to TZS 675.04 million recorded in 2022/23.

Overall Performance

The Statement of Financial Position as of 30 June 2024 reported an increase in the Authority's Net Assets by TZS 0.49 billion, compared to TZS 0.70 billion in 2022/23. The Net Asset value for the year under review stands at TZS 20.49 billion, up from TZS 20.00 billion recorded in 2022/23.

The Authority's Net Assets comprise a Capital Fund of TZS 16.30 billion (2022/23: TZS 17.05 billion), and an Accumulated Surplus of TZS 4.19 billion, (2022/23: TZS 2.95 billion)

The changes in the Net Assets as at 30 June 2024 are attributed to a decrease in total assets by TZS 0.30 billion (2022/23: TZS 1.94 billion). Liabilities decreased by TZS 0.79 billion (2022/23: TZS 1.24 million increase).

Review of Key Ratios

The Authority's key performance ratios for the last three (3) years are shown in Table 4 below.

Table 4: The Authority's Key Performance Ratios, 2021/22-2022/24

Ratio	Purpose	2023/24	2022/23	2021/22	Remarks
Current Ratio	Ability to pay short term liabilities with current assets	4.2:1	2.0:1	2.0:1	High Liquidity.
Quick Ratio	Ability to pay current liabilities without realization of inventory	4.1:1	1.9:1	1.8:1	High Liquidity for all years.
Equity Ratio	Measure proportion of owners' investment in total assets of the Authority.	0.89	0.85	0.78	Equity financed total assets by more than 50%.

Source: LATRA Financial Statements.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)**2.8 OPERATING AND FINANCIAL REVIEW (CONTINUED)****(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:

(i) Cash Flows from Operating Activities

The cash flows from operating activities showed a net cash inflow of TZS 493.75 million (2022/23: net outflow of TZS 256.49 million). This was derived from the difference between cash receipts totaling TZS 36.27 billion (2022/23: TZS 32.03 billion) and payments totaling TZS 35.78 billion (2022/23: TZS 32.29 billion).

(ii) Cash Flows from Investing Activities

The net cash flows used in investing activities of TZS 585.00 million (2022/23: TZS 768.59 million) was derived from capital expenditures including acquisition of property and equipment amounting to TZS 406.18 million (2022/23: TZS 683.65 million) and acquisition of intangible assets amounting to TZS 178.81 million (2022/23: TZS 107.33 million).

(iii) Cash Flows from Financing Activities

There were no cash flows from financing activities during the financial year ended 30 June 2024 (2022/23: Nil).

(d) Budget Performance

The final revenue budget for the year ended 30 June 2024 was TZS 35.50 billion (2022/23: TZS 35.20 billion). Revenue recognized for the year was TZS 37.06 billion (2022/23: TZS 34.79 billion), which is TZS 1.56 billion (2022/23: TZS 0.41 billion) above the final budget. This represents an over-performance of 4.39% (2022/23: 1.16%). The major reason for this performance is the implementation of strategies for revenue collection and the formation of a dedicated debt collection team.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.8 OPERATING AND FINANCIAL REVIEW (CONTINUED)

The final expenditure budget of the Authority for the financial year ended 30 June 2024 was TZS 35.50 billion (2022/23: TZS 32.10 billion) and the actual expenditure was TZS 35.82 billion (2022/23: TZS 33.17 billion), which was above the final budget by TZS 0.32 billion (2022/23: TZS 1.78 billion).

(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.

(i) Development of LATRA Core E-Ticketing System

During the financial year 2023/24, specifically in March 2024, the Authority began the development of its own core e-ticketing system to alleviate challenges associated with the former system, which was developed by the National Internet Data Centre (NIDC), E-Ticketing. The new system is being developed as a core engine to connect all electronic ticketing vendors and systems, providing a single platform for accessing all buses.

The project is being implemented by a team of 14 experts from JWTZ (one front-end developer), TRA/eGA (two back-end developers), TRA, LATRA, EGA, and TRC (six systems analysts), TRC (one full-stack developer), NIDC, TPF (two developers), and NIDC (one business process expert).

According to the system requirements specification document (SRS), the project consists of 14 stages which includes: Project Planning, System Requirements Specification (SRS) Gathering, Approval of the System design, Systems Development, System Deployment and Testing, Training, Security Checks, and Piloting.

Once completed, the system will allow passengers to obtain tickets and operators to receive payments in their bank accounts in real time.

(i) Construction of LATRA National (Head) Office and two regional offices

The Authority is in the process of constructing its National (Head) Office in the capital city, Dodoma, as well as two regional offices in Simiyu and Songwe. The permit for the construction of the LATRA Head Office in Dodoma was issued by the Prime Minister's Office, Policy, Coordination, and Parliament on 16th January 2023.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.8 OPERATING AND FINANCIAL REVIEW (CONTINUED)

The project was registered in the National Project Information Management System (NPIMS) by the Planning Commission and assigned number 6319, which was communicated to LATRA via a letter with reference number EB.117/315/01/96 dated 18 April 2024.

The Authority was advised by the Principal Secretary of the Prime Minister's Office, Policy, Coordination, and Parliament, via a letter with reference Kumb. Na.1/CAB.2/341/01 dated 16 April 2024, to procure the contractor and consultant for the project and to submit the relevant contracts to the Ministry of Finance through the Ministry of Transport. The procurement of a consultant through Nest is ongoing and will be followed by the selection of a contractor.

The construction works for the Head Office Building in Dodoma is expected to begin in the financial year 2024/25.

Regarding the construction of the two regional offices in Simiyu and Songwe, the Terms of Reference (ToR) were approved, along with the project supervision team, the Concept Note, the architectural drawings, the appointment of the supervision team, and the tender evaluation for the contractor was ongoing as of 30 June 2024.

(ii) ISO Certification of LATRA Business Processes

In its strategic plan for 2020/21–2024/25, the Authority set a target to achieve ISO certification by June 2025. During the financial year 2023/24, the Authority completed documenting its business processes for various directorates and units, procured a consultant to facilitate ISO documentation, and conducted an audit of these business processes.

In the coming financial year 2024/25, the Authority will implement a Quality Management System (QMS) by attaining and maintaining certification with ISO 9001:2015 in order to benchmark its operations against international standards.

(iii) Investigation of Major Road Accident

Pursuant to Section 21(1) of the LATRA Act, Chapter 413, the Authority, in collaboration with key road safety stakeholders, investigated the road accident that occurred on October 21, 2023, at 10:29 hrs. The incident involved a passenger bus owned by Iron Technologies Limited (ALFA) with registration number T612CQD, which collided with a fuel tanker truck bearing registration numbers T481AEB / T526AEB. The collision took place at Undomo Village, Uchama Ward, Nzega District, Tabora Region, resulting in 18 fatalities and 80 injuries.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.8 OPERATING AND FINANCIAL REVIEW (CONTINUED)

The investigation identified several causes for the accident, including dangerous driving and inadequate defensive driving skills by the fuel tanker driver. The driver attempted to overtake two vehicles ahead without accounting for the oncoming ALFA bus. To address the challenges the Authority recommended expediting implementation of mandatory inspection of vehicles and speeding up testing and certification of all drivers among other measures.

(iv) Review of LATRA Organization Structure

The review of the LATRA organizational structure began in the previous financial year, 2022/23, the proposed structure was submitted to the Treasury Registrar in May 2023.

During the current financial year, 2023/24, the proposed structure was forwarded to the President's Office, Public Service Management and Good Governance, for review and subsequent approval by the Authority. It is anticipated that the structure will be approved and implemented in the financial year 2024/25.

The proposed revised organizational structure, among other changes, is expected to address the growing need for cable transport. This mode of transport has gained significance, particularly in tourist attraction areas where investors have shown increasing interest.

(v) Development of Regulators Environmental Guideline

The Authority has established Railway Environmental Guidelines, developed in collaboration with various stakeholders, to facilitate the review of environmental management practices in railway services, as well as locomotive and wagon maintenance. These guidelines are utilized by the Authority to conduct annual inspections of both TRC and TAZARA.

To further minimize climate-related risks in the sub-sectors under its jurisdiction, the Authority has initiated the development of a comprehensive Regulators Environmental Guideline, slated for completion by 30 June 2025.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.8 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, interests, 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 resulting in a net asset of TZS 20.45 billion forming the Capital Fund. The Authority's capital structure for the year ended 30 June 2024 consists of a Capital Fund of TZS 16.30 billion (2022/23: TZS 17.05 billion) and an Accumulated Surplus of TZS 4.15 billion (30 June 2022/23: TZS 2.95 billion).

Table 5: LATRA Capital Structure:

ITEM	2023/24	2022/23
	TZS (000)	TZS (000)
Capital Fund	16,297,108	17,047,108
Accumulated Surplus	4,148,624	2,950,822
TOTAL NET ASSETS/ EQUITY	20,445,732	19,997,930

(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)

2.8 OPERATING AND FINANCIAL REVIEW (CONTINUED)

(h) Liquidity of the Entity

During the financial year ended 30 June 2024, the Authority managed its liquidity level to ensure there were 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 6 below.

Table 6: LATRA Trend of Liquidity Ratios, 2021/22-2023/24

Ratio	Purpose	2023/24	2022/23	2021/22	Remarks
Current Ratio	Ability to pay short-term liabilities with current assets	4.2:1	2.0:1	2.0:1	The Authority is highly liquid
Quick ratio	Ability to pay current liabilities without realization of inventory	4.1:1	1.9:1	1.8:1	The Authority is highly liquid

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 2024 was TZS 10.90 billion as compared to that recorded in year 2022/23 which was TZS 6.31 billion. All the above ratios show the Authority was able to fund its current liabilities when they fall due.

2.9 RESOURCES

The Authority has tangible and intangible resources, which include intellectual resources, human resources, social and relationship resources, financial resources, and other resources. These resources were 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:

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.9 RESOURCES (CONTINUED)

(a) Financial Resources (Continued)

- (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 include changes 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 2024, the Authority had operating offices in all 26 regions of Mainland Tanzania. Apart from the regional offices, the Authority had established offices at Magufuli Bus Terminal – DSM, Tegeta – DSM, Kahama – Shinyanga, Makambako – Njombe, Mbagala – DSM, Ifakara – Morogoro, Nzega – Tabora, Masasi – Mtwara, Same – Kilimanjaro, and Korogwe.

The total number of employees in the year under review was 184 (2022/23:154). Most of the employees were transferred from the former regulator, SUMATRA, and those who joined the Authority between 2019 and 2024 either came from public institutions or were recruited through the Public Service Recruitment Secretariat (PSRS). The recruitment was conducted after obtaining approvals from the Board of Directors and permits from the PS-Establishment. The employees were sourced to meet the specific requirements of the Authority in terms of skills, knowledge, and experience necessary for regulating land transport services.

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

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.9 RESOURCES (CONTINUED)

(b) Human Resources (Continued)

Factors that may affect this resource include transfers of employees to LATRA which are 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 the right employees are recruited.

(c) Intellectual Resources

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

- Drivers Testing System (DTS)
- Passenger Service Vehicles Tracking System (VTS),
- Road and Railways Information Management System (RRIMS),
- Mobile Phones Online Inquiry System for Bus Fares,
- Mfumo wa Uhasibu 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 the availability of ICT systems include cyber-attacks and failures of software and hardware as well as internet connections. However, the Authority has a Business Continuity Plan (BCP) in place and alternative procedures to ensure business continues even in the occurrence of such events.

(d) Social and Relationship Resources

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

Factors that may affect social and relationship resources include the 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.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.9 RESOURCES (CONTINUED)

(d) Social and Relationship Resources (Continued)

Despite these, the Authority commits to meeting its obligations and implementing initiatives that 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 2023/24, the Ministry of Transport in collaboration with the Authority gazetted five (5) new Regulations and two (2) Rule:-

- (i) The Land Transport Regulatory Authority (Facilitation of Service Provider) Regulations, 2024;
- (ii) The Land Transport Regulatory Authority (Compounding of Offences) Regulations, 2024;
- (iii) The Transport Licensing (Dangerous Goods Carrying Vehicles) Regulations, 2024;
- (iv) The Land Transport Regulatory Authority (Terms and Conditions for Provision of Regulated Services) Rules, 2024;
- (v) The Land Transport Regulatory Authority (Complaints Handling Procedures) Rules, 2024;
- (vi) The Land Transport Regulatory Authority (Electronic Ticketing System) Regulations, 2024; and
- (vii) The Land Transport Regulatory Authority (Vehicle Tracking System) Regulations, 2024.

Factors that may affect other resources include the time taken to review and approve the draft rules and regulations. The Authority will collaborate with the Ministry of Transport to ensure the draft rules and regulations are authorized for publication within the next financial year 2024/25.

2.10 PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES

2.10.1 Principal Risks and Uncertainties

The Authority has in place the Risk Management Policy and Framework which guides on risk 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.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.10 PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES (CONTINUED)

The objectives, risk, impact and risks mitigation has been detailed out in Table 1, Service Performance Information.

2.10.2 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 (MoT) and other ministries such as MoF and the MoHA, specifically the Tanzania Police Force – Traffic Police Department and the OTR. The support has been key in facilitating the discharge of regulatory activities.
- (ii) Existence of the Railways (Open Access) Regulation 2023 opened the Railway Lines to multiple operators. This will facilitate competition which in turn will increase utilization of both the MGR and SGR railway line to its capacity. LATRA played a role in ensuring the Regulations were 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 the potential to enhance 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 an alternative channel and established a mini studio at LATRA Head Office. The Authority shall continue to widen the use of media outlets to enhance the visibility of its activities to the public.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.10 PRINCIPAL RISKS, UNCERTAINTIES AND OPPORTUNITIES (CONTINUED)

2.10.3 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 capita 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 for 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 the Corporate Strategic Plan, subject to minor review to accommodate cable transport regulation, one of the core functions of the Authority.

2.11 LATRA OPERATING MODEL

The Authority's operating model is the system of transforming inputs, through its operating activities, into outputs and outcomes that aim to fulfill LATRA's strategic purposes and create value over the short, medium, and long term.

The LATRA Operating Model is explained under Table 1, Service Performance Information which include Objectives, Input, Process, Output and Outcome.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.12 SUSTAINABILITY OF LATRA OPERATIONS

Environment Sustainability

In the financial year 2023/24, severe flooding caused by extreme rainfall events, such as those in Kenya, Somalia, Ethiopia, and Malawi, led to extensive damage to road networks, bridges, and transport systems. Cyclone Freddy in Mozambique and Malawi resulted in widespread flooding and road closures, severely disrupting transportation and access to affected areas.

Under Section 5(g) of the LATRA Act, Cap 413, the Authority is tasked with environmental preservation. In this regard, the Authority developed the Environmental Guidelines, which provide a framework for promoting compliance regarding the operation and maintenance of railway infrastructure. In the coming financial year 2024/25, the Authority will develop comprehensive regulators guidelines for the sub-sectors under its purview: road, railway, and cable transport.

Social Sustainability

The following measures are taken by the management of LATRA in the implementation of Sustainability Standards, especially for the owners and managers of commercial vehicles, which will ensure:

- The presence of solid waste storage facilities inside transportation units.
- The presence of special containers with lids to store contaminants such as vomit and baby diapers.
- The presence of fire extinguishers in transportation units that have been inspected and verified by the relevant authorities.
- Control of sewage from transportation facilities, especially buses with toilets, and the presence of personnel knowledgeable about the proper use of toilets.
- The presence of a first aid kit for passengers containing soap, unused razors, scissors, bandages, plasters, pain medications, wound cleaning supplies, glucose, and blood pressure testing equipment.
- Passengers have access to toilet facilities at official service stations for travellers.
- Vehicles should be in good condition, ensuring durability and hygiene to prevent accidents such as cuts, slips, falls, or the spread of infectious diseases.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.12 SUSTAINABILITY OF LATRA OPERATIONS (CONTINUED)

Social Sustainability (Continued)

- Protection for passengers from noise, dust, smoke, moisture, and polluted air.
- Loading passengers according to the capacity of the transport unit.
- Avoiding the unloading of hard items and unwanted luggage into the passenger area.
- Avoiding the loading of live animals such as chickens, ducks, goats, etc., into human passenger areas to prevent outbreaks of zoonotic diseases.
- Allowing adequate ventilation to ensure proper air circulation and prevent the spread of airborne infections.
- Workers on board, including the driver, must inform the relevant authority or healthcare facility about any passenger or attendant showing symptoms of a disease declared by the government as an epidemic.
- Any product for human consumption loaded onto a transport unit must be stored in an environment that prevents contamination or damage that could be harmful to human health.
- The transport vessel should not be filled with fuel or undergo repairs while passengers are on board.

Environmental, Social and Governance

LATRA is committed to fostering sustainable development by aligning its financial and operational practices with environmental, social, and governance (ESG) principles. As a regulator, LATRA is dedicated to guiding the transport sector toward sustainable practices while also ensuring that our internal operations reflect the same high standards we expect of the industry. To enhance transparency and accountability, we have incorporated sustainability disclosures into our Report by Those Charged with Governance, demonstrating our efforts to balance economic performance with social responsibility and environmental stewardship, in alignment with Tanzania's Sustainable Development Goals (SDGs).

