



**THE UNITED REPUBLIC OF TANZANIA
NATIONAL AUDIT OFFICE**



DAR ES SALAAM MARITIME INSTITUTE (DMI)

**REPORT OF THE CONTROLLER AND AUDITOR GENERAL ON THE
FINANCIAL AND COMPLIANCE AUDIT FOR THE
FINANCIAL YEAR ENDED 30 JUNE 2024**

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March 2025

AR/PA/DMI/2023/24

About the National Audit Office

Mandate

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



Independence and objectivity

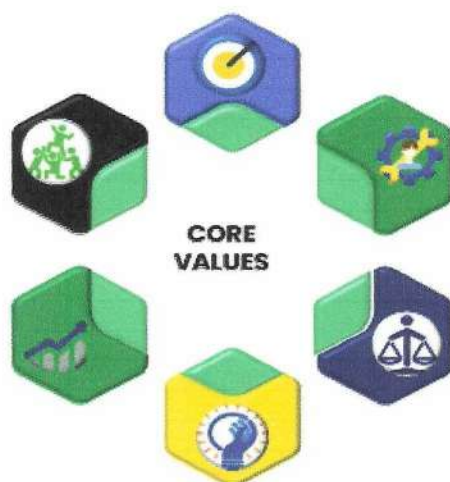
We are an impartial public institution, independently offering high-quality audit services to our clients in an unbiased manner.

Teamwork Spirit

We value and work together with internal and external stakeholders.

Results-Oriented

We focus on achievements of reliable, timely, accurate, useful, and clear performance targets.



Professional competence

We deliver high-quality audit services based on appropriate professional knowledge, skills, and best practices

Integrity

We observe and maintain high ethical standards and rules of law in the delivery of audit services.

Creativity and Innovation

We encourage, create, and innovate value-adding ideas for the improvement of audit services.

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ABBREVIATIONS

AIDS	Acquired Immuno Deficiency Syndrome
AR	Audit Report
CAG	Controller and Auditor General
CAPT	Captain
CFS	Cash flow statement
CoC	Certificate of Competence
DIT	Dar es Salaam Institute of Technology
DMI	Dar es Salaam Maritime Institute
DMTU	Dar es Salaam Maritime Training Unit
DR	Doctor
EGA	Electronic Government Agency
Eng	Engineer
GPSA	Government Procurement Service Agency
HESLB	Higher Education Students' Loan Board
HIV	Human Immunodeficiency Virus
ICT	Information Communication Technology
IMO	International Maritime Organization
IPSAS	International Public Sector Accounting Standards
ISSAIs	International Standard of Supreme Audit Institutions
KOHA	Kalamazoo Optimistic Hockey Organization
MET Fund	Maritime Education and Training Fund
MoFP	Ministry of Finance and Planning
MoWT	Ministry of Works and Transport
NACTVET	National Council for Technical and Vocational Education and Training
OTR	Office of Treasury Registrar
PhD	Doctor of Philosophy
NeST	National e-Procurement System of Tanzania
STCW	The International Convention on Standards of Training, Certification and Watch-keeping of 1978 as amended
TASAC	Tanzania Shipping Agencies Authority
TBS	Tanzania Bureau of Standards
TPA	Tanzania Ports Authority
ZHeSLB	Zanzibar Higher Education Loans Board

1.0 INDEPENDENT REPORT OF THE CONTROLLER AND AUDITOR GENERAL

Chairperson of the Governing Board of Governors,
Dar es Salaam Maritime Institute,
P.O. Box 6727
Dar es Salaam,
Tanzania.

1.1 REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Unqualified Opinion

I have audited the financial statements of Dar es salaam Maritime Institute (DMI) 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 Dar es salaam Maritime Institute 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 Dar es Salaam Maritime Institute, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the National Board of Accountants and Auditors (NBAA) Code of Ethics, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

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

Other Information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Further, Section 48(3) of the Public Procurement Act, 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.

1.2 REPORT ON COMPLIANCE WITH LEGISLATIONS

1.2.1 Compliance with the Public Procurement laws

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

I performed a compliance audit on the procurement of works, goods, and services in the Dar es Salaam Maritime Institute for the financial year 2023/24 as per the Public Procurement laws.

Conclusion

Based on the audit work performed, I state that, procurement of works, goods and services of Dar es salaam Maritime Institute is generally in compliance with the requirements of the Public Procurement laws.

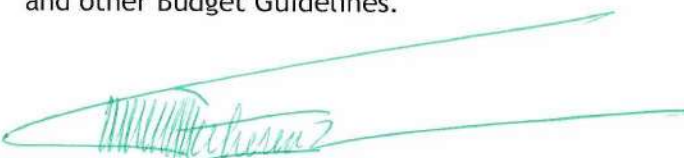
1.2.2 Compliance with the Budget Act and other Budget Guidelines

Subject matter: Budget formulation and execution

I performed a compliance audit on budget formulation and execution in Dar es Salaam Maritime Institute for the financial year 2023/24 as per the Budget Act and other Budget Guidelines.

Conclusion

Based on the audit work performed, I state that Budget formulation and execution of Dar es Salaam Maritime Institute is generally in compliance with the requirements of the Budget Act and other Budget Guidelines.


Charles E. Kichere
Controller and Auditor General
United Republic of Tanzania
March 2025



2.0 THE REPORT BY THOSE CHARGED WITH GOVERNANCE FOR THE YEAR ENDED 30 JUNE 2024

2.1 BACKGROUND

In compliance with the Public Corporations Act, 1992 and the Tanzania Financial Reporting Standard No. 1 on Report by Those Charged With Governance, the Board of Governors of Dar es Salaam Maritime Institute ("DMI" or "the Institute") are required to submit report and financial statements for the period ended 30 June 2024. The Governors, therefore, hereby present the Report.

2.2 CORPORATE OUTLOOK

The Dar es Salaam Maritime Institute (DMI) was established on the 3 July 1978 as a training wing of Tanzania Coastal Shipping Line (TACOSHILI), known as Dar es Salaam Maritime Training Unit (DMTU) to fulfil the needs for well-trained Seafarers. On realizing the ever-increasing needs for maritime training, the Government transformed the training unit to Dar es Salaam Maritime Institute (DMI) by the Act of Parliament No. 22 of 1991 to cater for greater needs of Shipping Industry in the region. DMI's main campus is located along Sokoine Drive in the commercial city of Dar es Salaam, adjacent to the Port of Dar es Salaam.

DMI is an autonomous training institution, operating under the Ministry of Works, Transport and Communications. It is mandated to provide training, research and consultancy services in maritime and other related fields. The Institute complies with national and international requirements, particularly the Tanzania Merchant Shipping Act, 2003, and The International Convention on Standards of Training, Certification and Watch-keeping (STCW) for Seafarers of 1978 as amended. DMI is fully accredited by the National Council for Technical and Vocational Education and Training (NACTVET) to undertake Maritime Education and Training programs. Currently, the institute offers six major programs which are Marine Engineering Technology, Maritime Transport and Nautical Science, Shipping and Logistics Management, Procurement, logistics and Supply Chain Management, Naval Architecture and Offshore Engineering and Shipping Economics and Logistics, DMI also offers professional Courses (CoCs) from Mandatory Safety Courses to Master Mariner and Chief Engineer.

Since its establishment, DMI has been training both local and international students. The Graduates from DMI can be employed to work in fields such as on-board ships as sea going ratings and officers; Offshore exploration structures; Onshore power production plants as Technicians and Engineers; Ship inspectors or surveyors; Shipping company superintendents; Port operators; Logisticians; supply Chain management professionals; Researchers and consultants.

2.3 MISSION AND VISION

Vision

DMI is envisioned to be a leading Centre of excellence in maritime education, training, research and consultancy.

Mission

DMI is committed to provide high quality maritime training and produce competent experts for sustainable transport and logistics in Sub-Saharan Africa and beyond.

2.4 CORE VALUES AND ROLE

i. Customer Focused

The institute is committed to providing high quality services to meet customers' satisfaction.

ii. Professional and academic excellence

The Institute endeavours to maintain high standards of professionalism and academic excellence.

iii. Creativity and Innovative

The institute encourages initiatives, new ideas and recognizes contributions that lead to better performance and on board new technological changes.

iv. Integrity

The institute employs the highest ethical standards that demonstrate honest and fairness.

v. Accountability and responsibility

The institute is answerable for its decisions, actions and timely attention to stakeholders' needs.

vi. Teamwork

The institute staff/community shall work together, share experiences and respect each other to realize our common goal.

2.5 MANDATED FUNCTIONS OF THE INSTITUTE

The institute is mandated to perform the following functions

1. To provide facilities for the study of and training in the principles, procedures and techniques of basic training of seafarers;
2. To conduct maritime and other related programs;
3. To engage in research into theoretical, operational and organizational problems and training needs in the maritime sector;
4. To provide consultancy services to the government, parastatal bodies and such other bodies or persons;
5. To establish and foster closer association with other colleges, academies and institutions both nationally and internationally; and
6. To perform all other functions as stipulated in the DMI Act.