Furthermore, LATRA is actively working to ensure compliance with IFRS S1 (General Requirements for Sustainability-related Disclosures) and IFRS S2 (Climate-related Disclosures). By embracing these global standards, LATRA aims to provide stakeholders with reliable, comprehensive, and decision-useful information regarding both the industry we regulate and our own practices. These efforts underscore our commitment to driving sustainability across the sector and within our organization, paving the way for a resilient, inclusive, and environmentally conscious future.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.12 SUSTAINABILITY OF LATRA OPERATIONS (CONTINUED)

(a) Governance

As part of its commitment to transparency and accountability, LATRA has integrated sustainability governance disclosures in Table 7 of this Report by Those Charged with Governance, outlining the frameworks, policies, and processes that guide the organization's approach to ESG responsibilities. This includes detailing the roles and responsibilities of LATRA's board and management in overseeing sustainability initiatives, mechanisms for stakeholder engagement, and strategies for identifying, assessing, and managing sustainability-related risks and opportunities. Additionally, LATRA discloses information on how its governance structures ensure alignment with regulatory compliance, including adherence to IFRS S1 and IFRS S2 standards. These disclosures provide stakeholders with a clear understanding of LATRA's efforts to uphold sustainable practices both within the organization and across the regulated transport sector

(b) Strategy

LATRA's sustainability strategy focuses on integrating ESG considerations into its regulatory framework and internal operations to promote long-term value creation and sustainable development. The strategy outlines key objectives, including reducing the environmental impact of the transport sector, fostering social equity through inclusive policies, and ensuring strong governance practices within the industry. LATRA also emphasizes its alignment with Tanzania's Sustainable Development Goals (SDGs) and compliance with global standards such as IFRS S1 and IFRS S2.

By disclosing its sustainability strategy, LATRA demonstrates its commitment to driving positive change across the transport sector while ensuring its organizational practices reflect the same principles of sustainability and accountability. These disclosures provide stakeholders with a transparent view of LATRA's priorities, initiatives, and progress toward a sustainable future.

The sustainability strategy is part of LATRA objective provided on Part 2.6 of this Report by Those Charged with Governance.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.12 SUSTAINABILITY OF LATRA OPERATIONS (CONTINUED)

(c) Risk Management

LATRA recognizes the critical importance of identifying, assessing, and managing sustainability-related risks to ensure the resilience and long-term viability of its operations and the transport sector it regulates. Sustainability risk management is integrated into LATRA's overall risk framework, with a focus on ESG factors, as well as climate-related risks in line with IFRS S1 and IFRS S2 requirements. These risks include regulatory compliance, climate change impacts, resource efficiency, and social equity concerns within the transport sector. LATRA discloses its approach to mitigating these risks, including the development of robust policies, stakeholder engagement mechanisms, and adaptive strategies. By providing transparency in sustainability risk management, LATRA aims to build stakeholder confidence, enhance accountability, and contribute to the sector's capacity to navigate emerging challenges and opportunities in a rapidly changing environment.

The sustainability risk management are incorporated in Part 2.10.1 of Principle Risk and Uncertainties of this Report by Those Charged with Governance.

(d) Metrics and Targets

LATRA is committed to tracking and reporting measurable progress toward its sustainability objectives by incorporating key metrics and targets into Report by Those Charged with Governance. These metrics cover critical areas such as greenhouse gas emissions reduction, energy efficiency, waste management, social inclusion, and governance performance within the transport sector and LATRA's own operations. Specific targets are set in alignment with national priorities, such as Tanzania's Sustainable Development Goals (SDGs), and global standards, including IFRS S1 and IFRS S2, to ensure transparency and accountability. SDG-related metrics and targets, along with LATRA's progress toward achieving them, are disclosed below for clarity and reference. By providing clear and actionable sustainability metrics and targets, LATRA demonstrates its commitment to driving meaningful impact and fostering a culture of continuous improvement across the organization and the transport industry.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.12 SUSTAINABILITY OF LATRA OPERATIONS (CONTINUED)

(e) Alignment with SDGs

Aligning the sustainability practices of land transport regulatory authorities to the **17 Sustainable Development Goals (SDGs)** in the context of **Tanzania** requires a strategic approach. Below is an alignment tailored to Tanzania's priorities and challenges:

Table 7: Alignment with SDGs

SDGs	Sustainability Practices of LATRA	Metrics and Targets (KPIs)	Achievement / Comments
SDG 1: No Poverty 	• Reliable Rural Land Transport Services: Implement strategies to improve access to land transport services among rural and low-income groups. • Relaxed license condition for rural vehicles: Implement discretionary license condition in rural areas of low access to land transport services.	Rural access to land transport services strategies developed and implemented. Number of license of Goods Carrying Vehicles issued in low access rural areas.	i. Reliable and effective transport systems are a prerequisite for inclusive development and poverty alleviation. ii. Number of license of Goods Carrying Vehicles issued in low access rural areas.
SDG 2: Zero Hunger 	• Efficient Supply Chains: Issue license to Goods Carrying Vehicles to improve food distribution and reduce post-harvest losses, especially for rural farmers.	Growth in number of license issued for Goods Carrying Vehicles.	Efficient logistical chains and licenses in routes with agriculture sector to ensures access to market and affordable food.
SDG 3: Good Health and Well-being 	• Reduced Air Pollution: Pre and post licensing Enforcement on vehicle emissions standards. • Road Safety Campaigns: Promote safe driving through public awareness, enforcement of regulations, technology and improve driver competences.	Percentage compliance on environmental preservation. Percentage compliance on driving speed.	Enhanced compliance on environmental preservation 99 % compliance on driving speed.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.12 SUSTAINABILITY OF LATRA OPERATIONS (CONTINUED)

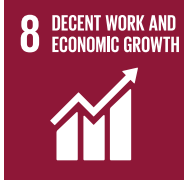
Table 7: Alignment with SDGs (Continued)

SDGs	Sustainability Practices of LATRA	Metrics and Targets (KPIs)	Achievement / Comments
SDG 4: Quality Education 	• School Transport: Provide reliable, safe, and sustainable transport options for students/pupils. • Education on Sustainability: Partner with schools to raise awareness about sustainable transport and its impact on communities. • Reduced student/pupil fares: Service providers are required to provide special tariff for pupils/students	Percentage of licenses issued to school buses. Budget support to LATRA CCC on students/pupils road safety clubs. Existence of instrument for enforcement of special tariff for students/pupils.	Reduced fees to students to access schools in affordable manner. 11% of licenses issued to school buses. 34% approved budget support to LATRA CCC Regulation 8(2) (f) of the Land Transport Regulatory Authority(Tariff) Regulations,2020 is applicable.
SDG 5: Gender Equality 	• Inclusive Transport Systems: Promote availability of transport services that are safe and accessible to all consumers including low income, rural and disadvantaged consumers. • Gender Mainstreaming: Promote participation of women in land transport services. • Gender Distribution among staff: Promote women employment	Existence of strategy for promoting participation of women and men in Land Transport Services provision and decision making. Percentage of women among registered drivers and crew. Percentage of women among employees.	i. 21% women among employees ii. Safe and affordable transport options is a key to increasing women's participation, education, productivity and health. Transport can also increase employment among women.
SDG 7: Affordable and Clean Energy 	• Promote Electric Vehicles (EVs): Promote the use of EV in regulated vehicles. • Renewable Energy in Transport: Promote usage of CNG (Compressed Natural Gases) among regulated vehicles.	Percentage of vehicles using Electric Percentage of using CNG to the vehicles.	• The responses is positive for tricycles and ride hailing(bolt,Uber) • LATRA continues promoting the usage of clean energy.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.12 SUSTAINABILITY OF LATRA OPERATIONS (CONTINUED)

Table 7: Alignment with SDGs (Continued)

SDGs	Sustainability Practices of LATRA	Metrics and Targets (KPIs)	Achievement / Comments
SDG 8: Decent Work and Economic Growth 	• Job Creation in Green Transport: Promote jobs in the maintenance and management of sustainable transport systems, such as BRT and EV services. • Support for SMEs: Facilitate transport services for small and medium enterprises, enhancing their access to markets.	Number of new jobs created in green transport.	• New job have been created and especially in the coming of SGR and Rapid tranports.
SDG 9: Industry, Innovation, and Infrastructure 	• Green Infrastructure: Build resilient transport systems like BRT and railways that support economic growth with minimal environmental impact. • Smart Transport Solutions: Use digital tools for traffic management and sustainable transport planning.	Innovation in clean and sustainable technology.	Establishment of digital tools for traffic management for inspections which are planning to start for FY2025. E -ticketing systems which reduces paper work. BRT and railways reduces private and community buses to to some routes.
SDG 10: Reduced Inequalities 	• Equitable Access: Ensure transport systems are designed to serve underserved and marginalized communities, including rural areas and persons with disabilities. • Affordable Pricing Models: Offer fare structures that reduce financial burdens on the poor.	Equitable access and affordable pries for bus fairs.	The provision of license to some routes ties urban and rural areas together and create more equal access to opportunities such as jobs, education and services. Reduced buses fair for some rrual areas to access education, and other services. LATRA promotes registration for female buses crew.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.12 SUSTAINABILITY OF LATRA OPERATIONS (CONTINUED)

Table 7: Alignment with SDGs (Continued)

SDGs	Sustainability Practices of LATRA	Metrics and Targets (KPIs)	Achievement / Comments
SDG 11: Sustainable Cities and Communities 	• Public Transport Systems: Expand urban public transport networks like Dar es Salaam's BRT to reduce congestion and pollution. • Non-Motorized Transport: Promote cycling and walking by building dedicated lanes and pathways.	Infrastructure improvement.	Well-planned and well-designed transport systems link regions and people together and ensure access to services and goods. Accessible and affordable public transport and logistics boost development and opportunities.
SDG 12: Responsible Consumption and Production 	• Sustainable Vehicle Use: Encourage recycling and proper disposal of vehicle components, such as batteries and tires. • Eco-friendly Practices: Promote ride sharing and efficient fleet management systems.	Number of new ride sharing vehicles.	Reduction is soil and air pollution, and improved traffic flow in major cities.
SDG 13: Climate Action 	• Reduce Carbon Emissions: Adopt policies to transition to low-carbon transport modes, including electric buses and rail. • Climate Resilient Infrastructure: Design roads and bridges to withstand extreme weather events caused by climate change.	Reduce Carbon Emissions and climate resilient infrastructure.	Establishment and provisions of some routes as a means of sustainable transport system such as RGR, BRT are critical in combatting climate change and its associated impacts.
SDG 14: Life Below Water 	• Reduce Water Pollution: Regulate transport activities that could lead to water contamination, especially near coastal and lake regions.	Reduced activities that lead to water pollution	Land transport are contributors to acidification of the oceans .LATRA planning to regulate and promote transport activities around coastal and lake areas that could lead to water contamination.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.12 SUSTAINABILITY OF LATRA OPERATIONS (CONTINUED)

Table 7: Alignment with SDGs (Continued)

SDGs	Sustainability Practices of LATRA	Metrics and Targets (KPIs)	Achievement / Comments
SDG 15: Life on Land 	• Conservation-Friendly Development: Plan transport infrastructure to minimize deforestation and protect wildlife corridors. • Eco-Sensitive Road Construction: Implement environmental impact assessments (EIAs) for all major projects.	Conservation friendly development will minimize deforestation. Eco sensitive road construction through environmental impact assessment (EIAs).	Current transport systems are degrading terrestrial ecosystems. Future practices need to integrate sustainable factors in early planning of infrastructural development to ensure a sustainable life on land.
SDG 16: Peace, Justice, and Strong Institutions 	• Transparent Governance: Strengthen regulatory frameworks and ensure public participation in transport decision-making. • Anti-Corruption Measures: Enhance accountability in transport infrastructure projects and service contracts.	Public participation in transport decision making Corruptions reduced in transport sector.	Transport is a key enabler to rebuild post conflict societies. Many roots have been created, such as BRT to gongo la mboto, mabagala and other areas which .
SDG 17: Partnerships for the Goals 	• Stakeholder Engagement: Collaborate with international organizations, local governments, private sectors, and NGOs to fund and implement sustainable transport solutions. • Capacity Building: Develop local expertise in sustainable transport planning and management through training and technology transfer.	Stakeholder engagements and number of capacity building.	Multi-stakeholder partnerships to share knowledge, expertise, technology and resources are key to delivering on the SDGs globally. LATRA has a partnership with Ride hailing operator to provide sustainable transport solutions to the community. LATRA provide frequent training to local community on the use and management of sustainable transport.

This alignment ensures that Tanzania's land transport sector contributes to achieving the SDGs while addressing local challenges such as urban congestion, rural access, and environmental degradation.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.12 SUSTAINABILITY OF LATRA OPERATIONS (CONTINUED)

The Authority plan to implement the 15 categories as per NBAA circular, Scope 3 Greenhouse Gas Emission: (Indirect greenhouse gas emissions (not included in Scope 2 greenhouse gas emissions) that occur in the value chain of an entity, including both upstream and downstream emissions).

- i) Purchased goods and services
- ii) Capital goods
- iii) Fuel- and energy-related activities not included in Scope 1 greenhouse gas emissions or Scope 2 greenhouse gas emissions
- iv) Upstream transportation and distribution
- v) Waste generated in operations
- vi) Business travel
- vii) Employee commuting
- viii) Upstream leased assets
- ix) Downstream transportation and distribution
- x) Processing of sold products
- xi) Use of sold products
- xii) End-of-life treatment of sold products
- xiii) Downstream leased assets
- xiv) Franchises and Investments

2.13 CORPORATE GOVERNANCE MATTERS

2.13.1 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 the performance of management business plans and budgets.

2.13.2 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: a Chairman (non-executive) and six non-executive members.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.13 CORPORATE GOVERNANCE MATTERS (CONTINUED)

2.13.2 Membership of Those Charged with Governance (Continued)

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 up to 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 the tenure of the first Board of Directors which served from 13 September 2019 under the Chairmanship of Eng. Dr. John S. Ndunguru.

In addition, CPA Habibu J. S. Suluo, the Director General, was appointed, on 6 July 2022 following the 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 provides users of financial statements with adequate information for decision-making. The amount incurred for the Board of Directors was TZS 260.35 million (2022/23: TZS 144 million) and the amount for key Management employees was TZS 3.12 billion (2022/23: TZS 2.74 billion) respectively. The details on related party transactions are disclosed in **Note 36** of the financial statements.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.13 CORPORATE GOVERNANCE MATTERS (CONTINUED)

Table 8: Board Members and Board Secretary of the Authority for the year 2023/24

S/n	Name	Position	Nationality	Qualification	Age	Service Period to 30 June 2024	Meetings Attended
1	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.	62	15 January 2023 – 30 June 2024	5/5
2	Mrs. Tumaini E. Silaa	Member/ Vice Chairman	Tanzanian	Advocate of the High Court (1996), LL.M, Open University of Tanzania (2012); Master's degree in Business Administration (MBA (ESAMI))-(2006); Bachelor of Laws, University of Dar es Salaam (1989).	60	10 May 2023- 30 June 2024	5/5

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.13 CORPORATE GOVERNANCE MATTERS (CONTINUED)

Table 8: Board Members and Board Secretary of the Authority for the year 2023/24 (Continued)

S/n	Name	Position	Nationality	Qualification	Age	Service Period to 30 June 2024	Meetings Attended
3	Ms. Neema Joseph Ringo	Member	Tanzanian	Advocate of the High Court; LLM-Cyber Law: Information Technology, Law & Society, University of Leeds (UK) (2006); LLB (Hons), University of Dar es Salaam (1997).	54	10 May 2023- 30 June 2024	5/5
4	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).	60	10 May 2023- 30 June 2024	5/5
5	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), Diploma in Engineering, Dar es Salaam Technical College (1987), Full Technician Certificate in Mechanical Engineering, Arusha Technical College (1982).	67	10 May 2023- 30 June 2024	5/5

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.13 CORPORATE GOVERNANCE MATTERS (CONTINUED)

Table 8: Board Members and Board Secretary of the Authority for the year 2023/24 (Continued)

S/n	Name	Position	Nationality	Qualification	Age	Service Period to 30 June 2024	Meetings Attended
6	Mr. Allen Tobias 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)	43	10 May 2023- 30 June 2024	4/5
7	Eng. Lucian Mafikiri Henry Kilewo	Member	Tanzanian	Bachelor of Science Degree (Civil Engineering), University of Dar es Salaam (1989); Registered Professional Engineer (T), Engineers Registration Board (1998).	65	01 June 2023- 30 June 2024	5/5
8	CPA. Habibu J.S. Suluo	Secretary	Tanzanian	Master of Business Administration (MBA) in Management from the University of Sheffield Business School, UK; Bachelor of Commerce in Finance from the University of Dar es Salaam; Fellow Certified Public Accountant (FCPA); Certified Director by IoDT 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.	59	06 July 2022 - 30 June 2024	5/5

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)

2.13 CORPORATE GOVERNANCE MATTERS (CONTINUED)

(a) Board Charter

The Board has in place a Charter which sets 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 the Management; and it provides for the internal organization of the Board, Board Meetings, and proceedings.

The Board Charter was reviewed in the previous financial year (2022/23) to comply with the Board Charter Guidelines for Public and Statutory Corporations, 2015 issued by the Office of the Treasury Registrar.

(b) Compliance with Laws and Regulations

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 five (5) meetings during the year ended 30 June 2024. Out of these, four (4) were ordinary meetings. In these meetings, the Board discussed and deliberated on the following main issues:

- (i) Report on the transformation of motor-cycle and motor tri-cycles operations through the formulation of SACCOS in Moshi Municipality;
- (ii) Construction of LATRA Head Office in Dodoma;
- (iii) Records Retention and Disposal Schedule;
- (iv) Authority's Quarter Performance reports;
- (v) Internal and External Audit Reports;
- (vi) Report of the Complaints Handling Committee;
- (vii) Review of Commuter and Intercity bus fare;

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.13 CORPORATE GOVERNANCE MATTERS (CONTINUED)

(c) Board Meetings (Continued)

- (viii) Proposal of opening Bank Accounts;
- (ix) Proposal for Standard Gauge Railway (SGR) Fares;
- (x) Submission of Freight-rates for transportation of Petroleum Products
- (xi) Proposed Charter for regulated Drivers Certification Committee;
- (xii) Proposal to develop Cable Transport Regulations;
- (xiii) Review of the Authority's HIV & NCD Policy;
- (xiv) Authority's Budget and Procurement Plan for the Financial Year 2024/25;
- (xv) Authority's Revised Budget for the Financial Year 2023/24; and
- (xvi) Financial Statements for the Financial Year 2022/23.

(d) Board Resolutions

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

- (i) Commended the efforts to transform motorcycle and motor tri-cycles operations and guided Management on the process;
- (ii) Noted the progress made on the construction of LATRA Head Office in Dodoma;
- (iii) Approved Authority's Records Retention and Disposal Schedule;
- (iv) Approved Authority's performance reports;
- (v) Noted and guided on Internal and External Audit Reports;
- (vi) Approved the Report of the Complaints Handling Committee;
- (vii) Determined and Approved Commuter and Intercity bus fares;
- (viii) Approved the Proposal for opening of Bank Accounts;
- (ix) Approved Standard Gauge Railway (SGR) Fares;
- (x) Guided Management and deferred the report on Freight-rates for transportation of Petroleum Products;
- (xi) Approved Proposed Charter for regulated Drivers Certification Committee;
- (xii) Deferred the Proposal to develop Cable Transport Regulations and Management was directed to engage a Consultant;
- (xiii) Approved the Authority's HIV & NCD Policy;

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.13 CORPORATE GOVERNANCE MATTERS (CONTINUED)

(d) Board Resolutions (Continued)

- (xiv) Approved the Authority's Budget and Procurement Plan for the Financial Year 2024/25;
- (xv) Approved the Authority's Revised Budget for the Financial Year 2023/24; and
- (xvi) Approved for issuing the Financial Statements for the Financial Year 2022/23.

2.13.3 Committees of Those Charged with Governance

The Board of Directors during its 9th Special Meeting held on 11 July 2023 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 the 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 9 below.

Table 9: Members of the Audit and Risk Committee

S/n	Name	Position	Nationality	Service Period to 30 June 2024	Meetings attended
1	Mr. Allen Thobias Marwa	Chairman	Tanzanian	10 May 2023-30 June 2024	3/4
2	Eng. Dr. Michael P. Kisaka	Member	Tanzanian	10 May 2023-30 June 2024	4/4
3	Mrs. Tumaini E. Silaa	Member	Tanzanian	10 May 2023-30 June 2024	4/4
4	Ms. Neema J. Ringo	Member	Tanzanian	10 May 2023-30 June 2024	4/4

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.13 CORPORATE GOVERNANCE MATTERS (CONTINUED)

2.13.3 Committees of Those Charged with Governance (Continued)

(a) Audit and Risk Committee (Continued)

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) Risk-Based Internal Audit Plan for the year 2023/24;
- (ii) Quarterly audit reports;
- (iii) Audit Plan and Audit fees for external auditor (CAG);
- (iv) Draft LATRA Financial Statements for the year ended 30 June 2023; and
- (v) Management Letter and Financial Statements and Financial Year for 2022/23.

The following were the Committee's resolutions:

- (i) Endorsed for submission to the Board, the Risk Based Internal Audit Plan for the financial year 2023/24;
- (ii) Adopted recommendations from the Quarterly Audit reports for submission to the Board of Directors;
- (iii) Endorsed the Audit Plan and Audit fees for submission to the Board;
- (iv) Recommended the audited LATRA Financial Statements for submission to the Board for adoption; and
- (v) Recommended to the board the required actions on the CAG's Management Letter and the authorization of the audited financial statements for the financial year 2022/23.

(b) Safety and Regulation Committee

Below are members of the Safety and Regulation Committee who served as indicated in Table 10 below.

Table 10: Members of the Safety and Regulation Committee

S/n	Name	Position	Nationality	Service Period to 30 June 2023	Meetings attended
1	Eng. Dr. Michael P. Kisaka	Chairman	Tanzanian	10 May 2023-30 June 2024	4/4
2	Ms. Neema J. Ringo	Member	Tanzanian	10 May 2023-30 June 2024	4/4
3	Mr. Nuru M. Ngoma	Member	Tanzanian	10 May 2023-30 June 2024	4/4
4	Eng. Lucian Kilewo	Member	Tanzanian	01 June 2023-30 June 2024	4/4

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.13 CORPORATE GOVERNANCE MATTERS (CONTINUED)

2.13.3 Committees of Those Charged with Governance (Continued)

(b) Safety and Regulation Committee (Continued)

During the year, the Committee held four (4) ordinary meetings. In these meetings, the Committee discussed and deliberated on the following main issues:

- (i) Report on the transformation of motor-cycle and motor tri-cycle operations through the formulation of SACCOS in Moshi Municipality;
- (ii) Report of the Complaints Handling Committee;
- (iii) Review of Commuter and Intercity bus fares;
- (iv) Proposal for Standard Gauge Railway (SGR) Fares;
- (v) Submission of Freight-rates for transportation of Petroleum Products; and
- (vi) Proposed Charter for regulated Drivers Certification Committee Proposal to develop Cable Transport Regulations.

The following were the Committee's resolutions:

- (i) Adopted the report for the transformation of motor-cycle and motor tri-cycle operations for submission to the Board;
- (ii) Endorsed for submission to the Board, the Report of the Complaints Handling Committee;
- (iii) Recommended for Board approval, the proposed Commuter and Intercity bus fares;
- (iv) Recommended for Boards approval, the proposed Standard Gauge Railway (SGR) Fares;
- (v) Guided Management and deferred the report on Freight-rates for transportation of Petroleum Products;
- (vi) Endorsed the proposed Charter for regulated Drivers Certification Committee for submission to the Board; and
- (vii) Deferred the Proposal to develop Cable Transport Regulations and Management was directed to engage a Consultant.

(c) Finance & Administration Committee

Below are members of the Finance & Administration Committee who served as indicated in Table 11.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.13 CORPORATE GOVERNANCE MATTERS (CONTINUED)

2.13.3 Committees of Those Charged with Governance (Continued)

(c) Finance & Administration Committee (Continued)

Table 11: Members of the Finance & Administration Committee

S/n	Name	Position	Nationality	Service Period to 30 June 2024	Meetings attended
1	Mrs. Tumaini E. Silaa	Chairman	Tanzanian	10 May 2023-30 June 2024	4/4
2	Mr. Nuru M. Ngoma	Member	Tanzanian	10 May 2023-30 June 2024	4/4
3	Mr. Allen T. Marwa	Member	Tanzanian	10 May 2023-30 June 2024	4/4
4	Eng. Lucian Kilewo	Member	Tanzanian	01 June 2023-30 June 2024	4/4

The Committee held a total of four (4) meetings during the year ended 30 June 2024. Out of 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) Construction of LATRA Head Office in Dodoma;
- (ii) Records Retention and Disposal Schedule;
- (iii) Authority's Quarter Performance reports;
- (iv) Proposal of opening Bank Accounts;
- (v) Review of the Authority's HIV & NCD Policy;
- (vi) Authority's Budget and Procurement Plan for the Financial Year 2024/25; and
- (vii) Authority's Revised Budget for the Financial Year 2023/24.

The following were the Committee's resolutions:

- (i) Noted the progress made on the construction of LATRA Head Office in Dodoma;
- (ii) Recommended the Authority's Records Retention and Disposal Schedule for submission to the Board;
- (iii) Endorsed the Authority's performance reports;
- (iv) Endorsed for submission to the Board proposal for opening of Bank Accounts;
- (v) Endorsed the Authority's HIV & NCD Policy;
- (vi) Recommended the Authority's Budget and Procurement Plan for the Financial Year 2024/25; and
- (vii) Recommended the Authority's Revised Budget for the Financial Year 2023/24.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.13 CORPORATE GOVERNANCE MATTERS (CONTINUED)

2.13.4 Environmental Matters

(i) Policy:

Railway Regulator Environmental Guidelines

These guidelines are designed to provide a comprehensive framework for regulators to promote and enforce environmentally responsible practices within the railway sector. They have been developed through collaboration with industry experts, environmental scientists, policymakers, and other relevant stakeholders. Our aim is to foster a harmonious balance between the social, economic, and environmental aspects of railway operations, ensuring a sustainable and resilient railway network for future harmonious balance between the social, economic, and environmental aspects of railway operations, ensuring a sustainable and resilient railway network for future railway operations, ensuring a sustainable and resilient railway network for future.

The Railway Environmental Guidelines provide regulators with a toolbox of strategies, measures, and standards that can be incorporated into regulatory frameworks and oversight processes. By integrating environmental considerations into our regulatory practices, we can help minimize the adverse impacts of railway activities on ecosystems, air quality, noise pollution, energy consumption, and other critical environmental parameters.

(ii) Implementation of the Guideline

During the period the team of inspectors observed several Safety concerned as far as railway environmental issues are concerned. The inspections were also featured with TRC engineers, and the recommendation improvement measures were given to them. The following are noted areas of safety concerned for safe operations:

(a) Landslides and soil erosion

Landslides and soil erosion have been encountered in several areas along Tanga and Moshi Arusha lines. These significant geological hazards can severely impact railway infrastructure particularly areas where railways are constructed near steep slopes or coastal regions, as they can lead to track instability, service interruptions, and safety hazards for passengers.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.13 CORPORATE GOVERNANCE MATTERS (CONTINUED)

2.13.4 Environmental Matters (Continued)

(b) Soil pollution

The inspection had established on Railroad fasteners, Coal ash and cinder, Spilled liquids (oil and lubricants), Herbicides and Fuel Combustion Products noted as the main causes of soil pollution.

(c) Air Pollution

Fuel combustion has significant and multifaceted impacts on the environment, primarily through the release of various pollutants that contribute to air and water pollution, climate change, and ecological degradation. When fossil fuels such as coal, oil, and natural gas are burned, they emit a variety of harmful air pollutants. The primary emissions include:

- **Carbon Dioxide (CO₂)**

This greenhouse gas is the most abundant emission from fossil fuel combustion. It contributes significantly to the greenhouse effect, leading to global warming. In fact, burning fossil fuels accounts for approximately 65% of global greenhouse gas emissions.

- **Nitrogen Oxides (NO_x)**

These gases are produced when fossil fuels are burned at high temperatures. They contribute to the formation of ground-level ozone and smog, which can lead to respiratory problems in humans and animals.

- **Sulfur Dioxide (SO₂)**

Emitted primarily from burning coal and oil, sulfur dioxide can lead to acid rain when it combines with water vapor in the atmosphere. Acid rain can harm aquatic ecosystems by lowering pH levels in lakes and streams.

- **Particulate Matter (PM)**

These tiny particles can penetrate deep into the lungs and cause serious health issues such as asthma, heart disease, and lung cancer. Particulate matter is especially prevalent in areas with high fossil fuel combustion.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.13 CORPORATE GOVERNANCE MATTERS (CONTINUED)

2.13.4 Environmental Matters (Continued)

(d) Water Pollution

The combustion of fossil fuels also leads to water pollution through several mechanisms:

- **Runoff Contamination**

Fossil fuel extraction processes often result in runoff that carries heavy metals and other toxic substances into nearby waterways. This contamination can disrupt aquatic ecosystems and make water unsafe for human consumption.

- **Oil Spills**

While not directly related to combustion, oil spills during extraction or transportation can have devastating effects on marine environments. Oil spills coat marine life and habitats, causing long-term ecological damage.

2.13.5 Employees' Welfare

(i) Policies:

(a) Staff Regulation Policy

The Authority Staff Regulation Policy envisioned to put in place principles, guidance, and direction for the Authority's management of human resources and shall be regarded as the foundation upon which the general practise of human resource management is built and observed. It provides fundamentals and standards for implementation and operationalization of various human resource management initiatives. The policy objective is to provide high level policy direction in human resource management in the Authority. It sets out guiding principles, instruments and tools for effective and efficient management of human resources in the Authority.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)**2.13 CORPORATE GOVERNANCE MATTERS (CONTINUED)****2.13.5 Employees' Welfare (Continued)****(b) Health Policy**

The Authority acknowledges that effective and efficient implementation of its strategic objectives depends on healthy workforce. The increasing workload, change of lifestyle and emerging NCD's affect health of employees and consequently compromise productivity. The Policy has been prepared for the purpose of ensuring that employees and their immediate family members can access health services and wellbeing initiatives. Specific objectives of the Policy are to ensure that employees and their family members have the opportunity to access adequate and equitable health services and wellness initiatives; promote health through preventive and curative services to Authority's staff; promote health activities within the Authority in order to encourage behaviour change and ensure that employees adopts life style that guarantees good health, wellness, personal development and environmental safety thus maintaining a healthy productive workforce; protect the rights of all parties, including those infected or affected by HIV and AIDS and NCD's; provide preventive health services by promoting optimal nutrition, physical exercise and control of infectious diseases; provide guideline to staff on strategy for combating NCD's; and maintain as far as practicable a work environment that is safe and risk free to the health of the Authority's employees. The Staff Health Policy applies to all employees and their immediate family members. The policy complies with Occupational Safety and Health Act 2003 and the Public Service Management Guideline on HIV/AIDS and NCD's (2014) which requires public institutions to have a workplace policy on Occupational Safety and Health and HIV/AIDS and NCDs.

(ii) Implementation of the Policies:**(a) Management and Employees' Relationship**

There was a 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.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.13 CORPORATE GOVERNANCE MATTERS (CONTINUED)

2.13.5 Employees' Welfare (Continued)

(b) Medical Assistance

During the year, the Authority used the National Health Insurance Fund (NHIF) to provide medical services to its staff and their dependents. Medical expenses during the year amounted to TZS 109.34 million (2023: TZS 42.86 million). Furthermore, the Authority continued to raise awareness among 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 24.5 million (2023: TZS 21.91 million).

(c) Training Facilities

Training programs are continually being developed to ensure employees are adequately trained at all levels. Employees are given an opportunity to attend short and long training programs to upgrade their skills and enhance career development. During the year, 10 staff attended long term training (2022/23:2)

2.13.6 Social and Community Issues

(i) Donation Policy

The Authority did not make any political donations during the year ended 30 June 2024. 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 the Authority shall respond to social and community needs.

(ii) Implementation of the Policy

The list of key beneficiaries for corporate social responsibilities funds for the financial year 2023/24 is provided in Table 12:

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.13 CORPORATE GOVERNANCE MATTERS (CONTINUED)

2.13.6 Social and Community Issues (Continued)

Table No.12: Beneficiaries of Corporate Social Responsibility, 2023/24

S/N	Beneficiary	Purpose of the Donation/Contribution	Amount (TZS '000')
1	Tanzania Association of Women Certified Accountants	LATRA's contribution to TAWCA for the 7th Women's Leadership Conference, held from 4th to 6th September 2024.	1,000
2	Tanzania Education Authority	Contribution to TEA to advance education under grant from the Global Partnership for Education (GPE Multiplier).	1,000
3	Ruvuma Regional Commissioner	Donation to facilitate investment conference prepared by Ruvuma Regional Commissioner on May 2023	500
4	Chama cha Viziwi Wilaya ya Temeke	LATRA contribution to facilitate International Week of the Deaf held in Shinyanga in September 2024.	200
5	Chama Cha Madereva Wa Serikali Tanzania	Donations to facilitate Government drivers conference held from 26 to 31 August 2024 in Arusha.	500
6	Hanang District Council	Donation to facilitate the 16th Joint Transport Sector Review (JTSR) meeting which was held from 5 to 8 November 2023 at the International Conference Centre (AICC), in Arusha city.	7,220
7	Kyela District Council	Contribution to sponsor Kyela District to help 2708 desks of primary and secondary schools.	3,000
8	Rukwa Regional Commissioner	Donations to facilitate Agricultural exhibitions and business forums held from 24 to 31 May 2024 in Sumbawanga.	3,000
9	Kikundi Cha Sanaa na Utamaduni KISUVITA	Donations to facilitate fund raising for orphan children as organized by KISUVITA under the beauty and vitality world contest.	500
10	Treasury Registrar	Donations to support victims of floods in the Manyara region, aimed at restoring important services in the affected areas.	10,000
11	Ikupa Trust Fund	Donation to Ikupa Trust Fund to facilitate annual conference of people with disabilities held in December 2023 in Dar es Salaam.	1,000

Source: LATRA Financial Records, 2023/24

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.13 CORPORATE GOVERNANCE MATTERS (CONTINUED)

2.13.7 Gender Parity

The Authority had 184 employees during the year ended 30 June 2024 (2022/23: 154). 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. During the year, 32 new employees joined the Authority through transfers by the Permanent Secretary, President's Office Public Service Management and Good Governance. Out of the 184 employees, 146 (79.3%) were male and 38 (20.7%) were female, as shown in Table 13 below.

Table 13: Number of LATRA Employee

Gender	30.06.2024		30.06.2023	
	No.	%	No.	%
Male	146	79.3	124	80.5
Female	38	20.7	30	19.5
Total	184	100.0	154	100.0

Source: LATRA Human Resources Records

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

2.13.8 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 2024. The list of the major procurement contracts of above TZS 50 million is summarized under Table 14 below:

Table 14: Major Procurement Contracts, 2023/24

S/N	Contract Title	Name of Supplier/ Service Provider	Type of Contract	Contract Value (TZS '000')
1	Supply, Installation, and Commissioning of Generator	M/s Car and General Trading Company Ltd	Fixed Price Contract	61,242
2	Supply of ICT Equipment.	M/S Emerging Communications Limited	Fixed Price Contract	146,160
3	Supply of ICT Equipment.	M/s Computer Centre Tanzania Ltd	Fixed Price contract	51,540
4	Supply of ICT Equipment.	M/s Dolphin Professional Services Ltd	Fixed Price Contract	50,775

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.13 CORPORATE GOVERNANCE MATTERS (CONTINUED)

2.13.8 Essential/Major Contractual or Other Arrangements (Continued)

Table 14: Major Procurement Contracts, 2023/24 (Continued)

S/N	Contract Title	Name of Supplier/ Service Provider	Type of Contract	Contract Value (TZS '000')
5	Supply of ICT Equipment.	M/s Ivo Solutions Ltd	Fixed Price Contract	242,417
6	Consultancy Services to determine demand and Supply of commuter transport service vehicles in Dar es Salaam and Mwanza	M/s Institute of Finance Management	Fixed Price Contract	128,266
7	Provision of Office Cleaning and Ground Maintenance Services	M/s Nansimo General Enterprises	Fixed Price Contract	55,266
8	Supply of Stationeries and Computer Consumables	M/s Masumin Print ways and Stationers Ltd	Fixed Price Contract	81,018
Total				816,684

Source: LATRA Annual Procurement Plan, 2023/24

2.14 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.