2.6 PRINCIPAL ACTIVITIES UNDERTAKEN DURING THE FINANCIAL YEAR 2023/24

The Dar es Salaam Maritime Institute is a Maritime institute Training cadre for the maritime industry in ship operations and management of shipping and related industry

The institute's activities for the year 2023/24 have been;

- (a) Training up to Master Degree and competency courses
- (b) Enrolled 3,053 new students, of which 787 are female, and 2,266 are male, reaching 5,177 students, including continuing students. This is an increase of 773 from 2,280 students enrolled in the year 2022/23, making an increase of 33.9% in new enrolments from last year's performance;
- (c) 21 employees are continuing with their studies (2 Sea Time, 5 PhD, 12 Masters, 1 CPA and 1 Chief & Second Engineer Officer Course).
- (d) Trained 6,849 students in STCW short courses including revalidation courses. This is an increase of 114, from 6,735 students enrolled in the year 2022/23, making an increase of 1.7% from last year's performance;
- (e) Invested its staff career development to ensure efficiency and improved quality in service delivery in which 8 staff joined long term training in various academic institutions to improve their professional skills;
- (f) 16 research and consultancies have been conducted;
- (g) Reviewed 5 curricula in marine engineering department for NTA Level, developed 4 curricula in maritime engineering, reviewed 5 curricula in maritime transport for NTA level, developed 5 CoC, developed 1 curriculum for maritime transport, developed and reviewed 39 curricular for CoC;
- (h) 1,319 students graduated in the Academic year 2023, Academic Council meetings , 2 academic meetings to approve examination results conducted;
- (i) Conducted internal training to 58 academic staff on research and consultancy and proposal writing;
- (j) Research and consultancy guidelines in place, scientific book for the blue economy and 20 papers were published on the international blue economy conference;

- (k) Procurement manual in place, Procurement of contract for DMI tower finalized, Procurement of two motor vehicles completed, Stock taking undertaken, Title deed for Simiyu plot obtained, review of quality assurance and compliance manual done;
- (l) Electronic reference and security system installed, 6399 books registered under KOHA system and 200 Books repaired;
- (m) 4 Ordinary meetings of Board of Governance were conducted; Stakeholders meetings convened to review the DMI Act;
- (n) Workers council meetings held, 12 monthly Management meetings held, 21 staff trained on various academic programmes, 4 disciplinary committee meetings held, succession Plan prepared, Organization structure and incentive scheme are in place; and
- (o) Implementation of a quality Standard System under ISO 9001:2015

2.7 STAKEHOLDERS RELATIONSHIP

The institute has internal and external stakeholders, and it has established a harmonious relationship with its stakeholders. During the year under review, stakeholders from both maritime and regulated services extended required cooperation and support to the institute's activities. Specifically, the institute received continuous cooperation and support from students and the government (MoWT, MoFP and OTR), GPSA and regulated service providers and the general public.

In addition, the institute has established and maintained working relationships with local entities within the country like EGA, HeSLB, ZHeSLB NACTVET, DIT, NHIF, TBS, TASAC, and TPA. Furthermore, the institute maintained international networking with relevant orans including IMO.

2.8 ICT APPLICATION SYSTEMS

The institute has ICT application systems which has automated and modernized operations, thus, improving the provision of intended services. The institutes' ICT systems in operations include the following:

- (a) Human Capital Management Information System (HCMIS);
- (b) Planning and reporting System (PLANReP);
- (c) National e-Procurement System of Tanzania ((NeST));
- (d) Mfumo wa Malipo Serikalini (MUSE);
- (e) Online Student Information Management System (OSIM);
- (f) Electronic Office Management System (e-office);
- (g) Government Salary Payment Portal (GSPP);
- (h) E-malalamiko System;
- (i) GPSA Integrated Management system (GIMS0);
- (j) Office of registrar Management Information System (OTRMIS);
- (k) Government asset Management Information system (GAMIS);
- (l) Government Mail Information System (GMIS; and

(m) Time attendance (Biometric) System.

In general, the ICT application systems is expected to improve the Institute's efficiency in service delivery. The Institute shall continue with initiative to automate business operations to enhance efficiency and reduce costs of business operations.

2.9 PERFORMANCE FOR THE YEAR UNDER REVIEW

Revenue

The Institute's recognized total revenue during the year ended 30 June 2024 was TZS 16,387 million (30 June 2023: TZS 10,987 million) which is an increase of recognized revenue by TZS 5,400 million equivalent to an increase of 49.1%. The main reason for the significant increase in revenue is an increase in the number of student enrolment in line with the solid financial resources management, adoption of best promotion strategies for programs offered by the institute and the positive response of the public on the training offered by the institute.

Expenses

The major components of expenditure during the year ended 30 June 2024 were salaries, wages and employees benefits at TZS 7,807 million (30 June 2023: TZS 4,959 million), Use of Goods and Services 30 June 2024 at TZS 6,311 million (30 June 2023: TZS 2,637 million), Maintenance Expenses 30 June 2024 at TZS 1,545 million (30 June 2023: TZS 1,014 million), Contribution to the Government Consolidated Fund and METFUND at TZS 307 million and TZS 59.8 million respectively (30 June 2023: TZS 93 million) and Depreciation and Amortization Expenses at TZS 1,011 million (30 June 2023: TZS 655 million).

The deficit during the year was TZS 1,295 million (30 June 2023: Surplus TZS 1,218 million) reflecting a decrease of 206.3%.

Despite the recorded performance on recognized revenue as at 30 June 2024 the major Debtor is student with cumulative receivables of TZS 410 million (30 June 2023: TZS 369.8 million) as shown under Note 4 of these financial statements.

Key Performance Indicators (KPI)

S/N	Specific Ratios/Key Indicators	Performance	2023/24	2022/23
1.	Growth/(Decline) in Income		49%	13%
2.	Increase/(Decrease) in Operating Expenditure		80%	11%
3.	Growth in Surplus/(Deficit)		(195%)	(23%)
4.	Current Asset Ratio		1:1	7.6:1

Source: Financial Statements 2023/24

Physical Performance

SN	OBJECTIVE	Targets	Achievement
1.	Management of HIV/AIDS and Non-Communicable diseases improved	Two (2) HIV / AIDS and Non-Communicable Diseases intervention programme facilitated to staff by June 2024	Two (2) seminars on HIV/AIDS and Non-Communicable Diseases were conducted. The first seminar was conducted on 7-12 May 2024 attended by 15 new staff while the second seminar training was conducted on 6-7 June 2024 for 140 staff
2.	Implementation of National Anti-corruption Strategy Enhanced and Corruption incidences reduced	Two (2) intervention programmes for Good Governance and Anti-Corruption Improved by June, 2024	Two (2) awareness seminar on Anti - Corruption and Code of Conduct were conducted. The first seminar was conducted on 7-12 May 2024 attended by 15 new staff while the second training was conducted on 6-7 June 2024 for 140 staff
		Quarterly ethics committee meetings conducted by June 2024	Four (4) quarterly ethics committee meetings were convened
3.	Education, Training and Maritime Capacity	6,000 students enrolled in long course programs by June, 2024	5,194 students were enrolled in long course programme
4.	Research and Consultancy Services Improved	11 staff trained in research and consultancy by June, 2024	Fourteen (14) staff were trained in research and consultancy during the second quarter
		15 Research Papers published by June, 2024	Thirteen (13) research papers were published in recognized Journal
		Fifteen (15) Consultancy Services conducted by June, 2024	The institute provided fourteen (14) consultancy services
5.	Support Services to deliver institute's functions strengthened	Revenue collection increased from TZS 8.20 billion in 2022/23 to TZS 14.88 billion by June 2024	The institute collected TZS 12.41 billion of the targeted revenue of 14.88 billion, which is an 83.40% achievement
6.	Working Teaching and learning environment improved	One (1) Crane simulator for practical training procured by June 2024	The Crane Simulator was procured and installed

Source: Planning and Development Unit

2.10 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Board of Governors accepts final responsibility for the risk management and internal control systems of the Institute. It is the task of the management to ensure that adequate internal financial and operational control systems are developed and maintained on a going concern basis in order to provide reasonable assurance regarding to:-

- (i) Effectiveness and efficiency of operations;
- (ii) Safeguarding of the Institute's assets;
- (iii) Compliance with applicable laws and regulations;
- (iv) Reliability of accounting records;
- (v) Business sustainability under normal as well as adverse conditions; and

(vi) Responsible behaviour towards all stakeholders.

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

The Board of Governors assessed the internal control systems through the financial year ended 30 June 2024 and is of the opinion that they have met acceptable criteria. The Board of Governors carries risk and internal control assessment through Audit Committee. The major risks identified and managed by the Board of Governors include:

(i) Liquidity risk

This arises where the Institute is unable to meet its payment obligations associated with its financial liabilities when they fall due. The risk exposes the Institute to a going concern issue in the event the Institute fails to achieve its planned activities. The management of this risk was through strengthening financial control mechanism.

(ii) Operational risk

This is the risk of loss resulting from inadequate or failed internal processes, people and systems or external events. Operational risk exposes the Institute to poor decision making due to ineffective and inefficient business processes. The management of this risk was through strengthening internal controls monitoring for efficient and effectiveness.

(iii) Compliance risk

The risk arising from violations of or non-conformance with laws, accounting rules, regulations prescribed practices or ethical standards. Compliance risk exposes the Institute to fines, penalties, payment of damages and the voiding of contracts. To manage the risk the Institute has put in place controls to monitor continuously the adherence to Policies, Procedures, Acts, regulations and guidelines issued by authorities that govern the operating environment.

2.11 LIQUIDITY

Operational working capital is generated through own source. The own source is generated through tuition fees (short and long course), consultation and rental charges for the buildings owned by the Institute. During the year the Institute realised income from tuition fees, consultation fees and rental charges.

2.12 BUDGETS

Detailed annual budgets are prepared by the Management for approval by Board of Governors and forwarded to the parent Ministry for review and adoption. The annual budget is derived from the Institute's Strategic Plan.