2.15 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 for reporting on the Authority's compliance with the Public Procurement laws.

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.16 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 believes that the financial statements of the Authority give a true and fair view of the Authority's state of financial affairs and its operating results for the year ended 30 June 2024.

2.17 POLITICAL AND CHARITABLE DONATIONS

The Authority did not make any political donations during the year ended 30 June 2024. 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 2023/24 is provided in Table 16 above.

2.18 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 the 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 at facilitating them with communication, transport, or any other support that is needful to them. During the year 2023/24 two employees (2022/23: two) were facilitated with the allowance

2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE (CONTINUED)

2.19 PREJUDICIAL ISSUES

The prejudicial issues at the end of the financial year 2023/24 included the following; -

- (a) The Authority instituted a Civil Case No. 8 of 2023 in the High Court, Morogoro Registry against Kelvin Samweli the first defendant, and Justine Gasper Kavishe the second defendant claiming for damaged vehicle STL 8921 the property of the Authority which was damaged on road crash at Nanenane area in Morogoro.

The Authority is claiming against the first and second defendants for compensation of TZS 99,948,206.86 specific damage for vehicle STL 8921 the Authority property. Further, the Authority claims TZS 250,000,000/= as general damages. The Legal Services Unit has been attending the case since 20th June, 2023 where one settlement meeting was conducted on 15th September, 2023. The case was scheduled for mediation on 30 July 2024.

- (b) A litigation at Kisutu Regional Magistrate; Republic vs Ashraf Mustafa Maumba and another of forgery of Authority documents, Criminal Case no. 271 of 2016.

2.20 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).

2.21 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:



Name: Prof. Ahmed M. Ame

Title: Chairman of the Board

Date: 20/03/2025



Name: CPA Habibu J. S. Suluo

Title: Director General

Date: 20/03/2025

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 understands that the Authority's system of internal control is effective in providing 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 accepts 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 believes that the financial statements give a true and fair view of the Authority's state of financial affairs and its operating results for the year ended 30 June 2024.

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:



Name: Prof. Ahmed M. Ame

Title: Chairman of the Board

Date: 20/03/2025



Name: CPA Habibu J. S. Suluo

Title: Director General

Date: 20/03/2025

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 by 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 in discharging the responsibility of preparing financial statements showing the 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. Samwel D. Keenja**, being the Manager of Finance and Accounts of LATRA, hereby acknowledges my responsibility of ensuring that financial statements for the year ended 30 June 2024 have been prepared in compliance with applicable accounting standards and statutory requirements.

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



Signed by: CPA. Samwel D. Keenja
Position: Manager of Finance and Accounts
NBAA Membership No. ACPA 1866

Date: 20/03/2025

5.0 FINANCIAL STATEMENTS

5.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	2023/24 TZS ('000)	2022/23 TZS ('000)
ASSETS			
Current Assets			
Cash and Cash Equivalents	24	4,140,738	4,233,318
Inventories	25	347,359	595,793
Other Financial Assets	26	-	267,295
Prepayments	27	746,422	340,391
Receivables	28.1	5,839,893	4,324,004
Total Current Asset		11,074,412	9,760,801
Non-Current Assets held for Sale	49	109,780	232,982
Non-Current Assets			
Intangible Assets	30	253,722	191,289
Property, Plant, and Equipment	29	11,713,096	13,265,138
Total Non-Current Asset		11,966,818	13,456,427
TOTAL ASSETS		23,151,010	23,450,210
LIABILITIES			
Current Liabilities			
Payables and Accruals	33.1	2,705,278	3,452,280
Total Current Liabilities		2,705,278	3,452,280
TOTAL LIABILITIES		2,705,278	3,452,280
Net Assets		20,445,732	19,997,930
NET ASSETS/EQUITY			
Capital Contributed by:			
Taxpayers/Share Capital		16,297,108	17,047,108
Accumulated Surpluses / Deficits		4,148,624	2,950,822
TOTAL NET ASSETS/EQUITY		20,445,732	19,997,930

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



Name: Prof. Ahmed M. Ame

Title: Chairman of the Board

Date: 20/03/2025



Name: CPA Habibu J. S. Suluo

Title: Director General

Date: 20/03/2025

5.0 FINANCIAL STATEMENTS (CONTINUED)

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

	Notes	2023/24 TZS ('000)	2022/23 TZS ('000)
REVENUE			
Revenue			
Revenue from Non-Exchange Transaction	15	36,014,979	34,250,869
Revenue from Exchange Transaction	16	1,047,931	545,924
TOTAL REVENUE		37,062,910	34,796,793
EXPENSES AND TRANSFERS			
Expenses			
Wages, Salaries and Employee Benefits	18	12,976,585	11,583,469
Employee Benefits	19	3,657,623	2,229,237
Bank Charges and Commissions	20	19,760	15,601
Maintenance Expenses	21	1,047,843	1,764,120
Supplies and Consumables used	22	9,226,021	9,492,563
Amortization of Intangible Assets	30	116,378	70,666
Board Remuneration and other expenses	35.1	260,348	144,636
Provision for write-off of obsolete inventories	25	1,191	-
Depreciation of Property, Plant, and Equipment	29	1,334,183	1,467,333
Transfers	54	174	-
Expected Credit Loss from Receivables and Bank Balances	46	37,292	386,766
Total Expenses		28,677,398	27,154,390
Transfer			
Contribution and Transfers	23	7,187,710	6,721,658
Total Transfer		7,187,710	6,721,658
TOTAL EXPENSES AND TRANSFERS		35,865,108	33,876,049
Surplus		1,197,802	920,744



Name: Prof. Ahmed M. Ame

Title: Chairman of the Board

Date: 20/03/2025



Name: CPA Habibu J. S. Suluo

Title: Director General

Date: 20/03/2025

5.0 FINANCIAL STATEMENTS (CONTINUED)

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

	Capital Fund	Accumulated Surplus	Total
	TZS '000	TZS '000	TZS '000
At 01st July, 2023	17,047,108	2,950,822	19,997,930
Adjustment	(750,000)	-	(750,000)
Surplus/(Deficit)		1,197,802	1,197,802
At 30 June, 2024	16,297,108	4,148,624	20,445,732
At 01st July, 2022	17,047,108	2,252,116	19,299,224
Impact of IPSAS 41	-	(220,401)	(220,401)
Writing-Off the Vehicle Disposed Last Year	-	(1,637)	(1,637)
Restated opening balance	17,047,108	2,030,078	19,077,186
Surplus/Deficit)	-	920,744	920,744
At 30 June, 2023	17,047,108	2,950,822	19,997,930

During the year ended 30 June 2024, the Authority recorded a surplus of TZS 1.20 billion as compared to TZS 0.92 billion which was recorded in the similar period last year. During the 12th Special Board Meeting, the Board of Directors approved the allocation of land worth TZS 0.75 billion to TASAC. The Net Assets of the Authority as of 30 June 2024 stood at TZS 20.45 billion as opposed to TZS 20.00 billion which was recorded in the similar period last year 2022/23.



Name: Prof. Ahmed M. Ame
Title: Chairman of the Board

Date: 20/03/2025



Name: CPA Habibu J. S. Suluo
Title: Director General

Date: 20/03/2025

5.0 FINANCIAL STATEMENTS (CONTINUED)

5.4 CASH FLOWS STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2023/24 TZS ('000)	2022/23 TZS ('000)
CASH FLOW FROM OPERATING ACTIVITIES			
RECEIPTS			
Compliance Fees	47	11,833,373	13,439,704
Road Transport Fees and Levies	28.5	22,515,752	17,574,369
Receipts from Exchange Transactions	28.4	977,429	481,944
Other Receipts	28.5	676,293	534,132
Receipt from Defined Contribution Scheme	28.6	267,296	-
Total Receipts		36,270,143	32,030,149
PAYMENTS			
Employees benefits	19	3,657,623	2,229,236
Bank charges and Commissions	20	19,760	15,601
Maintenance Expenses	21	1,047,842	1,764,120
Contributions and Transfers	23	6,784,254	6,721,658
Board Remuneration and other expenses	35.1	260,348	144,636
Supplies and Consumables Used	33.2	10,310,239	8,647,065
Wages, Salaries and Employee Benefits	33.3	12,934,319	11,465,327
Staff Loan and Other payments	46	762,000	1,299,000
Total Payments		35,776,385	32,286,643
NET CASH FLOW FROM OPERATING ACTIVITIES	44	493,758	(256,494)
CASH FLOW FROM INVESTING ACTIVITIES			
Investing Activities			
Acquisition of Property and Equipment	29	(406,177)	(683,652)
Acquisition of Intangibles	30	(178,811)	(107,329)
Sales of Government Assets	17	-	22,390
NET CASH FLOW USED IN INVESTING ACTIVITIES		(584,988)	(768,591)
Net Increase		(91,230)	(1,025,085)
Cash and cash equivalent at the beginning of period		4,233,318	5,260,527
Cash and cash equivalent at the end of period		4,142,088	4,235,442
Provision for Expected Credit Loss	24	(1,350)	(2,124)
Cash and cash equivalent at end of period	24	4,140,738	4,233,318

The amount of cash and cash equivalent at the end of the period of TZS 4.14 billion has been adjusted to include the expected credit losses on bank balances of TZS 1.35 million. Hence, the amount concedes with that reported on the Statement of Financial Position.



Name: Prof. Ahmed M. Ame

Title: Chairman of the Board

Date: 20/03/2025



Name: CPA Habibu J. S. Suluo

Title: Director General

Date: 20/03/2025

5.0 FINANCIAL STATEMENTS (CONTINUED)

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

Budget approved	Original budget	Adjustment	Final budget	Actual amount on accrual basis	Actual amount on Comparable to Basis	Difference Final Budget Vs Actual
	[A]	[B]	[C=A-B]	[D]	[E=D-E]	[C-F]
Revenue from Non-Exchange Transactions	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'
Road Transport fees	26,938,110	(7,161,420)	19,776,690	23,252,780	23,252,780	3,476,090
Levies	2,008,140	(1,148,340)	859,800	660,717	660,717	(199,083)
Certification of Drivers & Crew	1,042,820	(842,830)	199,990	159,100	159,100	(40,890)
Other Revenue	10,110,930	4,552,590	14,663,520	12,990,313	12,990,313	(1,673,207)
Total Revenue	40,100,000	(4,600,000)	35,500,000	37,062,910	37,062,910	1,562,910
Payments						
Depreciation of PPE	-	-	-	1,334,183	1,334,183	(1,334,183)
Amortization of Intangible Assets	-	-	-	116,378	116,378	(116,378)
Provision of write off of obsolete inventories	-	-	-	1,191	1,191	(1,191)
Transfer of assets to other institutions	-	-	-	174	174	(174)
Expected Credit Loss from receivables and bank balances	-	-	-	37,292	37,292	(37,292)
Maintenance Expenses	684,600	(4,400)	689,000	1,047,843	1,047,843	(358,842)
Social Benefits	4,989,655	456,474	4,533,181	3,657,623	3,657,623	875,558
Bank Charges and Commissions	15,000	0	15,000	19,760	19,760	(4,760)
Board Expenses	271,900	(5,725)	277,625	260,348	260,348	17,277
Supplies and consumables used	13,391,764	3,348,104	10,043,660	9,226,021	9,226,021	817,639
Wages, Salaries and Employees Benefits	13,213,580	190,547	13,023,034	12,976,585	12,976,585	46,449
Transfers and Contributions	7,533,500	615,000	6,918,500	7,187,710	7,187,710	(269,210)
Total payments	40,100,000	4,600,000	35,500,000	35,865,108	35,865,108	(365,108)
Surplus	-	-	-	1,197,802	1,197,802	1,197,802
Acquisition of Non-Current Assets	1,998,300	(558,300)	1,440,000	584,988	584,988	1,035,000

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 44**.



Name: Prof. Ahmed M. Ame
Title: Chairman of the Board

Date: 20/03/2025



Name: CPA Habibu J. S. Suluo
Title: Director General

Date: 20/03/2025

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

6.0 ESTABLISHMENT AND PRINCIPAL ACTIVITIES

6.1 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.

6.2 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 sections 5 and 6 of the Land Transport Regulatory Authority Act, Cap. 413.

7.0 AUTHORISATION OF FINANCIAL STATEMENTS

The Authority's financial statements for the year ended 30 June 2024 were approved and authorized for issue by the Board of Directors during its **12th Special Board Meeting** held on **12 December 2024**.

8.0 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).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

9.0 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.

10.0 REPORTING PERIOD

The reporting period for these financial statements is the financial year of the Authority which runs from 1 July 2023 to 30 June 2024.

11.0 ADOPTION OF IPSAS 41 – FINANCIAL INSTRUMENTS

The Authority adopted the International Public Sector Accounting Standards (IPSAS) 41 in the previous financial year 2022/23, before it became compulsory in the financial year, 2023/24. The adoption enabled 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.

12.0 GOING CONCERN

The Authority's Management has assessed the Authority's ability to continue as a going concern and is satisfied that the Authority has the resources to continue its operations for the foreseeable future. Moreover, Management has not found any suspicious information that may have impact on the Authority's ability to continue as a going concern. Therefore, the financial statements are prepared on the going concern basis.

13.0 NEW AND AMENDED STANDARDS

The Authority is aware of a number of new standards and some amendments issued but not yet effective as at 30 June 2024 and which might have impact in the Authority financial statements. These standards are those that the entity reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The entity intends to adopt these standards when they become effective. The Standards includes;

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

13.0 NEW AND AMENDED STANDARDS (CONTINUED)

There are six (6) new Standards issued by the International Public Sector Accounting Standards Board (IPSASB) but were not yet effective up to the date of issuance of the Authority's financial statements. The new Standards are:

- a) **IPSAS 43- Leases**, which is effective on or after January 1, 2025. This standard introduces a right-of-use model that replaces the risks and rewards incidental to ownership model in IPSAS 13, Leases. For lessors, IPSAS 43 substantially carries forward the risks and rewards incidental to ownership model in IPSAS 13. This standard will improve the transparency of lease accounting in the public sector.
- b) **IPSAS 44-Non-Current Assets Held for Sale and Discontinued Operations**, which is effective for annual periods beginning on or after 1 January 2025. This standard fills a gap in the IPSAS suite by providing guidance on how to account for public sector assets that are held for sale on commercial terms. The standard is important from a public interest perspective, as it ensures transparency and accountability when decisions to sell public sector assets have been taken. IPSAS 44 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:
 - i) Measured at the lower of carrying amount and fair value less costs to sell and depreciation on such assets to cease; and
 - ii) 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 is effective for annual periods beginning on or after 1 January 2025. This standard 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. The objective of IPSAS 45 is to develop enhanced guidance clarifying the recognition and measurement of infrastructure and heritage assets that are Property, Plant, and Equipment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

13.0 NEW AND AMENDED STANDARDS (CONTINUED)

- d) **IPSAS 46-Measurement**, which is effective for annual periods beginning on or after 1 January 2025. The objective of this Standard is to define measurement bases that assist in reflecting fairly the cost of services, operational capacity and financial capacity of assets and liabilities. It identifies approaches under those measurement bases to be applied through individual IPSAS to achieve the objectives of financial reporting.

This standard provides new guidance in a single standard addressing how commonly used measurement bases should be applied in practice. It brings in generic guidance on fair value for the first time, and introduces current operational value, a public sector specific current value measurement basis addressing constituents' views that an alternative current value measurement basis to fair value is needed for certain public sector assets.

- e) **IPSAS 47-Revenue** which is effective for annual periods beginning on or after 1 January 2026. IPSAS 47 replaces the existing three revenue standards IPSAS 9, IPSAS 11 and IPSAS 23, and presents accounting models which will improve financial reporting and support effective public sector financial management. The objective of this Standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from revenue transactions. To meet the objective, the Standard:
- i) Requires an entity to consider the terms of the transaction, and all relevant facts and circumstances, to determine the type of revenue transaction; and
 - ii) Sets out the accounting requirements to account for the revenue transaction.
- f) **IPSAS 48-Transfer Expenses** which is effective for annual periods beginning on or after 1 January 2026. IPSAS 48 provides accounting guidance for transfer expenses, which account for a significant portion of expenditures for many public sector entities. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

13.0 NEW AND AMENDED STANDARDS (CONTINUED)

The objective of this Standard is to establish the principles that a transfer provider (an entity) shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of cash flows arising from transfer expenses. To meet the objective above, the Standard:

- i) Requires an entity to consider the terms of the transaction and all relevant facts and circumstances to determine the type of transfer expense transaction; and
- ii) Sets out the accounting requirements for the transfer expense transactions.

The Authority is currently assessing the impact of the above-mentioned standards and plans to adopt them on or before the required effective date.

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

g) **IFRS S1: General Requirements for Disclosure of Sustainability-related financial information**

IFRS 1 which is effective for Public Interest Entities (PIE) for annual periods beginning on or after 1 January 2025 sets out general requirements for disclosing material sustainability-related information, including risks and opportunities, across an entity's value chain. It's designed to help stakeholders understand the connections between different sustainability-related risks and opportunities, including those set out in IFRS S2. IFRS S1 also includes qualitative characteristics for the information that needs to be provided, such as relevance and faithful representation.

h) **IFRS S2: Climate-related Disclosures**

IFRS 2 which is effective for Public Interest Entities (PIE) annual periods beginning on or after 1 January 2025 sets out specific disclosures for climate-related matters, including risks and opportunities. It's designed to be used with IFRS S1 and incorporates guidance on climate-related disclosure topics and metrics. IFRS S2 metrics and disclosure topics are based on SASB Standards, with amendments to improve international applicability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

14.0 THE OTHER APPLIED ACCOUNTING POLICIES AND ESTIMATES

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

14.1 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.

14.2 REVENUE RECOGNITION

a) 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.

b) Revenue from non-exchange transactions

i) Compliance Fees

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

14.2 REVENUE RECOGNITION (CONTINUED)

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 compliance fees, 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.