2.13 DELEGATION

The overall financial objectives of the Institute are approved by the Board of Governors. The day-to-day operations of the Institute are executed by the management. There is a clear organizational structure detailing different lines of authority.

2.14 COMPETENCY

Staff skills are maintained both by a formal recruitment process and a performance appraisal system, which identifies training needs. Also necessary training, both in house and externally helps to consolidate existing staff skills and competences.

2.15 SOLVENCY EVALUATION

The Board of Governors confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis. The Board of Governors has reasonable expectation that the Institute has adequate resources to continue in operational existence for the foreseeable future.

2.16 EMPLOYEES

A founding value of our institute has been to provide equal opportunity at working place representing wider communities that it operates. Our goal is to make sure we continue to empower our careers, aspirations and ambitions of our people equally and nurturing great talent, regardless of gender. This culture is something that we are incredibly proud of, and we believe that it is supportive environment that has helped us to recruit and retain our exceptional team.

Number of employees served during that year with gender parity were as follows:

Gender	2023/24	2022/23
Male	111	70
Female	49	29
Total	160	99

Source: Human Resource Management and Administration Unit

2.16.1 Management and Employees Relationship

There is a systematic procedure of communication with employees regularly which is done through departmental meetings, management and staff meetings, notice board, and circulars and through workers' council meetings. The relationship between employees and management continued to be good and conducive to the development of the Institute for the year 2023/24. There were no unresolved complaints received by Management from the employees during the year. A healthy relationship continues to exist between Management and trade unions.

2.16.2 Employee Benefit Plan

The Institute pays contributions to a publicly administered pension fund on mandatory basis which qualifies to be a defined contribution plan. All employees under permanent and pensionable terms are members of Public Service Social Security Fund (PSSSF). The Institute through its schemes of services outlines various incentive packages for the purpose of improving employee's welfare.

2.16.3 Medical Facilities

The Institute facilitates medical care services to employees and students through National Health Insurance Fund (NHIF).

2.16.4 Training

The Institute provides training opportunities to its employees depending on requirements as per training programme, the course range from short term to long term courses. During the year under review, 27 staff were trained on various academic programmes.

2.16.5 Financial Assistance

The Institute guarantees her employees to several financial institutions especially banks so as to secure loans depending on their ability to pay.

2.16.6 Persons with Disability

The Institute is an 'equal opportunity employer' and does not discriminate on the basis of age, sex, race or religion in her recruitment, salary or career development process. In promoting the welfare of disabled persons, the Institute employed and will employ disabled persons, with required skills and ability, subject to availability of vacancies. The Institute will also consider on merit, continuing to employ and train staff who become disabled whilst on employment. Disability would not prevent a person with requisite academic qualifications, experience and competence from being employed by the Institute. Disable employees have been considered and a friendly working environment and facilities are available.

2.16.7 Health and Safety

The Institute uses National Health Insurance Fund (NHIF) for its employees to ensure that a strong culture of safety prevails at all times. A safe working environment for all employees and students. During practical training lecturers and students are provided with adequate and proper personal protective equipment, training and supervision as necessary.

2.16.8 Cross Cutting Issues - HIV & AIDS Infection and Non-Communicable diseases

The Institute recognizes the seriousness of the HIV&AIDS epidemic and non-communicable diseases and their negative impact on the capacity to realize the National Agenda on making Tanzania free from epidemic. The Institute has adopted the National HIV/&AIDS policy and prepared its HIV&AIDS strategies, which aims at raising HIV&AIDS awareness to her employees and students. During the year under review, the institute conducted an awareness seminar on HIV&AIDS infections and preventive measures on non-communicable disease including voluntary testing where 81 were trained.

ENVIRONMENTAL CONTROL PROGRAMME

The institute has a statutory obligation to adhere to environmental management Act of 2004, where it has both legal obligation and constructive to make good on any environment claims. The institute as one of the reputable higher learning institutions has done the following on environmental issues:-

- i. Established good sewerage and sanitation system at the institute's main campus; and
- ii. Participated in exhibitions regarding environmental issues

For the year under review on default claim were instituted against the institute as a result of environmental distraction acts.

2.17 TAXATION

The Institute is the Government entity which is exempt from taxation. However, the institute with holds taxes on services/goods offered by suppliers and remit to Tanzania Revenue Authority (TRA) within the stated time.

2.18 RELATED PARTY TRANSACTION

The Institute 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 Institute, or vice versa. Members of the Board of Governors and the key management personnel are regarded as related parties. All transactions with related parties are disclosed in accordance with IPSAS 20 : "Related part disclosures". Details of related party transactions during the year under review have been appropriately disclosed in NOTE 29 to the financial statements.

2.19 CHANGES IN ACCOUNTING POLICIES AND ESTIMATES

The institute recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

2.20 POLITICAL OR CHARITABLE DONATIONS

Donations are made base on merit and where such donations would enable the beneficiaries to play a wider role to the community. The institute did not make any political or charitable donations during the year under review.

2.21 ANTI CORRUPTION

The institute's management has set clear procedures for all staff to offer excellent services and these procedures are communicated to customers to ensure services are delivered free from corruption practices. In addition new employees during induction course are oriented on anti-corruption practices in order to give them awareness and keep DMI services free from any inducements from public. During the year under review, the institute conducted two one awareness seminars whereby 140 employees were trained on public service ethics, anti-corruption.

CORPORATE SOCIAL RESPONSIBILITY

2.22

During the financial year under review, the institute financed the collection of waste materials along the coastal areas of Indian Ocean during world maritime day in October 2023. We supported financially United Nation's meeting on the assessment of the ocean environment, including economic and social issues surrounding the maritime sector. In addition, we have been supporting the Ministry financially on sports programmers for its employees. Total amount spent on the matter is TZS 50 million.

2.23 CAPITAL STRUCTURE AND CASHFLOW

The institute is wholly owned by the government of Tanzania through Treasury Registrar. Capital structure is stable and adequate. Operational working capital is generated through own source. The own source is generated through tuition fees (long course and short course), consultation fees and rental charges. During the year the institute realised income from tuition fees, consultation fees and rental charges as per approved budget.

2.24 CHALLENGES

During the financial year 2023/24 the institute encountered a number of challenges which included mostly the following:-

- i. Inadequate learning and teaching infrastructure which in turn led to limitation of student's enrolment;
- ii. Inadequate office space;
- iii. Limited internal generated fund to support both recurrent and development activities;
- iv. Shortage of qualified teachers in the maritime sector; and
- v. Non disbursement of government fund to pay the contractor for the purchase and installation of the crane simulator.

2.25 FUTURE DEVELOPMENT PLANS OF THE INSTITUTE

The Institute is planning:-

- (i) To recruit more lecturers to fill vacancies created by incumbents going on retirement, resigning and also due to an increase in the number of academic programs conducted;
- (ii) To continue running professional development courses and advanced trainings;
- (iii) To address the accommodation needs due to increased number of programs and students;
- (iv) To improve the teaching facilities for better quality of education offered;
- (v) To implement phase 1(one) of the Institute's Master plan
- (vi) To put more efforts in marketing DMI services in order to raise enrolments levels through advertisements on media, visiting schools and exhibitions including new programs/courses like transport;
- (vii) To improve institute engagement in research and consultancy services; and
- (viii) To enhance internal generated revenue;
- (ix) To Building DMI office premises at kimbiji; and
- (x) To conduct Close follow-up, visit meeting and regular verbal communication with Ministry of Finance for catalyzing payment of crane simulator fund so as to avoid penalties and conflict with the contractor.

2.26 CORPORATE GOVERNANCE

The Board of Dar es Salaam Maritime Institute is composed of 5 governors. The Board is the highest decision-making organ of the Institute. It is responsible for governing controlling and administering the Institute by making strategic decisions; formulating by-laws and regulations; approving different policies to enhance the academic excellence of the Institute; Ensuring control and administration of the Institute and ensuring proper management of the Institute's human, financial and physical resources; identifying key risk areas, considering and monitoring investment decisions, considering significant financial matters, and reviewing the performance of management business plans and budgets. The Board is also responsible for ensuring that a comprehensive system of internal control policies and procedures is operative, and for compliance with sound corporate governance principles. The Audit Committee is often given special assignments by the Chairman of the Board to assist the board on issues relating to improvement internal control and Corporate Governance.

The Board is required to meet at least four times a year. Key decisions made by the Board during their meetings were; directives on implementation of CAG's audit report and recommendations, staff development and disciplinary matters, academic performance reports, budgets and acquisition of modern training facilities. The Board delegates the day-to-day management of the business to the Rector assisted by Deputy Rector Academic Research and Consultancy and Deputy Rector Planning, Finance and Administration. Management team is invited to attend Board meetings and facilitates the effective control of all the Institute's operational activities, acting as a medium of communication and coordination between various departments/units.

2.26.1 Composition of the Board of Governors;

During the year DMI Board of governors comprises five board members as shown by table 1

Table 1: Dar es Salaam Maritime Institute Board of Governors, FY 2023/24

S/N	Name of Member	Position	Appointment	Time Served	Age	Qualification	Nationality	Appointing Authority
1	Ernest Mihayo Bupamba	Chairperson	15 April 2021	6 years	64	Diploma in Maritime Transportation	Tanzanian	Present
2	Capt. Andrew Peter Matiliya	Member	6 January 2021	6 years	70	Master Mariner	Tanzanian	Minister responsible for Maritime Affairs
3	CPA(T) Dr. Mwamini M. Tulii	Member	6 January 2021	6 years	65	ACPA(T), PHD in Accounting	Tanzanian	Minister responsible for Maritime Affairs
4	CPA(T) Hassan Igara Waryoba	Member	4 April 2021	2 years	60	MSc in finance	Tanzanian	Minister responsible for Maritime Affairs
5	Ms. Stella J. Katondo	Member	4 April 2021	2 years	57	Master of Science in Maritime Affairs	Tanzanian	Minister responsible for Maritime Affairs

Source: Secretary of the Board

During the year which ended 30 June 2024, the Board conducted four Ordinary and one Extra Ordinary meeting.

2.26.2 Board of governors committees

Dar es Salaam Maritime Institute Board of Governor constituted of three (3) committees;

- Audit committee;

- Academic committee; and
- Staff development and disciplinary committee

(i) Audit Committee:

Audit committee consisted of the three (3) members as shown by table 2

Table2: Audit Committee

Name	Position	Time Saved	Age	Qualification	Nationality
CPA(T) Dr. Mwamini M. Tulii	Chairperson	6 years	65	ACPA(T), PHD in Accounting	Tanzanian
Capt. Andrew Peter Matiliya	Member	6 years	70	Master Mariner	Tanzanian
CPA(T) Hassan Igara Waryoba	Member	2 years	60	MSc in finance	Tanzanian

Source: Secretary of the Board

The committee has the objective of enhancing internal controls by assisting the Board of Governors to fulfil stewardship, Leadership and controls responsibility in managing the Institute's resources. Matters discussed include internal audit and external audit reports and financial budget.

(ii) The Staff Development and Disciplinary Committee

The staff Development and Disciplinary Committee consisted of four (4) as shown by table 3

Table3: Staff Development and Disciplinary Committee

Name	Position	Time Saved	Age	Qualification	Nationality
Ms. Stella J. Katondo	Chairperson	2 years	57	Master of Science in Maritime Affairs	Tanzanian
CPA(T) Dr. Mwamini M. Tulii	Chairperson	6 years	65	ACPA(T), PHD in Accounting	Tanzanian
CPA(T) Hassan Igara Waryoba	Member	2 years	60	MSc in finance	Tanzanian
Beatrice K. Patrick	Co-opted	2 years	54	Masters of philosophy in Public Administration and Organizational theory	Tanzanian

Source: Secretary of the Board

Key issues discussed by the Committee include staff development and disciplinary matters

(iii) The Academic Committee

The Academic Committee consisted of four (4) members as shows by table 4

Table 4: Academic Committee

Name	Position	Time Saved	Age	Qualification	Nationality
Capt. Andrew Peter Matiliya	Chairperson	6 years	70	Master Mariner	Tanzanian
Ms. Stella J. Katondo	Member	2 years	57	Master of Science in Maritime Affairs	Tanzanian
CPA(T) Dr. Mwamini M. Tulii	Chairperson	6 years	65	ACPA(T), PHD in Accounting	Tanzanian
Eng. Thomas J. Mayagilo	Co-opted	2 years	75	Master of Maritime Education and Training	Tanzanian

Source: Secretary of the Board

Matters discussed among other things include academic performance reports, enhancing academic staff training, acquisition of modern training facilities.

(iv) Board Members Attendances

Outlined below is the attendance of the quarterly board meetings held during the year.

Table 5: Board of governors Meetings held during the year

Name	20 August 2023	2 December 2023	24 February 2024	12 May 2024	Attendance
Capt. Ernest M. Bupamba	YES	YES	YES	YES	100%
Capt. Andrew Peter Matiliya	YES	YES	YES	YES	100%
CPA(T) Dr. Mwamini M. Tulii	YES	YES	YES	YES	100%

DAR ES SALAAM MARITIME INSTITUTE (DMI)

Name	20 August 2023	2 December 2023	24 February 2024	12 May 2024	Attendance
CPA(T) Hassan Igara Waryoba	YES	YES	YES	YES	100%
Ms. Stella J. Katondo	YES	YES	YES	YES	100%

Source: Secretary of the Board

Table 6: Academic Committee Meetings held during the year

Name	17 August 2023	30 November 2023	24 February 2024	9 May 2024	Attendance
Capt. Andrew Peter Matiliya	YES	YES	NO	YES	75%
CPA(T) Dr. Mwamini M. Tulii	YES	YES	YES	YES	100%
Ms. Stella J. Katondo	YES	YES	YES	YES	100%
Eng. Thomas J. Mayagilo	YES	YES	YES	YES	100%

Source: Secretary of the Board

Table 7: Audit Committee Meetings held during the year

Name	16 August 2023	26 October 2023	22 February 2024	27 April 2024	Attendance
CPA(T) Dr. Mwamini M. Tulii	YES	YES	YES	YES	100%
Capt. Andrew Peter Matiliya	YES	YES	YES	YES	100%
CPA(T) Hassan Igara Waryoba	YES	YES	YES	YES	100%

Source: Secretary of the Board

Table 8: Staff Development and Disciplinary Committee Meetings held during the year

Name	18 August 2023	1 December 2023	21 February 2024	8 May 2024	Attendance
Capt. Andrew Peter Matiliya	YES	YES	YES	YES	100%
CPA(T) Dr. Mwamini M. Tulii	YES	YES	YES	YES	100%
CPA(T) Hassan Igara Waryoba	YES	YES	YES	YES	100%
Ms. Stella J. Katondo	YES	YES	YES	YES	100%
Beatrice K. Patrick	YES	YES	YES	YES	100%

Source: Secretary of the Board

2.26.3 Board of Governors Evaluation and Training

The board itself regularly undergoes self-assessment and evaluation in order to improve the internal governance of the Board.

Training is provided in order to ensure that board keeps abreast with current developments in the market. In 2023/24 one training which was held for Board.

2.26.4 Tender Board

The Tender Board performs the functions as provided in the Public Procurement Act, 2011 (As amended in 2016). It is appointed by Rector in compliance with the Public Procurement of 2011 Act and its regulations as amended. The names of the Tender Board committee Members, who served DMI during the year ended 30 June 2024 are as follows:

Table 9: Tender Board Composition

S/N	Name	Position	Date of Appointment
1	Ms. Regina S. Mbilinyi	Chairperson	2 December 2022
2	Dr. Weneld Ngongi	Member	9 July 2021
3	Eng. Fortunata Kakwaya	Member	9 July 2021
4	Mr. Anderson Tweve	Member	2 December 2022

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S/N	Name	Position	Date of Appointment
5	Mr. Cletus R. Mnzava	Member	9 July 2022
6	Mr. Raymond M. Chambua	Member	9 July 2022
7	Dr. Benjamini Meli	Member	2 December 2022

Source: Procurement Management Unit

2.27 AUDITORS

The controller and auditor General is the statutory auditor for the Dar es Salaam Maritime Institute by virtue of Section 9 - 12 of the Public Audit Act, CAP 418, and Section 30 of the Public Finance Act, CAP 348 . Ms TAC Associates a firm of Certified Public Accountants located at Plot No. 10 Malik Road, Upanga, Dar es Salaam, were authorized to carry out the audit of Dar es Salaam Maritime Institute on behalf of Controller and Auditor General for the financial year ended 30 June 2024.

2.28 APPROVAL OF THE FINANCIAL STATEMENTS

The financial Statements of the Institute are approved by the board of Governors and are signed on its behalf by:



Prof. Godius Walter Kahyarara
Secretary General
Ministry of Transport

Date: 24th March 2025



Prof. Wilfred Johnson Kileo
Ag. Rector

Date: 24th March 2025

3.0 STATEMENTS OF RESPONSIBILITY BY THOSE CHARGED WITH GOVERNANCE

The Board of Governors is required under the Dar es Salaam Maritime Institute Act No 22 of 1991 to prepare financial statements for each financial year that gives a true and fair view of the state of affairs of the Institute in accordance with International Public Sector Accounting Standards issued by the International Public Sector Accounting Standards Board (IPSASB).

The Board of Governors confirms that accounting policies have been applied consistently; reasonable and prudent judgment and estimates have been made in the preparation of these financial statements for the period ended 30 June 2024. The Board of Governors also confirms that the financial statements have been prepared on a going concern basis.

The Board of Governors is responsible for keeping proper accounting records that disclose with reasonable accuracy the financial position of the Institute at any time and enable them to ensure that the financial statements comply with Dar es Salaam Maritime Institute Act No 22 of 1991. They are also responsible for safeguarding the assets of the Institute and, hence, for taking reasonable steps for the prevention and detection of fraud, errors, and other irregularities.

We accept responsibility for the integrity of the financial statements, the information they contain and their compliance with the Public Finance Act Cap 348 and instructions issued by Treasury in respect of the year under review.

The Board of Governors have made an assessment of the Institute's ability to continue as a going concern and have no reason to believe the operations will not be a going concern in the Financial year ahead.

Signed by: 

Prof. Godius Walter Kahyarara
Secretary General
Ministry of Transport

Date: 24th March 2025

4.0 DECLARATION OF FINANCE AND ACCOUNTS MANAGER

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

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

I, CPA(T) Peter T. Lwongola for Finance and Accounts Manager of Dar es Salaam Maritime Institute (DMI) hereby acknowledge 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 Dar es Salaam Maritime Institute (DMI) as on that date and that they have been prepared based on appropriate maintained financial records.