14.3 PROPERTY AND EQUIPMENT

a) **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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

14.3 PROPERTY AND EQUIPMENT (CONTINUED)

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.

b) 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

Table 16: Depreciation Rates

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

14.4 INTANGIBLE ASSETS

a) 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.

b) Amortization

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

Table 17: Amortization Period

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

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

14.5 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

14.6 LEASES

a) 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.

b) 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.

14.7 FINANCIAL INSTRUMENTS

4.7.1 Financial assets

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

14.7 FINANCIAL INSTRUMENTS (CONTINUED)

The subsequent measurement of financial assets depends on the following.

a) 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:

- i) Contractual Cash Flows: The financial asset is held to collect contractual cash flows.
- ii) 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.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

14.7 FINANCIAL INSTRUMENTS (CONTINUED)

b) Impairment of Financial assets

The Authority shall recognize a loss allowance for expected credit losses on a financial asset that is measured at amortized cost, fair value through Net assets/Equity, a lease receivable, or loan commitment and a financial guarantee contract.

The Authority shall measure the loss allowance for financial instrument at an amount equal to the lifetime credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on financial instrument has not increased significantly since initial recognition, the Authority shall measure the loss allowance for the financial instrument at an amount equal to 12-month expected credit losses.

However, the Authority shall adopt the simplified approach for Lease Receivables and Receivables from exchange and Non-exchange transactions whereby, according to IPSAS 41, the Authority shall always measure the loss allowance at an amount equal to lifetime expected credit losses.

4.7.2 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

14.7 FINANCIAL INSTRUMENTS (CONTINUED)

4.7.2 Financial liabilities (Continued)

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

a) 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.

b) 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.

14.8 CASH AND CASH EQUIVALENTS

Cash and cash equivalents are stated in the statement of financial position at fair value. Cash and cash equivalents referred to in the statement of cash flows comprise cash on hand, cash at Bank.

14.9 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. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

14.10 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.

14.11 CONTINGENT LIABILITIES

The Authority does not recognize a contingent liability during the year ended 30 June 2024 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.

14.12 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

14.12 CONTINGENT ASSETS (CONTINUED)

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.

14.13 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 36**.

14.14 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. Adjustments for accrued amounts have been shown the statement of comparison of budget and actual amounts.

Explanatory comments are provided under **Note 44** 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

14.16 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.

a) 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.

b) Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The 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.

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 14.3** and **Note 14.4** respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

14.16 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

ii) Impairment of financial assets

Estimates are required to be made of what would be the impact of a loss event that has occurred after the initial recognition of a financial asset and which would affect the estimated future cash flows. The 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

14.17 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

14.17 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit Risk (Continued)

Set out below is the information about the credit risk exposure on the Authority's receivables using aging analysis:

Table 18: Exposure on Receivables (Staff Loan)

30 June 2024			
Days past due	Loss rate	Exposure at default	Expected credit loss
		TZS (000)	TZS (000)
0-30	0.1%	1,836,970	2,019
Total		1,836,970	2,019
30 June 2023			
Days past due	Loss rate	Exposure at default	Expected credit loss
		TZS(000)	TZS(000)
0-30	0.1%	1,743,576	5,174
Total		1,743,576	5,174

Table 19: Exposure on Receivables (Levy)

30 June 2024			
Days past due	Loss rate	Exposure at default	Expected credit loss
		TZS(000)	TZS(000)
0-30	1.11%	38,066	421
360+	80%	3,558,531	2,846,825
Total		3,673,207	2,847,246
30 June 2023			
Days past due	Loss rate	Exposure at default	Expected credit loss
		TZS(000)	TZS(000)
0-30	1.11%	31,535	348
360+	100%	3,586,110	3,586,110
Total		3,617,645	3,586,458

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

14.17 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit Risk (Continued)

Table 20: Exposure on Receivables (VTD)

30 June 2024			
Days past due	Loss rate	Exposure at default	Expected credit loss
		TZS(000)	TZS(000)
0-30	53%	3,695	1,966
31-60	54%	8,795	4,707
61-90	54%	7,805	4,210
91-180	55%	11,605	6,409
181-360	59%	36,645	21,685
361+	100%	283,402	283,402
Total		351,947	322,379
30 June 2023			
Days past due	Loss rate	Exposure at default	Expected credit loss
		TZS(000)	TZS(000)
0-30	58%	5,920	3,458
31-60	62%	(14,124)	(8,824)
61-90	63%	8,749	5,505
91-180	64%	25,642	16,467
181-360	71%	15,966	11,381
361+	100%	229,860	229,860
Total		272,013	257,847

Table 21: Exposure on Receivables (Compliance fees)

30 June 2024			
Days past due	Loss rate	Exposure at default	Expected credit loss
		TZS(000)	TZS(000)
0-30	0%	86,750	29
31-60	0%	94,200	35
61-90	0%	48,500	19
91-180	0%	223,200	123
181-360	0%	382,250	1,126
361+	100%	2,318,450	2,600
Total		3,153,350	3,934

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

14.17 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit Risk (Continued)

Table 21: Exposure on Receivables (Compliance fees) (Continued)

30 June 2023			
Days past due	Loss rate	Exposure at default	Expected credit loss
		TZS(000)	TZS(000)
0-30	0%	283,800	112
31-60	0%	214,300	92
61-90	0%	139,450	63
91-180	0%	501,175	297
181-360	0%	678,375	1,214
361+	100%	3,400	3,400
Total		1,820,500	5,178

Total Cash in the Banks to which the Authority is exposed to credit risk as of 30 June 2024 with its comparative figures are presented in the table below according to the classification of assets (classification according to external credit rating is done based on credit ratings published by Standard and Poor's, Moody's or Fitch).

Table 22: Exposure to Cash Bank balance

Name of the bank	Balance as at June 2024	Balance as at June 2023	Credit Ratings
	TZS(000)	TZS(000)	
BOT	3,314,631	3,659,372	0.02%
NBC	150,959	42,625	0.12%
NBC	11,821	10,669	0.12%
NBC	481,892	277,900	0.12%
NMB	50,086	50,814	0.04%
CRDB	550	-	0.04%
Total	4,009,939	4,041,380	

Credit quality

Credit quality per class of financial assets. The table below shows the quality by class of asset for all financial assets exposed to credit risk, based on the Authority's credit rating system. The amount presented is gross of impairment allowances.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

14.17 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Credit Risk (Continued)

Table 23: Credit quality

June 2024	Stage 1	Total
Description	TZS(000)	TZS(000)
Exposure		
Bank balances	4,009,938	4,009,938
Total	4,009,938	4,009,938
ECL		
Bank balances	1,350	1,350
Total	1,350	1,350
Carrying amount	4,008,588	4,008,588
June 2023	Stage 1	Total
Description	TZS(000)	TZS(000)
Exposure		
Bank balances	4,041,379	4,041,379
Total		
ECL		
Bank balances	2,123	2,123
Total	2,123	2,123
Carrying amount	4,039,256	4,039,256

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

14.17 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Liquidity Risk (Continued)

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.

Table 24: Liquidity Risk

Financial Asset/ Financial Liability	1 - 3 Months	4 - 12 Months	More than 12 Months	Total
	TZS '000	TZS '000	TZS '000	TZS '000
30 June 2024				
Financial Assets				
Receivable	2,181,606	2,989,334	3,844,533	9,015,473
Cash & Cash equivalent	4,140,738			4,140,738
Total Financial Asset	6,322,345	2,989,334	3,844,533	13,156,212
Financial Liabilities				
Payables	2,662,111			2,662,111
Total Financial Liability	2,662,111			2,662,111
Liquidity Gap	3,660,234	2,989,334	3,844,533	10,897,558
30 June 2023				
Financial Assets				
Receivable	2,420,992	1,221,158	3,819,369	7,461,519
Cash & Cash equivalent	4,233,318			4,233,318
Total Financial Asset	6,654,310	1,221,158	3,819,369	11,694,837
Financial Liabilities				
Payables	3,452,280			3,452,280
Total Financial Liability	3,452,280			3,452,280
Liquidity Gap	3,202,030	1,221,158	3,819,369	8,242,557

(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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

14.17 FINANCIAL RISK MANAGEMENT (CONTINUED)

(f) Categorization of Financial Instruments

	Carrying Value	Loans and receivable	Total
	TZS '000'	TZS '000'	TZS '000'
Financial Assets			
30-Jun-24			
Cash and equivalents	4,140,738	4,140,738	4,140,738
Receivables	5,839,893	5,839,893	5,839,893
	9,980,631	9,980,631	9,980,631
30-Jun-23			
Cash and	4,233,318	4,233,318	4,233,318
Receivables	4,324,004	4,324,004	4,324,004
	8,557,322	8,557,322	8,557,322
	Carrying Value	At amortized cost	Total
	TZS '000'	TZS '000'	TZS '000'
Financial Liabilities			
30-Jun-24			
Current Liabilities-	2,662,111	2,662,111	2,662,111
	2,662,111	2,662,111	2,662,111

15.0 REVENUE FROM NON-EXCHANGE TRANSACTION

	2023/24	2022/23
	TZS ('000)	TZS ('000)
(a) Main Source		
Service Levy	660,717	1,177,586
Road Transport Licenses	23,252,780	19,269,429
	23,913,497	20,447,015
(b) Other Income		
Fines and Penalties – Road Transport	11,833,373	13,454,632
Non-Monetary Revenue	267,296	345,335
Gain on Foreign Currency Translation	813	
Reversal of provision for impairment of receivables		3,887
	12,101,482	13,803,854
	36,014,979	34,250,869

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

15.0 REVENUE FROM NON-EXCHANGE TRANSACTION (CONTINUED)

During the year ended 30 June 2024, TZS 36.01 billion was earned from non-exchange transactions (2022/23: TZS 34.25 billion). This category includes service provider levies, road transport licenses, and other income. "Other Income" comprises compliance fees and non-monetary revenue. Road transport licenses are the major source of revenue for LATRA. Levies are collected from ride-hailing service providers and from some tickets through the NIDC Universal App. The remaining major portion of the levies comes from expected collections from TRC and UDART. Compliance fees mainly originate from charges imposed on defaulters of licensing conditions. TZS 267,296 Million is reversal of provision payable to staff (Non cash item) .

The notable increase in compliance fees is attributed to strategic roadside inspections and a team formed to coordinate collections.

* Movement of Expected credit Loss from Bank Balances during the year are shown on **Note 46**.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

16.0 REVENUE FROM EXCHANGE TRANSACTIONS

	2023/24	2022/23
	TZS ('000)	TZS ('000)
Receipt from sales of Publications	131,457	125,842
Miscellaneous Receipts	722,223	278,557
Certifying Fees	159,100	75,150
Staff Loan Service Charges	35,151	66,376
TOTAL	1,047,931	545,924

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 1,047.93 million (2022/23: TZS 545.92 million) was recorded as revenues from exchange transactions. The major change relates to Miscellaneous Receipts generated by the Conference Facilities at LATRA Morogoro Office.

17.0 RECEIPT FROM SALE OF GOVERNMENT ASSETS

	2023/24	2022/23
	TZS ('000)	TZS ('000)
Sales of Government Assets	-	22,390
Cash Received		22,390

During the current financial year no sale of assets was undertaken. In the previous FY 2022/23, two Vehicles were sold for TZS 22.39 million.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

18.0 WAGES, SALARIES AND EMPLOYEE BENEFITS

	2023/24	2022/23
	TZS ('000)	TZS ('000)
Civil Servants	10,125,554	7,805,946
Electricity Allowance	48,100	191,352
Extra-Duty	27,470	39,174
Housing allowance	1,932,248	1,500,254
Outfit Allowance	2,600	8,500
Passages Allowances	529,742	750,932
Risk Allowance	96,000	296,460
Transport Allowance	158,488	926,851
Furniture Allowance	56,383	64,000
	12,976,585	11,583,469

The above expenses relate to employee wages, and other benefits. The expenses for the financial year 2023/24 stood at TZS 12.98 billion (2022/23: TZS 11.58 billion). The increase is attributed to the implementation of the new Employees' Incentive Scheme approved in June 2023, and the growth in staff from 154 to 184 between June 2023 and June 2024.

19.0 EMPLOYEE BENEFITS

	2023/24	2022/23
	TZS ('000)	TZS ('000)
Health Costs (NHIF-Employer Expenses)	183,305	42,861
Retirement Benefits	166,277	215,062
Statutory Contributions	3,278,509	1,971,313
Gratuity expenses	29,532	-
	3,657,623	2,229,236

The health costs refer to staff medical expenses paid to NHIF on supplementary package. The retirement benefit represents amounts paid to retiring staff as per the LATRA Incentive Scheme. Gratuity Expenses consists of gratuity payable to the Director General. The statutory contributions include pension payment to PSSSF and WCF.

A total of TZS 3.66 billion was incurred in social benefits during the year 2023/24 (2022/23: TZS 2.23 billion).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

20.0 BANK CHARGES AND COMMISSIONS

	2023/24 TZS ('000)	2022/23 TZS ('000)
Bank charges and Commissions	19,760	15,601
	19,760	15,601

During the year, TZS 19.70 million was paid (2022/23: TZS 15.60 million) as bank charges.

21.0 MAINTENANCE EXPENSES

	2023/24 TZS ('000)	2022/23 TZS ('000)
Computers, printers, scanners, and other computer related equipment	86,993	104,311
Motor Vehicles and Watercraft	79,973	289,157
Small tools and implements	-	2,700
Cement, Bricks and Building Materials	-	304,821
Outsource maintenance contract services	861,701	1,063,131
Repair and Maintenance of Furniture	19,176	-
	1,047,843	1,764,120

The recorded expenditure on maintenance expenses during the year 2023/24 stood at TZS 1.05 billion (2022/23: TZS 1.76 billion). The decline in vehicle maintenance and outsourced contract costs is due to tighter controls and the discontinuation of maintenance on old equipment held for disposal.

22.0 SUPPLIES AND CONSUMABLES USED

	2023/24 TZS ('000)	2022/23 TZS ('000)
Advertising and Publication	254,178	452,164
Air Travel Tickets	166,214	296,048
Audit Fees	151,666	150,466
Books, Reference and Periodicals	7,568	20,029
Burial Expenses	61,992	75,369
Computer Supplies and Accessories	130,192	80,520
Conference Facilities	95,910	108,742
consultancy fees	30,653	104,544
Courier Services	48,000	63,341

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

22.0 SUPPLIES AND CONSUMABLES USED (CONTINUED)

	2023/24	2022/23
	TZS ('000)	TZS ('000)
Diesel	465,093	518,936
Electricity	53,412	135,514
Exhibition, Festivals and Celebrations	4,429.00	9,329
Food and Refreshments	230,062	161,740
Gifts and Prizes	148,527	108,202
Donation	70,774	-
Ground travel (bus, railway taxi, etc.)	546,638	99,877
Insurance Expenses	10,803	87,830
Internet and Email connections	483,778	598,804
legal fees	6,513	10,595
Mobile Charges	103,229	151,805
Office Consumables (papers, pencils, pens & stationaries)	271,877	152,492
Outsourcing Costs (includes cleaning and security services)	333,411	393,748
Fumigation Expenses	7,228	-
Per Diem – Domestic	2,896,909	2,335,686
Per Diem – Foreign	64,671	95,621
Printing and Photocopying Costs	117,458	369,804
Remuneration of Instructors	11,921	6,700
Rent - Office Accommodation	782,932	1,107,672
Special Foods (diet food)	-	1,800
Special Operation Services	773,348	1,188,468
Subscription Fees	22,268	16,339
Tuition Fees	165,791	258,312
Uniforms and Ceremonial Dresses	16,654	68,158
Moving expenses	568,368	140,913
Water Charges	14,962	16,680
Wire, Wireless, Telephone, Telex Services	61,304	73,171
Training Allowances	36,789	29,382
Protective Clothing, footwear and gears	7,140	762
Court Attire	-	3,000
Registration Fee	3,359	-
	9,226,021	9,492,563

The expenditure for use of goods and services in the financial year 2023/24 are TZS 9.38 billion (2022/23: TZS 9.49 billion).

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

23.0 CONTRIBUTIONS AND TRANSFERS

	2023/24 TZS ('000)	2022/23 TZS ('000)
*Contributions (15% on Gross Revenue and other contributions)	5,559,314	5,218,684
Fair Competition Commission (FCC)	180,000	180,000
Fair Competition Tribunal (FCT)	250,000	180,000
LGAs Transfers (Historic)	499,839	506,004
Occupational Safety Health Authority (OSHA)	6,557	1,490
National Consumer Advocacy Council (NCAC)	675,000	600,000
Subscription to AFUR	-	21,500
Subscription to SARA	17,000	13,980
	7,187,710	6,721,658

*Include Provision for 15% of Consolidation Fund **403,458**

Contributions stood at TZS 7.19 billion (2022/23: TZS 6.72 billion) made to the Government Consolidated Fund, other bodies and transfers. Transfers include 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. *Include Provision for 15% of Consolidation Fund amount TZS 0.4 billion.

24.0 CASH AND CASH EQUIVALENTS

	2023/24 TZS ('000)	2022/23 TZS ('000)
LATRA Revenue Collection Account (TZS)-BoT	3,314,631	784,781
LATRA Employee Loan Revolving Fund (TZS)-NBC Bank	500,668	283,929
LATRA Revenue Collection Account (TZS) - NMB Bank	90,356	56,322
LATRA Collection Account (TZS) -CRDB Bank	8,903	-
LATRA Expenditure Account (TZS)-NBC Bank	193,862	3,090,678
LATRA Revenue and Collection Account (USD)-NBC Bank*	11,873	11,106
Petty Cash	21,795	8,626
	4,142,088	4,235,442

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

24.0 CASH AND CASH EQUIVALENTS (CONTINUED)

	2023/24	2022/23
	TZS ('000)	TZS ('000)
Provision for Expected Credit Loss	(1,350)	(2,124)
	4,140,738	4,233,318
Analysis of expected credit loss		
Opening balance	2,124	-
Impact of IPSAS 41 -	-	6,011
	2,124	6,011
Charge during the year	(774)	(3,887)
	1,350	2,124

*Exchange rate used: TZS 2,600.50/USD 1

The decrease in cash and cash equivalents is mainly attributed to payments to facilitate shift of LATRA Head Office to Dodoma. The difference could have been higher save for aggressive expenditure control to ensure the scarce financial resources are properly used.

25.0 INVENTORIES

	2023/24	2022/23
	TZS ('000)	TZS ('000)
Consumables	345,789	595,793
Uniforms	2,761	-
	348,550	595,793
Provision for Obsolete Stock	(1,191)	-
	347,359	595,793

The value of inventories as of 30 June 2024 stood at TZS 347.36 million (30 June 2023: TZS 595.79 million). The balance for consumables comprises items purchased but not used in various LATRA offices. These include printing materials, licenses, stationery, and other office consumables. Licenses are usually purchased to cover requirements for three to six months.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

26.0 OTHER FINANCIAL ASSETS

	2023/24 TZS ('000)	2022/23 TZS ('000)
Defined Contribution Scheme	-	267,295
	-	267,295

The balance for the financial year 2022/23 pertains to the Employee Benefits Scheme, which was established by SUMATRA to motivate and retain its employees. The amount of TZS 267.29 million was returned to LATRA in June 2024 following the Board's decision to close the funds.

27.0 PREPAYMENTS

	2023/24 TZS ('000)	2022/23 TZS ('000)
Rent - Office Accommodation	198,605	73,691
Training Fees	108,268	108,268
Fuel/M/Vehicles (GPSA)	395,097	25,832
Air Tickets (ATCL)	2,355	5,106
LATRA Staff	3,500	-
Medical (NHIF)	22,572	96,558
Licenses (Malindi Printing Press)	13,837	30,936
E. Manase	2,188	-
	746,422	340,391

These are amounts paid in respect of services or goods to be provided after the year end. Specifically, TZS 198.61 million was paid for Rent and TZS 2.36 million was at ATCL on account of air tickets. TZS 395.10 million remaining with GPSA for supplying diesel, TZS 13.84 million remained on the account of Malindi Printing Press for supplying licenses. Tuition fees paid in 2021/22 to Galilee Institute, University of Florida and Creece University of TZS 108.27 million was still unutilised. However, the Board has given directive on the best way to utilize the outstanding fees a decision which is under implementation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

28.0 RECEIVABLES

The receivables as of 30 June 2024 were TZS 5.84 billion (2022/23: TZS 4.32 billion). These comprise unpaid compliance fees, loan balances due from employees, and levy due from TRC, UDART, VTS vendors, and ride-hailing operators. The increase is due to the reluctance of TRC and UDART to pay levies, as well as the grace period provided for the payment of compliance fees. The Core E-Ticketing system, which is under development, is expected to facilitate levy collection, while enhanced roadside inspections will facilitate the timely payment of compliance fees.

	2023/24 TZS ('000)	2022/23 TZS ('000)
28.1 Receivables		
Receivables from Exchange Transaction		
Vehicle Tracking Devices data charges	351,946	281,445
	351,946	281,445
Receivables from Non-Exchange Transaction		
Regulatory Levy Receivable	6,826,557	5,428,811
Other Receivables		
Principal Loan Receivables	1,762,882	1,680,349
Loan Interest Receivable	74,088	70,913
	1,836,970	1,751,262
	9,015,473	7,461,519
Less: Provision for Expected Credit Loss	3,175,580	3,137,515
Net RECEIVABLES	5,839,893	4,324,004
28.2 Movement of expected credit losses		
Opening balance	3,137,515	2,536,358
Impact of IPSAS 41	-	214,390
	3,137,515	2,750,748
Charge during the year	38,065	386,767
Analysis of Provision for Expected credit loss	3,175,580	3,137,515
Compliance fees	3,934	5,178
VTD	322,380	257,846
Levy	2,847,246	2,869,317
Loans	2,020	5,174
	3,175,580	3,137,515

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

28.0 RECEIVABLES (CONTINUED)

	2023/24 TZS ('000)	2022/23 TZS ('000)
28.3 Analysis of cash received from Fees and Levies		
Opening receivable from Non exchange transaction	5,428,811	2,556,166
Revenue for the year	23,913,497	20,447,014
Closing balance	(6,826,557)	(5,428,811)
Cash received	22,515,751	17,574,369
28.4 Analysis cash received from Exchange Transaction		
Opening receivable from exchange transaction	281,445	217,465
Revenue for the year	1,047,931	545,924
Closing balance	(351,947)	(281,445)
Cash received	977,429	481,944
28.5 Analysis of Loan recovery Received		
Opening receivable from Non exchange transaction	1,751,263	986,394
Loans issued	762,000	1,299,000
Closing balance	(1,836,970)	(1,751,262)
Cash received	676,293	534,132
28.6 Analysis of Defined Contribution Scheme		
Opening receivable from Defined Contribn Scheme	267,296	267,296
Closing balance	-	(267,296)
Cash received	267,296	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

29.0 PROPERTY AND EQUIPMENT

	Cost / Revaluation					Accumulated depreciation and Accumulated impairment					Carrying value
2023/24	01 July	Additions	Transfers	Disposal/ Adjustment	30 June	01 July	Disposal/ Adjustment	Depreciation	Transfers	30 June	30 June
Leasehold Land	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
	3,369,124	34,035	-	(750,000)	2,653,159	-	-	-	-	-	2,653,159
Office Building	6,975,049	-	-	-	6,975,049	493,549	-	139,501	-	633,050	6,341,999
Motor vehicles	3,326,178	-	-	-	3,326,178	2,136,499	-	379,734	-	2,516,233	809,945
Plant and machinery	268,899	58,181	-	-	327,080	165,092	-	21,017	-	186,109	140,971
Furniture & fittings	1,347,993	1,440	(1,576)	-	1,347,858	862,967	(14,080)	188,412	(1,402)	1,035,899	311,959
Computer equipment	1,611,651	13,249	-	(30,097)	1,594,802	1,244,375	(43,516)	157,175	-	1,358,034	236,768
Other equipment	3,527,475	299,272	-	30,097	3,856,844	2,258,750	(68,543)	448,343	-	2,638,550	1,218,294
Total	20,426,370	406,177	(1,576)	(750,000)	20,080,971	7,161,232	(126,139)	1,334,183	(1,401)	8,367,875	11,713,096
2022/23											
Leasehold Land	3,342,545	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	6,481,500
WIP (Dodoma)	290520	-	-	(290,520)	-	-	-	-	-	-	-
Motor vehicles	3,156,544	299,845	-	(130,210)	3,326,178	1,913,759	(106,183)	328,923	-	2,136,499	1,189,679
Plant and machinery	268,899	-	-	-	268,899	147,076	-	18,016	-	165,092	103,807
Furniture & fittings	1,440,745	106,861	-	(199,613)	1,347,993	868,961	(177,624)	171,630	-	862,967	485,026
Computer equipment	2,046,580	5,800	-	(440,729)	1,611,651	1,442,338	(425,676)	227,713	-	1,244,375	367,276
Other equipment	4,152,072	196,789	-	(821,386)	3,527,475	2,302,646	(625,446)	581,550	-	2,258,750	1,268,725
Total	21,295,065	723,243	-	(1,591,938)	20,426,370	7,028,828	(1,334,929)	1,467,333	-	7,161,232	13,265,138

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024
30.0 INTANGIBLE ASSETS (FIGURES IN TZS "000")

Details	Cost / Revaluation			Amortization and Accumulated Amortization			Carrying Value
	Cost	Additions	Balance	Balance	Amortization	Balance	
	01 July		30 June	01 July	Charge	30 June	30 June
2023/24	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000	TZS '000
Software - administration	636,345	-	636,345	636,345	-	636,345	-
Software - infrastructure	2,823,342	83,421	2,906,763	2,632,054	116,378	2,748,432	158,332
Website costs	43,454	-	43,454	43,454	-	43,454	-
E-Ticketing system (WIP)	-	84,900	84,900	-	-	-	84,900
Roadside Camera Inspection system (WIP)	-	10,490	10,490	-	-	-	10,490
Total	3,503,141	178,811	3,681,952	3,311,852	116,378	3,428,230	253,722
2022/23							
Software - administration	636,345		636,345	636,345	-	636,345	-
Software - infrastructure	2,716,014	107,329	2,823,342	2,561,388	70,666	2,632,054	191,289
Website costs	43,454	-	43,454	43,454	-	43,454	-
Total	3,395,812	107,329	3,503,141	3,241,187	70,666	3,311,852	191,289

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

31.0 SEGMENTAL REPORTING ON THE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

Simiyu			134	1,533	-	-	1,667
Geita			448	2,299	-	-	2,747
Shinyanga & Kahama			293	3,065	-	-	3,358
Mara			318	1,916	-	-	2,233
Kagera			46	2,299	-	-	2,345
Mwanza			303	4,598	-	-	4,901
Kigoma			127	2,299	-	-	2,426
Singida			300	2,299	-	-	2,599
Manyara			339	1,533	-	-	1,872
Arusha			428	3,448	-	-	3,877
Tabora & Nzega			70	3,448	-	-	3,518
Moshi & Same			1,082	3,448	-	-	4,530
Tanga & Korogwe			79	3,448	-	-	3,527
Mtwara & Masasi			1,077	3,219	-	-	4,296
Lindi			225	2,299	-	-	2,524
Songwe			333	1,916	-	-	2,249
Katavi			89	1,533	-	-	1,621
Rukwa			176	2,299	-	-	2,474
Mbeya			495	3,832	-	-	4,327
Songea			682	3,065	-	-	3,747
Njombe & Makambako			756	3,448	-	-	4,204
Iringa			67	2,682	-	-	2,749
Morogoro & Ifakara			52	3,832	-	-	3,884
Pwani			123	2,682	-	-	2,805
DSM Reg, Tegeta, VTS, Magufuli & Mbagala			2,209	4,828	-	-	7,037
Head Office & Dodoma			4,130,489	276,091	746,422	5,839,893	10,992,896
Total			4,140,738	347,359	746,422	5,839,893	11,074,413
	ASSETS	Current Asset	Cash and Cash Equivalents	Inventories	Prepayments	Receivables	Total Current Asset

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

31.0 SEGMENTAL REPORTING ON THE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024 (CONTINUED)

Simiyu		-		84,587	84,587	86,253	
Geita		-		126,880	126,880	129,627	
Shinyanga & Kahama		-		169,173	169,173	172,531	
Mara		-		126,880	126,880	129,113	
Kagera		-		126,880	126,880	129,225	
Mwanza		-		253,760	253,760	258,661	
Kigoma		-		126,880	126,880	129,306	
Singida		-		126,880	126,880	129,479	
Manyara		-		126,880	126,880	128,752	
Arusha		-		190,320	190,320	194,197	
Tabora & Nzega		-		190,320	190,320	193,838	
Moshi & Same		-		190,320	190,320	194,850	
Tanga & Korogwe		-		190,320	190,320	193,847	
Mtwara & Masasi		-		190,320	190,320	194,616	
Lindi		-		126,880	126,880	129,404	
Songwe		-		148,027	148,027	150,275	
Katavi		-		84,587	84,587	86,208	
Rukwa		-		126,880	126,880	129,354	
Mbeya		-		211,467	211,467	215,794	
Songea		-		126,880	126,880	130,627	
Njombe & Makambako		-		148,027	148,027	152,231	
Iringa		-		126,880	126,880	129,629	
Morogoro & Ifakara		-		169,173	169,173	173,057	
Pwani		-		148,027	148,027	150,831	
DSM Reg, Tegeta, VTS, Magufuli & Mbagala		-		7,083,763	7,083,763	7,090,800	
Head Office & Dodoma		109,780	253,722	992,107	1,355,608	12,348,504	
Total		109,780	253,722	11,713,096	12,076,598	23,151,010	
	Non-Current Asset	Held for Sale	Intangible Assets	Property and Equipment	Total Non- Current Asset	TOTAL ASSETS	LIABILITIES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

31.0 SEGMENTAL REPORTING ON THE STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024 (CONTINUED)

Simiyu		-	-	-	86,253				-
Geita		-	-	-	129,627				-
Shinyanga & Kahama		-	-	-	172,531				-
Mara		-	-	-	129,113				-
Kagera		-	-	-	129,225				-
Mwanza		-	-	-	258,661				-
Kigoma		-	-	-	129,306				-
Singida		-	-	-	129,479				-
Manyara		-	-	-	128,752				-
Arusha		-	-	-	194,197				-
Tabora & Nzega		-	-	-	193,838				-
Moshi & Same		-	-	-	194,850				-
Tanga & Korogwe		-	-	-	193,847				-
Mtwara & Masasi		-	-	-	194,616				-
Lindi		-	-	-	129,404				-
Songwe		-	-	-	150,275				-
Katavi		-	-	-	86,208				-
Rukwa		-	-	-	129,354				-
Mbeya		-	-	-	215,794				-
Songea		-	-	-	130,627				-
Njombe & Makambako		-	-	-	152,231				-
Iringa		-	-	-	129,629				-
Morogoro & Ifakara		-	-	-	173,057				-
Pwani		-	-	-	150,831				-
DSM Reg. Tegeta, VTS, Magufuli & Mbagala		-	-	-	7,090,800				-
Head Office & Dodoma		2,662,111	2,662,111	2,662,111	9,686,393		16,297,108	4,231,885	20,528,993
Total		2,662,111	2,662,111	2,662,111	20,488,899		16,297,108	4,191,791	20,488,899
	Current Liabilities	Payables and Accruals	Total Current Liabilities	TOTAL LIABILITIES	Net Assets	NET ASSETS/ EQUITY	Share Capital	Accumulated Surplus/ (Deficits)	TOTAL NET ASSETS/ EQUITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

32.0 SEGMENTAL REPORTING ON THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024

Geita		183,868	331,305		515,173		
Shinyanga & Kahama		676,792	266,578		943,369		
Mara		400,260	462,106		862,366		
Kagera		302,286	364,423		666,709		
Mwanza		785,830	811,274		1,597,104		
Kigoma		309,900	320,147		630,046		
Singida		196,310	237,499		433,809		
Manyara		257,856	449,308		707,163		
Arusha		2,632,661	1,193,593		3,826,253		
Tabora & Nzega		273,679	248,998		522,678		
Moshi & Same		1,251,273	636,448		1,887,721		
Tanga & Korogwe		454,393	435,282		889,675		
Mtwara & Masasi		1,897,031	603,495		2,500,526		
Lindi		666,774	369,485		1,036,259		
Songwe		239,407	252,492		491,900		
Katavi		70,874	134,032		204,906		
Rukwa		126,346	174,156		300,502		
Mbeya		986,634	401,780		1,388,414		
Songea		584,583	230,469		815,052		
Njombe & Makambako		454,587	236,691		691,278		
Iringa		316,039	311,869		627,907		
Morogoro & Ifakara		1,234,429	411,221		1,645,650		
Pwani		1,345,988	555,537		1,901,525		
DSM Reg, Tegeta, VTS, Magufuli & Mbagala		4,393,390	1,710,374		6,103,764		
Head Office & Dodoma	660,717	3,005,050	717,611	1,047,931	5,431,308		
Total	660,717	23,252,780	12,101,482	1,047,931	37,062,910		
Non-Exchange Transactions:	Service Levy	Road Transport Licenses	Compliance Fees	Exchange Transactions	Total Revenue	EXPENSES AND TRANSFERS	Expenses

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

32.0 SEGMENTAL REPORTING ON THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

Geita	70,451	19,718	121,035	-	13,746	1,260.64	-	-
Shinyanga & Kahama	352,254	98,589	240,365	-	27,299	1,680.85	-	-
Mara	211,352	59,154	192,633	-	21,878	1,260.64	-	-
Kagera	211,352	59,154	243,774	-	27,687	1,260.64	-	-
Mwanza	281,803	78,872	274,459	-	31,172	2,521.28	-	-
Kigoma	140,902	39,436	18,752	-	2,130	1,260.64	-	-
Singida	140,902	39,436	141,491	-	16,070	1,260.64	-	-
Manyara	140,902	39,436	100,578	-	11,423	1,260.64	-	-
Arusha	281,803	78,872	444,931	-	50,533	1,890.96	-	-
Tabora & Nzega	281,803	78,872	148,310	-	16,844	1,890.96	-	-
Moshi & Same	281,803	78,872	443,226	-	50,339	1,890.96	-	-
Tanga & Korogwe	281,803	78,872	240,365	-	27,299	1,890.96	-	-
Mtwara & Masasi	140,902	39,436	209,680	-	23,814	1,890.96	-	-
Lindi	211,352	59,154	151,720	-	17,232	1,260.64	-	-
Songwe	211,352	59,154	141,491	-	16,070	1,470.75	-	-
Katavi	211,352	59,154	202,861	-	23,040	840.43	-	-
Rukwa	211,352	59,154	28,230	-	3,206	1,260.64	-	-
Mbeya	352,254	98,589	444,931	-	50,533	2,101.07	-	-
Songea	211,352	59,154	100,578	-	11,423	1,260.64	-	-
Njombe & Makambako	352,254	98,589	156,834	-	17,812	1,470.75	-	-
Iringa	211,352	59,154	182,405	-	20,717	1,260.64	-	-
Morogoro & Ifakara	281,803	78,872	516,529	-	58,665	1,680.85	-	-
Pwani	281,803	78,872	141,491	-	16,070	1,470.75	-	-
DSM Reg, Tegeta, VTS, Magufuli & Mbagala	1,409,016	394,358	301,735	-	34,269	70,382.13	-	-
Head Office & Dodoma	5,988,319	1,676,020	3,903,798	19,760	443,373	9,857.27	260,348	1,191
Total	12,962,950	3,628,091	9,226,021	19,760	1,047,842	116,378	260,348	1,191
Non-Exchange Transactions:	Wages, Salaries and Employee Benefits	Employee Benefits	Supplies and Consumables	Bank Charges	Maintenance Expenses	Amortization	Board Expenses	Provision for write-off of inventories