Signature: 

Position: For Finance and Accounts Manager (FAM)

NBAA Membership No: ACPA 2889

Date: 24th March 2025

5.0 FINANCIAL STATEMENTS

5.1 STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	2023/24 TZS	As Restated 2022/23 TZS
ASSETS			
Current Assets			
Cash and Cash Equivalents	3	1,269,207,999	4,048,013,231
Receivables	4	270,079,787	314,399,872
Prepayments	5	1,002,691,268	274,410,671
Inventories	6	165,509,973	133,689,060
TOTAL		2,707,489,027	4,770,512,834
Non-Current Assets			
Property, Plant and Equipment	7A & 7B	11,181,999,413	8,254,745,819
Intangible Assets	8	39,695,900	43,141,500
Work in Progress	9	309,636,000	295,996,000
Total		11,531,331,313	8,593,883,319
TOTAL ASSETS		14,238,820,340	13,364,396,153
LIABILITIES			
Current Liabilities			
Payables and Accruals	10	2,501,337,041	102,629,612
Deposits	11	32,513,500	539,652,876
Total Current Liabilities		2,533,850,541	642,282,488
Net Assets		11,704,969,799	12,722,113,665
NET ASSETS/EQUITY			
Capital Contributed by:			
Taxpayers/Share Capital		6,489,075,000	6,489,075,000
Accumulated Surpluses/Deficits		5,215,894,799	6,233,038,665
TOTAL NET ASSETS		11,704,969,799	12,722,113,665

The financial statements were adopted by governing board on 24/03/2025 and signed on its behalf by;



Prof. Godius Walter Kahyarara
Secretary General
Ministry of Transport

Date 24th March 2025



Prof. Wilfred Johnson Kileo
Ag. Rector

Date 24th March 2025

DAR ES SALAAM MARITIME INSTITUTE (DMI)

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

REVENUE Revenue	Note	2023/24 TZS	As Restated 2022/23 TZS
Revenue from Exchange Transactions	12	10,462,404,132	6,515,164,124
Fees, Fines, Penalties and Forfeits	13	50,526,861	67,725,321
Gain on financial assets		36,408,915	0
Gain on Foreign Exchange Translation		857,782	0
Other Revenue	14	1,899,222,938	1,626,107,276
Subvention from other Government entities	15	3,937,157,130	2,777,872,191
Total Revenue		16,386,577,758	10,986,868,912
EXPENSES AND TRANSFERS			
Expenses			
Wages, Salaries and Employee Benefits	16	7,806,517,996	4,959,218,915
Use of Good and Services	17	6,311,388,276	2,637,009,409
Maintenance Expenses	18	1,544,853,581	1,014,383,039
Other Expenses	19	556,065,368	311,089,264
Expected Credit Loss		84,972,672	98,770,708
Depreciation of Property, Plant and Equipment	7A & 7B	1,007,130,305	640,911,584
Amortization of Intangible	8	3,445,600	14,380,500
Total Expenses		17,314,373,798	9,675,763,419
Transfer			
Other Transfer	20	366,958,725	93,473,828
Total Transfer		366,958,725	93,473,828
TOTAL EXPENSES AND TRANSFERS		17,681,332,523	9,769,237,247
SURPLUS/(DEFICIT) FOR THE YEAR		(1,294,754,765)	1,217,631,665

The financial statements were adopted by governing board on 24/3/2025 and signed on its behalf by;



Prof. Godius Walter Kahyarara
Secretary General
Ministry of Transport

Date 24th March 2025



Prof. Wilfred Johnson Kileo
Ag. Rector

Date 24th March 2025

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

	Tax Payer's Fund TZS	Accumulated Surplus/(Deficit) TZS	Total TZS
Opening Balance as at 1 July 2023	6,489,075,000	6,233,038,665	12,772,113,665
Other Appropriations NOTE 24		277,610,899	277,610,899
Surplus/(Deficit) for the Year	0	(1,294,754,765)	(1,294,754,765)
Closing Balance as at 30 June 2024	6,489,075,000	5,215,894,799	11,704,969,799
Opening Balance as at 1 July 2022	6,489,075,000	4,320,498,000	10,809,573,000
Other Appropriations		694,909,000	694,909,000
Surplusfor the Year as previously reported	0	1,316,402,373	1,316,402,373
Adjustment for expected credit loss		(98,770,708)	(98,770,708)
Closing Balance as at 30 June 2023 as restated	6,489,075,000	6,233,038,665	12,772,113,665

The financial statements were adopted by governing board on 24/3/2025 and signed on its behalf by;



Prof. Godius Walter Kahyarara
Secretary General
Ministry of Transport

Date 24th March 2025



Prof. Wilfred Johnson Kileo
Ag. Rector

Date 24th March 2025

DAR ES SALAAM MARITIME INSTITUTE (DMI)

5.4 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

	Note	2023/24 TZS	2022/23 TZS
CASH FLOW FROM OPERATING ACTIVITIES			
RECEIPTS			
Subvention from other Government entities	15	3,937,157,130	2,777,872,191
Revenue from Exchange Transactions	21	10,421,751,545	6,380,387,381
Other Revenue	14	1,899,222,938	1,626,107,276
Increase in Deposit	11	0	539,652,876
Fees, Fines, Penalties and Forfeits	13	50,526,861	67,725,321
Total Receipts		<u>16,308,658,474</u>	<u>11,391,745,045</u>
PAYMENTS			
Wages, Salaries and Employee Benefits	22	7,774,876,997	4,961,718,915
Use of Goods and Services	23	6,483,936,796	2,927,118,731
Other Transfers	20	366,958,725	93,473,828
Other Expenses	19	556,065,368	311,089,264
Maintenance Expenses	18	1,544,853,581	1,014,383,039
Decrease in Deposits		507,139,376	0
Total payments		<u>17,233,830,843</u>	<u>9,307,783,777</u>
NET CASH FROM OPERATING ACTIVITIES		(925,172,369)	2,083,961,268
CASH FLOW FROM INVESTING ACTIVITIES			
Investing Activities			
Payment for Works in Progress		(13,640,000)	0
Advance payment for acquisition Property, Plant and Equipment	5	(964,593,273)	(274,410,671)
Acquisition of Property, Plant and Equipment		(912,666,288)	(963,787,403)
NET CASH USED INVESTING ACTIVITIES		<u>(1,890,899,561)</u>	<u>(1,238,198,074)</u>
Net Increase/(Decrease)		(2,816,071,930)	845,763,194
Cash and Cash Equivalents at beginning of period		<u>4,091,413,194</u>	<u>3,245,650,000</u>
Sub Total		<u>1,275,341,265</u>	<u>4,091,413,194</u>
Add: Gain on Foreign Exchange Translation		857,782	0
Cash and Cash Equivalents at end of period	3	<u>1,276,199,047</u>	<u>4,091,413,194</u>

The financial statements were adopted by the governing board on 24/3/2025 and signed on its behalf by;



Prof. Godius Walter Kahyarara
Secretary General
Ministry of Transport

Date 24th March 2025



Prof. Wilfred Johnson Kileo
Ag. Rector

Date 24th March 2025

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

Receipts	Original Budget TZS	Reallocations/ Adjustments TZS	Final Budget (B) TZS	Actual amount on Comparison Basis (A) TZS	Different Final Budget & Actual (A - B)	
					TZS	%
Subvention from Other Government Entities	5,657,612,000	0	5,657,612,000	3,937,157,130	(1,720,454,870)	30.4
Revenue from Exchange Transactions	16,411,773,110	0	16,411,773,110	10,421,751,545	(5,990,021,566)	36.5
Other Revenue	2,176,334,036	0	2,176,334,036	1,899,222,938	(277,111,097)	12.7
Fees, Fines, Penalties and Forfeits	<u>64,800,000</u>	<u>0</u>	<u>64,800,000</u>	<u>50,526,861</u>	<u>(14,273,139)</u>	<u>22.0</u>
Total Receipts	<u>24,310,519,146</u>	<u>0</u>	<u>24,310,519,146</u>	<u>16,308,658,474</u>	<u>(8,001,860,672)</u>	<u>32.9</u>
PAYMENTS						
Wages, Salaries and Employee Benefits	7,715,102,219	84,770,220	7,630,331,999	7,774,876,995	(144,544,996)	(1.9)
Use of Goods and Services	6,600,255,201	226,912,422	6,373,342,779	6,483,936,796	(110,594,017)	(1.7)
Other Transfers	71,000,000	0	71,000,000	366,958,725	(295,958,725)	(416.8)
Other Expenses	2,793,215,644	(29,493,000)	2,822,708,644	556,065,368	2,266,643,276	80.3
Maintenance Expenses	2,897,805,941	(276,589,642)	3,174,395,583	1,544,853,581	1,629,542,002	51.3
Acquisition of Property, Plant and Equipment -CFS	<u>4,233,140,141</u>	<u>(5,600,000)</u>	<u>4,238,740,141</u>	<u>1,890,899,561</u>	<u>2,347,840,580</u>	<u>55.40</u>
Total Payments	<u>24,310,519,146</u>	<u>0</u>	<u>24,310,519,146</u>	<u>18,617,591,028</u>	<u>5,692,928,118</u>	<u>23.4</u>
Net Receipts/(Payments)				<u>(2,308,932,554)</u>		

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

5.6.1 GENERAL INFORMATION

Dar es Salaam Maritime Institute (DMI) was established under the Dar es Salaam Maritime Institute Act No 22 of 1991 which came into operation on 01 July 1992. Prior to that, the Institute was operating as department of the Ministry of Communication and Transport.

The main functions of the Institute are to provide facilities for the study and training in the principles, procedures and techniques of basic training of seafares, Marine engineering, Navigation, management of shipping enterprises, special skills of pilotage and tug handling and such other related subjects.

The Institute's registered office is located at Sokoine Drive at Plot No. 1 Dar es Salaam with a postal address of 6727, Dar es Salaam

5.7 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied in all years presented, unless otherwise stated.