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

32.0 SEGMENTAL REPORTING ON THE STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2024 (CONTINUED)

Geita	-	-	-	226,211		-	-	226,211	288,962
Shinyanga & Kahama	-	-	-	720,189		-	-	720,189	223,181
Mara	-	-	-	486,278		-	-	486,278	376,088
Kagera	-	-	-	543,228		-	-	543,228	123,481
Mwanza	-	-	-	668,827		-	-	668,827	928,277
Kigoma	-	-	-	202,480		-	-	202,480	427,567
Singida	-	-	-	339,159		-	-	339,159	94,650
Manyara	-	-	-	293,599		-	-	293,599	413,564
Arusha	-	-	-	858,029		-	-	858,029	2,968,224
Tabora & Nzega	-	-	-	527,720		-	-	527,720	(5,043)
Moshi & Same	-	-	-	856,131		-	-	856,131	1,031,590
Tanga & Korogwe	-	-	-	630,230		-	-	630,230	259,446
Mtwara & Masasi	-	-	-	415,723		-	-	415,723	2,084,803
Lindi	-	-	-	440,718		-	-	440,718	595,541
Songwe	-	-	-	429,538		-	-	429,538	62,362
Katavi	-	-	-	497,248		-	-	497,248	(292,342)
Rukwa	-	-	-	303,203		-	-	303,203	(2,701)
Mbeya	-	-	-	948,408		-	-	948,408	440,006
Songea	-	-	-	383,768		-	-	383,768	431,284
Njombe & Makambako	-	-	-	626,960		-	-	626,960	64,318
Iringa	-	-	-	474,888		-	-	474,888	153,020
Morogoro & Ifakara	-	-	-	937,549		-	-	937,549	708,101
Pwani	-	-	-	519,707		-	-	519,707	1,381,818
DSM Reg, Tegeta, VTS, Magufuli & Mbagala	-	-	-	2,209,760		-	-	2,209,760	3,894,004
Head Office & Dodoma	1,334,183	174	37,292	13,674,316		7,147,616	7,147,616	20,821,932	(15,390,624)
Total	1,334,183	174	37,292	28,634,231		7,187,710	7,147,616	35,821,941	1,240,969
Non-Exchange Transactions:	Depreciation	Transfers:	Expected Credit Losses	Total Expenses	Transfers:	Grants, Subsidies and other Transfer	Total Transfers	Total Expenses & Transfers	Surplus

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

33.0 PAYABLES AND ACCRUALS

		2023/24	2022/23
		TZS ('000)	TZS ('000)
33.1	Payables from Exchange Transactions		
	Accrued expenses*	1,071,936	1,769,667
	Customers deposits	31,199	-
	Other employee benefit**	-	267,296
	Other Payables	2,616	2,616
	Payables to other government entity***	1,078,501	675,044
	Staff Claim	9,482	44,230
	Retention Payable Addition	14,522	-
	Loan Payable Current	30	-
	Supplies of goods and services	15,040	311,745
	Unapplied Deposit Account	114,486	91,231
	Withholding tax	324,299	290,451
	Gratuity payable	29,532	-
	Unpaid leave	13,635	-
		2,705,278	3,452,280
33.2	Analysis of cash paid for supplies of goods & services		
	Opening: payable for supplies and services	311,745	450,291
	Amount expensed during the year	9,226,021	9,492,563
	Closing payable for supplies and services	(15,040)	(311,745)
	Opening Inventory	(595,793)	(593,521)
	Closing Inventory	348,550	595,793
	Opening Prepayment	(340,391)	(667,079)
	Closing Prepayment	746,422	340,391
	Opening Accrued expenses	1,769,667	995,891
	Closing Accrued expenses	(1,071,936)	(1,769,667)
	Opening Other Payables	2,616	110,055

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

33.0 PAYABLES AND ACCRUALS (CONTINUED)

		2023/24	2022/23
		TZS ('000)	TZS ('000)
	Closing Other Payables	(2,616)	(2,616)
	Closing Customers deposits	(31,199)	-
	Closing Retention Payable Addition	(14,522)	-
	Loan Payable Current	(30)	-
	Opening Unapplied Deposit Account	91,231	97,940
	Closing Unapplied Deposit Account	(114,486)	(91,231)
	Cash paid	10,310,239	8,647,065
33.3	Analysis of cash paid for Wages, Salaries and Other employees' benefits		
	Opening - Staff claims, WHT other benefits	601,977	483,835
	Amount expensed during the year	12,976,585	11,583,469
	Non-Monetary Revenue	(267,296)	-
	Closing payable-Staff claims, WHT other benefits	(376,947)	(601,977)
	Cash paid	12,934,319	11,465,327

- * Accrued expenses are those incurred and claims for their settlements were not received by year end. These have decreased by TZS 697.73 million due to shortened payment times.
- ** Other Employee Benefits are staff benefits which were invested with PSSSF as Fund Manager by LATRA. The balance of TZS 267.30 million was refunded to LATRA in June 2024.
- *** Payables to other Government entity are TASAC liability emanating from reconciliation exercise by the Office of the Treasury Registrar (OTR) and Provision amount of 15% for consolidation fund. The remaining are deposits for supplies of goods and services and withholding taxes due for payment in the following financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

34.0 ACCUMULATED SURPLUS

The Authority recorded a surplus of TZS 1.28 billion for the financial year ended 30 June 2024 (2022/23: TZS 0.92 billion). The balance of accumulated surplus account as at the year-end was TZS 4.23 billion (2022/23: TZS 2.95 billion).

35.0 TAXATION

The Authority is a public institution established to provide regulatory services. As such, its services are not taxable, and therefore, no corporation tax was paid during the financial year. Additionally, the Authority is not a VAT-registered trader.

36.0 RELATED PARTY TRANSACTIONS

The costs for LATRA related parties for 2023/24 stood at TZS 3.12 billion (2022/23: TZS 2.74 billion). The transfer of resources and/or obligations between related parties in LATRA during the year ended 30 June 2024 included the following:

36.1 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:

	2023/24	2022/23
	TZS ('000)	TZS ('000)
Board Meetings and Related Expenses		
Special allowance	71,220	27,922
Perdiem	90,624	47,820
Food and Refreshments	-	7,423
ground travel	14,184	4,898
tuition fee	10,000	5,468
Diesel	-	424
Air tickets	2,320	-
	188,348	93,955
Directors Fees	72,000	50,681
TOTAL	260,348	144,636

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

36.2. 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:

	2023/24 TZS (000)	2022/23 TZS (000)
Basic Salary:	-	
Director General	158,020	132,070
Directors	564,160	433,620
Heads of Unit	381,720	395,429
Managers	1,035,360	728,364
Sub-total for Basic Salary	2,139,260	1,689,483
Allowances**:		
Director General	50,982	74,877
Directors	159,480	199,795
Heads of Units	110,916	190,506
Managers	335,628	363,745
Sub-total for Allowances	657,006	828,923
Contributions to Pension Fund (PSSSF)***		
Director General	23,703	19,810
Directors	84,624	48,502
Heads of Unit	57,258	54,477
Managers	155,304	100,845
Sub-total for Contributions	320,889	223,634
Grand Total	3,117,155	2,742,040

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

36.2. Remuneration of Key Management Employees (Continued)

The increase in remuneration of key Management employees is attributed to an appointment by the Chief Secretary of seven LATRA officials to fill Management positions after the vetting results and approved Organisation Structure. The appointments were communicated to staff on 1st April 2024.

Notes:

* The Board had seven (7) members as at 30 June 2024. During the year 2023/24 TZS 72.0 million (2022/23: TZS 50.68 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 Director General was appointed on 6 July 2022 and is under permanent and pensionable scheme.

37.0 COMMITMENTS

37.1 Capital Commitments

The Authority had no capital commitments at the end of the year 2023/24 (2022/23: NIL).

37.2 Procurement Commitments

These consists of procurement contracts which were awarded or under implementation as at 30 June 2024 whose budgets (carryover) were submitted to the Treasury Registrar and approved.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

37.0 COMMITMENTS (CONTINUED)

37.2 Procurement Commitments (Continued)

(a) Goods:

	30.06.2024	30.06.2023
	TZS'000	TZS'000
Due within one year	1,051,729	653,357
Total	1,051,729	653,357

The amount committed for the supply of goods is TZS 1.05 billion (2022/23: TZS 653.36 million) and includes contracted amounts for the supply, installation, and commissioning of a generator (TZS 61.20 million), ICT equipment (TZS 769.00 million), mobile phones (TZS 70.00 million), and television sets (TZS 4.00 million).

(b) Works:

	30.06.2024	30.06.2023
	TZS'000	TZS'000
Due within one year	338,798	68,745
Total	338,798	68,745

The amount committed includes contracts for the construction of LATRA offices in Simiyu and Songwe, each at TZS 150.00 million, and the renovation of LATRA offices in Kahama at TZS 38.80 million.

(c) Consultancy Services:

	30.06.2024	30.06.2023
	TZS'000	TZS'000
Due within one year	276,613	128,266
Total	276,613	128,266

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

37.0 COMMITMENTS (CONTINUED)

37.2 Procurement Commitments (Continued)

The amount committed is for provision of Consultancy Services for carrying out a study to determine demand and supply for commuter transport service Vehicles in the cities of Dar es Salaam and Mwanza (TZS 102.6 million), Consultancy Services to assess diversity and inclusiveness of Different Group with Special Needs in land transport services provision (TZS 70.0 million), Consultancy Services and Improvements of DTS (TZS 80.0 million) and Consultancy Services for Provision of Agency Services for ISO 9001: 2015 Certification (TZS 22.00 million).

(d) Non-Consultancy Services

	30.06.2024 TZS'000	30.06.2023 TZS'000
Due within one year	-	1,234,497
Total	-	1,234,497

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.

38.0 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 number 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.

39.0 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

39.0 CONTINGENT LIABILITIES (CONTINUED)

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.

40.0 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').

41.0 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.

42.0 ASSETS PLEDGED AS SECURITY FOR LIABILITIES

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

43.0 COMPARATIVE FIGURES

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

44.0 EXPLANATIONS OF VARIANCE BETWEEN BUDGET AND ACTUAL AMOUNT

(a) Original Budget and Final Budget

The Authority's original budget for the financial year ending 30 June 2024 was adjusted during the half-year review to arrive at the final budget. Revenue collections were adjusted by TZS 4.60 billion (2022/23: TZS 6.52 billion), from TZS 40.10 billion (2022/23: TZS 41.72 billion) to TZS 35.50 billion (2021/22: TZS 35.20 billion).

The adjustments were made based on the underperformance of LGAs in issuing licenses for motorcycles and motor tricycles, as well as the reluctance of bus operators to use the e-ticketing system.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

44.0 EXPLANATIONS OF VARIANCE BETWEEN BUDGET AND ACTUAL AMOUNT (CONTINUED)

The major adjustments to the budget included a decrease in projected road transport licensing fees by TZS 7.16 billion (2022/23: increase by TZS 1.33 billion), a decrease in the projected levy by TZS 1.15 billion (2022/23: TZS 7.03 billion), a decrease in certification of drivers' fees by TZS 842.83 million (2022/23: TZS 1.7 billion), and an increase in other income by TZS 4.55 billion (2022/23: TZS 977.02 million).

The total expenditure was adjusted by TZS 4.60 billion (2022/23: TZS 5.59 billion), from TZS 40.10 billion (2022/23: TZS 37.69 billion) to TZS 35.50 billion (2022/23: TZS 32.10 billion). The adjustments were made due to delays in the implementation of the new salary structure, which was approved for implementation from 01 June 2024, and the postponement of salary payments for staff transferred from TASAC until July 2024.

(b) Final Budget and Actual Amounts

The Authority's recognized revenues for the year ended 30 June 2024 was TZS 37.06 billion (2022/23: TZS 34.79 billion) which was above the final budget of TZS 35.50 billion (2022/23: TZS 35.20 billion) by TZS 1.70 billion (2022/23: TZS 0.41 billion). 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:

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

44.0 EXPLANATIONS OF VARIANCE BETWEEN BUDGET AND ACTUAL AMOUNT (CONTINUED)

The Authority recognized revenue amounting to TZS 37.06 billion against the budget of TZS 35.50 billion for the year 2023/24. The major reason for the good-performance enhanced debt collection efforts by a dedicated team. The expenditure for the Authority amounted to TZS 35.82 billion, which is TZS 0.32 billion above the final budget of TZS 35.50 billion. The budget performance and explanations for variance are provided hereunder:

Budget approved	Original budget	Adjustment	Final budget	Actual amount on accrual basis	Accrued amount	Actual amount on Comparable to Basis	Difference Final Budget Vs Actual	Explanations for Variances
	[A]	[B]	[C=A-B]	[D]	[E]	[F=D-E]	[C-F]	
REVENUE	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	
Revenue from Non-Exchange Transactions								
Road Transport fees	26,938,110	(7,161,420)	19,776,690	23,252,780	-	23,252,780	3,476,090	Increase in collection is due to enhanced revenue collections efforts and sector growth.
Levies	2,008,140	(1,148,340)	859,800	660,717	-	660,717	(199,083)	The under collection due to resistance to pay levy by service providers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

44.0 EXPLANATIONS OF VARIANCE BETWEEN BUDGET AND ACTUAL AMOUNT (CONTINUED)

Budget approved	Original budget	Adjustment	Final budget	Actual amount on accrual basis	Accrued amount	Actual amount on Comparable to Basis	Difference Final Budget Vs Actual	Explanations for Variances
	[A]	[B]	[C=A-B]	[D]	[E]	[F=D-E]	[C-F]	
REVENUE	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	
Certification of Drivers & Crew	1,042,820	(842,830)	199,990	159,100	-	159,100	(40,890)	Target was higher than actual results
Other Revenue	10,110,930	4,552,590	14,663,520	12,990,313	-	12,990,313	(1,673,207)	Compliance fees decreased due to enhanced compliance.
Total Revenue	40,100,000	(4,600,000)	35,500,000	37,062,910	-	37,062,910	1,562,910	
PAYMENTS								
Depreciation of PPE	-	-	-	1,334,183	-	1,334,183	(1,334,183)	
Amortization of Intangible Assets	-	-	-	116,378	-	116,378	(116,378)	
Provision for write off of obsolete inventories	-	-	-	1,191	-	1,191	(1,191)	
Transfer of assets to other institutions	-	-	-	174	-	174	(174)	
Expected Credit Loss	-	-	-	37,292	-	37,292	(37,292)	

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

44.0 EXPLANATIONS OF VARIANCE BETWEEN BUDGET AND ACTUAL AMOUNT (CONTINUED)

Budget approved	Original budget	Adjustment	Final budget	Actual amount on accrual basis	Accrued amount	Actual amount on Comparable to Basis	Difference Final Budget Vs Actual	Explanations for Variances
	[A]	[B]	[C=A-B]	[D]	[E]	[F=D-E]	[C-F]	
REVENUE	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	
Maintenance Expenses	684,600	(4,400)	689,000	1,047,843	-	1,047,843	(358,842)	Increase is due to renovations and partitions of new offices opened.
Social Benefits	4,989,655	456,474	4,533,181	3,628,091	-	3,628,091	905,090	Postponement of payments to staff from TASAC.
Bank Charges and Commissions	15,000	0	15,000	19,760	-	19,760	(4,760)	
Board Expenses	271,900	(5,725)	277,625	260,348	-	260,348	17,277	The decrease is due to internal control on expenditures.
Supplies and consumables used	13,391,764	3,348,104	10,043,660	9,226,021	-	9,226,021	817,639	The saving is attributed to expenditure controls to ensure the spending is in line with collection.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

44.0 EXPLANATIONS OF VARIANCE BETWEEN BUDGET AND ACTUAL AMOUNT (CONTINUED)

Budget approved	Original budget	Adjustment	Final budget	Actual amount on accrual basis	Accrued amount	Actual amount on Comparable to Basis	Difference Final Budget Vs Actual	Explanations for Variances
	[A]	[B]	[C=A-B]	[D]	[E]	[F=D-E]	[C-F]	
REVENUE	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	TZS '000'	
Wages, Salaries and Employees Benefits	13,213,580	190,547	13,023,034	12,962,950	-	12,962,950	60,084	Postponement of payments to staff from TASAC.
Transfers and Contributions	7,533,500	615,000	6,918,500	7,187,710	-	7,187,710	(269,210)	Target was higher than actual results
Total payments	40,100,000	4,600,000	35,500,000	35,821,941	-	35,821,941	(281,847)	
Surplus	-	-	-	1,240,969	-	1,240,969	1,240,969	
Acquisition of Non-Current Assets	1,998,300	(558,300)	1,440,000	584,988	-	584,988	1,035,000	The Decrease is due to postponement of some activities to match expected collection.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

45.0 RECONCILIATION OF CASH FROM OPERATING ACTIVITIES TO NET SURPLUS

	2023/24	2022/23
	TZS ('000)	TZS ('000)
Surplus for the year	1,197,802	920,744
Non-cash Movements:		
Depreciation	1,334,183	1,467,333
Amortization	116,378	70,666
Provision for write-off of obsolete inventories	1,191	0
Transfers	174	
Expected Credit Loss from Receivables	37,292	386,766
Reversal of provision for Expected Credit Loss	-	(3,887)
Non-Monetary Revenue	(267,296)	(345,335)
Gain on Foreign Currency Translation	(813)	
Working capital movements:		
(Increase)/Decrease in Receivables	(1,553,955)	(3,701,494)
(Increase)/Decrease in Stationery Inventories	247,243	(204,043)
(Increase)/Decrease in Other Financial Assets	267,296	(118,900)
(Increase)/Decrease in prepayments	(406,031)	326,688
Increase/(Decrease) in Payables	(747,001)	639,224
Adjustment of Opening Other Payables (Non-Cash)	267,296	110,055
Adjustment of Opening Accrued expenses (Non-Cash)	-	195,689
Net cash flow from operating activities	493,758	(256,494)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

46.0 EXPECTED CREDIT LOSS FROM RECEIVABLES AND BANK

	2023/24	2022/23
	TZS'000	TZS'000
Expected Credit Loss from Receivables	-	386,766
Levies	(22,070)	-
Loans	(3,154)	-
Compliance fees	(1,244)	-
VTD Vendors	64,534	-
Bank Balances	(774)	-
	37,292	386,766

The impairment of receivables in the year amounted to TZS 37.29 million (2022/23, TZS 386.77 million).