(a) Basis of Preparation

These financial statements have been prepared in accordance with, and comply with International Public Sector Accounting Standards (IPSAS) for the accrual basis of accounting. The financial statements have been prepared under the historical cost of fixed assets. The financial statements are prepared in Tanzania shilling (TZS), rounded to the nearest thousands ('000). The cash flow statement is prepared using the direct method.

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

Dar es Salaam Maritime Institute (DMI) prepares its financial Statements on Accrual Basis IPSAS whereby effects of transactions and other events are recognised when they occur and not as cash or its equivalents is received or paid and they are recorded in the accounting records and reported in the Financial Statements of the periods to which they relate.

(b) Significant accounting policies

The financial statements have been prepared on a going concern basis. The statements also comply with international public sector accounting Standards (IPSAS) for the accrual basis of

accounting in as far as the IPSAS adopted in concerned. The following IPSAS which are applicable to the Institute have been adopted.

IPSAS 1: Preparation of financial statements

IPSAS 2: Cash flow statements

IPSAS 3: Accounting policies, changes in accounting estimates and errors

IPSAS 4: the effects of foreign exchange rates

IPSAS 9: Revenue from exchange transactions

IPSAS 12: Inventories

IPSAS 17: Property, Plant and Equipment

IPSAS 19: Provisions, contingent liabilities and contingent assets

IPSAS 20: Related party disclosure

IPSAS 23: Revenue from Non-Exchange Transactions

IPSAS 24: Presentation of budget information in financial statements

IPSAS 31: Intangible assets

IPSAS 41: Financial instruments

DISCLOSURE OF COMPLIANCE OF IPSAS 41

Inputs into measurement of ECLs

The key inputs into the measurement of ECLs are the discounted product of: probability of default (PD), loss given default (LGD) and exposure at default (EAD).

The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

EAD is based on the amounts DMI expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD). Loss Given Default (LGD) represents the Bank's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD).

LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment.

a) ECL Cash and cash equivalent

Entries were made on the financial statements to determine ECL Expenses and ECL Provisions

Cash and cash equivalent for the year ended 2023 has decreased from TZS 4,091,413,194 to TZS 4,048,013,231 due to provision of ECL Cash of TZS 43,399,963

b) ECL Receivables

Entries were made on the financial statements to determine ECL Expenses and ECL Provisions

Revenue Recognition

Revenue comprises of Revenue from Exchange Transactions and Revenue from Non-Exchange Transactions (Transfers).

Revenue includes only the gross inflows of economic benefits or service potential received and receivable by the entity on its own account. Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly given approximately equal value (primary in the form of cash, goods, services, or use of assets) to another entity in exchange.

Revenue is measured at the fair value of the consideration received or receivable and is recognized only when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity.

REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from Exchange Transactions includes students Fee, Life-raft Revenue, Interest Revenue and other revenue. Revenue from exchange transactions are recognized as follows:

- | | |
|------------------------|---|
| (i) Students fees | Students' fees are recognised in the accounting period in which the related academic year fails |
| (ii) Life raft revenue | Life-raft revenue is generated from servicing of the life saving equipment. Life-raft revenue is recognised in accounting period in which |
| (iii) Interest revenue | During the year under review there is no Fixed deposits Accounting maintained by the Institute as well as interest earned |
| (iv) Other revenue | Other revenue is recognized on an accrual basis, when earned. |

TRANSFERS FROM GOVERNMENT

Government Subvention and assistances received from the government and other donors are recognized when received by the Institute.

(a) Foreign Currency translations

Functional and Presentation

Items included in the financial statements of the Institute are measured using Tanzania shilling (TZS), which is the currency of the primary economic environment in which the institute operations.

Measurement currency

Items included in the financial statements of the Institute are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to the Institute.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities at the year-end expressed in foreign currencies are translated into functional currency using exchange rates prevailing at the end of the financial year. Transaction losses/gains on loans used to finance capital construction projects are capitalized as part of construction work-in progress. All other exchange rates gains and losses are reflected in the Income and Expenditure Statement.

(b) Property, plant and Equipment

Property, Plant and Equipment are initially recorded a historical cost which includes expenditure that is directly attributable to the acquisition of the items. Subsequently, Property, Plant and Equipment were revalue and are shown at revalue amounts, less subsequent depreciation. Subsequent costs are included in the asset's carrying.

Amount or recognized as separate asset, as appropriate only when it is probable that the future economic benefits associated with the item will flow to the |Institute and the cost of the item can be measured reliable. All other repairs and maintenance are charges to the income statement during the financial period in which they are incurred. Increases in the carrying amount arising on revaluation of machinery and equipment credited to other reserves in equity.

Some or the entire revaluation surplus included in net assets/equity can be transferred directly to accumulated surpluses or deficit when the assets are derecognized. However, the entity transfers some or the whole of the revaluation surplus to accumulated surplus or deficit when the assets to which the surplus related are retired or disposed.

i) Depreciation

Depreciation is calculated to write off the cost/valuation of each asset to its residual value over the estimated economic useful lives on a straight line basis. The annual rates, which are consistent with those applied in the previous year, are as under:

Table 1: Depreciation Rates

Item	Rate (%)
Buildings	2
Machinery and Marine Equipment	7
Office furniture, fittings and Equipment	20
Motor Vehicles	20
Books	20
Audio Visual Equipment	25
Computer Hardware	25
Software and Simulators	25

ii) Impairment of Long-lived Assets

Machinery and Equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount, which is the higher of an asset's net selling price and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

(c) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in first-out (FIFO) method. The cost of inventories comprises direct costs and related overheads but excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less the selling expenses. Provision for damaged and obsolete inventories is made on the accounts on specific stock items found to be defective.

(d) Deposits, Prepayments and receivables

Deposits, prepayments and receivables are recognized initially at a fair value and subsequently measured at amortized cost net of provision for impairment.

(e) Provision for impairment

Provision for impairment of receivables is established when there is objective evidence that the institute will not be able to collect all amounts due according to the original terms of the specific receivables. The loss is recognized through income and Expenditure Statement.

(f) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at face value. For the purposes of the cash flow statement cash and cash equivalent comprise cash in hand. Cash at bank Deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

(g) Capital grant

Government grants and development funds are not recognized until there is reasonable assurance that the Institute will comply with the conditions attached to them and that the grants will be received. Government grants and development funds are recognized in the statement of financial performance on a systematic basis over the periods in which the institute recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Institute should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Capital grant comprises or grant received from government for financing various projects.

(h) Payable and Accrued Charges

Payables are recognized at fair value. Other payables are recognized when incurred through either enjoyment of services on credit and/or receiving goods supplied on credit.

(i) Financial Risk Management

The overall risk management focuses on the unpredictable financial markets and it's aimed at minimizing potential adverse effects on the Institute's financial performance. The role of the Institute's risk management is primarily vested in the Finance Department under guidance of the Board of governors. The specific risk management policies of the Institute are as follows:

(j) Liquidity Risk

The Institute had a prudent liquidity risk management through maintaining sufficient cash to cover committed credit facilities and working capital requirements.

(k) Receivables

The Institute's customers are mainly composed of students and tenants. Students are required to pay fees in cash to cover tuition and other facilities at the Institute which tenants are required to pay rent in cash. Few students faced with short term financial difficulties are allowed to continue with studies but they are denied to sit for their financial examinations until they make good the amount owed.

(I) Foreign Currency Risk

Foreign currency risk is managed at an operational level and it is monitored by Finance Department. Losses which arise from foreign liabilities are managed through timely payment of outstanding liabilities.

Presentation of the budget information

The financial statements in conformity the IPSAS 24 requires management of a public sector entity to show comparison of budget amounts arising from execution of the budget to be included in the financial statements of the entity which are required to, or elect to make publicly available their approved budget for which they are, therefore, held publicly accountable. The Institute prepares its financial statements clearly indicating the actual expenditure in comparison with the approved budgetary provisions and in so doing fully complies with this Standard. The statement of comparison of budgeted and actual amounts has been presented using accrual basis of accounting.

NOTE 3 Cash and Cash Equivalents	30 June 2024 TZS	30 June 2023 TZS
BoT Own source Collection Account	217,084,622	271,220,825
Cash in hand	0	22,424,600
Deposit Cash Account	0	13,600,000
Development Expenditure Cash Account	11,093,777	50,499,782
HESLB Funds Account	88,554,277	1,676,962,894
Ownsource Collection Account - NMB	0	18,552,125
Ownsource Collection Account NBC - USD	0	34,500
Ownsource Development Expenditure	154,113,996	26,354,119
Ownsource Recurrent Expenditure GF	614,524,802	753,676,412
Recurrent Expenditure Cash Account	36,035,835	0
Unapplied Cash Account	0	139,891,500
Imprest Account	2,968,520	0
USD BOT Collection Account	101,947,401	1,039,832,658
USD Recurrent Expenditure	49,875,817	78,363,779
Sub - Total	1,276,199,047	4,091,413,194
Less: Provision for Expected Credit Loss (NOTE 3A)	(6,991,048)	(43,399,963)
Total	1,269,207,999	4,048,013,231

NOTE 3A Provision for Expected Credit Loss

Opening Balance	43,399,963	0
(Decrease)/Increase in Provision	(36,408,915)	43,399,963
Balance Carried Forward	6,991,048	43,399,963