47.0 STAFF LOANS ISSUED AND OTHER PAYMENTS

During the year, the Authority continued to implement its loan policy. A total of TZS 762.0 million was issued during the financial year end (2022/23: TZS 1.30 billion)

	2023/24	2022/23
	TZS ('000)	TZS ('000)
Staff Loans Issued	762,000	1,299,000
Amount Paid	762,000	1,299,000

48.0 COMPLIANCE FEE

	2023/24	2022/23
	TZS ('000)	TZS ('000)
Compliance Fees – Road Transport	11,833,373	13,439,704
	11,833,373	13,439,704

Compliance Fees are charges imposed to defaulters of licensing conditions as stipulated in the respective regulations. The fees collected in the financial year 2023/24 amounted to TZS 11.83 billion (2022/23: TZS 13.44 billion). The decrease indicates improved compliance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

49.0 ANALYSIS OF EXPENSES BY FUNCTION

	2023/24 TZS ('000)	2022/23 TZS ('000)
Administrative Expenses	24,124,334	23,366,234
Regulatory Expenses	4,046,969	2,832,559
Training and Development Expenses	202,580	174,150
Directors Fees and Other Board Expenses	260,348	144,636
Contribution to the Government Fund	5,559,314	5,126,582
Contribution/Subscription to International Bodies	1,628,396	1,502,974
	35,821,941	33,147,135

50.0 NON-CURRENT ASSET HELD FOR SALE

	2023/24 TZS ('000)	2022/23 TZS ('000)
Cost		
Furniture and Fittings	199,613	199,613
Computer Equipment	470,825	440,729
Other Equipment	791,289	821,386
	1,461,727	1,461,728
Accumulated Depreciation		
Furniture and Fittings	191,704	177,624
Computer Equipment	469,192	425,676
Other Equipment	691,051	625,446
	1,351,947	1,228,746
Net Book Value	109,780	232,982

These are assets that were approved for disposal by the Board of Directors in March 2023. The assets were not disposed of by the end of the year. The Board of Condemnation was appointed by the Minister of Finance on 12 October 2023, through letter Kumb. Na. KA.54/538/01'A'/143. During the financial year 2023/24, the team visited LATRA offices to inspect the assets earmarked for disposal. The report from the Ministry of Finance was received, and we expect the disposal to be completed during the current financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

51.0 CAPITAL FUND TZS 16,297,108,000

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 20.49 billion forming the Capital Fund.

52.0 ACQUISITION OF PROPERTY, PLANT AND EQUIPMENTS

	2023/24 TZS ('000)	2022/23 TZS ('000)
Additional PPE	406,177	723,243
Non-Monetary Revenue - Capital (Assets donated from TASAC)	(1,576)	(39,591)
Cash paid	404,601	683,652

The value of PPE acquired (additional) during the year, adjusted with assets received from TASAC, is TZS 404.60 million (2022/23: TZS 683.65 million).

53.0 EVENTS AFTER REPORTING DATE

There are no events occurring after the reporting date that require disclosure to provide a better understanding of the financial statements.

54.0 TRANSFER OF ASSETS

During the year, furniture with book value of TZS 174,000 (2022/23: Nil) was transferred to the MoT in line with procedures governing such transfers.

	2023/24 TZS ('000)	2022/23 TZS ('000)
Cost	1,576	-
Accumulated Depreciation	(1,402)	-
	174	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

55.0 INTERGOVERNMENTAL TRANSACTIONS

The intergovernmental transactions between LATRA and other government institutions for the financial year 2023/24 amounted to TZS 12.90 billion. These transactions typically involve payments for services rendered, transfers/contributions to the Government Consolidated Fund, LCCC, FCT, and FCC, as well as payments to LGAs from shared revenues.

The intergovernmental transactions are summarized for each institution as follows:

S/n	Institution	Amount (TZS)
1	The Treasury Registrar (TR)	5,150,000,000
2	Public Service Social Security Fund (PSSSF)	1,883,525,901
3	National Health Insurance Fund (NHIF)	766,130,503
4	Tanzania Telecommunications Corporation Limited (TTCL)	727,974,313
5	LATRA Consumer Consultative Council (LCCC)	675,000,000
6	Tanzania Revenue Authority (TRA)	599,642,344
7	Contractors Registration Board (CRB)	460,934,746
8	Government Procurement Services Agency (GPSA)	302,118,600
9	Fair Competition Commission (FCC)	225,000,000
10	Tanzania Buildings Agency (TBA)	222,135,774
11	SUMAJKT Guard Ltd	211,214,504
12	E Government Agency (eGA)	190,786,477
13	Tanzania Electrical, Mechanical and Electronics Services Agency (TEMESA)	175,540,444
14	Fair Competition Tribunal (FCT)	150,000,000
15	National Social Security Fund (NSSF)	117,410,342
16	Dodoma Municipal Council (DMC)	93,768,250
17	Morogoro Municipal Council (MCC)	87,261,750
18	Tanzania Electricity Supply Company Ltd (TANESCO)	76,296,773
19	Tanzania Posts Corporation (TPC)	72,559,344
20	Workers Compensation Fund (WCF)	70,790,917
21	Controller and Auditor General (CAG)	55,520,000
22	National Identification Authority (NIDA)	48,131,000
23	Air Tanzania Corporation Limited (ATCL)	45,000,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

56.0 INTERGOVERNMENTAL TRANSACTIONS (CONTINUED)

S/n	Institution	Amount (TZS)
24	Higher Education Students Loans Board (HESLB)	36,199,260
25	Kinondoni Municipal Council (KMC)	34,997,500
26	National Housing Corporation (NHC)	34,339,098
27	SUMAJKT Construction Company Limited	32,382,150
28	Institute Of Finance Management (IFM)	25,653,200
29	Arusha City Council (ACC)	22,117,215
30	Ministry of Transport (MoT)	19,000,000
31	National Institute Of Transport (NIT)	18,000,000
32	Public Procurement Regulatory Authority (PPRA)	14,780,000
33	Temeke Municipal Council (TMC)	14,672,500
34	Ruvuma Treasury	14,557,523
35	Kyela District Council (KDC)	14,436,500
36	National Insurance Corporation (NIC)	13,180,877
37	Bunda Town Council	13,103,500
38	Geita Town Council	11,793,601
39	Morogoro District Council	11,595,350
40	Director Ilala Municipal Council	11,491,295
41	Songea Municipal Council	9,321,750
42	Handeni Town Council	8,920,500
43	Rungwe District Council	8,558,000
44	Bukoba Municipal Council	8,247,500
45	National College Of Tourism (NCTSO)	7,900,000
46	Ministry of Lands	7,080,100
47	Songea District Council	6,138,000
48	Tarime Town Council	5,787,500
49	Korogwe Town Council	5,657,500
50	SDC Own Source Cash Collection	5,265,000
51	Occupational Safety and Health Authority (OSHA)	4,860,000
52	Dar Es Salaam Water and Sewerage Authority (DAWASA)	4,507,719
53	Kilombero District Council	4,500,000
54	Madaba Distric Council	4,452,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

57.0 INTERGOVERNMENTAL TRANSACTIONS (CONTINUED)

S/n	Institution	Amount (TZS)
55	Ilemela Municipal Council	4,450,000
56	Bunda District Council	3,912,000
57	Mbarali District Council	3,161,500
58	Morogoro District Council	3,156,500
59	Kasulu Town Council	3,104,000
60	Makambako Town Council	2,838,000
61	Moshi Municipal Council	2,651,000
62	Ilala Municipal Council	2,549,500
63	Muheza District Council	2,473,000
64	Bagamoyo District Council	2,395,500
65	Government Printer	2,060,000
66	Mbeya Regional Office	2,000,000
67	Mkuranga District Council	1,883,000
68	Mpanda District Council	1,686,500
69	Morogoro Municipal Council	1,564,000
70	The Institution of Engineers Tanzania	1,550,000
71	Ubungo Municipal Council	1,459,500
72	Moshi District Council	1,452,000
73	Babati Town Council	1,382,000
74	Mafia District Council	1,347,000
75	Tunduma Town Council Collection	1,222,100
76	Chato Town Council	1,206,500
77	Ifakara Town Council	1,104,000
78	Council Own Source Collection Account	1,075,850
79	Kisarawe District Council	870,000
80	Misungwi District Council	859,000
81	Musoma Municipal Council	845,750
82	Mtwara Municipal Council	822,500
83	Sengerema District Council	726,000
84	Bariadi District Council	685,500
85	CPS Miscellaneous Deposit Expenditure Electronic	600,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

58.0 INTERGOVERNMENTAL TRANSACTIONS (CONTINUED)

S/n	Institution	Amount (TZS)
86	National Board of Accountants and Auditors (NBAA)	600,000
87	KISARAWA SACCOS LTD	592,921
88	Mafinga Town Council	520,500
89	Engineers Registration Board	510,000
90	Wanging'ombe District Council	495,500
91	Nanyumbu District Council	412,000
92	Kilimanjaro Sub Treasury	400,000
93	Tanzania Statistical Association	400,000
94	Nzega Town Council	386,500
95	Mbinga Town Council	335,000
96	Procurement and Supplies Professionals and Technicians Board (PSPTB)	290,000
97	Kilolo District Council	287,000
98	Manyoni District Council	265,000
99	Same District Council	264,000
100	Geita District Council	240,500
101	Own Source Collection Revenue Acc	231,500
102	Gairo District Council	204,000
103	Butiama District Council	196,500
104	Nkasi District Council	188,500
105	Namtumbo District Council	176,000
106	Bagamoyo Municipal Council	104,500
107	NYASA District Council	84,000
108	DED OWN Source Collection	56,000
109	NANYAMBA Town Council	51,000
110	Korogwe District Council	50,000
111	ITIGI District Council	42,500
	Total	12,904,712,740

HEAD OFFICE:

Mkandarasi Place, 58 Lusinde Road, 5th & 8th Floor
P. O.Box 1742, 41104 Tambukareli, Dodoma Tanzania
Toll free: 0800110019 / 20 | Tel: +255 262 323 930
Email: dg@latra.go.tz / info@latra.go.tz

LATRA REGIONAL OFFICES CONTACTS

ARUSHA REGIONAL OFFICE

NSSF Mafao House, 4th Floor
Nyerere Road
P. O. Box 2648 Arusha
Email: arusha@latra.go.tz
Mobile: 0738 000 057

DAR ES SALAAM REGIONAL OFFICE

Sumatra House,
Plot No. 454/160
Nkrumah Street,
P. O. Box 3093
Dar es Salaam
Email: daressalaam@latra.go.tz
Mobile: 0738 000 044

• MAGUFULI BUS TERMINAL OFFICE

Administration Block, 2nd floor
P. O. Box 3093,
Dar es Salaam
Email: info@latra.go.tz
Mobile: 0738 858 938

• MBAGALA OFFICE

Evergreen Resource House
Plot No. 33 Block 'A' Mbagala Zakhiem
P. O. Box 3093, Dar es Salaam
Email: mbagala@latra.go.tz
Mobile: 0800110019/ 0800110020

• TEGETA OFFICE

Kibo Complex, Ground Floor
P. O. Box 3093, Dar es Salaam
Email: tegeta@latra.go.tz
Mobile: 0800110019/ 0800110020

DODOMA REGIONAL OFFICE

60 Lusinde Road
P. O. Box 1742,
41104 Dodoma
Email: dodoma@latra.go.tz
Mobile: 0738 000 069

GEITA REGIONAL OFFICE

Geta Gold Market, 1st Floor
Nyerere Road,
P. O. Box 594, Geita
Email: Geita@latra.go.tz
Mobile: 0738 000 070

IRINGA REGIONAL OFFICE

NSSF Akiba House, 2nd Floor
Miyomboni Street,
P. O. Box 1311 Iringa
Email: iringa@latra.go.tz
Mobile: 0738 000 067

KAGERA REGIONAL OFFICE

NSSF Mafao House, 2nd Floor
House no. 32, Miembeni Street,
P. O. Box 677 Bukoba
Email: kagera@latra.go.tz
Mobile: 0738 000 051

KATAVI REGIONAL OFFICE

Mpanda Plaza, NHC House 1st Floor
P. O. Box 256, Katavi
Email: katavi@latra.go.tz
Mobile: 0738 000 061

KIGOMA REGIONAL OFFICE

TCCL House, 1st Floor
Near Kigoma Railway Station
P. O. Box 1256, Kigoma
Email: kigoma@latra.go.tz
Mobile: 0738 000 048

KILIMANJARO REGIONAL OFFICE

NSSF Tower, 6th Floor
Plot No. 789z, Block C
Aga Khan Road
P. O. Box 6917, Moshi
Email: kilimanjaro@latra.go.tz
Mobile: 0738 000 066 | 0738 000 054

LATRA REGIONAL OFFICES CONTACTS

• SAME OFFICE

Mater Dei Africa Building,
Ground Floor
Mbuyuni Street
P. O. Box 67, Same
Email: same@latra.go.tz
Mobile: 0738 021 786

LINDI REGIONAL OFFICE

NBC House, 1st Floor
Lumumba Street
P. O. Box 727, Lindi
Email: lindi@latra.go.tz
Mobile: 0738 000 060

MANYARA REGIONAL OFFICE

TANROADS Building 1st Floor
27103 Bangara,
Babati CBD, Manyara
Tanroads Street
P. O. Box 191, Babati
Email: manyara@latra.go.tz
Mobile: 0738 000 052

MARA REGIONAL OFFICE

NHC House, 2nd Floor
Gandhi/ Mukendo Street
P. O. Box 137, Musoma
Email: mara@latra.go.tz
Mobile: 0738 000 058

MBEYA REGIONAL OFFICE

NHIF Tower, 2nd Floor
Uzunguni Street
P. O. Box 6129, Mbeya
Email: mbeya@latra.go.tz
Mobile: 0738 000 063

• CHUNYA REGIONAL OFFICE

Sinjilili Street,
Near TANESCO Building
P. O. Box 36 Chunya
Email: chunya@latra.go.tz
Mobile: 0738 381068

MOROGORO REGIONAL OFFICE

NSSF Tower, 2nd Floor
Old Dar es Salaam Road
P. O. Box 1417, Morogoro
Email: morogoro@latra.go.tz

• IFAKARA OFFICE

Mlimba District Council Building
P. O. BOX 263, Ifakara
Email: ifakara@latra.go.tz
Mobile: 0738000053

MTWARA REGIONAL OFFICE

Posta Tower, Ground Floor
TANU Road
P. O. Box 915, Mtwara
Email: mtwara@latra.go.tz
Mobile: 0738 000 068

• MASASI OFFICE

Nachingwea Road
P. O. Box 915, Mtwara
63582 Masasi
Email: masasi@latra.go.tz
Mobile: 0738381058

MWANZA REGIONAL OFFICE

PSSSF Plaza, 6th Floor
Block 17/ 18, Kenyatta Road
P. O. Box 2624, Mwanza
Email: mwanza@latra.go.tz
Mobile: 0738 000 065

NJOMBE REGIONAL OFFICE

NSSF Tower, Ground Floor
Songea Road
P. O. Box 1050, Njombe
Email: njombe@latra.go.tz
Mobile: 0738 000 056

• MAKAMBAKO OFFICE

TAZARA House
P. O. Box 183, Makambako
Email: makambako@latra.go.tz
Mobile: 0738 381 089

PWANI REGIONAL OFFICE

Ujenzi Offices,
Morogoro Road
P. O. Box 30851, Kibaha
Email: pwani@latra.go.tz
Mobile: 0738 000 046

LATRA REGIONAL OFFICES CONTACTS

RUKWA REGIONAL OFFICE

Sumbawanga District
Council Building 1st Floor
Bomani Area
P. O. Box 547, Sumbawanga
Email: rukwa@latra.go.tz
Mobile: 0738 000 047

SHINYANGA REGIONAL OFFICE

TBA House, Ground Floor
Ushirika Area
Mwanza Road
P. O. Box 87, Shinyanga
Email: shinyanga@latra.go.tz
Mobile: 0738 000 049

- **KAHAMA OFFICE**

NSSF Mafao House, 3rd floor
P. O. Box 532, Kahama
Email: kahama@latra.go.tz
Mobile: 0734 450 005

SIMIYU REGIONAL OFFICE

Malambo Area, PSPF Road Plot No. 12
P. O. Box 342, Bariadi
Email: simiyu@latra.go.tz
Mobile: 0738 000 055

SINGIDA REGIONAL OFFICE

TBA Offices
2 Liti Road
P. O. Box 105, Singida
Email: singida@latra.go.tz
Mobile: 0738 000 062

SONGWE REGIONAL OFFICE

Unyia Building, 1st Floor
Market Street
P. O. Box 214, Mbozi
Email: songwe@latra.go.tz
Mobile: 0738 000 059

TABORA REGIONAL OFFICE

GPSA House
Gongoni Street
P. O. Box 82, Tabora
Email: tabora@latra.go.tz
Mobile: 0738 000 042

- **NZEGA REGIONAL OFFICE**

Nzega District Council Building
Utemini Street
Itobo Road
P. O. Box 82, Tabora
Email: info@latra.go.tz
Mobile: 0734 220 012

TANGA REGIONAL OFFICE

Bandari House, 5th Floor
Plot No. 25
Hassan Ngwilizi Road
P. O. Box 657, Tanga
Email: tanga@latra.go.tz

- **KOROGWE REGIONAL OFFICE**

Sumbawanga District
Council Building,
P. O. Box 124, Korogwe
Email: korogwe@latra.go.tz