NOTE 4 Receivables		
Receivables from Exchange Transactions	0	10,381,650
Trade Receivables	410,423,204	359,388,967
Less: Expected Credit Loss		
	<u>140,343,417</u>	<u>55,370,745</u>
Total	<u>270,079,787</u>	<u>314,399,872</u>
NOTE 4A Provision for Expected Credit Loss		
Opening Balance	55,370,745	0
(Decrease)/Increase in Provision		
	<u>84,972,672</u>	<u>55,370,745</u>
Balance Carried Forward	<u>140,343,417</u>	<u>55,370,745</u>
NOTE 5 Prepayments		
Prepayment - Consumable	38,097,995	0
Prepayment Assets - Monetary	<u>964,593,273</u>	<u>274,410,671</u>
Total	<u>1,002,691,268</u>	<u>274,410,671</u>
NOTE 6 Inventories		
Consumable	104,746,273	101,685,197
Fuel	<u>60,763,700</u>	<u>32,003,863</u>
Total	<u>165,509,973</u>	<u>133,689,060</u>

NOTE 7B: Property, Plant and Equipment

	COST	As at 1 July 2022	Additions - Non Monetary	Additions - Monetary	As at 30 June 2023	DEPRECIATION	As at 1 July 2022	Charge for the Year	As at 30 June 2023	NET BOOK VALUE	As at 30 June 2023	As at 30 June 2022
Machinery and Marine Equipment	TZS	1,384,265,264	0	0	619,664,971	1,605,464,139	619,664,971	1,643,320,969	64,951,920	580,919,625	52,415,625	531,030,848
Motor Vehicles	TZS	1,068,011,799	481,119,035	0	64,951,920	528,504,000	605,634,541	4,190,736,000	2,017,901,000	10,414,717,575	1,093,822,000	0
Furniture, Fittings and Equipment	TZS	619,664,971	0	0	64,951,920	528,504,000	605,634,541	4,190,736,000	2,017,901,000	10,414,717,575	1,093,822,000	0
Graduation Gown	TZS	64,951,920	0	0	64,951,920	528,504,000	605,634,541	4,190,736,000	2,017,901,000	10,414,717,575	1,093,822,000	0
Library Books	TZS	528,504,000	0	0	64,951,920	528,504,000	605,634,541	4,190,736,000	2,017,901,000	10,414,717,575	1,093,822,000	0
Computer Hardware	TZS	605,634,541	0	0	64,951,920	528,504,000	605,634,541	4,190,736,000	2,017,901,000	10,414,717,575	1,093,822,000	0
Land	TZS	4,190,736,000	612,702,965	0	64,951,920	528,504,000	605,634,541	4,190,736,000	2,017,901,000	10,414,717,575	1,093,822,000	0
Building	TZS	2,017,901,000	0	0	64,951,920	528,504,000	605,634,541	4,190,736,000	2,017,901,000	10,414,717,575	1,093,822,000	0
Total	TZS	10,414,717,575	1,093,822,000	0	64,951,920	528,504,000	605,634,541	4,190,736,000	2,017,901,000	10,414,717,575	1,093,822,000	0

NOTE 8- Intangible Assets

	Computer Software	
	2023/24	2022/23
	TZS	TZS
COST		
As at 1 July	1,781,716,000	1,781,716,000
Additions	<u>0</u>	<u>0</u>
As at 30 June	<u>1,781,716,000</u>	<u>1,781,716,000</u>
AMORTISATION		
As at 1 July	1,738,574,500	1,724,194,000
Charge for the Year	<u>3,445,600</u>	<u>14,380,500</u>
As at 30 June	<u>1,742,020,100</u>	<u>1,738,574,500</u>
NET BOOK VALUE		
At 30 June	<u>39,695,900</u>	<u>43,141,500</u>

NOTE 9- Work in Progress

	2023/24	2022/23
	TZS	TZS
Opening Balance 1 July	295,996,000	694,909,000
Addition - Monetary	13,640,000	0
Less: Transfer to PPE - Land	<u>0</u>	<u>398,913,000</u>
Balance at 30 June	<u>309,636,000</u>	<u>295,996,000</u>

NOTE 10- Payables and Accruals

Supplies of Goods and Services	0	102,629,612
Staff Claims	31,641,000	0
Payables - Assets Addition	<u>2,469,696,041</u>	<u>0</u>
Total	<u>2,501,337,041</u>	<u>102,629,612</u>

NOTE 11- Deposits

Customers Deposits (Advance)	<u>32,513,500</u>	<u>539,652,876</u>
Total	<u>32,513,500</u>	<u>539,652,876</u>

NOTE 12- Revenue from Exchange Transactions

	2023/24	2022/23
	TZS	TZS
Admission Fees	634,539,130	245,719,356
Marine Service Charges	22,940,600	12,753,005
Receipts from Tuition Fees	<u>9,804,924,402</u>	<u>6,256,691,763</u>
Total	<u>10,462,404,132</u>	<u>6,515,164,124</u>

	2023/24 TZS	2022/23 TZS
NOTE 13 Fees, Fines, Penalties and Forfeits		
Fines	<u>50,526,861</u>	<u>67,725,321</u>
Total	<u>50,526,861</u>	<u>67,725,321</u>
NOTE 14 Other Revenue		
Miscellaneous Income	4,565,560	
Receipt from Consultancy Fees	1,714,216,928	149,773,240
Rent fee	<u>180,440,450</u>	<u>1,476,334,036</u>
Total	<u>1,899,222,938</u>	<u>1,626,107,276</u>
NOTE 15 Subvention from other Government Entities		
Subvention Other Change	285,416,667	0
Government Grant Personal Entities	<u>3,651,740,463</u>	<u>2,777,872,191</u>
Total	<u>3,937,157,130</u>	<u>2,777,872,191</u>
NOTE 16 Wages, Salaries and Employee Benefits		
Casual Labour Expenses	80,909,000	3,570,976
Casual Labourers	35,339,977	0
Civil Servants	3,625,658,396	2,762,736,031
Councilors Allowance	67,158,303	76,150,000
Court Attire Allowance	0	5,350,000
Fuel Allowances	0	2,760,000
Electricity	26,635,000	29,220,000
Extra Duty	855,812,753	314,695,124
Food and Refreshment	165,627,542	17,025,000
Furniture	48,000,000	12,000,000
Honoraria	197,297,975	61,400,000
Housing Allowance	113,450,000	85,800,000
Internship Allowance	1,601,610	0
Invigilators Allowances	10,326,492	123,270,000
Leave Travel	24,805,150	29,475,040
Medical and Dental Refunds	1,200,000	0
Moving Expenses	0	116,800,000
Non-Civil Servant Contracts	1,152,460,644	718,855,372
Outfit Allowance	2,260,000	0
Professional Allowances	63,002,398	30,745,000
Responsibility Allowance	90,000,000	66,200,000
Sitting Allowance	895,079,442	318,031,876
Special Allowance	281,533,315	134,034,496
Subsistence Allowance	10,780,000	4,000,000
Telephone	<u>57,580,000</u>	<u>47,100,000</u>
Total	<u>7,806,517,997</u>	<u>4,959,218,915</u>

NOTE 17 Use of Goods and Services

	2023/24	2022/23
	TZS	TZS
Advertising and publication	57,675,019	29,200,000
Air Travel, Tickets Travel - In - Country	117,454,951	43,157,669
Air Travel, Tickets Travel - out of Country	52,252,473	42,000,000
Communication Network Services	0	34,104,408
Computer Software	60,897,956	2,900,000
Conference Facilities	380,677,576	63,535,000
Diesel	115,836,400	124,892,558
Drugs and Medicines	1,600,000	1,200,000
Educational Radio and TV broadcasting programming	0	8,620,000
Electricity	124,640,939	84,000,000
Examination Expenses	179,727,500	150,259,800
Exhibition, Festivals and Celebrations	22,472,500	0
Food and Refreshments	155,972,383	166,625,615
Food and Refreshments	6,306,840	0
Furniture and Appliances	250,000	600,000
Gifts and Prizes	13,340,000	2,000,000
Ground Travel (bus, Railway tax, etc) Travel - In - Country	594,608,650	145,794,766
Ground Travel (bus, Railway tax, etc) Travel out of Country	2,824,025	650,000
Tuition Fees Training	261,928,863	0
Hiring of Training Facilities	2,370,000	1,200,000
Remuneration of Instructors	202,340,000	0
Internet and Email connections	206,868,745	45,655,000
Advertising and Communications	40,807,494	0
Courier Services	306,600	0
Lubricants	1,832,000	18,500,000
Materials Testing Services	50,013,344	25,000,000
Mobile Charges	6,926,392	5,387,720
Newspapers and Magazines	0	1,365,000
Office Consumables (papers, pencils, pens and stationaries)	342,161,874	200,141,405
Computer Supplies and Accessories	7,967,260	0
Printing and Photocopy paper	10,602,400	
Books, Reference and Periodicals	41,978,396	0
Per Diem - Domestic	2,195,068,788	1,047,497,239
Per Diem - Foreign	103,807,407	30,511,285
Visa Application Fees	595,200	0
Printing and Photocopying Costs	75,973,554	14,861,100
Outsourcing Costs (includes cleaning and security services)	95,980,807	79,059,117
Printing Material	36,902,320	11,800,000
Production and Printing of Training Materials	2,732,000	3,750,000

Protective Clothing, footwear and gears	6,264,800	9,000,000
Laundry and Cleaning Expenses	850,000	0
Rent - Housing	1,800,000	0
Rent - Office Accommodation	359,809,357	1,000,000
Research and Dissertation	110,675,476	53,875,000
Sewage Charges	0	100,000
Special Uniforms and Clothing	15,130,600	7,380,000
Special Women Clothes	4,680,000	7,420,000
Specialized Medical Supplies	4,409,900	2,200,000
Subscription Fees	55,607,200	23,586,241
Exercise Books	120,000	0
Technical Materials	20,352,885	22,692,000
Special Needs material supplies	6,282,000	0
Laboratory small non-durable equipment	4,905,000	0
Training Aids	10,182,500	23,150,000
Training Allowance	7,000,000	7,000,000
Training Materials	51,309,749	49,320,200
Air Travel Tickets Training - Domestic	31,307,900	0
Ground Transport (Bus, Train, Water)	1,540,000	0
Tuition Fees Training - Foreign	5,000,000	11,958,289
Uniforms and Ceremonial Dresses	31,592,156	29,152,000
Uniforms - Clothing, Bedding, Footwear and Services	3,500,000	2,000,000
Water Charges	5,368,097	2,907,997
Total	<u>6,311,388,276</u>	<u>2,637,009,409</u>
NOTE 18 Maintenance Expenses	2023/24	2022/23
	TZS	TZS
Cement, bricks and construction materials	235,819,865	223,798,901
Cement, Bricks and Building Materials	879,350,594	0
Computers, printers, scanners, and other computer related	22,967,785	0
Direct Labour (contracted or casual hire)- Buildings	14,897,000	3,883,600
Electrical and Telephone Cable Installations	0	300,000
Direct Labour (contracted or casual hire) - Water and Electricity	16,881,958	0
Outsource maintenance contract services	322,531,619	677,424,269
Tyres and Batteries	8,206,876	0
Small tools and equipment	0	7,000,000
Outsource maintenance contract services- Machinery, Equipment and Plant	17,480,841	33,951,500
Outsource maintenance contract services- office equipment and appliances	8,445,534	22,686,518
Repair and Maintenance of Furniture	4,375,854	0
Small Tools and Implements	0	9,000,000
Motor Vehicles and Water Craft	13,845,655	0
Spare Parts	<u>50,000</u>	<u>36,338,251</u>
Total	<u>1,544,853,581</u>	<u>1,014,383,039</u>

NOTE 19	Other Expenses	2023/24	2022/23
		TZS	TZS
	Audit Fees	57,600,000	52,230,000
	Bank Charges and Commissions	37,988,155	15,161,682
	Audit Supervision Expenses	28,800,000	0
	Education Supervision Expenses	7,800,000	0
	Facilitation Fees	3,000,000	0
	Insurance Expenses	10,000,000	0
	Material Testing Service Expenses	102,235,000	0
	Negotiated Compensation	13,600,000	0
	Parking Fees	4,935,000	0
	Quality Assurance Fees	84,782,538	0
	Reserve for safety Regulator's Costs	4,930,000	0
	Specialized Equipment and Supplies	41,627,447	0
	Burial Expenses	15,500,000	17,160,000
	Car Hire Expenses	0	0
	Consultancy Fees	126,919,540	224,637,581
	Sundry Expenses	1,140,688	0
	Registration Fees Expenses	<u>15,207,000</u>	<u>1,900,000</u>
	Total	<u>556,065,368</u>	<u>311,089,263</u>
NOTE 20	Other Transfers		
	Contribution to MET Fund	59,832,725	48,419,040
	Contribution to Consolidated Fund		
	Government of Tanzania	<u>307,126,000</u>	<u>45,054,788</u>
	Total	<u>366,958,725</u>	<u>93,473,828</u>
NOTE 21	Revenue from exchange transactions		
	Received during the year	10,462,404,132	6,515,164,124
	Add/Less: Changes in working capital Trade Receivables	<u>(40,652,587)</u>	<u>(134,776,743)</u>
	Total	<u>10,421,751,545</u>	<u>6,380,387,381</u>
NOTE 22	Wages, salaries and employee benefits		
	Incurred during the year	7,806,517,997	4,959,218,915
	Add/Less: Changes in working capital staff claim from previous year paid/ (accrued) in current year (NOTE 10)	<u>(31,641,000)</u>	<u>2,500,000</u>
	Total	<u>7,774,876,997</u>	<u>4,961,718,915</u>
		2023/24	2022/23
		TZS	TZS

NOTE 23 Use of Goods and Services

Incurred during the year	6,311,388,276	2,637,009,409
Add/Less: Changes in Working Capital (Increase)/Decrease in Inventories - NOTE 6	(31,820,913)	58,620,060
Imprest Receivables - NOTE 4	0	(51,656,126)
Supplies of Goods and Services - NOTE 10	<u>102,629,612</u>	<u>283,145,388</u>
Prepayment Consumables -NOTE 5	<u>38,097,995</u>	
Total	<u>6,483,936,796</u>	<u>2,927,118,731</u>

NOTE 24 Other Appropriations

Other appropriations of TZS 277,610,899 were in respect of additional costs for purchase of Motor Vehicles through GPSA due to foreign exchange fluctuations and price. The funds used was from recurrent expenditure in previous years and expensed erroneously thus affecting revenue reserve now corrected to PPE (Refer NOTE 7A).

NOTE 25 Reconciliation of Net Cash Flows from Operating Activities to Surplus/(Deficit) for the period ended 30 June 2024

	2023/24 TZS	2022/23 TZS
Surplus/(Deficit) for the Year	(1,294,754,765)	1,217,631,665
Add/(Less) Non-Cash items		
Amortization of Intangible Assets	3,445,600	14,380,500
Depreciation of property, Plant and Equipment	1,007,130,305	640,911,584
Expected Credit Loss in Receivables	84,972,672	55,370,745
Gain on Foreign Currency Translation (Decrease)/Increase in ECL in Cash & Cash Equivalent	(857,782)	0
	<u>(36,408,915)</u>	<u>43,399,963</u>
Cash flows from Non-Cash Items	(236,472,886)	1,971,894,458
Add/(Less) Changes in Working Capital		
Increase/(Decrease) in Deposits	(507,139,376)	539,652,875
(increase)/Decrease in Inventories	(31,820,913)	(58,620,060)
Increase/(Decrease) in Payables & Accruals	(70,988,613)	(285,645,388)
(Increase)/Decrease in Trade Prepayments	(38,097,995)	0
(increase)/Decrease in Trade Receivables	<u>(40,652,586)</u>	<u>(83,120,617)</u>
Net Cash Flows from Operating Activities	<u>(925,172,369)</u>	<u>2,083,961,268</u>

NOTE 26 Reconciliation of net receipts/(payments) in the statement budget with net increase in cash flows as at 30 June 2024

	TZS
Net decrease in cash flows	(2,816,071,930)
Decrease in deposits	507,139,376
Net payments in the statement of budget vs actual amounts	(2,308,932, 554)

NOTE 27 2022/23 Financial statements were restated to comply with IPSAS 41 on expected credit loss	As previously reported	Provision for expected credit loss	As restated
	TZS	TZS	TZS
2022/23 Statement of financial position:-			
Cash and Cash Equivalents	4,091,413,194	(43,399,963)	4,048,013,231
Receivables	369,770,617	(55,370,745)	314,399,872
2022/23 Statement of financial performance			
Surplus for the year	1,318,402,373	(98,770,708)	1,217,631,665

Explanation of variances in the statement of comparison between budget and

NOTE 28 actual amount

28.1 Subvention from other Government entities

The funding from the parent ministry was 30.4% lower than the approved budget. Consequently, there was insufficient money to hire new staff, offer promotions, and buy teaching materials.

28.2 Revenue from exchange transactions

The revenue from exchange transactions fell short of its budget target by 36.5% due to lower student enrollment than anticipated. Although the number of applicants was high, many potential students could not secure financing to attend the Institute.

28.3 Other Revenue

Earnings from other revenue decreased by 12.7% compared to the budget, as this area is not a core source of income and cannot be forecasted with certainty.

28.4 Fees, fines, penalties and forfeits

The earned income in this category was 22% lower than the budgeted amount. This decrease was attributed to a reduced number of students who either carried over or retook their subjects, lost their identity cards, or requested corrections to their certificates.

28.5 Other transfers

Due to the law governing the source of funds to the MET Fund and Treasury, DMI contributed 416.8% more than the budget allowed.

28.6 Other Expenses

The other expenses budget line was under-spent by 80.3% due to financial constraints.

28.7 Maintenance Expenses

The maintenance expenses budget line was under-spent by 51.3% due to financial constraints.

28.8 Acquisition of Property, Plant and Equipment

DMI utilized 44.6% (100% - 55.4%) of the allocated budget due to funding issues, which resulted in postponements of some acquisitions.

NOTE 29 Related Party Transactions

DMI encourage employment of key management personnel on merit and shun away from favoritism or nepotism. The key management personnel include the Members of the Board of Governors, the Rector, Deputy Rectors, and Heads of Departments and Units. During the year under review, the remuneration of the key management personnel amounted to TZS 938 million. The key management personnel had no loans with DMI. The remuneration of the key management personnel is as shown below: -

	2023/24	2022/23
	TZS	TZS
Salaries and Allowances	902,276,000	902,276,000
Council Members Fees	<u>36,000,000</u>	<u>36,000,000</u>
Total	<u>938,276,000</u>	<u>938,276,000</u>
Number of Key Management Personnel		
Remuneration	26	26

NOTE 30 Contingent Liabilities

During the year under review, there were no contingent liabilities to the Institute

NOTE 31 Events after the reporting date

There were no material events, adjusting or not adjusting which occurred between the reporting date and when the financial statements were authorized for issue.

NOTE 32 Events after the reporting date

There were no material events, adjusting or not adjusting which occurred between the reporting date and when the financial statements were authorized for issue.